

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

## **2025 Annual Report**

2026-007

**Mar. 2026**

## **2025 Annual Report**

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

#### **4. M&A risk**

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

#### **5. International political and economic environment risk**

In recent years, as geopolitical tensions have intensified and protectionist measures have gained traction, certain countries and regions, led by the United States, have continued to impose restrictive measures in the semiconductor sector, including export controls, investment reviews, and tariff hikes. These actions have created uncertainty and disruption regarding the industry's global supply chain arrangements, market access for products, pricing structures, and cross-border settlements. The Company's business covers multiple countries and regions, and overseas operations are easily affected by factors such as geopolitical conflicts, changes in diplomatic relations, trade policy adjustments, administrative regulatory interventions, and exchange rate fluctuations. The international trade environment is complex and changeable, and uncertainties and risks related to overseas operations may further intensify.

The Company's profit distribution plan approved at the meeting of the Board of Directors is as follows: To distribute a cash dividend of RMB5.00 (tax-inclusive) per 10 shares and 0 bonus shares (tax-inclusive) to all shareholders based on the total share capital of 543,347,787 shares as at March 28, 2026, with the conversion of capital reserves into the share capital of zero shares per 10 shares.

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## **Documents Available for Inspection**

I. Financial statements bearing the signatures and seals of the person in charge of the Company, the person in charge of accounting and the person in charge of the accounting department (Accounting Officer);

II. Originals of the auditor's reports bearing the seals of the accounting firm and the signatures and seals of a certified public accountant;

III. Originals of all company documents and manuscripts of all announcements disclosed on the website designated by the China Securities Regulatory Commission ("CSRC") during the Reporting Period; and

IV. Other reference documents.

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

## Definitions

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

Power module	Refers to	A power electronic device that has been assembled according to specific functional requirements and then encapsulated
IDM	Refers to	Integrated Design and Manufacture. It refers to a semiconductor-integrated design and manufacturing company that handles everything in-house, from design, manufacturing, encapsulation tests, and sales of its brand
Single-crystal silicon wafer	Refers to	A single crystal of silicon, which is an excellent semi-conductive material used for manufacturing semiconductor components, solar cells and other products
[REDACTED]	Refers to	Bipolar Junction Transistor. It is a component that combines two PN junctions through some processes
FRED	Refers to	Fast Recovery Diode. It is a semiconductor diode featuring a good switching characteristic and short reverse recovery time, which is mainly used for electronic circuits such as switching power supply, PWM (pulse width modulator), and frequency converters to serve as high-frequency SMD rectifier diode, continuation diode or damping diode

Chengdu Qingyang Company	Refers to	Chengdu Qingyang Electronic Material Co., Ltd.
Sichuan Yajixin Company	Refers to	Sichuan Yajixin Electronic Technology Co., Ltd.
Yangjie Investment Company	Refers to	Jiangsu Yangjie Investment Co., Ltd.
MCC Hong Kong	Refers to	MCC Semiconductor HK Co., Ltd.
MCC Shenzhen	Refers to	Shenzhen MCC Semiconductor Co., Ltd.
Yixing Jiexin Company	Refers to	Yixing Jiexin Semiconductor Co., Ltd.
Yangjie Semiconductor Company	Refers to	Jiangsu Yangjie Semiconductor Co., Ltd.
Shanghai Xinyangjie Company	Refers to	Shanghai Xinyangjie Electronics Co., Ltd.
Yangjie Korea Company	Refers to	Yangjie Electronic Korea Co., Ltd.
MCC Jiangsu	Refers to	Jiangsu MCC Semiconductor Co., Ltd.
E-Giant Semiconductor Company	Refers to	Hangzhou E-Giant Semiconductor Technology Co., Ltd.
Sihong Hongxin Company	Refers to	Sihong Hongxin Semiconductor Co., Ltd.
Shanghai Lingxin Company	Refers to	Shanghai Lingxin Semiconductor Technology Co., Ltd.
Yangjie Wuxi Company	Refers to	Yangjie Technology (Wuxi) Co., Ltd.
Jiangsu Runau Company	Refers to	Jiangsu Yangjie Runau Semiconductor Co., Ltd.
Yangjie Wuxi	Refers to	Wuxi Jiexiwei Semiconductor Co., Ltd.
Hunan Jiechuwei	Refers to	Hunan Jiechuwei Semiconductor Technology Co., Ltd.
Yangzhou Jieguan	Refers to	Yangzhou Jieguan Microelectronics Co., Ltd.
YJ	Refers to	YJ Technology Japan Co., Ltd.
MCC Singapore	Refers to	MCC Singapore Pte. Ltd.
MCC Vietnam	Refers to	MICRO COMMERCIAL COMPONENTS VIETNAM COMPANY LIMITED
Yangzhou Dongxing Co., Ltd.	Refers to	Yangzhou Dongxing Yangjie Research and Development Co., Ltd.

Dongsen Semiconductor HK	Refers to	Dongsen Semiconductor HK Co., Limited
Changsha Bodian Company	Refers to	Changsha Bodian Energy Technology Co., Ltd.

## Section II Company Profile and Principal Financial Indicators

### I. Company information

Stock Abbreviation	Yangjie Technology	Stock Code	300373
Chinese name of the Company			
Chinese name abbreviation			
English name (if any)	Yangzhou Yangjie Electronic Technology Co., Ltd.		
English name abbreviation	Yangjie Technology		
Legal representative	Liang Qin		
Registered address	Yangzhou Weiyang Economic Development Zone, Jiangsu		
Postal code of the registered address	225008		
Historical change of registered address of the Company	N/A		
Office address	68 Xinganquan Road, Hanjiang District, Yangzhou City, Jiangsu Province		
Postal code of office address	225123		
Company website	<a href="https://www.21yangjie.com/">https://www.21yangjie.com/</a>		
Email address	zjb@21yangjie.com		

### II. Contact persons and contact methods

	Board Secretary	Securities Affairs Representative
Name	Qin Nan	
Contact address	68 Xinganquan Road, Hanjiang District, Yangzhou City, Jiangsu Province	
Tel.	0514-80889866	

Fax	0514-87943666	
Email address	zjb@21yangjie.com	

### III. Information disclosure and places for inspection

Website of the stock exchange where the Company's annual report is disclosed	Shenzhen Stock Exchange ( <a href="http://www.szse.cn/">http://www.szse.cn/</a> )
Names and websites of the media where the Company's annual report is disclosed	<i>Securities Times</i> , Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Place where the annual report can be obtained	Securities Department of the Company

### IV. Other information

#### Accounting firm appointed by the Company

Name	Pan-China Certified Public Accounts LLP
Office address	26/F, T2 Office Building, Runau Commercial Center, Intersection of Bo'ao Road and Pinglan Road, Yingfeng Street, Xiaoshan District, Hangzhou City, Zhejiang Province
Name(s) of the signing accountant(s)	Li Zongwei, Liu Meng

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

Applicable  Not applicable

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

Applicable  Not applicable

### V. Principal accounting data and financial indicators

Yes  No

2025

Net profit net of non-recurring gains and losses attributable to shareholders of the listed company (RMB)	1,145,761,417.63	953,339,881.76	20.18%	703,912,494.96
Net cash flows from operating activities (RMB)	1,703,172,402.83	1,391,932,034.11	22.36%	899,420,250.19
Basic earnings per share (RMB/share)	2.33	1.85	25.95%	1.74
Diluted earnings per share (RMB/share)	2.33	1.85	25.95%	1.74
Weighted average ROE (%)	13.73%	11.78%	1.95%	12.46%
	At the end of 2025	At the end of 2024	Increase/Decrease from the End of Last Year	At the end of 2023
Total assets (RMB)	16,683,504,776.52	14,271,620,366.91	16.90%	12,626,923,751.10
Net asset attributable to shareholders of the listed company (RMB)	9,543,861,725.58	8,764,548,513.12	8.89%	8,246,447,181.72

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

Yes  No

The lowest of the Company's audited total profit, net profit, and net profit after the deduction of non-recurring gains or losses during the Reporting Period was negative.

Yes  No

## VI. Principal financial indicators by quarters

	Q1	Q2	Q3	Q4
Operating revenue	1,579,096,176.82	1,875,764,880.24	1,892,876,459.89	1,782,461,719.34
Net profit attributable to the shareholders of the listed company	272,961,734.65	328,383,427.58	372,260,173.04	284,977,962.37
Net profit attributable to the shareholders of the listed company after deduction of non-recurring gains or losses	254,451,969.21	304,578,773.31	339,957,479.63	246,773,195.48
Net cash flows from operating activities	259,720,585.10	497,770,218.43	259,823,695.39	685,857,903.90

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

Yes  No

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

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

## VIII. Non-recurring gains and losses

Applicable  Not applicable

Item	Amount of 2025	Amount of 2024	Amount of 2023	Description
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-885,215.82	46,568,036.57	17,678,838.22	
Government grants recognized in gains or losses for the current period (except for government grants closely related to the Company's normal operating business, in compliance with national policies and in accordance with defined criteria, and having a continuous impact on the Company's gains or losses)	14,956,566.23	22,665,342.02	17,883,638.09	
Gains or losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains or losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	102,261,868.33	133,017.94	185,923,823.82	

Gains or losses on entrusting others with investments or asset management	20,902,335.97	2,363,739.27	6,269,121.12	
Reclassification of impairment loss allowances of receivables separately tested for impairment		500,659.98		
Non-operating income and expense other than the above	-6,240,877.98	-12,182,157.56	-11,858,329.10	
Other gain or loss items in line with the definition of non-recurring gains or losses			35,107,584.83	
Less: Income tax effects	14,697,790.84	9,109,082.09	30,778,167.63	
Effects of the minority shareholders' equity (net of tax)	3,475,005.88	1,827,573.70	212,672.01	
Total	112,821,880.01	49,111,982.43	220,013,837.34	--

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

## Section III Management Discussion and Analysis

### I. Principal business of the Company during the Reporting Period

#### 1. Principal business

The Company integrates R&D, production and sales and is committed to the industrial development of mid-to-high end fields, such as the design, manufacturing and package testing of power semiconductor silicon wafers, chips and devices. The Company's principal products include three segments. Specifically, they are material segment (monocrystalline silicon rods, silicon wafers, and epitaxial wafers), wafer segment (5-inch, 6-inch and 8-inch silicon substrates, 6-inch silicon carbide, and other types of power electronic device chips), and packaging device segment (MOSFET, IGBT, SiC series products, rectifier parts, protection devices, small signal and other product series). Its products are widely used in automotive electronics, AI, clean energy, 5G communications, intelligent security, industrial, consumer electronics and many other fields, providing customers with a package of products, technology and service solutions. During the Reporting Period, the Company continuously increased promotion efforts for products such as MOSFET, IGBT, and SiC in markets such as automotive electronics, artificial intelligence, industry, and clean energy. Overall orders and shipment volumes increased rapidly compared to the same period last year, with revenue for the 2025 fiscal year growing by 18.18% year-on-year.

As the scale of operations continues to expand, the Company is accelerating its progress towards becoming a group and international company. Currently, the Company has established localized research and development, manufacturing, and sales networks in more than 50 countries/regions worldwide, including 7 R&D centers, which can closely meet the customized needs of local customers and incorporate global best practice experience into localized product development. The Company continues to focus on in-depth development in the power semiconductor sector, strongly promoting project implementation, innovative transformation, and synergistic development by external expansion and internal introduction. The Company's first overseas packaging base, MCC (Vietnam) factory, has started mass production, focusing on the research, development, and manufacturing of power devices and small signal semiconductor packaging products, with a current monthly production capacity of 1.2 billion units, with products sold globally. To further improve the overseas IDM supply chain, the Company is investing in the construction of its first overseas automotive-grade 6-inch wafer factory at the Vietnamese base, with a designed annual production capacity of 2.4 million pieces, expected to achieve mass production in the first quarter of 2027. Once completed, this wafer factory will further enhance the Company's overseas IDM manufacturing system, improving the Company's overseas production efficiency and profitability. In addition, the Company's first SiC chip production line has successfully achieved mass production ramp-up, with key parameter indicators and process quality reaching domestic leading levels. The first automotive-grade SiC power semiconductor module packaging project has been built and put into production, receiving orders from several international and domestic mainstream tier-1 customers.

The Company implements a business model combining "Dual Brands" + "Dual Circulations" and brand product differentiation, with the "YJ" brand products mainly targeting the domestic and Asia-Pacific markets, while "MCC" brand products primarily focusing on the European and American markets. Through differentiated brand layout, it has achieved the global market channel coverage for different brand products. The Company continuously expanded the coverage of its domestic and overseas sales and technical networks, provided direct, specialized product solutions and technical support for terminal customers. Leveraging our global supply

chain capabilities, we ensured on-time delivery of high-quality products in the required quantities, while continuously enhancing our international service standards. With its high-quality market services, perfect marketing networks and high-performance product quality, the Company has established a strong brand reputation worldwide.

## 2. Business model

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

### (1) Supply chain model

The Company's supply chain is laid out around three core directions: digital upgrading, refined management control, and dual-cycle supply chain. It aims to upgrade the supply chain from "passive response" to "proactive prediction and precise control," building an efficient, stable, low-cost, and risk-resistant supply chain ecosystem.

First, deepen the construction of a digital supply chain, using technology to empower efficiency and quality improvement.

The Company focuses on digital upgrading as the core, comprehensively optimizing the efficiency of various supply chain processes. In terms of delivery management, relying on a digital collaboration system, it links supply and demand sides in real time, precisely controlling each delivery node, significantly improving delivery timeliness, ensuring order fulfillment quality. In terms of data management, AI is used to automatically capture material information and intelligently push it, focusing on key material price data such as bulk metals, achieving real-time capture, analysis, monitoring, and anomaly warning push, building a dynamically optimized procurement strategy to accurately monitor and view real-time price fluctuations.

Second, strengthen the refined management and control of suppliers, and lay a solid foundation for supply chain cooperation.

The Company strictly implements a supplier access mechanism, establishing a multi-dimensional, high-standard access review system. Suppliers are comprehensively and rigorously selected based on technical capability, production capacity, quality control, compliance qualifications, and contract performance capability, thereby controlling supplier quality from the source and solidifying the foundation of supply chain collaboration. Meanwhile, a scientific procurement quota management model is promoted. Based on supplier access review results, performance evaluation in normal operations, and production capacity matching, procurement quotas are dynamically allocated to optimize resource configuration and drive suppliers to improve the quality of cooperation. In addition, core indicators such as supply quality and delivery response speed are included in the evaluation, forming a "access-control-evaluation-optimization" closed-loop management system, which effectively ensures the stable collaboration of the supply chain and promotes continuous improvement of the delivery rate.

Third, build a "foreign + domestic" dual-cycle supplier mechanism to enhance supply chain resilience.

In response to the complex geopolitical landscape and market volatility risks, the Company has strategically established a dual-circulation supplier system that integrates both overseas and



technology of the power semiconductor component industry has been developed and become mature, the application fields of power semiconductor component continue to expand, making power semiconductor components indispensable and core electronic components for the development of the national economy.

By 2025, driven by fields such as artificial intelligence, new energy, and automotive electronics, the power semiconductor market is showing a trend of “demand expansion and accelerated domestic production.” From the demand side, policies related to “trade-in for new” stimulate market demand in consumer electronics and automotive electronics sectors. Emerging industries such as AI, embodied intelligence, and the low-altitude economy are becoming another key driving force for the demand growth for medium-to-high-end power semiconductors. From the perspective of the competitive landscape, the power semiconductor component industry is highly market-oriented, with low industry concentration. The competitive landscape of China’s power semiconductor market is characterized by echelon competition. As domestic companies continually achieve technological breakthroughs in key areas such as chip design and manufacturing processes, they gradually fill the technological gap in high-end fields, enhancing the quality, performance, and technical standards of domestically produced power semiconductor products. In 2025, domestic companies’ market share steadily increased, gradually penetrating the high-end market, with import substitution continuously accelerating. Global industry top companies facing fierce market competition urgently need cost reduction solutions, gradually shifting from fully adopting international brand components to introducing high-quality domestic suppliers, creating favorable conditions for Chinese power semiconductor companies to expand overseas markets and increase global market share. At the same time, the Sino-US trade friction and technological blockade further highlight the importance of a self-controlled supply chain, and the geopolitical environment puts higher demands on the safety of the industrial chain, effectively promoting the localization process of the domestic power semiconductor industry. Coupled with the continuous introduction of industry support policies at the national level, and various efforts to boost the localization of key components, these multiple favorable factors are jointly injecting strong momentum into the development of China’s power semiconductor industry.

The power semiconductor component industry is a sector that Chinese government actively encourages and supports. In order to promote the development of power electronics technology and industry, and to build a resource-efficient and environment-friendly society, the state has introduced a series of policies and regulations to guide, encourage, support, and promote the development of the domestic power semiconductor business, enhancing the competitiveness of domestic technology. As a result, the power semiconductor industry has been elevated to a matter of national strategic importance. With the further implementation of “intelligent manufacturing”, “new infrastructure construction” and other national policies, as well as the implementation of the dual carbon strategy (carbon peaking and carbon neutrality), power semiconductors, as the core components for China to make electric systems independent and controllable and achieve energy conservation and environmental protection, are expected to achieve fast development with the support of policies. In February 2025, the Ministry of Industry and Information Technology and seven other departments jointly issued the *Action Plan for High-Quality Development of New Energy Storage Manufacturing*, clearly stating the need to enhance the supply capability of key core components such as advanced power semiconductors, intelligent sensors, and power management chips to support the development of the new energy storage industry. In March 2025, the *Government Work Report* delivered at the National People’s Congress and the Chinese People’s Political Consultative Conference proposed the continued advancement of the “AI+” initiative, vigorously promoting the development of next-generation intelligent terminals such as intelligent connected new energy

vehicles, AI-powered smartphones and computers, and intelligent robots, as well as smart manufacturing equipment. The report also emphasized expanding large-scale 5G applications, accelerating innovation in the industrial Internet, optimizing the national computing power resource layout, and fostering globally competitive digital industry clusters. In July 2025, the General Office of the National Development and Reform Commission and three other departments issued a *Notice on Promoting the Scientific Planning and Construction of High-Power Charging Facilities*, proposing to promote the innovative application of high-power charging technology, accelerate the localization and replacement of core components such as high-voltage silicon carbide modules and main control chips, and promote the overall upgrade of the charging industry chain, including components, system integration, and operation services. In November 2025, the General Office of the State Council issued the *Implementation Opinions on Accelerating the Cultivation and Opening of New Scenario Large-Scale Applications*, requiring “prudent and orderly expansion of application scenarios in areas such as the low-altitude economy”; in December 2025, the National Development and Reform Commission issued the *Statistical Classification of the Low-Altitude Economy and its Core Industries (for Trial Implementation)*, which clarified the concept, classification, and core industries of the low-altitude economy, providing a basis for the formulation and implementation of related policies.

## 2. Industry position

Based on the forward-looking market layout, continuous technological innovation, high-quality product design, scientific cost optimization, trustworthy quality management and the capability of fast delivery, the Company has become one of the several domestic enterprises above the designated size that integrates the full industry-chain processes including the manufacturing of single-crystal silicon wafers, chip design and manufacturing, device design, packaging testing, and terminal sales and services. Meanwhile, the Company adopts the mode of “IDM + Fabless” in high-end fields such as MOSFET, IGBTs and the third-generation semiconductors. The Company has occupied a leading position and a high share in a number of emerging market segments. Especially, it is leading in rectifier bridges and PV diodes globally. By relying on core indicators such as comprehensive revenue scale, technological R&D strength, and market share, the Company once again secured the top three in the “Top 10 Semiconductor Power Device Enterprises in China” evaluated by the China Semiconductor Industry Association, ranked eighth on the OMDIA global power semiconductor discrete list, among the top 20 on various semiconductor enterprise lists domestically and internationally, and was included in the automotive whitelist released by the Ministry of Industry and Information Technology, etc. During the Reporting Period, the Company obtained certification from multiple leading international automotive OEMs and tier-1 customers, with its technological solutions and product performance recognized by many mainstream customers; it successively won the first national authoritative certification for chip localization and honors such as one of China’s top ten SiC device IDMs, continuously enhancing its industry influence and brand recognition.

## III. Analysis of core competitiveness

### 1. R&D technology

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

The Company actively deepens industry-university-research cooperation with many well-known universities and research institutes, integrates the R&D resources of various business divisions, and builds a comprehensive R&D system with clear organizational hierarchy and

division of labor. The Company has set up a central research institute at its Yangzhou headquarters, responsible for conducting frontier technology, fundamental research, and laboratory construction operations, and for overall management of the Company's R&D projects. Product R&D departments are set up in each business division and product line (including the SiC R&D team, IGBT R&D team, MOSFET R&D team, etc.), closely focusing on customer needs and market trends to research, develop, and mass-produce specific products, establishing a product development management system based on the principle of “developing one generation, preparing the next, and researching the one after that”. The Company has established a simulation platform covering chip, packaging and application, improved the testing center for product parameters, and improved the construction of new energy and automotive electronic application platform. It formed a complete R&D and technical service system from wafer design and R&D to packaging product R&D, from silicon-based to third-generation semiconductor R&D, and from pre-sales technical support to after-sales technical services, which provided strong support for the Company's new product development, technical bottleneck breakthrough, and market expansion. Partnered with Southeast University, the Company has established the “Yangjie-Southeast University Joint R&D Center of Broad Forbidden Band Semiconductors”, focusing on the development and industrialization of third-generation semiconductors like silicon carbide.

The Company has built an R&D center laboratory in line with the domestic standards for first-class electronic laboratory, with a construction area of 10,000 square meters. It covers reliability laboratory, fault analysis laboratory, simulation laboratory and comprehensive R&D laboratory, and has successfully been certified by the China National Accreditation Service for Conformity Assessment (CNAS). The laboratory has established a one-stop product testing and application platform that addresses a wide range of needs, including chip design simulation, environmental testing, physical and chemical fault analysis, and simulation of electrical, thermal and mechanical stresses on products. It is equipped with advanced R&D and testing equipment competent for MOSFET, IGBT, power module, diode, BJT, SiC and other series of products, which can provide all-round and multi-platform R&D and technical service guarantees for the Company's chip design, device packaging, circuit testing for finished applications, and terminal sales and service. This experimental platform has successfully been approved as the “Key Laboratory for Third-Generation Semiconductor Power Chip and Module Integration Technology in Jiangsu Province” gaining more authoritative official recognition.

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

The Company adheres to the talent strategy of external introduction and internal cultivation, ensuring rapid technological iteration while maintaining the continuity of its corporate culture. In terms of external introduction, it continues to bring in senior technical personnel at home and abroad, and has formed a high-quality talent team covering high-end chip R&D and design, advanced power semiconductors wafer manufacturing, and advanced packaging R&D and design. The Company mainly introduces a batch of industry-leading senior technical experts and PhDs with over 20 years of work experience from around the world. Among them are recipients of Leading Talents in Science and Technology Innovation Award from the Ministry of Industry and Information Technology, Leading Talents in Advanced Basic Manufacturing Processes Award from the Ministry of Industry and Information Technology, the provincial and ministerial-level “Innovation and Entrepreneurship Program” leading talents in innovation and entrepreneurship, Jiangsu Province's “333 Project Talent Program” awardees, and Jiangsu Province's “Six Talent Peaks Program” awardees, etc. In terms of endogenous development, the Company supports high-quality technical talent reserves through multiple talent programs,

and systematically conducts internal engineer training and development work through platforms and mechanisms such as “engineer training course” and major research projects. The Company’s technology R&D talent team grew rapidly, and the effectiveness of high-quality R&D talent continued to be improved during the Reporting Period.

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

### (3) Continuous enrichment of R&D patents and standards

The Company’s accumulation of R&D patents and standards reflects its deep technical expertise and forward-looking strategic layout in innovation. As of the end of the Reporting Period, the Company had been granted a total of 716 intellectual property rights, including 132 invention patents, 492 utility model patents, 70 integrated circuit layout designs, 9 software copyrights, and 13 appearance design patents. As one of the primary drafters for power semiconductor industry standards, the Company participated in the formulation and revision of national standards such as *Discrete Semiconductor Devices - Part 1: Sectional Specification* (Plan No.: 20233151-T-339) and *Discrete Semiconductor Devices - Part 2: Discrete Devices SMD Rectifier Diodes* (Plan No.: 20232773-T-339), as well as group standards including *Performance Requirements and Test Methods for Conductive Adhesives for Semiconductor Chip Packaging*, *Module Diodes for Photovoltaic Module Junction Boxes*, and *Performance Requirements and Test Methods for UV Debonding Protective Films for Semiconductor Packaging*.

## 2. Marketing

### (1) Build international market capabilities with “Dual Brands + Dual Circulations” strategy

The Company adopts a business model based on a “Dual Brands + Dual Circulations” strategy, along with differentiated brand and product positioning, to build international market capabilities. In the European and American markets, the Company mainly promotes “MCC” brand products, benchmarking against top international companies, actively exploring local and surrounding markets, providing timely localized services to international brand end customers in Europe and America, continuously enhancing the market share and influence of MCC brand products in the international market. In the Chinese and other Asia-Pacific markets, the Company primarily promotes its “YJ” brand products and has established strategic

partnerships with top-tier customers across various industries. Meanwhile, it actively responds to the call of the state to “let domestic and foreign markets boost each other”. Particularly, it established a subsidiary in Vietnam, Mico (Vietnam) Co., Ltd. t

professional personnel and stable personnel in key positions,” building a quality management system in line with the Automotive Grade, continuously improving the DPPB/DPPM indicator system, benchmarking against the quality management level of world-class enterprises, receiving recognition from mainstream international customers.

(2) Keep advancing cost management

The Company fully utilizes lean tools to implement multidimensional coordinated improvement across the entire production-supply-sales chain: on the R&D side, promoting product technology upgrades and cost optimization through VAVE (Value Analysis/Value Engineering); on the manufacturing side, relying on VSM (Value Stream Mapping) to accurately identify and eliminate non-value-added segments, while providing technical support through automation and digital construction. These complementary measures have significantly reduced failure costs, enhanced production quality

In the automotive module sector, the Company upgraded the fully automated automotive power module production line for new energy vehicle controllers, capable of producing 225,000 three-phase bridge HPD modules annually, and completed a full set of reliability verifications according to AQC324 standards. Key completions include advanced process DOE verifications such as chip silver sintering, pin ultrasonic welding, and copper wire interconnection. For OBC applications, it developed a top-cooled Y-DPAK module that meets a 1,000 V electrical safety distance, featuring small size, high power density, surface mount structure with low process difficulty, long creepage distance and high electrical safety, low parasitic inductance supporting high-voltage operation, low thermal resistance, and high heat dissipation efficiency. For main drive SiC modules, the Company developed an HPD mini laser welding module, characterized by low inductance, low thermal resistance, and high reliability.

b) In terms of IGBT products, based on the Fabless in-house IDM model, the Company completed the development and iterative optimization of a full series of 1.6/2.2  $\mu\text{m}$  micro-pattern-trench (MPT) 650 V 30 A-160 A and 1,200 V 15 A-200 A IGBT chips on 8-inch and 12-inch platforms, achieving bulk shipments to customers. In terms of photovoltaic storage and charging applications of new energy, the Company adopted high-density component structural design and advanced back processing technology, significantly reducing the saturation voltage drop and turn-off loss of devices. Six product models (including the new N3 and N4) have been applied in the 60 kW-320 kW power range, and Type-I and Type-T three-level topology module products with voltage of 650/1,000/1,200 V and current from 160 A to 600 A have been successfully rolled out. In the automotive single-channel sector, leveraging its automotive-grade power device packaging line, the Company achieved large-scale deliveries to automakers and tier-1 customers in PTC and compressor controller applications. During the Reporting Period, the Company strategically focused on expanding IGBT applications in new energy vehicles, energy storage, industrial control, and photovoltaic inverters. Sales revenue continued to grow, and market share steadily increased, positioning the Company as a key player in both chip design and module packaging.

c) In terms of MOSFET product strategy layout, the Company has built a complete technical platform system covering medium, low, and high voltage around the two core growth tracks of automotive electronics and high-end power supplies. Based on the Fabless model, while the Company has been deeply cultivating the mature 8-inch process platform and continuously improving yield and cost efficiency, it is also proactively advancing the development of the 12-inch platform, optimizing the capacity structure and unit cost curve to lay a solid foundation for future scale expansion in the automotive-grade and high-end power supply markets. In the field of automotive electronics, the Company has achieved a breakthrough leap from product verification to mass production. Automotive-grade NMOS products have passed tests by multiple leading terminal automotive electronics customers and have entered the mass production stage, with performance at the industry-leading level. Focusing on high power applications such as automotive motor drives and power management, the Company continues to improve its series platform layout and gradually introduces it to key customers for large-scale application. At the same time, PMOS automotive-grade products have completed chip development and passed automotive-grade reliability verification, and have also met the testing requirements of leading end automotive electronic customers, forming a systematic product matrix covering core scenarios such as battery reverse protection, load switches, and power management, further enhancing the Company's penetration capabilities in the field of automotive-grade power devices. In the SGT MOSFET direction, the Company continues to increase research and development investment to accelerate platform iteration and voltage level expansion. A comprehensive establishment of the new generation P40V/P150V/N80V/N100V/N150V/N200V SGT process platform has been completed, with

the core performance index FOM ( $RDS(ON)*QG$ ) leading the mainstream market level by more than 20%, demonstrating significant advantages of technological generations. The construction of this platform not only enhances the product power density and system efficiency but also strengthens the Company's technological barriers in the automotive and industrial power supply fields. For high-growth markets such as data center and server power supplies, the Company has developed ultra-low resistance products to further improve energy efficiency, power density, and optimized device design, effectively reducing the on-resistance per unit area, and significantly enhancing current carrying capacity and power density within the same package volume. Additionally, the optimized switching characteristics provide more significant headroom for system EMC design, comprehensively enhancing product comprehensive performance and strengthening competitiveness in high-end power, industrial and new energy fields. For the low-altitude economy, the Company focused on 12 V/48 V power management systems (BMS), seeking the best balance between on-resistance  $RDS(on)$  and switching speed. For embodied intelligence, with a focusing on product development for

built technical sales capabilities for power device solutions involving MOSFETs, IGBTs, and SiCs, providing technical solutions to strategic customers.

c) As to global channel expansion, the Company continued to advance its internationalization strategy by enhancing the two-way interaction between overseas and domestic markets, and strengthening efforts to promote the “dual circulation” management at home and abroad. The “YJ” brand products target the domestic and Asia-Pacific markets, while the “MCC” brand products focus on the European and American markets, achieving global market channel coverage for diversified products. The Company continued to advance the e-commerce business model both domestically and internationally, combining offline and online efforts to further strengthen brand building and enhance the brand’s international influence. The global channel layout continuously expanded overseas business. The mass production of automotive-grade packaging and wafers by Mico (Vietnam) Co., Ltd. marks the strategic upgrade from product export to manufacturing/technology export, successfully establishing a dual circulation strategy for domestic and international supply chains. This achievement represents a solid step forward for the company in actively exploring international markets and accelerating the globalization process.

### (3) Operation and management

a) The Company always adheres to the development principle of “quality first.” During the Reporting Period, the Company systematically advanced the upgrade project of the quality management system and continuously improved the DPPB/DPPM indicator system, benchmarking against the quality management level of world-class companies. During the Reporting Period, the Company continuously deepened the implementation of the activities of “zero defect management”, “strict control of input and output quality”, and “digital management, intelligent production, professional personnel and stable personnel in key positions”, to identify defects in quality management and build a quality management and control system. By cultivating a team of professionals proficient in using engineering quality tools and possessing comprehensive quality management capabilities, the Company established a quality information communication and data sharing mechanism to track the actual use performance of customer products, and reduce potential product risks from multiple dimensions, laying a solid foundation for the high-quality development of the Company.

b) The Company worked hard on lean operation management, and continued to promote sophisticated operations across various business divisions. Based on the dynamic analysis of market supply and demand, the Company focused on the three core operational goals of QDC (Quality, Delivery, Cost). By using scientific methods to optimize production strategies and continuously optimizing the flexible manufacturing system, the Company effectively enhanced customer delivery satisfaction. The Company focused on the “cost leadership” strategy, systematically carrying out special activities for cost optimization. On the R&D side, it used VAVE value analysis and value engineering to drive technological innovation and design cost reduction; on the manufacturing side, through VSM value stream analysis and lean improvement tools, it achieved lean transformation and continuous process optimization; on the operations side, it deeply integrated daily management (DM) with digital empowerment, promoting efficiency improvement, cost reduction, and management innovation from multiple dimensions. At the same time, the Company vigorously promoted intelligent transformation and upgrading, with a focus on implementing technologies such as IoT and EAP in the manufacturing process and automated equipment management. By continuously expanding the coverage of data collection, the Company has successfully passed the national assessment for “Excellence-level Intelligent Factories/Workshops”, thereby leveraging pilot projects to elevate the overall level of digital and intelligent manufacturing across the organization. In the

production process segment, key manufacturing parameters were continuously optimized with the help of digital and AI tools; on the production operation side, the combination of production data collection and lean daily management was used to comprehensively advance the manufacturing system towards digitalization, networking, and intelligence.

2. During the Reporting Period, the global semiconductor industry continued its positive trend, with strong demand in emerging application fields such as new energy vehicles, AI, and low-altitude economy. The Company precisely focused on market demand, actively implemented the product-leading strategy, and continued to increase R&D investment to drive the continuous improvement and upgrading of the high value-added product matrix. The Company continued to deepen its global industrial chain layout, accelerate overseas capacity building, with rapid growth in overseas sales revenue and strong momentum in globalization development. At the same time, the Company has deeply committed to lean production, advancing refined management and control of the entire process, achieving significant results in cost reduction and efficiency improvement, steadily enhancing the quality and efficiency of operations.

## 2. Revenue and cost

### (1) Composition of operating revenue

Overall operating revenue

Unit: RMB

	2025		2024		YoY Increase/Decrease
	Amount	Proportion to the Operating Revenue	Amount	Proportion to the Operating Revenue	
Total operating revenue	7,130,199,236.29	100%	6,033,378,067.00	100%	18.18%
By industry					
Electronic components	6,958,389,684.36	97.59%	5,891,651,210.64	97.65%	18.11%
Revenue from other business	171,809,551.93	2.41%	141,726,856.36	2.35%	21.23%
By product					
Semiconductor components	6,256,897,728.73	87.75%	5,203,629,175.96	86.25%	20.24%
Semiconductor chips	534,017,937.48	7.49%	502,400,135.03	8.32%	6.29%
Semiconductor silicon wafers	167,474,018.15	2.35%	185,621,899.65	3.08%	-9.78%
Revenue from other business	171,809,551.93	2.41%	141,726,856.36	2.35%	21.23%
By region					
Domestic	5,312,472,857.78	74.51%	4,527,223,757.22	75.04%	17.35%
Overseas	1,645,916,826.58	23.08%	1,364,427,453.42	22.61%	20.63%
Others	171,809,551.93	2.41%	141,726,856.36	2.35%	21.23%

By sales model					
Direct procurement	4,643,631,246.39	65.13%	4,089,900,226.34	67.79%	13.54%
Distribution	2,314,758,437.97	32.46%	1,801,750,984.30	29.86%	28.47%
Revenue from other business	171,809,551.93	2.41%	141,726,856.36	2.35%	21.23%

**(2) Industry, product, region, or sales model contributing over 10% of the Company's operating revenue or profit**

Applicable     Not applicable

	Operating revenue	Operating cost	Gross Profit Margin	Increase/Decrease in the Operating Revenue from the Same Period of the Previous Year	Increase/Decrease in the Operating Costs from the Same Period of the Previous Year	Increase/Decrease in the Gross Margin from the Same Period of the Previous Year
By industry						
Electronic components	6,958,389,684.36	4,632,337,321.80	33.43%	18.11%	16.13%	1.14%
Revenue from other business	171,809,551.93	54,140,245.72	68.49%	21.23%	12.19%	2.54%
By product						
Semiconductor or components	6,256,897,728.73	4,167,913,521.06	33.39%	20.24%	18.16%	1.18%
Semiconductor or chips	534,017,937.48	356,389,755.76	33.26%	6.29%	4.81%	0.94%
Semiconductor or silicon wafers	167,474,018.15	108,034,044.98	35.49%	-9.78%	-11.13%	0.98%
Revenue from other business	171,809,551.93	54,140,245.72	68.49%	21.23%	12.19%	2.54%
By region						
Domestic	5,312,472,857.78	3,768,295,130.35	29.07%	17.35%	16.14%	0.74%
Overseas	1,645,916,826.58	864,042,191.45	47.50%	20.63%	16.06%	2.07%

Revenue from other business	171,809,551.93	54,140,245.72	68.49 %	21.23%	12.19%	2.54%
By sales model						

In the case of adjustments to the Company's principal business data statistics criteria during the Reporting Period, the principal business data of the Company after the adjustments shall be adopted as the data for the most recent year.

Applicable  Not applicable

revenue growth, and increased stock volume.

Sales volume of semiconductor chips increased by 26.43% year-on-year, production volume increased by 30.18% year-on-year, and inventory volume increased by 52.89% year-on-year, mainly due to the increase in market demand for semiconductor components, the Company's increase in production capacity of chips required for devices, and the increase in internal consumption stocking.

#### (4) Performance of major sales or procurement contracts signed as of the end of the Reporting Period

Applicable  Not applicable

#### (5) Composition of operating costs

Product category

Product category

Unit: RMB

Product category	Item	2025		2024		YoY Increase/Decrease
		Amount	As % of total cost of sales (%)	Amount	As % of total cost of sales (%)	
Semiconductor components	Material	3,157,528,258.24	75.76%	2,624,120,914.56	74.39%	1.37%
Semiconductor components	Labor	263,995,264.38	6.33%	219,518,193.47	6.22%	0.11%
Semiconductor components	Expense	746,389,998.44	17.91%	683,805,203.14	19.39%	-1.48%
Semiconductor chips	Material	200,042,930.01	56.13%	186,253,350.05	54.78%	1.35%
Semiconductor chips	Labor	41,995,723.71	11.78%	37,578,318.51	11.05%	0.73%
Semiconductor chips	Expense	114,351,102.04	32.09%	116,203,973.04	34.17%	-2.08%
Semiconductor silicon wafers	Material	81,637,722.88	75.57%	93,431,194.30	76.86%	-1.29%
Semiconductor silicon wafers	Labor	7,467,322.32	6.91%	6,385,017.21	5.25%	1.66%
Semiconductor silicon wafers	Expense	18,928,999.78	17.52%	21,744,438.36	17.89%	-0.37%

Description

N/A

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

## 1) Increase in consolidation scope

Unit: RMB

Company name	Way to Gain Equity	Time of Gaining Equity	Amount of Contribution	Proportion of Contribution
Dongsen Semiconductor HK Co., Limited	Establishment	January 2025	Contribution not yet made	
Changsha Bodian Company [Note]	Acquisition of assets under non-common control	April 2025	32,500,000.00	70.00%

[Note] Hunan Jiechuwei Company acquired 100% equity of Changsha Bodian Company in April 2025, and holds 70% of its equity indirectly. Changsha Bodian Company only holds land and real estate, has no actual operation business, and does not possess the capability for input, processing, and output. Therefore, the acquisition does not constitute a business. At the level of consolidated financial statements, the portion of the purchase price exceeding the book net assets of Changsha Bodian Company will be included in the value of land and property of Changsha Bodian Company.

## 2) Decrease in the consolidation scope

Unit: RMB

Company name	Method of Equity Disposal	Time of Equity Disposal	Net Assets on Disposal Date	Net profit from the Beginning of the Period to the Disposal Date Net profit
Shanghai Lingxin Company	Cancelled	August 2025	7,721,207.55	-338,930.71
Wuxi Jiexiwei Microelectronics Co., Ltd.	Cancelled	August 2025	11,000,000.00	12,079,969.79

**(7) Major changes or adjustments in business, products, or services during the Reporting Period**
 Applicable     Not applicable
**(8) Major customers and suppliers**

Major customers:

Total sales to top five customers (RMB)	885,218,873.85
Total sales to top five customers as % of total sales of the Reporting Period (%)	12.42%
Proportion of the sales of connected parties in the top five customers over the year's total	0.00%

#### Information on the top five customers

No.	Customer Name	Sales Amount (RMB)	As % of total sales revenue (%)
1	No. 1	230,314,786.28	3.23%
2	No. 2	187,315,427.28	2.63%
3	No. 3	185,187,496.33	2.60%
4	No. 4	142,620,562.21	2.00%
5	No. 5	139,780,601.75	1.96%
Total	--	885,218,873.85	12.42%

#### Other information of major customers

Applicable  Not applicable

#### Major suppliers

Total purchases from top five suppliers (RMB)	1,174,259,009.98
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	28.70%
Proportion of purchases of related parties in the top five suppliers over the year's total	0.00%

#### Information on the top five suppliers

No.	Supplier Name	Procurement Amount (RMB)	As % of total purchases (%)
1	No. 1	422,730,223.14	10.33%
2	No. 2	248,369,483.13	6.07%
3	No. 3	182,832,592.14	4.47%
4	No. 4	161,941,676.77	3.96%
5	No. 5	158,385,034.80	3.87%

Total	--	1,174,259,009.98	28.70%
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## Other information of major suppliers

Applicable  Not applicable 

During the Reporting Period, revenue from the Company's trading business accounted for more than 10% of its total operating revenue.

Applicable  Not applicable **3. Expenses**

Unit: RMB

	2025	2024	YoY Increase/Decrease	Statement on Significant Changes
Sales expense	291,063,334.27	224,611,780.18	29.59%	No significant changes.
Administrative expense	389,716,415.51	358,906,908.89	8.58%	No significant changes.
Finance costs	-37,533,132.69	-135,032,988.06	72.20%	Mainly due to significant fluctuations in foreign currency exchange rates during the Reporting Period, resulting in increased exchange losses for the Company.
R&D expense	471,056,470.15	423,472,000.30	11.24%	No significant changes.

**4. R&D investments** Applicable  Not applicable

Names of Key R&D Projects	Project Objectives	Project Progress	Objectives to be Achieved	Expected Impact on the Future Development of the Company
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<p>Development of a PMBD automotive-grade chip</p>	<p>1. Be tied to high-growth downstream applications: The demand for PMBD chips is directly tied to communication infrastructure (5G/6G, data centers), new energy vehicles, new energy power generation, and high-end consumer electronics, which are fields with national strategic support and capital-intensive investments. 2. Drive the development of special process modules: The manufacturing of PMBD chips requires the deep integration of high-voltage MOS processes, Schottky metalization processes, advanced trench etching, and filling processes, successfully developing PMBD processes. This process capability can be horizontally transferred and used to develop other high-performance discrete devices or smart power modules, enhancing platform competitiveness.</p>	<p>Product development validation has been completed</p>	<p>The representative model of the product platform has successfully entered mass production and is now ready for market launch</p>	<p>Enrich the variety of company products, providing customers with more high-efficiency power product choices, binding with high-growth downstream application fields, establishing a healthier profit model and pricing gross margin advantage.</p>
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<p>High-reliability automotive-grade 80 V P-type trench (TRENCH) MOSFET chip design and development</p>	<p>By completing the automotive-grade 80 V P-channel trench (Trench) MOSFET chip, develop a set of device design standards and production process platforms suitable for stable factory production, to ensure that a series of trench (Trench) MOSFET devices developed subsequently on this platform can more easily meet automotive-grade quality requirements. Ultimately realize large-scale stable production of automotive-grade products to gradually replace imported devices.</p>	<p>Product in development</p>	<p>Develop products that meet the requirements of automotive 48 V port applications and automotive-grade reliability standards to accelerate domestic substitution.</p>	<p>Be capable of providing stable production of such products while establishing design standards and platforms for automotive-grade products, laying the foundation for the design and development of subsequent products to meet the needs of the domestic and international markets.</p>
<p>Design and development of a high-reliability, automotive-grade 48 V-port, 100 V N-type shielded gate trench (SGT) MOSFET chip</p>	<p>To break through the monopoly of foreign technology and ensure the safety and autonomous control of China's automotive industry chain, develop a high-reliability, automotive-grade 48 V-port, 100V N-type SGT MOSFET product</p>	<p>In collaboration with customers</p>	<p>Successfully develop high-reliability automotive-grade 100 V products with complete independent intellectual property rights N-type SGT MOSFET product. Its core performance has fully benchmarked against international benchmarks (such as Infineon's S5 series), reaching the same technical level as mainstream international manufacturers. The product has passed the stringent AEC-Q101 automotive-grade certification and achieved stable mass application in the 48 V mild-hybrid systems and high-end electrical platforms of mainstream domestic automotive manufacturers.</p>	<p>1. Economic benefits: Open up high-value markets and improve profitability 2. Technical benefits: Build core capabilities for high-end research and manufacturing 3. Strategic benefits: Establish industry position and gain long-term development space</p>

Development of a new copper-aluminum composite photovoltaic diode module in the form of a riveted junction box	Through material combination design, use copper-aluminum composite to replace full-copper heat sinks, ensuring no decline in product performance while reducing total cost to enhance product market competitiveness	Product in development	By optimizing the riveting process and surface treatment technology, solve the potential issues of thermal stress mismatch and interface oxidation in the encapsulation process of copper-aluminum composite materials	Through copper-aluminum composite combination riveting technology, the Company will overcome the technical bottleneck of new material applications in packaging, developing packaging technology with independent intellectual property rights to build a low-cost product moat
Development of embedded ultra-thin diode devices suitable for flexible thin-film photovoltaic	By integrating ultra-thin diode devices, reduce energy loss and improve photoelectric conversion efficiency	Product manual samples produced, under promotion	Integrate ultra-thin diodes directly into the busbars of photovoltaic modules, replacing traditional external junction boxes and bypass diodes.	Promote the expansion of new application fields. The development of ultra-thin diodes suitable for flexible thin-film photovoltaics will drive innovation and development in wearable electronics
Development of an integrated bonding-packaged aluminum surface HVB chip	The current market packaging form is moving towards integration, with new packages like PIM modules integrating various power devices (such as IGBT, FRED, rectifier diodes, etc.) and power semiconductor components of drive circuits, achieving highly integrated and modular design. To cooperate with the market trend of integrated packaging, develop an integrated bonding-packaged aluminum surface HVB chip to quickly respond to market demands.	The project has been completed and is now in mass production	Meet the requirements of integrated bonding packaging, with products covering 10-200 A and achieving the following performance targets: 1. VBR: 1,900-2,600 V; 2. VF: 1.3@IFAV	New products in mass production can form new business growth points for the Company in the new integrated module product track.

<p>Development of a high-end automotive rectifier STD GPP chip</p>	<p>Master the key technologies in the design and manufacturing of high-end automotive rectifier STD/GPP chips; develop automotive-grade chips that fully comply with AEC-Q101 standards and benchmark against international mainstream products in key performance parameters, and ultimately obtain customer certification.</p>	<p>Mass-produced</p>	<p>Performance indicators: Key electrical parameters reach or approach the same level as international similar competitive products. Reliability level: 100% pass all reliability test items specified in AEC-Q101 (including but not limited to HTRB, H3TRB, TC, PCT, etc.). Process level: Establish and solidify a manufacturing process platform for high-end GPP chips suitable for mass production, with yield rates stable at industry leading levels. Certification level: Complete production line audits and product certification for at least one mainstream tier-1 customer or OEM, qualifying for front-end supply.</p>	<p>Break overseas monopoly and achieve domestic mass supply of this type of chip, entering the supply chain of leading car companies and preparing the Company for entering the high-end market</p>
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<p>Development of high-power-density SiC MOSFET chip technology</p>	<p>Develop high-power-density SiC MOSFETs for use in charging piles, on-board chargers (OBCs) for new energy vehicles, and photovoltaic inverters</p>	<p>The project has been completed</p>	<p>Successfully develop high-power-density SiC MOS chip</p>	<p>Fill the gap in high-end market, with domestic mass supply</p>
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Development of technologies of SiC MPS chips with high surge resistance	Master key technologies of SiC MPS chips with high surge resistance to enhance device reliability and impact resistance, forming independent products.	The project has been completed	Successfully develop SiC with high surge resistance MPS chip technology development	Fill the gap in high-end power devices, enhance market competitiveness, and help the Company achieve domestic substitution in new energy, industrial control, and other fields.
Development of automotive OBC-specific SiC JBS chip technology	Develop SiC JBS chips specifically for vehicle OBC to meet automotive-grade efficiency and high reliability requirements and achieve domestic substitution.	The project has been completed	Successfully develop automotive OBC-specific SiC JBS chip technology development	Enter the core track of in-vehicle power supply, enhance product competitiveness, and help the Company achieve large-scale deployment in the new energy vehicle field.
Development of in-vehicle main drive dedicated SiC MOSFET chip technology	Break the monopoly of imported chips, solve the bottleneck problem, and meet the extreme performance pursuit of new energy vehicles.	The project has been completed	Successful dedicated chip for main drive inverter of new energy vehicles	Enter a new track of high-end power devices to hedge industry cyclical risks. SiC main drive chips, with their high unit prices and significant technical barriers, represent one of the highest-value segments in the automotive chip market. They signify the Company's entry into the top tier of the value chain and our ability to shape the industry's direction.
Development of multi-chip high-performance integrated power module	Develop C2A low inductance package to meet market demand	Product design and DOE verification completed; customer test passed, now in the small-batch production stage	Enter the high frequency power application field	Establish a SiC low-inductance packaging platform
Research and development of a top-ventilated, insulated in-vehicle OBC charging power module	Develop in-vehicle OBC applications to fill package gaps in the field	Product design and sample production completed, customer test passed; is now moving to small-batch production	Enter the OBC in-vehicle application market	Establish an insulating plastic packaging product platform

Development of a cost-effective half-bridge IGBT for welding machines using planar FS technology	Enter the welding machine market and master planar FS chip technology	The chip has completed the 50–150 A design, passed customer test, and is currently being shipped in small batches	Enter the welding machine application market	Establish a planar FS chip platform, product series and batches enter the welding machine field
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## R&D employees

	2025	2024	YoY Change
Number of R&D employees	1,256	1,085	15.76%
R&D employees as % of workforce	15.88%	16.14%	-0.26%
Educational background of R&D employees			
Bachelor's degree	547	545	0.37%
Master's degree	157	112	40.18%
Doctorate	3	3	0.00%
Total	707	660	7.12%
Age distribution of R&D employees			
Aged below 30	665	559	18.96%
30–40	460	426	7.98%
Total	1,125	985	14.21%

## R&D investment over the past three years and as a percentage of operating revenue

	2025	2024	2023
R&D investment amount (RMB)	471,056,470.15	423,472,000.30	355,851,029.26
R&D investment as a percentage of operating revenue	6.61%	7.02%	6.58%
Amount of capitalized R&D expenditure (RMB)	0.00	0.00	0.00
Capitalized R&D expenditure as a percentage of R&D investment	0.00%	0.00%	0.00%
Capitalized R&D expenditure as a percentage of net profit for the current period	0.00%	0.00%	0.00%

## Reasons for significant changes in R&D employee composition and their impacts

Applicable  Not applicable

## Reasons for significant changes in R&D investment as a percentage of operating revenue compared to the previous year

Applicable  Not applicable

## Reasons for the significant change in R&D investment capitalization ratio and its reasonableness

Applicable  Not applicable

## 5. Cash flow

Item	2025	2024	YoY Increase/Decrease
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Subtotal of cash inflows from operating activities	6,333,351,372.21	4,871,751,706.48	30.00%
Subtotal of cash used in operating activities	4,630,178,969.39	3,479,819,672.37	33.06%
Net cash flows from operating activities	1,703,172,402.82	1,391,932,034.11	22.36%
Subtotal of cash generated from investing activities	410,049,605.72	278,197,939.04	47.39%
Subtotal of cash used in investing activities	2,272,067,071.94	1,366,531,573.81	66.27%
Net cash generated from/used in investing activities	-1,862,017,466.22	-1,088,333,634.77	-71.08%
Subtotal of cash generated from financing activities	3,288,431,634.35	2,330,309,545.39	41.12%
Subtotal of cash used in financing activities	3,260,546,878.15	2,284,552,309.08	42.72%
Net cash generated from/used in financing activities	27,884,756.20	45,757,236.31	-39.06%
Net increase in cash and cash equivalents	-207,857,525.18	380,017,975.81	-154.70%

Explanation of why any of the data above varies significantly:

Applicable      Not applicable

(1) The net cash flow from investment activities is -RMB1,862,017,466.22, a 71.08% decrease compared to the same period last year, primarily due to an increase in cash paid for purchasing financial products during the Reporting Period.

(2) The net cash flow from financing activities was RMB27,884,756.20, a decrease of 39.06% compared to the same period last year, mainly due to the increase in the Company's payment of cash related to financing activities during the Reporting Period.

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

Applicable       Not applicable

## V. Situation of non-principal business

Applicable      Not applicable

	Amount	Proportion to the Total Profit	Reasons for the Changes	Sustainable or Not
Investment income	22,615,468.46	1.59%	The income was mainly the Company's financial product income during the Reporting Period.	No



Long-term equity investments			18,797,967.26	0.13%	-0.13%	Mainly due to the Company's transfer of equity in the associated enterprise Jiangsu Intelligent Microsystem Industrial Technology Co., Ltd. during the Reporting Period.
Fixed assets	4,094,564,438.74	24.54%	3,467,212,945.22	24.29%	0.25%	No significant changes.
Construction in progress	1,943,804,866.98	11.65%	1,359,312,665.99	9.52%	2.13%	Mainly due to the increase in the investment in Jiechuwei's 8-inch wafer project and the construction of the production base in Vietnam during the Reporting Period.
Right-of-use assets	31,994,329.19	0.19%	96,199,205.86	0.67%	-0.48%	Mainly due to a decrease in the use rights assets after the acquisition of the subsidiary Changsha Bodian this year.
Short-term borrowings	2,075,446,798.35	12.44%	1,056,002,216.99	7.40%	5.04%	Mainly due to the increase in the Company's bank financing within one year during the Reporting Period.
Contract liabilities	31,347,159.87	0.19%	11,243,387.05	0.08%	0.11%	Mainly due to an increase in the Company's advances during the Reporting Period.
Long-term borrowings	358,102,539.48	2.15%	523,744,408.78	3.67%	-1.52%	Mainly due to the decrease in the Company's bank financing within one year during the Reporting Period.
Lease liabilities	27,282,596.14	0.16%	78,803,045.30	0.55%	-0.39%	Mainly due to a decrease in lease liabilities after the acquisition of the subsidiary Changsha Bodian this year.

Held-for-trading financial assets	561,200,000.00	3.36%	248,289,829.99	1.74%	1.62%	Mainly due to the increase in the Company's short-term financial products purchased during the Reporting Period.
Notes receivable	14,353,761.70	0.09%	22,118,258.88	0.15%	-0.06%	Mainly due to the decrease in commercial acceptance bills held by the Company in the Reporting Period.
Intangible assets	281,164,368.63	1.69%	198,961,777.64	1.39%	0.30%	Mainly due to the acquisition of the subsidiary Changsha Bodian during the Reporting Period, which was included in the consolidated financial statements.
Other non-current assets	443,159,453.23	2.66%	243,996,762.87	1.71%	0.95%	Mainly due to an increase in long-term time deposits purchased by the Company.
Accounts payable	2,211,940,202.83	13.26%	1,567,952,586.19	10.99%	2.27%	Mainly due to the increase in the Company's accounts payable for engineering and equipment during the Reporting Period.
Other payables	172,960,081.43	1.04%	59,613,183.59	0.42%	0.62%	Mainly due to the acquisition of the subsidiary Changsha Bodian during the Reporting Period, with relevant funds loans included in the consolidated financial statements.
Current portion of non-current liabilities	702,173,028.62	4.21%	465,262,145.91	3.26%	0.95%	Mainly due to the increase in the Company's long-term borrowings due within one year during the Reporting Period.

Other current liabilities	26,401,494.74	0.16%	3,966,129.45	0.03%	0.13%	Mainly due to the Company's non-terminated recognition of commercial acceptance receivable and DiChain, etc., during the Reporting Period.
Other non-current liabilities	71,800,000.00	0.43%	215,800,000.00	1.51%	-1.08%	Mainly due to the decrease in the capacity deposit pre-collected by the Company during the Reporting Period.
Treasury shares	131,512,027.80	0.79%	90,528,153.80	0.63%	0.16%	Mainly due to the Company's stock repurchase during the Reporting Period.
Other integrated income	4,379,091.65	0.03%	26,092,399.71	0.18%	-0.15%	Mainly due to the financial statement translation differences brought about by exchange rate fluctuations this year.

A high proportion was recorded in offshore assets

Applicable  Not applicable

## 2. Assets and liabilities measured at fair value

Applicable  Not applicable

Unit: RMB

Item	Opening Balance	Gain/loss on Fair-Value Changes in the Reporting Period	Accumulated Changes in Fair Value Recognized in Equity	Impairments Accrued in the Current Period	Purchase Amount in the Current Period	Selling Amount in the Current Period	Other Changes	Closing Balance
Financial assets								
1. Held-for-trading financial assets (excluding derivative financial assets)	248,289,829.99	20,527,708.52			558,000.00	271,052,301.70	5,434,763.19	561,200,000.00

2. Derivative financial assets	0.00							0.00
3. Other debt investment	0.00							0.00
4. Other equity instrument investments	0.00							0.00
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Item	Closing Carrying Balance	Closing Carrying Value	Type of Restriction	Reasons for Restriction
Monetary assets	208,234,673.41	208,234,673.41	Deposits, pledge, freeze	Letter of credit deposits, freeze, pledge used for borrowing
Fixed assets	922,143,772.76	583,506,173.70	Mortgage	Pledge for borrowings
Intangible assets	50,072,753.15	42,702,750.26	Mortgage	Pledge for borrowings
Construction in progress	55,234,058.18	55,234,058.18	Mortgage	Pledge for borrowings

**4. Investment in financial assets****(1) Securities investment** Applicable    Not applicable

Unit: RMB

Type of Security	Ticker	Abbreviation	Initial Investment Cost	Accounting Measurement Model	Opening Book Value	Gain/loss on Fair-Value Changes in the Reporting Period	Accumulated Changes in Fair Value Recognized in Equity	Purchase Amount in the Current Period	Selling Amount in the Current Period	Gain/Loss in the Reporting Period	Closing Carrying Value	Accounting Subject	Source of Fund
Domestic and overseas stocks	688469	UNT	17,830,331.94	Measured at fair value	16,075,501.38	4,888,456.56		0.00	0.00	4,888,456.56	20,963,957.94	Other non-current financial assets	Self-owned fund
Domestic and overseas stocks	02149	BaTeLab	35,383,248.98	Measured at fair value	35,089,829.99	20,527,708.52		0.00	55,617,538.51	25,962,471.71	0.00	Held-for-trading financial assets	Self-owned fund
Other securities investments held at the end of the Period			38,716,506.85	--	15,539,508.56	284,223.91		0.00	0.00	284,223.91	15,823,732.47	--	--
Total			91,930,087.77	--	66,704,839.93	25,700,388.99	0.00	0.00	55,617,538.51	31,135,152.18	36,787,690.41	--	--

**(2) Derivative investment** Applicable    Not applicable**1) Derivatives held for hedging purposes during the Reporting Period** Applicable    Not applicable

Unit: RMB10,000

Types of Derivative Investment	Initial Investment Amount	Opening Amount	Gain/loss on Fair-Value Changes in the Reporting Period	Accumulated Changes in Fair Value Recognized in Equity	Purchased During the Reporting Period	Sold During the Reporting Period	Closing Amount	Proportion of Investments at the End of the Period to Net Assets of the Company at the End of the Reporting Period
Exchange rate swap	10,777.2	0	0	0	94,670.91	94,670.91	0	0.00%
Foreign exchange option	3,675	3,675	0	0	7,181.32	10,856.32	0	0.00%
Total	14,452.2	3,675	0	0	101,852.23	105,527.23	0	0.00%

<p>Description of accounting policies and specific principles of accounting for hedging operations during the Reporting Period, as well as whether there were any significant changes compared with the previous Reporting Period</p>	<p>No significant changes.</p>
<p>Description of actual profit and losses during the Reporting Period</p>	<p>In 2025, the gains or losses generated by the derivatives invested by the Company was RMB1,411,300, and the fair value of the Company's derivatives was recognized according to the foreign exchange quotation of Bank of China.</p>
<p>Description of hedging effects</p>	<p>The Company mitigated the risks in the foreign exchange market through foreign exchange hedging, and the exchange fluctuations during the Reporting Period did not have significant adverse effects on the Company's financial performance.</p>

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<p>Risk analysis and description of control measures for derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)</p>	<p><b>I. Risk Analysis of Foreign Exchange Hedging Business</b></p> <p>The Company and its subsidiaries follow the principle of conservatism in foreign exchange hedging business and do not engage in foreign exchange dealings for the purpose of speculation. All foreign exchange hedging business is based on normal production and operation, relying on specific business operations, and aiming at avoiding and preventing exchange rate risks. However, there are certain risks in foreign exchange hedging business, mainly including:</p> <p>1. Risks arising from fluctuations in exchange rates</p> <p>Due to significant fluctuations in foreign exchange market conditions, there is a market risk of substantial fluctuations in the value of foreign exchange derivatives or even potential losses caused by exchange rate volatility.</p> <p>2. Internal control risk</p> <p>Foreign exchange derivative trading is highly specialized and complex. Risks may arise due to an inadequate internal control system.</p> <p>3. Operational risk</p> <p>During the execution of specific transactions, if operators fail to accurately, timely, and completely handle and record foreign exchange derivative investment business information, it may lead to losses in foreign exchange derivative transactions or the loss of trading opportunities.</p> <p>4. Legal risk</p> <p>If traders fail to fully understand the terms of trading contracts and product information, the Company might face legal risks and trading losses as a result.</p> <p><b>II. Risk Control Measures to be Taken by the Company</b></p> <p>1. The Company adheres to the principles of safety, conservatism, moderation and reasonableness, and all foreign exchange hedging business needs a normal and reasonable business background. The foreign exchange hedging business is for the purpose of hedging, and speculative behavior is eradicated completely;</p> <p>2. In order to control the risk of significant fluctuations in exchange rates, the Company will strengthen its</p>
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<p>Changes in the market price or product fair value of invested derivatives during the Reporting period</p> <p>specific methodology used and the setting of relevant assumptions and parameters for the analysis of the fair value of derivatives should be disclosed)</p>	<p>In 2025, the gains or losses generated by the derivatives invested by the Company was RMB1,411,300, and the fair value of the Company's derivatives was recognized according to the foreign exchange quotation of Bank of China.</p> <p>The Company performs recognition and measurement in accordance with the provisions of <i>Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments and Accounting Standards for Business Enterprises No. 39 - Fair Value Measurement</i>. The fair value is basically referred to the bank pricing, and the Company performs fair value measurement and recognition on a monthly basis.</p>
<p>Lawsuit (if applicable)</p>	<p>Q ea , / m P TË , O - M I</p>

force in the era of intelligent electrification. The global semiconductor industry has advanced rapidly in recent decades, in terms of materials, technologies, products, and downstream applications, resulting in a huge industrial scale. Integrated circuits, discrete devices, optoelectronic devices, and sensors constitute the territory of the modern semiconductor industry. Meanwhile, the focus of the industry is gradually shifting from the first-generation single-element semiconductors, such as silicon and germanium to the third-generation semiconductors, represented by silicon carbide (SiC) and gallium nitride (GaN). Furthermore, semiconductors have also been applied to strategic industries, such as AI, new energy vehicles, photovoltaic (PV) power generation, and aerospace, thus becoming the “pearl” of the modern industry. Around the semiconductor field, technological competition, trade barriers, and international disputes are intensifying, and countries around the world are strengthening the construction of independent and controllable semiconductor technology systems. Driven by continued demand in global artificial intelligence, AI data centers, automotive electrification and intelligence, the global semiconductor industry is poised for a wave of growth in the future. According to WSTS statistics, the global semiconductor industry market size (based on sales revenue) is expected to reach USD772.2 billion in 2025, with a projected year-on-year growth of 22.5%. It is expected to reach USD975.5 billion in 2026, up 26.3% year-on-year.

Discrete devices, as a vital branch of the semiconductor industry, are widely applied in all fields of electric and electronic industries. If we compare integrated circuits to the brain, discrete devices will be blood vessels. The long-term stable operation of discrete devices ensures the safety and life of electronic devices and matters the safety of modern electrical and electronic industries. According to WSTS statistics, the global discrete device market size is projected to reach USD30.9 billion in 2025 (based on sales revenue), and USD33.44 billion in 2026, with a year-on-year growth of 8.2%. The market is expected to continue its moderate growth trajectory in the future. With respect to the Chinese market, domestic substitution and innovation will remain the mainstay of the electronics industry. The domestic substitution of the high value-added process in the industry chain is particularly important. Global trade disputes will continue to expedite the progress of domestic production of mid- and high-end power devices, and the substitution logic will shift from capital-driven to internal circulation-driven. Growing domestic manufacturers of the whole-machine system related to the scenarios of new infrastructure, new energy, digital economy, and information consumption will accelerate to promote the verification and procurement of domestic chips and devices. In accordance with the national “15th Five-year Plan” and China Vision 2035, China will expedite the establishment of a modern industrial system, stick to the independent, controllable, safe, and efficient principle, and accelerate to remove the bottleneck in basic components. The domestic and overseas substitution of the semiconductor industry will continue to speed up. Therefore, in the medium and long term, local Chinese enterprises will still enjoy good market opportunities.

With the development of automotive electronics, clean energy, AI data centers, and other industries, as well as the increasing stringency of carbon emission management worldwide (such as the “carbon peaking and carbon neutrality” policies set by the Chinese government), there is growing demand for high-power charging and energy-saving components. Third-generation semiconductor components, represented by SiC and GaN, are gradually replacing the market share of silicon-based power devices due to their excellent high-efficiency characteristics. More and more companies are joining the development of third-generation semiconductor components, supported by the demand from the automotive, industrial, and AI sectors. In 2025, third-generation semiconductors also experienced significant growth. According to Yole’s latest forecast, the silicon carbide power device market will grow at a compound annual growth rate (CAGR) of 20% from 2024 to 2030, with the market size

exceeding USD10 billion by 2030. As a new generation of semiconductors, the third-generation semiconductor is bound to be a key core material and electronic component supporting the independent innovation, development, and transformation and upgrading of industries such as new energy vehicles and AI data centers.

In 2025, the embodied intelligence industry was accelerating into the mass production stage, entering a phase of rapid growth in large-scale commercial applications. According to market research firm Omdia, the total global shipments of humanoid robots are expected to exceed 14,000 units in 2025, with the market entering a rapid growth phase. In this process, power devices play a crucial role, as they perform key functions in modules and components such as motor drives, power management, and sensing systems. At the same time, the global shipment volume of AI servers is also expected to see significant growth in 2025, with their output value projected to account for 65% of the overall server market. According to Trend Force's estimates, the compound annual growth rate of global AI server shipments is expected to reach 24.1% in 2025, with a predicted year-on-year growth of 20.9% in 2026, accounting for 17.2% of the total server shipments. Power devices also play an indispensable role in this growth, being widely used in important processes such as power conversion, power amplification and switching, circuit protection, and uninterruptible power supplies (UPS). Silicon carbide MOSFETs, with their minimal reverse recovery loss, can be widely used in AI data centers; MOSFETs and IGBTs, as power semiconductor components, function as power amplifiers and switches, enabling efficient power management and distribution. Diodes and electrostatic discharge (ESD) protection devices effectively prevent damage to circuits caused by overvoltage, overcurrent, and ESD.

## 2. Development strategies of the Company

(1) The Company is committed to the mission of “becoming the world’s trusted power semiconductor partner”, upholding the core values of “customer first, professionalism and dedication, integrity and honesty, and innovation and excellencsh #

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(3) In terms of operation, in response to global supply chain restructuring and intensified cross-industry competition, which demand higher quality and cost efficiency, the Company has established an operational excellence management philosophy based on its corporate mission and long-term development strategy. From an industry perspective, the Company will integrate industrial chain resources, using lean operations and zero-defect quality management systems as dual cores, to build lean operational capabilities under the IDM model, forging the Company's core competitiveness in continuous quality improvement and cost optimization.

(4) In terms of globalization, the Company will adhere to the strategy of global operations and development, focusing on key areas and regions of global technological and economic development. It will gradually build a global solution capability that integrates brand, channels, R&D, and production. In brand development, the Company will deepen the "Dual Brands + Dual Circulations" business model, along with brand and product differentiation, to seize global development opportunities. It aims to rapidly increase the proportion of overseas sales, fully leverage the advantages of overseas brands, and use channel partners' product Design-In capabilities to develop global key customers. This will enhance the Company's and its products' brand value and international recognition. In market expansion, the Company will continue to maintain and enhance its advantages in traditional sectors, while actively expanding into high-end markets such as AI data centers, embodied intelligence, automotive electronics, and clean energy. It will continue to implement its major customer strategy, focusing on key Top 10 customers within key industries worldwide. It will seek to meet customer core demands with the highest quality products and services and establish strong partnerships with customers. In terms of R&D layout, the Company will continue to increase investment in global R&D centers and enhance investment in overseas R&D centers. In manufacturing, the Company will continue to increase investment in the Vietnam plant, expanding production capacity and product categories, expanding from automotive-grade packaging to automotive-grade wafer manufacturing, providing a one-stop supply service for global customers.

(5) For sustainable development, the Company will stick to the development strategy of sustainable innovation, policies, and core competitiveness, keep improving its management system of safety production, and make constant innovation. Meanwhile, in response to the national strategies of achieving peak carbon emissions by 2030 and carbon neutrality by 2060, the Company will establish an energy management system and optimize its environmental protection system. It will also invest in upgrading automated production lines, and technically reformed production processes to reduce carbon emissions. It will develop a comprehensive carbon reduction checklist, and roll it out from a single production base to all bases, continually taking concrete steps to support decarbonization efforts and putting green, high-quality development into practice.

### 3. The 2026 business plan

#### (1) Product leadership

a) The Company, in 2026, will continue to be customer- and market-oriented and further raise the R&D investment in new products. Particularly, for products related to automotive standard parts, MOSFETs, IGBTs, and SiC, the Company will constantly strengthen its R&D investment and product launch in market segments, such as automotive electronics, clean energy, AI data centers and embodied intelligence, and further strengthen the construction of overseas R&D centers in Japan, Germany, and the United Kingdom. Meanwhile, it will raise the number of overseas R&D personnel and expand the coverage of overseas product lines. It will double its R&D efforts for product design and technology and process improvement, constantly enhance product quality, and enrich product types. Moreover, it will earnestly respond to the national

call for achieving high-quality development through technological innovation, constantly optimize the incentive mechanism for R&D personnel, stimulate all R&D departments to continuously optimize product design, achieve breakthroughs in technology and processes, reduce production costs, and raise resource utilization and production efficiency.

b) The Company will conscientiously promote the management and implementation of key R&D projects, and keep raising its technical added value and strengthen the breadth and depth of products via R&D projects. In the automotive electronics sector, for SiC, the Company will roll out 15 m 1,200 V main drive chips, as well as 30, 40, 60 m 1,200 V OBC and DCDC chips based on its self-built fab platform; for IGBT, the Company will further introduce the G2/G3 platform MPT series 40 A, 80 A, and 1,200 V automotive-grade products to deeply penetrate the PTC market, compressor controller market, developing 750 V and 1,100 V, 1,400 V new platform products targeting light storage applications; for MOSFET, it will further enrich the SGT mainstream N-channel automotive-grade platform series and gradually iterates to Gen4.0 to enhance cost competitiveness, and roll out the whole 40 V-100 V P-channel series, while developing a series of 80 V and 100 V products for 48 V system applications pushing them to the market. In terms of automotive standard parts, the Company will fully benchmark international first-tier brands and roll out more product series to increase the BOM matching rate for automotive electronics customers. In terms of packaging, the Company will collaborate with tier-1/end vehicle manufacturers to develop SiC modules with ultra-low parasitic inductance and higher power density, and will roll out advanced packaging for automotive electronics power discrete devices and ramp up its production. In AI data centers, industry, and clean energy sectors, for SiC: the G3M platform series products for the AI data center market will be launched to achieve breakthroughs in AI data center applications; for IGBT, the G2/G3 micro-trench platform series products continue to be launched and ramped up, with the Company's 650 V, 1,200 V and 1,700 V platform products continuously making significant strides in traditional industrial control, light storage charging, and automotive applications; for MOSFET, the Company will roll out high-reliability and wide SOA 175°C 30 V, 80 V, 100 V, and 150 V series products for DC Fan, micro-inverters, AI servers and robotics; for standard parts, the Company will introduce the Wetable Flank DFN series products, and iterate existing products towards smaller packages and higher packaging density.

c) The Company will continue to improve its R&D system, implement its IPD system, introduce the industry's best R&D process PLM (Product Lifecycle Management System) to optimize execution, and accelerate product development cycle and R&D success rate. It will improve the building of the R&D fundamental database and establish a professional knowledge management platform for R&D, to lay a systematic foundation for sustainable and efficient R&D output.

## (2) Operational excellence

a) In 2026, the Company will further strengthen the dual-profit-center mechanism of the sales zones and business divisions, continuously upgrade YBS, ensure strict adherence to the IATF16949 and VDA6.3 quality management systems, deepen collaboration with external strategic suppliers, leveraging automation, digitization and intelligence to comprehensively enhance operational efficiency and reduce production costs.

b) The Company will comprehensively promote excellent operational management, deeply implement the 352 strategy, and use lean transformation as a core lever to fully enhance operational quality and efficiency. Led by the management team, we will systematically advance lean transformation by focusing on sales growth, lean production, and supply chain optimization. In terms of sales growth, the Company will introduce the DBS operational

system, driving high-quality growth through standardized and systematic methods; in lean production, it will deepen the application of lean tools, integrate digital and AI technologies, accelerate the conversion of lean achievements and the release of value, and simultaneously cultivate the Company's lean professional talent team. The Company will accelerate the construction of a digital lean management system, use digital means to run through the entire process of performance management, carry out multi-dimensional “Compare, Learn, Compete, Help, Surpass” competition activities, refine and form excellent practices and management models that are scalable, replicable, and transferable, continuously activating organizational vitality. Leveraging the Improvement Week as a normalized carrier, the Company will keep a close eye on operational improvement goals, promote efficient collaboration among various departments, continuously improve product quality, operational efficiency, and cost control levels, continually strengthening and reinforcing the Company’s core competitive advantages.

c) In terms of supply chain optimization, in 2026, the Company will continue to promote the optimization of the integrated supply chain process of ISC, deepen the application of the SAP-IBP information project, implement the digital scheduling tool RTD for scheduling on the manufacturing site, and establish a full-link connection of data and processes from the supply chain to the manufacturing end machines. Through the double implementation of process combing and IT system consolidation, it will comprehensively improve supply efficiency and production operation stability, strive to enhance customer delivery satisfaction, and effectively respond to market demand fluctuations and external supply chain challenges. By building an end-to-end rapid response production and sales coordination mechanism, it will precisely identify delivery risks, reduce delivery costs, and enhance delivery capability, providing a solid guarantee for seizing market share.

### (3) Global development

a) The Company will continue to promote the international strategic layout, increase resource allocation to international markets, strengthen the two-way synergy between overseas and domestic markets, and achieve the seamless connection between product certification and batch cooperation. Meanwhile, it will further explore the business model of “Dual Brands + Dual Circulations” and brand product differentiation, to cover global market channels. In 2026, the Company will continue to expand sales share in the fields of automotive electronics, clean energy, industrial automation, AI data centers, and embodied intelligence

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

						on June 11, 2025.
July 8, 2025	The online interaction platform, Value Online ( <a href="http://www.ir-online.cn/">http://www.ir-online.cn/</a> )	Online platform communication	Others	To the public	Explanation regarding the continued negotiations on the acquisition of assets through a cash transaction and the termination of the issuance of shares, as well as the acquisition of assets through a cash transaction and the raising of counterpart funds	For details, please refer to the <i>Information of Yangjie Technology on Investor Relations Management 20250708</i> (No. 2025-004) disclosed on July 8, 2025.
October 21, 2025	Conference Room	By phone	Institution	172 institutional investors including Huayuan Securities and Ping An Fund Management	Exchange of the Company's 2025 annual report Exchange of the third-quarter performance	For details, please refer to the <i>Information of Yangjie Technology on Investor Relations Management 20251021</i> (No. 2025-005) disclosed on October 21, 2025.

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

Has the Company established a market value management system?

Yes    No

Has the Company disclosed a valuation enhancement plan?

Yes     No

To further enhance the Company's market value management, regulate its market value management practices, and safeguard the legitimate rights and interests of the Company, investors, and other stakeholders, the Company convened the 14th meeting of the 5th Board of Directors on March 27, 2025, at which the *Proposal on Formulating the Market Value Management Policy* was reviewed and approved.

#### **XIV. Implementation of the action plan for “dual enhancement of quality and profitability”**

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

Yes      No

The Company actively responded to the call and formulated its action plan for “dual enhancement of quality and profitability”. For specific content, see the Announcement on the Progress of Share Repurchase and the Action Plan for “Enhancement of Quality and Profitability” disclosed by the Company on February 5, 2024. The specific progress of the Company’s implementation of its action plan for “dual enhancement of quality and profitability” is as follows:

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

The Company closely follows development opportunities in downstream new markets and emerging fields, focusing on growth prospects in these areas. It prioritizes expanding collaborations with top clients in emerging industries such as automotive electronics, energy storage, wind power, AI data centers, embodied AI, and the low-altitude economy. Leveraging the core advantages of its IDM (Integrated Device Manufacturer) model and comprehensive product solutions, the Company has achieved full coverage of TOP industry clients and established an agile service system that follows a "customer demand - technical response - closed-loop improvement" process. Meanwhile, the Company has appointed dedicated strategic marketing managers for key products, focusing on promoting MOSFET, IGBT, and SiC product series. These managers empower sales through strategic product promotion and team-based collaboration, helping secure product validation opportunities, accelerate conversion rates, and increase the sales proportion of key products. During the Reporting Period, the automotive electronics sector achieved substantial growth, with annual revenue reaching RMB7.13 billion, a year-on-year increase of 18.18%.

As the Company continues to expand its operations, it is accelerating its scale and internationalization efforts. It is advancing its global strategic layout, strengthening synergy between overseas and domestic markets, and achieving global channel coverage for its diversified products. The Company is also developing e-commerce models both domestically and internationally, combining online and offline channels to further enhance brand building and increase international brand influence. Currently, the Company has established localized research and development, manufacturing, and sales networks in more than 50 countries/regions worldwide, including 7 R&D centers, which can closely meet the customized needs of local customers and incorporate global best practice experience into localized product development. In 2025, the Company's first overseas automotive-grade packaging base, the MCC (Vietnam) plant, started mass production. Additionally, an automotive-grade 6-inch wafer factory has been built and invested in at the Vietnam base, the first automotive-grade SiC chip production line has successfully achieved mass production rampup, and the first SiC automotive-grade power semiconductor module packaging project was completed and put into production, receiving orders from several international and domestic mainstream Tier 1 customers.

By relying on core indicators such as comprehensive revenue scale, technological R&D strength, and market share, the Company once again secured the top three in the "Top 10 Semiconductor Power Device Enterprises in China" evaluated by the China Semiconductor Industry Association, ranked eighth on the OMDIA global power semiconductor discrete list,

among the top 20 on various semiconductor enterprise lists domestically and internationally, and was included in the automotive whitelist released by the Ministry of Industry and Information Technology, etc. In 2025, the Company obtained certification from multiple leading international automotive OEMs and Tier 1 customers, with its technological solutions and product performance recognized by many mainstream customers; it successively won the first national authoritative certification for chip localization and honors such as one of China's top ten SiC device IDMs, continuously enhancing its industry influence and brand recognition.

ii. Persist in innovation-driven development, accelerate the domestication process

The Company actively deepens industry-university-research collaboration with renowned universities and research institutes. It upholds the talent strategy of external introduction and internal cultivation, enabling rapid technological iteration while preserving its corporate culture heritage. In terms of external recruitment, the Company continues to attract experienced technical talents from both domestic and international sources, forming a high-quality team covering high-end chip R&D design, advanced power semiconductor wafer manufacturing, and advanced packaging R&D design. By integrating R&D resources across business divisions, the Company has established a well-structured, collaborative, and comprehensive R&D system.

The Company has set up a central research institute at its Yangzhou headquarters, responsible for conducting frontier technology, fundamental research, and laboratory construction operations, and for overall management of the Company's R&D projects. Product R&D departments are set up in each business division and product line (including the SiC R&D team, IGBT R&D team, MOSFET R&D team, etc.), closely focusing on customer needs and market trends to research, develop, and mass-produce specific products, establishing a product development management system based on the principle of "developing one generation, preparing the next, and researching the one after that". The Company will continue to improve its R&D system, implement its IPD system, introduce the industry's best R&D process, Product Lifecycle Management System (PLM), optimize execution, and improve the building of the basic R&D database and the management platform for R&D expertise to prepare the system foundation for sustainable and efficient R&D output.

During the Reporting Period, the Company increased its investment in the third-generation semiconductor chip industry, intensifying R&D efforts in products such as SiC-based third-generation semiconductor power devices to better support its long-term strategic development. The Company has achieved continuous breakthroughs in key areas including SiC, IGBT, and MOSFET product portfolio planning, design, and manufacturing processes. It has established a technology-driven growth path characterized by multi-voltage platform synergy, ongoing automotive-grade certification implementation, and core performance indicators leading the market.

As of the end of 2025, the Company had been granted a total of 716 intellectual property rights, including 132 invention patents, 492 utility model patents, 70 integrated circuit layout designs, 9 software copyrights, and 13 design patents. As one of the primary drafters for power semiconductor industry standards, the Company participated in the formulation and revision of national standards such as *Discrete semiconductor devices - Part 1: Sectional specification* (Plan No.: 20233151-T-339) and *Discrete semiconductor devices - Part 2: Discrete Devices SMD Rectifier diodes* (Plan No.: 20232773-T-339), as well as group standards including *Performance Requirements and Test Methods for Conductive Adhesives for Semiconductor Chip Packaging*, *Module Diodes for Photovoltaic Module Junction Boxes*, and *Performance Requirements and Test Methods for UV Debonding Protective Films for Semiconductor*

*Packaging.*

iii. Improve corporate governance and strengthen standardized operations

The Company strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other laws and regulations, as well as the requirements of the Articles of Association and Rules of Procedure for Shareholders' Meetings, to establish and improve the corporate governance structure and operate in compliance. It possesses a complete and independent operating mechanism for the Shareholders' Meeting, the Board of Directors, and the Management, and has set up organizational functions that are efficient, streamlined, and suitable for independent operation in line with the Company's production and management, with corresponding job responsibilities defined. Each functional department has clear responsibilities, mutual checks and balances, forming a reasonable, complete, and effective corporate governance and management framework.

To further optimize the governance structure, Mr. Xu Xiaobing was elected as the employee representative director of the Company's fifth Board of Directors in 2025 and the Board of Supervisors was abolished to improve the scientific and effective decision-making of the Board of Directors, making the board composition more balanced, strengthening the role of the Audit Committee, and enhancing governance efficiency. The Board of Directors consists of nine members, including three independent directors. The number and composition of members of the Board of Directors conform to relevant laws, regulations, normative documents, and the *Articles of Association*. Members of the Board of Directors include accounting professional(s), industry experts, and other professionals equipped with knowledge, skills, and qualities for duty performance.

The Company strictly regulates the convening and voting procedures of the Shareholders' Meeting, fully ensuring the equal legal status and legitimate rights of all shareholders, especially minority shareholders. In 2025, all matters that should be reviewed by the Shareholders' Meeting strictly fulfilled the approval authority and review procedures, with no instances of unauthorized approval or post-implementation review; a total of 1 Annual Shareholders' Meeting and 4 Extraordinary Shareholders' Meetings were held, all convened by the Board of Directors and witnessed by lawyers on site, ensuring the meeting procedures were legal and compliant.

The Company continuously improves its long-term incentive mechanism and solidifies long-term development momentum. On May 30, 2025, the Company held the 16th meeting of the 5th Board of Directors, where it reviewed and approved the proposals including the Proposal on the "Draft Employee Stock Ownership Plan for the 'Strivers Program (Phase VI)' of Yangzhou Yangjie Electronic Technology Co., Ltd. and Its Summary" and the Proposal on the "Management Measures for the Employee Stock Ownership Plan under the 'Strivers Program (Phase VI)' of Yangzhou Yangjie Electronic Technology Co., Ltd."

iv. Focusing on corporate value and enhance the quality of disclosure The Company designates the Board Secretary to truthfully, accurately, promptly, fairly, and completely disclose relevant information in strict accordance with the *Management Measures for Information Disclosure by Companies* and the *Policy on Investor Relations Management of Companies*. Additionally, *Securities Times* and [www.cninfo.com.cn](http://www.cninfo.com.cn) are designated by the Company for information disclosure to ensure all shareholders can fairly access information.

The Company respects and guarantees the rights of all shareholders as company owners, regularly convening and holding Shareholders' Meetings in strict accordance with the *Articles of Association* and *Rules of Procedure for Shareholders' Meetings* to ensure shareholders'

participation in major company decision-making as stipulated by laws, administrative regulations, and the *Articles of Association*. Meanwhile, in 2025, the Company actively communicated with investors through various means such as the “Easy Interaction” platform, investor email, investor hotline, performance briefings, and brokerage strategy meetings, continuously improving the communication channels with investors. The Company has received the highest rating (Grade A) for information disclosure from the Shenzhen Stock Exchange for four consecutive years.

The Company has continuously strengthened its corporate governance structure, improved its internal control system, revised and refined management systems to regulate daily operations and management, consistently promoted standardized and efficient operations of the Board of Directors and Shareholders’ Meetings, fully leveraging the roles of various governance bodies to effectively enhance compliance and risk control.

#### (5) Maintain stable cash dividends and implement shareholder returns

The Company maintained a stable cash dividend policy in 2025, providing continuous and stable cash dividends for a broad range of investors, thus bringing investment returns to shareholders.

In 2025, the Company used its own funds or self-raised funds to repurchase a total of 870,100 A-shares through centralized bidding, with the repurchase amounting to RMB40,983,874.00 (excluding transaction fees). Approved by the 18th meeting of the Company’s 5th Board of Directors and the 18th meeting of the 5th Board of Supervisors, the Company proposed the 2025 Semi-Annual Profit Distribution Plan: based on the Company’s total issued share capital of 543,347,787 shares as of August 18, 2025, a cash dividend of RMB4.20 (tax-inclusive) per 10 shares will be distributed to all shareholders, for a total cash dividend payout of RMB228,206,070.54 (tax-inclusive). This profit distribution plan was implemented on September 16, 2025. Approved by the 25th meeting of the Company’s 5th Board of Directors, the Company proposed the 2025 Annual Profit Distribution Plan: based on the Company’s total issued share capital of 543,347,787 shares as of March 28, 2026, a cash dividend of RMB5.00 (tax-inclusive) per 10 shares will be distributed to all shareholders, for a total cash dividend payout of RMB271,673,893.50 (tax-inclusive).

## Section IV Corporate Governance, Environmental and Social Matters

### I. Basic information on corporate governance

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

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

#### 1. Shareholders and the Shareholders' Meeting

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

#### 2. The Company and the controlling shareholder

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

#### 3. Directors and the Board of Directors

The Company's Board of Directors has 9 members, including 3 independent directors and 1 employee representative director. The number and composition of the Board of Directors comply with relevant laws, regulations, normative documents, and the *Articles of Association*. The members of the Board of Directors include accounting professionals, industry experts, and other professionals with the necessary knowledge, skills, and qualities to perform their duties.

During the Reporting Period, directors performed their duties conscientiously in accordance with *Guidelines No. 2 of the Shenzhen Stock Exchange on the Self-regulation of Listed Companies--Normative Operation of Listed Companies on the ChiNext*, the *Rules of Procedure of the Board of Directors*, and the *Working System for Independent Directors*. In 2025, the Company held 12 Board of Directors Meetings, which were all convened by the Chairman. The meeting procedures were in line with the regulations, with meeting minutes truthfully and completely taken and relevant information promptly, accurately, and adequately disclosed.

#### 4. Mechanisms of performance appraisal, and incentive and constraint

The Company has established well-improved performance appraisal standards and incentive and constraint mechanisms for directors (non-independent directors) and senior management members. Additionally, senior management members are all engaged transparently and in line with relevant laws, regulations, and normative documents. The Remuneration and Appraisal Committee of the Board of Directors is in charge of the development of the remuneration program for directors, supervisors, and senior management members and remuneration management, appraisal, and supervision. The remuneration program for directors and supervisors and the allowance program for independent directors developed by the Remuneration and Appraisal Committee should be reviewed and approved by the Board of Directors and then submitted to the shareholders' meeting for approval before they are implemented. The remuneration program for senior management members such as the General Manager should be approved by the Board of Directors before they are implemented. To further establish and perfect a long-term incentive mechanism, the Company has launched a total of four stock option incentive plans and two employee stock ownership plans since its listing, covering company directors, senior management members, core business personnel, and key company employees, fully motivating the management and core employees' enthusiasm and creativity, and promoting the Company's long-term, sustainable, and healthy development.

#### 5. Information disclosure and transparency

The Company designates the Board Secretary to truthfully, accurately, promptly, fairly, and completely disclose relevant information in strict accordance with the *Management Measures for Information Disclosure by Companies* and the *Policy on Investor Relations Management of Companies*. Additionally, *Securities Times* and [www.cninfo.com.cn](http://www.cninfo.com.cn) are designated by the Company for information disclosure to ensure all shareholders can fairly access information.

#### 6. Stakeholders

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

Does the actual governance status of the Company differ materially from the relevant laws, administrative regulations, and the CSRC's rules on corporate governance for listed companies?

Yes  No

The actual governance status of the Company does not differ materially from the relevant laws, administrative regulations, and the CSRC's rules on corporate governance for listed companies.

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

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

### 1. Asset independence

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

### 2. Personnel independence

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

### 3. Financial independence

The Company has set up an independent financial accounting department and an internal audit department and established an independent accounting system and financial management policy to make independent financial decisions. The Company owns a segregated bank account and does not share any bank account with other businesses controlled by the controlling shareholder and de facto Controller. The Company independently pays taxes according to laws and does not pay taxes together with other businesses controlled by its controlling shareholder or de facto Controller. The Company does not provide any guarantee for businesses controlled by its controlling shareholder or de facto Controller, so its funds are not misappropriated by its controlling shareholder or other businesses.

### 4. Institution independence

The internal operations management institution has been established and improved by the Company to exercise power in operations management independently. Neither is the institution mixed with the controlling shareholder, de facto Controller, or other businesses controlled by

them, nor do the controlling shareholder, de facto Controller, and other businesses controlled by them intervene in the setup of the institution.

### 5. Business independence

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

### III. Competition with peers in the industry

Applicable  Not applicable

### IV. The Company has differentiated arrangements for voting power

Applicable  Not applicable

### VI. Corporate governance of the red-chip structure

Applicable  Not applicable

### VI. Directors and senior management members

#### 1. General information

Name	Gender	Age	Office title	Incumbent /Former	Start of tenure	End of tenure	Initial Shares Held (Shares)	Shares Increased During the Period (Shares)	Shares Decreased During the Period (Shares)	Other Changes (Shares)	Final Shares Held (Shares)	Reasons for changes in shareholding
Liang Qin	Female	54	Chairman	Incumbent	April 13, 2011	July 26, 2026	0.00	0.00	0.00	0.00	0.00	-
Liang Yao	Male	50	Vice Chairman	Incumbent	May 7, 2021	July 26, 2026	395,625.00	0.00	0.00	0.00	395,625.00	-
Liu Congning	Male	50	Vice Chairman	Incumbent	March 28, 2024	July 26, 2026	399,813.00	0.00	0.00	0.00	399,813.00	-
Liu Congning	Male	50	Vice President	Incumbent	30 June 2020	July 26, 2026	399,813.00	0.00	0.00	0.00	399,813.00	-
Chen Runsheng	Male	46	Director	Incumbent	19 June 2017	July 26, 2026	355,669.00	0.00	0.00	0.00	355,669.00	-
Chen Runsheng	Male	46	President	Incumbent	April 15, 2021	July 26, 2026	355,669.00	0.00	0.00	0.00	355,669.00	-
Xu Xiaobing	Male	55	Employee Representative Director	Incumbent	November 17, 2025	July 26, 2026	119,169.00	0.00	0.00	0.00	119,169.00	-
Xu Xiaobing	Male	55	Vice President	Incumbent	April 13, 2011	July 26, 2026	119,169.00	0.00	0.00	0.00	119,169.00	-

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Huang Zhiguo	Male	48	Director	Incumbent	April 18, 2024	July 26, 2026	0.00	0.00	0.00	0.00	0.00	-
Guo Qiang	Male	60	Independent director	Incumbent	July 26, 2023	July 26, 2026	0.00	0.00	0.00	0.00	0.00	-
Liu Zhihong	Male	66	Independent director	Incumbent	July 26, 2023	July 26, 2026	0.00	0.00	0.00	0.00	0.00	-
Yu Ping	Male	58	Independent director	Incumbent	July 26, 2023	July 26, 2026	0.00	0.00	0.00	0.00	0.00	-
Wang Jinxiong	Male	52	Vice President	Incumbent	July 26, 2023	July 26, 2026	4,500	0	0	0	4,500	-
Dai Juan	Female	47	Vice President	Incumbent	May 16, 2014	July 26, 2026	283,125.00	0.00	0.00	0.00	283,125.00	-
Dai Juan	Female	47	Chief Financial Officer	Incumbent	April 13, 2011	July 26, 2026	283,125.00	0.00	0.00	0.00	283,125.00	-
Shen Ying	Female	52	Vice President	Incumbent	November 18, 2022	July 26, 2026	22,000.00	0.00	0.00	0.00	22,000.00	-
Qin Nan	Female	38	Board Secretary	Incumbent	August 25, 2025	July 26, 2026	6,000.00	0.00	0.00	0.00	6,000.00	-
Wang Yulin	Male	56	Vice President	Resigned	July 26, 2023	July 1, 2025	0.00	0.00	0.00	0.00	0.00	-
Fan Fengbin	Male	42	Board Secretary	Resigned	November 18, 2022	August 25, 2025	20,000.00	0.00	0.00	0.00	20,000.00	-
Fan Fengbin	Male	42	Assistant to the Chairman	Resigned	November 18, 2022	October 30, 2025	20,000.00	0.00	0.00	0.00	20,000.00	-
Total	--	--	--	--	--	--	1,605,901	0.00	0.00	0.00	1,605,901	--

Has there been any resignation of directors or senior management members during the Reporting Period?

Yes No

1. On July 1, 2025, Mr. Wang Yulin resigned from the position of Vice President of the Company for personal reasons. After his resignation, Mr. Wang Yulin no longer holds any position in the Company.

2. Due to internal work adjustments, Mr. Fan Fengbin no longer serves as the Company's Board Secretary and Assistant to the Chairman. After the adjustment, Mr. Fan Fengbin assumes another management position in the Company, responsible for the Company's internal and external public affairs.

Changes in directors and senior management members

Applicable Not applicable

Name	Position	Type	Date	Reason
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Wang Yulin	Vice President	Dismissed	July 1, 2025	Personal reasons
Fan Fengbin	Board Secretary	Dismissed	August 25, 2025	Job transfer
Fan Fengbin	Assistant to the Chairman	Dismissed	October 30, 2025	Job transfer
Qin Nan	Board Secretary	Appointed	August 25, 2025	Job transfer
Xu Xiaobing	Employee Representative Director	Elected	November 17, 2025	Job transfer

## 2. Biographical information

The professional backgrounds, main work experience, and current primary responsibilities of the Company's existing directors, and senior management members

### (1) Members of the Board of Directors

Liang Qin, female, was born in October 1971, holds a college degree, and is a Senior Economist. She was a delegate at the 12th National Congress of the All-China Federation of Industry and Commerce, a member of the 13th Executive Committees of the All-China Federation of Industry and Commerce, Vice President of the Jiangsu General Chamber of Commerce, a member of the Standing Committee of Yangzhou People's Congress, President of the Yangzhou Association of Women Entrepreneurs, and one of Forbes China 100 Top Businesswomen. She was awarded such titles as National Excellent Private Entrepreneur for Caring for Employees, Excellent Entrepreneur in China's Electronic Information Industry, National "Ten Thousand Talents Program" Leading Talent, National March 8th Red-banner Pacesetter, National Exemplar in the Accomplishments of Females, Model Worker of Jiangsu Province, Excellent Young Entrepreneur of Jiangsu Province, Excellent Private Woman Entrepreneur of Jiangsu Province, One of the Fifth Excellent Contributors of Jiangsu Province to the Cause of Socialism with Chinese Characteristics, "Progressive Individual in

the Yangzhou Smart Industry Association, Honorary Director of the Alumni Council at Nanjing University of Posts and Telecommunications, Deputy Secretary-general of CAM Management Thoughts and Business Ethics Society, and President of the Yangzhou APEC Business Travel Card Association. He has won titles such as “New Fortune Gold Medal Board Secretary”, “Advanced Individual in Technology Innovation in Hanjiang District”, “Outstanding Communist Party Member of Yangzhou City”, and “Special-Class Party Affairs Worker in Emerging Fields of Jiangsu Province”. He took the posts of Counselor and Teaching Assistant at the Nanjing University of Posts and Telecommunications, Supervisor of Jiangsu Yangjie Investment Co., Ltd., Director of Yangzhou Office, China Life Insurance Company Limited, Director of Jiangsu Yangjie Semiconductor Co., Ltd., Deputy General Manager and Board Secretary of Yangzhou Yangjie Electronic Technology Co., Ltd., and Managing Partner of Hangzhou One Investment Management Partnership (Limited Partnership). Currently, he serves as Vice Chairman of Yangzhou Yangjie Electronic Technology Co., Ltd., Managing Partner of Yangzhou Liangmao Investment Management Partnership (Limited Partnership), Supervisor of Shenzhen Zhiyi Investment Co., Ltd., Managing Partner of Yangzhou Liangmao Enterprise Management Partnership (Limited Partnership), Managing Partner of Yangzhou Jiesheng Investment Management Partnership (Limited Partnership), Executive Director at Yangzhou Liangmao Investment Co., Ltd., Chairman and General Manager of Yangzhou Dongxing Yangjie R&D Co., Ltd., and Director of Yangzhou Changshui Intelligent Technology Co., Ltd.

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

Chen Runsheng, male, was born in January 1979 and holds a bachelor’s degree. He took the posts of Process Quality Engineer and System Engineer of Jingcheng Electronic Technology Group Company, Quality Engineer, as well as Manager and Assistant of the Quality Department, of Shanghai Gulf Semi Technology Co., Ltd., Deputy General Manager of the Quality Department and Deputy General Manager of Manufacturing Operations at Yangzhou Yangjie Electronic Technology Co., Ltd., Director and General Manager of Jiangsu Huanxin Semiconductor Co., Ltd. He is currently the Director and President of Yangzhou Yangjie Electronic Technology Co., Ltd., Supervisor of Jiangsu MCC Semiconductor Co., Ltd., Director of Yangzhou Jieguan Microelectronics Co., Ltd., Chairman of Hunan Jiechuwei Semiconductor Technology Co., Ltd., and the Chairman of Dongsen Semiconductor HK Co., Limited.

Xu Xiaobing, male, was born in April 1970 and holds an associate degree. He has held positions at Yangzhou Port Corporation, Ningbo Office Manager, Zhejiang and Fujian Region Manager, and Photovoltaic Project Manager at Jiangsu Yangjie Investment Co., Ltd., Director at

Yangzhou Yangjie Electronic Technology Co., Ltd., and Chairman at Yixing Jiexin Semiconductor Co., Ltd., among others. He currently serves as the Employees' Representative Director and Vice President at Yangzhou Yangjie Electronic Technology Co., Ltd., Executive Director at Shanghai Xinyangjie Electronic Technology Co., Ltd., Executive Director and General Manager at Yangjie Technology (Wuxi) Co., Ltd., and Director at Yixing Jiexin Semiconductor Co., Ltd.

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

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

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

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

## (2) Senior management members

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

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

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

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

Dai Juan, female, was born in November 1978 and holds an associate degree. She has served as Credit Department Manager at Jiangsu Yangjie Investment Co., Ltd., Supervisor at Yancheng Jieming Photovoltaic Power Co., Ltd., and Director at Jiangsu Huanxin Semiconductor Co., Ltd. She is currently the Vice President and Chief Financial Officer of Yangzhou Yangjie Electronic Technology Co., Ltd., Director of Yangzhou J&V Semiconductor Company, Supervisor of Jiangsu Yangjie Semiconductor Co., Ltd., Supervisor of Shenzhen MCC Semiconductor Co., Ltd., Director of Hunan Jiechuwei Semiconductor Technology Co., Ltd., Executive Director of Hangzhou E-Giant Semiconductor Technology Co., Ltd., and Supervisor of Yangzhou Jiejia Electronic Materials Co., Ltd.

Shen Ying, female, was born in June 1973 and holds a bachelor's degree. She previously served as an ex officio vice chairwoman of the 11th Executive Committee of the Women's Federation of Hanjiang District, Yangzhou, an ex officio vice chairwoman of the 2nd Executive Committee of the Women's Federation of the Weiyang Economic Development Zone, Yangzhou; and an honorary vice chairwoman of the General Union of Weiyang Economic Development Zone in Yangzhou. She has been honored with titles such as Outstanding Trade Union Worker of Yangzhou City, March 8th Red-banner Pacesetter of Yangzhou City, "May Day Women's Vanguard" of Yangzhou City, recipient of the May Day Labor Medal, and Five-Star Trade Union Chairwoman of Yangzhou City. She has previously served as a general ledger accountant in the Finance Department of Yangzhou Metal Materials Corporation, as well as Finance Manager and Human Resources Manager at Jiangsu Yangjie Investment Co., Ltd., and as a supervisor at Jianshui County Jiejie Enterprise Management Co., Ltd. Currently, she serves as the Vice President of Yangzhou Yangjie Electronic Technology Co., Ltd.

Nan Qin, female, was born in May 1987 and holds a bachelor's degree. She holds a Certificate of Qualification as a Board Secretary issued by the Shenzhen Stock Exchange. She has been employed at Yangzhou Yangjie Electronic Technology Co., Ltd. since February 2011, having

held positions as a staff member in the Finance Department, Supervisor of the Securities Department, Senior Supervisor of the Securities Department, and Securities Affairs Representative. She currently serves as the Board Secretary at Yangzhou Yangjie Electronic Technology Co., Ltd.

Circumstances in which the controlling shareholder or actual controller concurrently serves as Chairman and General Manager of the listed company

Applicable  Not applicable

Offices held concurrently in shareholding entities:

Applicable  Not applicable

Name	Shareholder entities	Positions held in shareholder entities	Start of tenure	End of tenure	Remuneration or allowance from the shareholding entity
Liang Qin	Jiangsu Yangjie Investment Co., Ltd.	Chairman	May 13, 2011		No
Liang Qin	Jianshui County Jiejie Enterprise Management Co., Ltd.	Executive Director	December 23, 2010		No
Liu Congning	Jianshui County Jiejie Enterprise Management Co., Ltd.	Supervisor	June 27, 2019		No
Note on positions at the shareholders of the Company	N/A				

Positions held in other entities

Applicable  Not applicable

Name	Other entities	Positions held in other entities	Start of tenure	End of tenure	Receipt of remuneration and allowance in other organizations
Liang Qin	Yangzhou J&V Semiconductor Company	Director and General Manager	May 6, 2009		No
Liang Qin	Jiangsu Yangjie Semiconductor Co., Ltd.	Executive Director	March 1, 2016		No
Liang Qin	MCC Semiconductor HK Co., Ltd.	Director	June 22, 2015		No
Liang Qin	Micro Commercial Components Corporation	Chairman	September 1, 2015		No
Liang Qin	Caswell Industries Limited	Director	November 8, 2015		No
Liang Qin	Yangjie Electronic Korea Co., Ltd.	Board Member	May 12, 2016		No

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Liang Qin	Chengdu Qingyang Electronic Material Co., Ltd.	Director	December 27, 2017		No
Liang Qin	Yixing Jiexin Semiconductor Co., Ltd.	Director	March 30, 2018		No
Liang Qin	Sichuan Yajixin Electronic Technology Co., Ltd.	Director	December 31, 2020		No
Liang Qin	Yangzhou Jieguan Microelectronics Co., Ltd.	Chairman	December 14, 2022		No
Liang Qin	MCC Singapore Pte. Ltd.	Director	March 30, 2023		No
Liang Qin	Yadea Group Holdings Ltd.	Independent director	June 16, 2023		Yes
Liang Yao	Yangzhou Liangmao Investment Management Partnership (Limited Partnership)	Managing Partner	September 2, 2015		No
Liang Yao	Shenzhen Zhiyi Investment Co., Ltd.	Supervisor	October 17, 2017		No
Liang Yao	Yangzhou Liangmao Enterprise Management Partnership (Limited Partnership)	Managing Partner	September 30, 2021		No
Liang Yao	Yangzhou Jiesheng Investment Management Partnership (Limited Partnership)	Managing Partner	January 6, 2023		No
Liang Yao	Yangzhou Liangmao Investment Co., Ltd.	Executive Director	December 1, 2023		No
Liang Yao	Yangzhou Dongxing Yangjie Research and Development Co., Ltd.	Chairman, General Manager	November 1, 2024		No
Liang Yao	Yangzhou Changshui Intelligent Technology Co., Ltd.	Director	September 28 2025		No
Liu Congning	Yangzhou J&V Semiconductor Company	Director	May 6, 2009		No
Liu Congning	Jiangsu MCC Semiconductor Co., Ltd.	Executive Director, General Manager	August 21, 2015		No
Liu Congning	Shenzhen MCC Semiconductor Co., Ltd.	Executive Director, General Manager	August 27, 2015		No
Liu Congning	Chengdu Qingyang Electronic Material Co., Ltd.	Chairman	February 28, 2018		No
Liu Congning	Sichuan Yajixin Electronic Technology	Chairman	December 31, 2020		No

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	Co., Ltd.				
Liu Congning	MCC Singapore Pte. Ltd.	Director	March 30, 2023		No
Liu Congning	Yangzhou Liangmao Investment Co., Ltd.	Supervisor	December 1, 2023		No
Liu Congning	Yangzhou Dongxing Yangjie Research and Development Co., Ltd.	Director	November 1, 2024		No
Liu Congning	YJ Technology Japan Co., Ltd.	Director	December 18, 2024		No
Chen Runsheng	Jiangsu MCC Semiconductor Co., Ltd.	Supervisor	August 21, 2015		No
Chen Runsheng	Yangzhou Jieguan Microelectronics Co., Ltd.	Director	December 14, 2022		No
Chen Runsheng	Hunan Jiechuwei Semiconductor Technology Co., Ltd.	Chairman	September 26, 2024		No
Chen Runsheng	Dongsen Semiconductor HK Co., Limited	Chairman	17 January 2025		No
Xu Xiaobing	Shanghai Xinyangjie Electronics Co., Ltd.	Executive Director	May 31, 2017		No
Xu Xiaobing	Yangjie Technology (Wuxi) Co., Ltd.	Executive Director, General Manager	December 22, 2020		No
Xu Xiaobing	Yixing Jiexin Semiconductor Co., Ltd.	Director	December 27, 2025		No
Huang Zhiguo	Changsha Yutaishu Management Consulting Co., Ltd.	Executive Director, General Manager	December 29, 2014		Yes
Huang Zhiguo	Hunan Zhichuang Network Technology Co., Ltd.	Executive Director, General Manager	December 29, 2017		No
Huang Zhiguo	Huaqin Technology Co., Ltd.	Independent director	November 16, 2020		Yes
Huang Zhiguo	Shanghai Xiangyi Bencao Cosmetic Manufacturing Co., Ltd.	Director	December 9, 2021	April 15, 2025	Yes
Huang Zhiguo	Suntak Technology Co., Ltd.	Independent director	November 28, 2022	28 November 2025	Yes
Liu Zhihong	Huzhou Yanhong Electronics Co., Ltd.	Supervisor	March 13, 2014		No
Liu Zhihong	Lansus Technologies Inc	Independent director	May 13, 2021		Yes
Liu Zhihong	Beijing Kaide Quartz Co., Ltd.	Independent director	December 29, 2020		Yes

Liu Zhihong	Beijing Lingfeng Jincheng Technology Co., Ltd.	Supervisor	May 19, 2023		No
Liu Zhihong	Gaopin (Beijing) Technology Co., Ltd.	Independent director	May 29, 2023		Yes
Yu Ping	Jiangsu Chencheng Engineering Consulting Co., Ltd.	Executive Director	May 1, 2013		No
Yu Ping	Yangzhou Huicheng Tax Accountant Office Co., Ltd.	General Manager	July 10, 2008		Yes
Yu Ping	Jiangsu Olive Sensors High-tech Co., Ltd.	Independent director	December 27, 2022	November 21, 2025	Yes
Yu Ping	Yangzhou Dongsheng Automotive Co., Ltd.	Independent director	May 28, 2025		Yes
Dai Juan	Yangzhou J&V Semiconductor Company	Director	May 6, 2009		No
Dai Juan	Jiangsu Yangjie Semiconductor Co., Ltd.	Supervisor	February 27, 2012		No
Dai Juan	Shenzhen MCC Semiconductor Co., Ltd.	Supervisor	August 27, 2015		No
Dai Juan	Hunan Jiechuwei Semiconductor Technology Co., Ltd	Director	March 3, 2023		No
Dai Juan	Hangzhou E-Giant Semiconductor Technology Co., Ltd.	Executive Director	October 23, 2024		No
Dai Juan	Yangzhou Jiejia Electronics Materials Co., Ltd.	Supervisor	July 31, 2024		No
Note on positions in other organizations	N/A				

Punishments imposed by securities regulatory authorities on current and resigned directors and senior management members of the Company in the past three years during the Reporting Period

Applicable  Not applicable

### 3. Remuneration of directors and senior management members

Decision-making procedures, basis for determining, and actual payment of remuneration for directors and senior management members:

The Company held the 14th meeting of the 5th Board of Directors on March 27, 2025, and the 2024 Annual Shareholders' Meeting on April 21, 2025, where the proposal on the *Proposal on the Remuneration Plan of Directors and Senior Management in 2025* was reviewed and approved. After review by the Remuneration and Appraisal Committee, the remuneration plan for the Company's directors and senior management members for 2025 is as follows:

The remuneration plan for directors: Directors who hold management positions in the Company will receive remuneration according to the management role they hold and will not receive a separate director allowance. Directors who do not hold management positions will receive remuneration according to the contract they have signed. Independent directors and external directors of the Company will receive a fixed amount of allowance as agreed in the agreement. Besides this, they do not enjoy other company remunerations, social security benefits, etc., and do not participate in company performance evaluations linked to compensation.

The remuneration plan for senior management members: The remuneration for senior management members consists of monthly base salary and an annual performance-based bonus. The calculation formula is: Annual remuneration = Monthly base salary \* 12 + annual performance-based bonus. The monthly base salary is determined based on factors such as the value, responsibility, capability, and market salary conditions of the senior management member's position. The annual performance-based bonus is linked to the completion of individual annual performance goals and the Company's annual business performance, with the year-end performance-based bonus paid according to the annual evaluation results.

Non-independent directors, supervisors, and senior management members receive basic remuneration in the form of monthly base salary, paid monthly; the annual performance-based bonus is distributed based on the Company's relevant assessment system2      dire  
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Liu Zhihong	Male	66	Independent director	Incumbent	15	No
Yu Ping	Male	58	Independent director	Incumbent	6	No
Dai Juan	Female	47	Vice President and Chief Financial Officer	Incumbent	84.88	No
Shen Ying	Female	52	Vice President	Incumbent	91.53	No
Wang Jinxiong	Male	52	Vice President	Incumbent	223.84	No
Qin Nan	Female	38	Board Secretary	Incumbent	40.82	No
Wang Yulin	Male	56	Vice President	Resigned	25.95	No
Fan Fengbin	Male	42	Board Secretary and Chairman Assistant	Resigned	78.08	No
Total	--	--	--	--	1,383.07	--



Chen Runsheng	12	2	10	0	0	No	3
Xu Xiaobing	12	2	10	0	0	No	3
Huang Zhiguo	12	0	12	0	0	No	0
Guo Qiang	12	0	12	0	0	No	1
Liu Zhihong	12	0	12	0	0	No	1
Yu Ping	12	0	12	0	0	No	1

Explanation for consecutive absence from two Board Meetings

N/A

## 2. Directors' objections to Company matters

Did any directors raise objections regarding company matters during the Reporting Period?

Yes  No

No objections were raised by any director during the Reporting Period.

## 3. Other explanation on directors' performance

Were the directors' suggestions regarding the Company adopted?

Yes  No

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

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

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

### VIII. The specialized committees under the Board of Directors During the Reporting Period

Committee Name	Members	Number of Meetings Held	Convening date	Meeting Content	Important Opinions and Suggestions	Other Duties Performed	Specific situations of objections (if any)
The Audit Committee of the 5th Board of Directors	Yu Ping, Liu Zhihong, and Huang Zhiguo	6	February 10 2025	Reviewed and approved the <i>Company's Internal Audit Work Report for the Fourth Quarter of 2024</i> , the <i>Company's 2024 Annual Audit Work Summary</i> , the <i>Company's Internal Audit Work Plan for 2025</i> , the <i>Company's Internal Audit Work Plan for the First Quarter of 2025</i> .	/	/	/
The Audit Committee of the 5th Board of Directors	Yu Ping, Liu Zhihong, and Huang Zhiguo	6	26 March 2025	Reviewed and approved the <i>Company's Internal Audit Work Report for the First Quarter of 2025</i> , the <i>Company's Internal Audit Work Plan for the Second Quarter of 2025</i> , the <i>2024 Annual Financial Settlement Report</i> , the <i>Company's 2024 Internal Control Self-assessment Report</i> , the <i>Special Report on the Deposit and Use of Raised Funds in 2024</i> , the <i>Full Text and Summary of the 2024 Annual Report of the Company</i> , the <i>Report on the Assessment of Performance of the Accounting Firm in 2024</i> , the <i>Report on the Accounting Firm's Performance of Supervisory Responsibilities</i> , and the <i>Proposal on the Renewal of Pan-China Certified Public Accounts LLP as the Company's Auditing Firm for 2025</i> .	/	/	/
The Audit Committee of the 5th Board of	Yu Ping, Liu Zhihong, and	6	April 24, 2025	Reviewed and approved the <i>2025 First Quarter</i>	/	/	/

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Directors	Huang Zhiguo			Report.			
The Audit Committee of the 5th Board of Directors	Yu Ping, Liu Zhihong, and Huang Zhiguo	6	August 17, 2025	Reviewed and approved the Company's Financial Statements for H1 2025, the Special Report on the Deposit and Use of Raised Funds in H1 2025, the Company's Internal Audit Work Report for the Second Quarter of 2025, and the Company's Internal Audit Work Plan for the Third Quarter of 2025.	/	/	/
The Audit Committee of the 5th Board of Directors	Yu Ping, Liu Zhihong, and Huang Zhiguo	6	September 10, 2025	Reviewed and approved the Proposal on the Acquisition of 100% Equity of Dongguan Better Electronics Technology Co., Ltd. by Cash and Related Party Transaction	/	/	/
The Audit Committee of the 5th Board of Directors	Yu Ping, Liu Zhihong, and Huang Zhiguo	6	October 16, 2025	Reviewed and approved the Company's Financial Statements for the First Quarter of 2025, the Special Report on the Deposit and Use of Raised Funds in the Third Quarter of 2025, and the Company's Internal Audit Work Plan for the Fourth Quarter of 2025.	/	/	/
The Nomination Committee of the 5th Board of Directors	Liu Zhihong, GUO QIANG, Liang Qin	2	August 18, 2025	Proposal on Adjusting the Chairman and General Manager of the Subsidiary, Jiangsu Yangjie Runao Semiconductor Co., Ltd.	/	/	/
The Nomination Committee of the 5th Board of Directors	Liu Zhihong, GUO QIANG, Liang Qin	2	August 25, 2025	The following proposal was reviewed and approved: Proposal on the Change of the Board Secretary.	/	/	/
The Remuneration and Appraisal Committee of the 5th Board of	Guo Qiang, Yu Ping, and Chen Runsheng	2	March 27, 2025	Reviewed and approved the Report on the Performance of the	/	/	/

Directors				<i>Company's Senior Management in 2024 and Proposal on Directors and Senior Management's Remuneration for 2024 and Remuneration Plan for 2025.</i>			
The Remuneration and Appraisal Committee of the 5th Board of Directors	Guo Qiang, Yu Ping, and Chen Runsheng	2	May 29, 2025	Reviewed and approved the <i>Proposal on the Draft Employee Stock Ownership Plan for the "Strivers Program (Phase VI)" of Yangzhou Yangjie Electronic Technology Co., Ltd. and Its Summary and the Proposal on the Management Measures for the Employee Stock Ownership Plan under the "Strivers Program (Phase VI)" of Yangzhou Yangjie Electronic Technology Co., Ltd.</i>	/	/	/
The Strategy Committee of the 5th Board of Directors	Liang Qin, Liu Congning, Liang Yao, Chen Runsheng, GUO QIANG, Liu Zhihong, and Yu Ping	1	September 10, 2025	Reviewed and approved the <i>Proposal on the Acquisition of 100% Equity of Dongguan Better Electronics Technology Co., Ltd. by Cash and Related Party Transaction</i>	/	/	/

## IX. Work Status of the Audit Committee

Whether the Audit Committee identified any risks in its supervisory activities during the Reporting Period

Yes  No

The Audit Committee raised no objections regarding its supervisory matters during the Reporting Period.

## X. Employee Information

### 1. Employee quantity, professional composition, and educational level

Number of in-service employees of the Company at the period-end	3,503
Number of in-service employees of main subsidiaries at the period-end	4,407
Total number of in-service employees at the period-end	7,910

Total number of employees with remuneration in this Reporting Period	7,910
Number of ex-employees or retired employees for which the parent company and the major subsidiaries have obligations (person)	0
professional structure	
Category	Number of professionals (person)
Production	5,295
Sales personnel	577
Technical personnel	1,255
Financial personnel	70
Administrative personnel	713
Total	7,910
Educational level	
Category of education level	Number of people (person)
Doctorate	4
Master's degree	254
Bachelor's degree	1,701
College	2,240
High school and below	3,711
Total	7,910

## 2. Remuneration policy

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

## 3. Training plans

The Company has consistently upheld the corporate culture of “customer first, professionalism and dedication, integrity and honesty, and innovation and excellence,” continuously improving the talent development system and establishing an integrated talent development pattern of “tiered classification + specialized empowerment + mechanism assurance.”

### (1) Core talent development project

The Company focuses on different groups for precise empowerment, creating a multi-level training system.

Training for recent graduates: The Company explored potential through the “Qingsong Plan” and “Hidden Dragon Plan”, building a path for career growth and skill enhancement;

Management talent reserve: The Company launched the “Discoverer Plan” for trainee and reserve cadre training classes, concurrently conducting “Factory Manager Training Camp” and “General Manager Training Camp”, to respectively enhance middle-level comprehensive management capabilities and senior strategic vision;

Professional talent enhancement: In 2025, the Company established specialized classes along four lines of quality/process, manufacturing, equipment, and plant affairs, to create tailored training paths for technicians, team leaders, and engineers, improving professional literacy through diverse methods.

#### (2) Core talent development project

The Company focused on upgrading the automotive-grade system with three major initiatives: precisely identifying 28 key capabilities and perfect system assurance; optimizing job descriptions and the *Mentor Management Norms* to strengthen “mentorship and guidance”; developing customized training plans based on capability gaps, and forming an internal expert lecturer team.

#### (3) Diverse learning support and cooperation

The Company has built an information platform for the talent development center, complemented by improving training management systems; collaborated with universities and Yangzhou Intelligent Technology Vocational School to provide academic advancement, professional qualification training, and certification services; organized visits to benchmarking enterprises, expert lectures, book sharing sessions, and other activities to cultivate a good learning atmosphere.

#### (4) Implementation of guarantee and incentive measures

The Company ensured an average annual training time of over 50 hours per person through diversified learning platforms. It conducted activities such as innovative proposals, star ratings, excellent employees and team creation, etc. It implemented employee career management - IPD and critical position successor plans, regularized special position professional training and qualification certification, set up practical assessments for various training projects, and prioritized promotion for outstanding students, with annual funding of hundreds of thousands of yuan allocated specifically for these measures.

### 4. Outsourced labor

Applicable    Not applicable

Total labor outsourcing hours (hours)	1,657,789
Total rewards paid (RMB)	45,508,976.82

### XI. Profit Distribution and Capital Reserve Transfer to Share Capital

The formulation, implementation, or adjustment of profit distribution policies, especially cash dividend policies, during the Reporting Period

Applicable  Not applicable

The profit distribution plan and capital reserve transfer to share capital plan for the Reporting Period are consistent with the regulations of the Company's Articles of Association and dividend management measures

Yes No Not applicable

The profit distribution plan and capital reserve transfer to share capital plan for the Reporting Period are in line with the Company's Articles of Association and relevant regulations.

Profit distribution and capital reserve transfer to share capital for the year

Number of bonus shares per 10 shares (shares)	0
Dividend per 10 shares (RMB) (tax-inclusive)	5.00
Number of shares to be converted per 10 shares (shares)	0
Base capital shares for profit distribution plan (shares)	543,347,787
Cash dividend amount (RMB) (tax inclusive)	271,673,893.50
Cash dividend amount in other ways (such as share repurchase) (RMB)	40,983,874.00
Total cash dividend amount (including other ways) (RMB)	312657767.5
Distributable profit (RMB)	4,761,068,587.04
Percentage of total cash dividend amount (including other forms) of total profit distribution	100.00%
The current cash dividend distribution	
For companies in the growth stage with significant capital expenditure commitments, when distributing profits, the proportion of cash dividends in this profit distribution should be at least 20%.	
Detailed note on the plan for profit distribution or the conversion of capital provident fund into the share capital	
<p>Audited by Pan-China Certified Public Accounts LLP, the parent company realized a net profit of RMB1,062,569,400 in 2025. According to the relevant provisions of the Company Law and the Articles of Association, the statutory surplus provident fund to be extracted that year was RMB0. Adding the undistributed profit of RMB2,632,875,300 at the beginning of the year and deducting a cash dividend of RMB2,162,778,000 and RMB228,206,100 distributed during the Reporting Period for the 2024 fiscal year and H1 of 2025, respectively, the cumulative profit available for distribution to shareholders by the parent company is RMB3,250,960,800.</p> <p>In accordance with the <i>Company Law</i>, the <i>Articles of Association</i>, and the guiding opinions of the CSRC on encouraging listed companies to distribute cash dividends and provide stable and reasonable returns to investors, the Company's 2025 profit distribution plan is proposed as follows, subject to adhering to the profit distribution principle and ensuring the Company's normal operation and long-term development:</p> <p>Based on the Company's total share capital of 543,347,787 shares as of March 28, 2026, a cash dividend of RMB5.00 (tax-inclusive) per 10 shares will be distributed to all shareholders, totaling RMB271,673,893.50 (tax-inclusive) in cash dividends. From the date the profit distribution plan is disclosed until the equity distribution share registration date, if the total number of shares of the Company changes due to the listing of additional shares, the exercise of stock options, share repurchases, or other such activities, the Company will adjust the total amount distributed while maintaining the original distribution ratio.</p>	

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

Applicable  Not applicable

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

Applicable    Not applicable

### 1. Stock incentive

#### Phase IV restricted share incentives

On March 27, 2025, the Company held the 14th meeting of the 5th Board of Directors and the 14th meeting of the 5th Board of Supervisors, approving the *Proposal on the Unfulfillment of Vesting Conditions for the Second Vesting Period of the Phase IV Restricted Stock Incentive Plan and the Cancellation of Part of the Granted but Unvested Restricted Stocks*. According to the *Administrative Measures for Equity Incentives of Listed Companies*, the *Phase IV Restricted Stock Incentive Plan of Yangzhou Yangjie Electronic Technology Co., Ltd. (Draft)*, and other relevant regulations, as well as the authorization of the first extraordinary shareholders' meeting in 2022, the Board of Directors believed that the vesting conditions for the second vesting period of the Phase IV Restricted Stock Incentive Plan had not been fulfilled, and the 373,000 shares of restricted stocks granted but not yet vested in the second vesting period should not be vested and should be canceled by the Company. After canceling part of the restricted shares, the implementation of the Company's Phase IV Restricted Share Incentive Plan is complete.

#### Equity incentives granted to the directors and senior management

Applicable    Not applicable

#### Appraisal mechanisms and incentives for senior management

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

### 2. Implementation of employee stock ownership plan

Applicable    Not applicable

#### Employee stock ownership plans effective during the Reporting Period

Scope of Employees	Number of Employees	Total Number of Shares Held	Change	Percentage of Total Share Capital of Listed Companies	Source of Funds
Directors, senior management members, core business personnel, and company backbones employed by the Company (including	500	3,421,105	N/A	0.63%	Special incentive fund extracted by the Company for 2025–2027

subsidiaries)					
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### Shareholding of directors and senior management members in the employee stock ownership plan during the Reporting Period

Name	Office title	Shares Held at the Beginning of the Reporting Period	Shares Held at the End of the Reporting Period	Percentage of Total Share Capital of Listed Companies
Chen Runsheng	Director and President	0.00	100,000	0.02%
Wang Jinxiong	Vice President	0.00	36,000	0.01%
Xu Xiaobing	Director and Vice President	0.00	30,000	0.01%
Liang Yao	Vice Chairman	0.00	24,000	0.00%
Liu Congning	Vice Chairman and Vice President	0.00	24,000	0.00%
Dai Juan	Vice President and Chief Financial Officer	0.00	24,000	0.00%
Shen Ying	Vice President	0.00	24,000	0.00%
Qin Nan	Board Secretary	0.00	3,600	0.00%

### Changes in asset management institutions during the Reporting Period

Applicable  Not applicable

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

Applicable  Not applicable

### Shareholders' rights exercise during the Reporting Period

Not exercised.

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

Applicable  Not applicable

### Changes in the employee stock ownership plan management committee members

Applicable Not applicable

On June 16, 2025, the Company held the first meeting of participants in the Company's "Strivers Program (Phase VI)" Employee Stock Ownership Plan, passing the *Proposal on Establishing the Management Committee of the "Strivers Program (Phase VI)" Employee Stock Ownership Plan* and the *Proposal on Electing Members of the Management Committee of the "Strivers Program (Phase VI)" Employee Stock Ownership Plan*. Cui Qun, Wang Dongyan, and Zhou Peipei were elected as members of the management committee for this employee stock ownership plan, with a term concurrent with the duration of the plan.

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

Applicable Not applicable

According to the resolutions of the Company's 16th meeting of the 5th Board of Directors and the first extraordinary shareholders' meeting in 2025, the Company will implement an employee stock ownership plan this period, with participation by no more than 500 people including directors and senior management members. The plan involves the purchase of no more than 3,421,105 shares of company public stock, repurchased through centralized bidding, using special incentive funds extracted by the company. Each share has a face value of RMB1, and the grant price per share is RMB47.71. The lock-up period for this employee stock ownership plan is 3 years.

Termination of employee stock ownership plans during the Reporting Period

Applicable  Not applicable

Other descriptions:

N/A

### 3. Other incentive measures for employees

Applicable  Not applicable

## XIII. Internal control system construction and implementation during the Reporting Period

### 1. Internal control construction and implementation

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

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

### 2. Significant deficiencies in internal control during the Reporting Period

Yes  No

#### XIV. Subsidiary Management and Control During the Reporting Period

Company name	Integration Plan	Integration Progress	Problems Encountered in Integration	Measures Taken	Solution Progress	Future Plans
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Abnormalities in the management and control of subsidiaries

Yes  No

#### XV. Internal Control Evaluation Report and Internal Control Audit Report

##### 1. Internal control evaluation report

Date of full disclosure of the internal control assessment report	March 31, 2025	
Index of full disclosure of the internal control assessment report	www.cninfo.com.cn	
Ratio of the total assets of the organizations included in the financial statements to the Company's consolidated total assets	100.00%	
The proportion of the operating income of the included entities in the operating income of the company's consolidated financial statements	100.00%	
Deficiency Identification Standards		
Category	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
	<p>Material deficiencies: 1. Material losses and adverse effects to the Company were caused due to the fraud of any director or senior management member; 2. Significant deficiencies that had been identified and reported to the management were not corrected within a reasonable period; 3. Material</p>	<p>Material deficiencies: 1. Material mistakes caused by the decision-making process; 2. Lack of mechanism control or systemic failure and effective compensatory control in important business; 3. Deficiencies of middle and senior management and senior technical personnel; 4. The internal control evaluation, especially deficiencies, haven't been rectified; 5. Deficiencies that have a material negative impact on the Company.</p> <p>Deficiencies: 1. General mistakes caused by the decision-making process; 2. Deficiencies in the control system of significant business; 3. Deficiencies of business personnel in key posts; 4. Deficiencies in the internal control evaluation, especially deficiencies, haven't been rectified; 5. Deficiencies haven't been rectified; 6. Deficiencies that have a negative impact on the Company.</p> <p>Deficiencies: 1. Inefficient decision-making process; 2. Deficiencies in the general business system; 3. Serious loss of general business personnel.</p>

	<p>statement; or misstated amount 5% of the total profit in the consolidated financial statement.</p> <p>Significant deficiencies: 1% of the total assets in the consolidated financial statement misstated amount &lt; 5% of the total assets in the consolidated financial statement; or 1% of the total audit revenue in the consolidated financial statement misstated amount &lt; 5% of the total audit revenue in the consolidated financial statement; or 1% of the total profit in the consolidated financial statement misstated amount &lt; 5% of the total profit in the consolidated financial statement.</p> <p>General deficiencies: Misstated amount &lt; 1% of the total assets in the consolidated financial statement; or misstated amount &lt; 1% of the total audit revenue in the consolidated financial statement; or misstated amount &lt; 1% of the total profit in the consolidated financial statement.</p>	<p>direct loss amount 0.5% of total assets;</p> <p>General deficiencies: Direct loss amount 0.2% of total assets.</p>
Number of material weaknesses in internal control over financial reporting	0	
Number of material weaknesses in internal control not related to financial reporting	0	
Number of serious weaknesses in internal control over financial reporting	0	
Number of serious weaknesses in internal control not related to financial reporting	0	

## 2. Independent Auditor's Report on Internal Control

Applicable    Not applicable

Review Opinion in the Internal Control Audit Report	
Pan-China Certified Public Accounts LLP believes that, as of December 31, 2025, Yangjie Technology Company has maintained effective internal control over financial statements in all material aspects, in accordance with the <i>Basic Code for Internal Control of Enterprises</i> and relevant regulations.	
Disclosure of the internal control audit report	Disclosure
Full disclosure date of the internal control audit report	31 March 2026
Opinion type of the internal control audit report	Standard unqualified opinion
Existence of major defects in non-financial reporting	No

Does the accounting firm issue a non-standard opinion in the internal control audit report?

Yes    No

Does the accounting firm's internal control audit report agree with the Board of Directors' self-assessment report?

Yes    No

Did a non-standard audit opinion on internal control issued during the Reporting Period or the previous year

Yes    No

### XVI. Corrective actions for issues identified by self-inspection in the special action for listed company governance

During the Reporting Period, the Company did not undertake any corrective actions regarding issues identified during its self-inspection in the special action for listed company governance.

### XVII. Environmental information disclosure

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

Yes    No

Number of enterprises included in the list of enterprises legally required to disclose environmental information		3
No.	Company Name	Reference for Statutory Environmental Information Disclosure Report
1	Yangzhou Yangjie Electronic Technology Co., Ltd.	<a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fsparchive-webapp%2Fweb%2Fsp%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&amp;year=2025&amp;ticket=b11d8e1bbd4841198594ff546dbbc100&amp;versionId=F62B24BA5340408A998A161AB63DDAD8&amp;spCode=3210030201004808">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fsparchive-webapp%2Fweb%2Fsp%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&amp;year=2025&amp;ticket=b11d8e1bbd4841198594ff546dbbc100&amp;versionId=F62B24BA5340408A998A161AB63DDAD8&amp;spCode=3210030201004808</a>
2	Yangzhou J&V Semiconductor Company	<a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fsparchive-webapp%2Fweb%2Fsp%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&amp;year=2025&amp;ticket=5d915e6404eb40f6ab25033938cb7cd9&amp;versionId=6FCF41C060C544088D7CC3EB46768551&amp;spCode=3210030200004564">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fsparchive-webapp%2Fweb%2Fsp%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&amp;year=2025&amp;ticket=5d915e6404eb40f6ab25033938cb7cd9&amp;versionId=6FCF41C060C544088D7CC3EB46768551&amp;spCode=3210030200004564</a>

## Section V Important Matters

### I. Fulfilment of Commitment Matters

#### 1. Commitments made by the actual controllers, shareholders, related parties, acquirers, and other parties related to the Company, which have been fulfilled during the Reporting Period and those that have not been fulfilled by the end of the Reporting Period.

Applicable     Not applicable

Commitment Reason	Committer	Commitment Type	Commitment Content	Commitment Date	Commitment Term	Performance Status
Commitment made during the IPO or refinancing	Jiangsu Yangjie Investment Co., Ltd.; Yangzhou Jiejie Investment Co., Ltd.	Shareholding reduction	<p>1. If shares held in the Company are reduced within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issuing price of the Company's shares, and the shareholding in the Company reduced by Yangjie Investment and Jiejie Investment shall be no more than 5% of the total share capital of the Company after the issuance and the number of shares reduced shall be no more than 4 million; the relevant announcement shall be released through Yangjie Technology three trading days in advance before reduction of shareholding in Yangjie Technology.</p> <p>2. Upon the expiration of the above-mentioned two-year period, Yangjie Investment and Jiejie Investment will reduce their shareholding in Yangjie Technology at the market price and at a price no lower than the audited ex-rights net assets per share of Yangjie Technology in the previous fiscal year. The relevant announcement shall be released through Yangjie Technology three trading days in advance before reduction of shareholding in Yangjie Technology.</p> <p>3. If the shares of the Company are sold directly or indirectly by means of centralized bidding in the non-secondary market for the sale of</p>	December 17, 2013	Long-term validity	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			<p>shares, it will not transfer to a third party engaged in the same or similar business as the Company or having other competitive relationship with the Company the shares held in the Company (including the shares otherwise controlled). Where such a transfer is proposed, it will be reported to the Company's Board of Directors in advance and will not be made before the Board of Directors has resolved to approve such transfer. 4. After the expiration of the lock-up period and within five years after the listing of the Company, the reduction of its shareholding in the Company will not lead to a change in the de facto controller of the Company. 5. It will reduce its shareholding in the Company primarily by adopting the centralized bidding in the secondary market for sales of shares, provided that the following conditions are met: (1) its committed lock-up period expires; (2) it has fully assumed the liability for compensation in case it is required to compensate investors; (3) if it intends to transfer to a third party engaged in the same or similar business as the Company or having other competitive relationship with the Company the shares held in the Company, it has obtained the Board of Directors' resolution for approval and will release the relevant announcement through the Company three trading days before reduction of shareholding in the Company.</p>			
Commitment made during the IPO or refinancing	Liang Qin; Wang Yi; Liu Congning; Liang Yao; Xu Xiaobing; Dai Juan	Shareholding reduction	1. If shares held directly or indirectly by it are reduced within two years after the expiration of the lock-up period, the reduction price shall	December 17, 2013	Long-term validity	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			<p>not be lower than the issuing price of the Company's shares 2. Upon the expiration of the above-mentioned two-year period, it will reduce its shares held directly or indirectly in Yangjie Technology at the market price and at a price no lower than the audited ex-rights net assets per share of Yangjie Technology in the previous fiscal year. The relevant announcement shall be released through Yangjie Technology three trading days in advance before reduction of direct or indirect shareholding in Yangjie Technology. 3. In order to avoid the transfer of control of the Company and ensure the long-term stable development of the Company, if the shares of the Company are sold directly or indirectly by means of centralized bidding in the non-secondary market for the sale of shares, it will not transfer to a third party engaged in the same or similar business as the Company or having other competitive relationship with the Company the shares held in the Company (including the shares otherwise controlled). Where such a transfer is proposed, it will be reported to the Company's Board of Directors in advance and will not be made before the Board of Directors has resolved to approve such transfer. 4. The above-mentioned commitments made shall survive the period of her direct or indirect shareholding in the Company, and she will not waive the fulfillment of the above commitments due to her change of position or departure, etc. 5. Ms. Liang Qin committed that within five years after the listing of the Company, the reduction of its direct or indirect</p>			
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Full Text of the 2025 Annual Report of Yangzhou Yangjie Electronic Technology Co., Ltd.

			shareholding in Yangjie Technology will not lead to a change in the de facto controller of the Company.			
Commitment made during the IPO or refinancing	Jiangsu Yangjie Investment Co., Ltd.; Yangzhou Jiejie Investment Co., Ltd.	Commitments on horizontal competition, related-party transactions and capital appropriation	It does not and will not in any way engage in, whether directly or indirectly, any business which is the same as, similar to or competitive in any respect with that of the Company, nor will it invest in any way in any company, enterprise or other institution or organization, whether directly or indirectly, whose business is the same as, similar to or competitive in any respect with that of the Company. If Jiangsu Yangjie Investment Co., Ltd. and Yangzhou Jiejie Investment Co., Ltd. breach the commitments, they are willing to bear the legal liabilities arising therefrom.	August 19, 2011	Long-term validity	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.
Commitment made during the IPO or refinancing	Liang Qin; Wang Yi; Liang Yao; Shen Ying; Wang Yan	Commitments on horizontal competition, related-party transactions and capital appropriation	They do not and will not in any way engage in, whether directly or indirectly, any business which is the same as, similar to or competitive in any respect with that of the joint-stock company, nor will they invest in any way in any company, enterprise or other institution or organization, whether directly or indirectly, whose business is the same as, similar to or competitive in any respect with that of the joint-stock company; they will not make available to any other companies, enterprises or other institutions, organizations or individuals whose business is the same as, similar to or competitive in any respect with that of the joint-stock company know-how and such other trade secrets as sales channels or customer information.	August 19, 2011	Long-term validity	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.
Commitment made during the IPO or	Liang Qin	Commitments on horizontal	Ms. Liang Qin undertakes to try to	August 19, 2011	Long-term validity	The commitments have been strictly

refinancing

competition, related-party transactions and capital appropriation avoid related-party transactions with Yangjie Technology as far as possible, and will conduct unavoidable connected business exchanges or transactions on the basis of equal footing and free will, and under the principles of fairness, equity and compensation for equal value, in which the transaction price will be determined as informed by the reasonable price recognized by the market. Ms. Liang Qin will strictly comply with the provisions of such normative documents as the *Articles of Association* of Yangjie Technology, the Decision-making Rules for Related-party Transactions on related-party

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			<p>shareholders and other stakeholders by supervising joint-stock company's implementation of the <i>Management Rules for Preventing Major Shareholders and Related Parties from Occupying Funds of the Company.</i></p>			
			<p>Where the Company and its predecessor is subject to any obligation to make supplementary payments or suffer any fines or losses as a result of the Company's failure to pay social insurance premiums and provident housing provident fund for its employees according to law, Liang Qin and Yangjie Investment will bear such obligation to make supplementary payments, fines or losses.</p>			
<p>Commitment made</p>	<p>Jiangsu Yangjie Investment Co., Ltd;</p>	<p>Other commitments</p>				
	<p>Liang Qin</p>		<p>Liability</p>			

			resignation; if they declare resignation between the seventh and the twelfth month from the date of the first public offering and listing of shares, they shall not transfer their directly or indirectly held company shares within twelve months from the date of declaring resignation; if they declare resignation twelve months after the date of the first public offering and listing of shares, they shall not transfer their directly or indirectly held company shares within six months from the date of declaring resignation.			
Commitment made during the IPO or refinancing	Jiangsu Yangjie Investment Co., Ltd; Liang Qin	Other commitments	The commitment on the measures to make up for the dilution of immediate returns regarding the Company's non-public offering is as follows:  They will not interfere with the Company's business operations and management activities and will not misappropriate the interests of the Company.	22 January 2016	Long-term validity	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.
Commitment made during the IPO or refinancing	Liang Qin; Wang Yi; Liu Congning; Liang Yao; Xu Xiaobing; Chen Runsheng; Lin Zhaohuang; Dai Juan; Chen Xian; Tang Biao; Zhang Bin	Other commitments	The Company's commitment regarding measures to offset the immediate dilution of returns resulting from this private placement is as follows: 1. They undertake that they will not convey profits to other organizations or individuals without compensation or on unfair conditions, nor will they otherwise harm the interests of the Company. 2. They undertake that they will restrain consumption behaviors of the directors and senior management members for the purpose of performing their duties. 3. They undertake that they will not use the Company's assets in investment or consumption	22 January 2016	Long-term validity	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			<p>activities unrelated to the performance of their duties. 4. They undertake that the remuneration system developed by the Board of Directors or the Remuneration Committee is linked to the Company's measures to fill returns. 5. They undertake that the right exercise conditions in the Company's equity incentive to be announced are linked to the implementation of the Company's measures to fill returns.</p>			
<p>Commitment made during the IPO or refinancing</p>	<p>Jiangsu Yangjie Investment Co., Ltd; Liang Qin</p>	<p>Other commitments</p>	<p>1. They will not convey profits to other organizations or individuals without compensation or on unfair conditions, nor will they otherwise harm the interests of the Company; 2. They will effectively fulfill the relevant measures developed by the Company to fill the returns and any commitments made by the Company/themselves in relation to the measures to fill the returns; if the Company / they breaches / breach such commitments and causes losses to the Company or investors, the Company/they is / are willing to assume the liability for compensation to the Company or investors according to law; 3. Between the date of this Commitment and the completion of the implementation of this private offering of shares by the Company, if the China Securities Regulatory Commission (CSRC) makes other new regulatory provisions on the measures to fill returns and commitments, and the above-mentioned commitments cannot meet such new provisions of the CSRC, the supplementary commitments will then be made in accordance with the</p>	<p>June 19, 2020</p>	<p>Long-term validity</p>	<p>The commitments have been strictly fulfilled without any circumstance in violation of the commitments.</p>

			latest regulations of the CSRC. As one of the responsible parties in relation to the measures to fill the returns, the Company/they will, if violating the above commitments or refusing to fulfill the above commitments, agree to accept the relevant penalties or administrative measures to be imposed on the Company/them under the relevant regulations and rules formulated or issued by the CSRC and the Shenzhen Stock Exchange and other securities regulatory authorities.			
Commitment made during the IPO or refinancing	Liang Qin; Liu Congning; Liang Yao; Chen Runsheng; Jin Zhiguo; Yu Xiekang; Chen Tongguang; Zhou Bin; Dai Juan; Xu Xiaobing; Pamela Cheng; Shen Ying	Other commitments	<p>According to the <i>Letter of Commitment by Directors and Senior Management Members on the Effective Implementation of the Company's Return Compensation Measures</i>, in view of the proposed non-public issuance of shares by Yangzhou Yangjie Electronic Technology Co., Ltd. (hereinafter referred to as the "listed company") (hereinafter referred to as "this issuance"), in order to ensure the effective implementation of the Company's return compensation measures involved in this non-public issuance of shares, as a director/senior management member of the Company, I make the following commitments: 1. Do not convey benefits to other units or individuals for free or under unfair conditions, nor adopt other methods to damage the interests of the Company; 2. Diligently and responsibly, strictly follow the Company's internal control management requirements, avoid unnecessary official consumption behaviors, and proactively cooperate with the daily inspection work of</p>	June 19, 2020	Long-term validity	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

the audit department and other relevant departments; 3. Do not use company assets to engage in investment and consumption activities unrelated to the fulfillment of my duties; 4. The salary system established by the Board of Directors or the Remuneration and Appraisal Committee is linked to the implementation of the Company's return compensation measures; 5. If the Company conducts equity incentives in the future, the exercise conditions for the equity incentives are linked to the implementation of the Company's return compensation measures; 6. From the date of issuing this commitment to the completion of the Company's non-public issuance of shares, if the China Securities Regulatory Commission makes other new regulatory provisions regarding the return compensation measures and their commitments, and the above commitments cannot meet the requirements of the China Securities Regulatory Commission, supplementary commitments will be issued following the latest regulations of the China Securities Regulatory Commission. As one of the responsible parties in relation to the measures to fill the returns, the Company/they will, if violating the above commitments or refusing to fulfill the above commitments, agree to accept the relevant penalties or administrative measures to be imposed on the Company/them under the relevant regulations and rules formulated or issued by the CSRC and the Shenzhen Stock Exchange and other securities regulatory

			authorities.			
Commitment made during the IPO or refinancing	Yangzhou Yangjie Electronic Technology Co., Ltd.	Other commitments	<p>According to the <i>Commitment Letter on Not Providing Financial Assistance or Compensation to Investors Who Will Not Directly or Indirectly Participate in the Subscription of Non-publicly Issued Shares</i>, Yangzhou Yangjie Electronic Technology Co., Ltd. (hereinafter referred to as the "Company") makes the following commitments regarding this non-public issuance of shares: 1. The Company does not make a guarantee of returns or disguised guarantees of returns to the issuers, and must not directly or through related parties provide financial assistance or compensation to the issuers. II. The Company does not and will not provide, whether directly or through stakeholders, financial support or compensation to the investors interested parties.</p>	June 19, 2020	Long-term validity	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.
Commitment Made to Minority Shareholders of the Company	Jiangsu Yangjie Investment Co., Ltd.	Other commitments	<p>In view of the fact that the principal (RMB 50 million) of the Dongrong Hui Wen Hui No. 1 Fund's twenty-fourth period subscribed by Yangjie Technology has not been repaid on time, Jiangsu Yangjie Investment Co., Ltd. (hereinafter referred to as "this company"), as the controlling shareholder of Yangjie Technology, makes the following commitments to protect the interests of the listed company and all shareholders:</p> <p>1. If Yangjie Technology fails to recover the entire investment principal by December 31, 2018, starting from the 2018 fiscal year, this company will make equal compensation to Yangjie Technology for the impairment provision amount accrued by Yangjie Technology for this</p>	November 12, 2018	Long-term validity	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			<p>investment each year.                  The specific compensation amount is as follows: the compensation amount for the current year = the amount of impairment provision for the investment in the annual report (cumulative amount) - the amount of compensation already made by this company (cumulative amount). II. If the compensation amount for the current year calculated with the above formula is positive, this company will pay the compensation amount to Yangjie Technology within 60 days from the date on which the annual report of Yangjie Technology is reviewed and approved by the Shareholders' Meeting of Yangjie Technology. III. If the compensation amount for the current year calculated with the above formula is negative, this company will not make any compensation and Yangjie Technology shall promptly return to this company the amount paid by this company in excess of the amount of impairment provision (cumulative amount) in the annual report.                  4. This company promises that the above-mentioned commitments have been authorized and approved internally by this company and has the right to sign and perform this commitment letter.</p>			
<p>Whether the commitment has been fulfilled on time</p>	Yes					
<p>If the commitment has not been fulfilled within the deadline, a detailed explanation of the reasons for non-fulfilment and the next steps to be taken shall be provided</p>	N/A					

**2. If the Company has made a profit forecast for any assets or projects and is still within the forecast period during the Reporting Period, the Company shall provide an explanation regarding whether the asset or project has met the original profit forecast, along with the reasons.**

Applicable  Not applicable

**3. Performance commitments involving the Company**

Applicable  Not applicable

**II. Non-operating funds occupied by controlling shareholders and other related parties**

Applicable  Not applicable

The Company has no non-operating funds occupied by controlling shareholders and other related parties during the Reporting Period.

**III. Violation of external guarantees**

Applicable  Not applicable

The Company did not engage in any violations related to external guarantees during the Reporting Period.

**IV. Explanation of the Board of Directors on the latest “Non-standard Audit Report”**

Applicable  Not applicable

**V. Explanation of the Board of Directors, the Audit Committee, and independent directors (if Any) on the “Non-standard Audit Report” for the Reporting Period**

Applicable  Not applicable

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

Applicable  Not applicable

**VII. Explanation on changes in the scope of consolidated financial statements compared to the previous year’s financial report**

Applicable  Not applicable

1. Scope of consolidation increased  
RMB

Unit:

Company name	Way to Gain Equity	Time of Gaining Equity	Amount of Contribution	Proportion of Contribution
Dongsen Semiconductor HK Co., Limited	Establishment	January 2025	Contribution not yet made	
Changsha Bodian Company [Note]	Acquisition of assets under non-common control	April 2025	32,500,000.00	70.00%

[Note] Hunan Jiechuwei Company acquired 100% equity of Changsha Bodian Company in April 2025, and holds 70% of its equity indirectly. Changsha Bodian Company only holds land and real estate, has no actual operation business, and does not possess the capability for input, processing, and output. Therefore, the acquisition does not constitute a business. At the level

of consolidated financial statements, the portion of the purchase price exceeding the book net assets of Changsha Bodian Company will be included in the value of land and property of Changsha Bodian Company.

2. Scope of consolidation decreased  
RMB

Unit:

Company name	Method of Equity Disposal	Time of Equity Disposal	Net Assets on Disposal Date	Net profit from the Beginning of the Period to the Disposal Date Net profit
Shanghai Lingxin Company	Cancelled	August 2025	7,721,207.55	-338,930.71
Yangjie Wuxi	Cancelled	August 2025	11,000,000.00	12,079,969.79

### VIII. Appointment and dismissal of the accounting firm

Currently appointed accounting firms

Name of the domestic independent auditor	Pan-China Certified Public Accounts LLP
Remuneration for the domestic accounting firm (Unit: RMB10,000)	100
Consecutive years of audit services of the domestic accounting firm	16
Name of certified accountant of the domestic accounting firm	Li Zongwei, Liu Meng
Consecutive years of audit services of the certified accountant from the domestic accounting firm	Li Zongwei, 3 years; Liu Meng, 1 year

Whether the accounting firm was replaced

Yes  No

Appointment of internal control audit accounting firms, financial advisors, or sponsors

Applicable  Not applicable

In this year, the Company engaged Pan-China Certified Public Accounts LLP to issue an audit report on the effectiveness of internal control over financial reporting, with a fee of RMB 180,000.

### IX. Risk of delisting after annual report disclosure

Applicable  Not applicable

### X. Bankruptcy and restructuring

Applicable  Not applicable

The Company has not experienced any bankruptcy or restructuring issues during the Reporting Period.

### XI. Major lawsuits or arbitration

Applicable  Not applicable

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

## **XII. Penalties and remediation**

Applicable  Not applicable

There were no penalties or remediation cases during the Reporting Period.

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

Applicable  Not applicable

### **XIV. Material related-party transactions**

#### **1. Related party transactions in daily operations**

Applicable  Not applicable

The Company did not have any related party transactions in its daily operations during the Reporting Period.

#### **2. Related party transactions in asset or share acquisitions or sales**

Applicable  Not applicable

The Company did not have any related party transactions in asset or share acquisitions or sales during the Reporting Period.

#### **3. Related party transactions for joint external investments**

Applicable  Not applicable

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

#### **4. Related party debts and credits**

Applicable  Not applicable

There were no related party debts or credits during the Reporting Period.

#### **5. Transactions with financial companies having related party relationships**

Applicable  Not applicable

There were no deposits, loans, credit extensions, or other financial services between the Company and any financial company with related party relationships.

#### **6. Transactions between the Company's controlling financial company and related parties**

Applicable  Not applicable

There were no deposits, loans, credit extensions, or other financial services between the Company's controlling financial company and related parties.

#### **7. Other significant related party transactions**

Applicable  Not applicable

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

## XV. Significant contracts and their performance

### 1. Custody, contracting, and leasing matters

#### (1) Custody matters

Applicable  Not applicable

There were no custody matters during the Reporting Period.

#### (2) Contracting matters

Applicable  Not applicable

There were no contracting matters during the Reporting Period.

#### (3) Leases

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Major guarantees

Applicable  Not applicable

No significant guarantees by the Company during the Reporting Period.

### 3. Entrusting others for cash asset management

#### (1) Entrusted financial management situation

Applicable  Not applicable

Overview of entrusted financial management during the Reporting Period:

Unit: RMB10,000

Product Category	Risk Characteristics	Balance of Entrusted Financial Management During the Reporting Period	Overdue Amount (RMB)
Brokerage financial products	Low risk	10,500	0
Brokerage financial products	Medium to low risk	33,300	0
Banking WM product	Medium to low risk	8,500	0
Banking WM product	Low risk	41,830	0

Circumstances where the Company acts as the sole entrustor and entrusts financial institutions to manage assets, or where investments are made in high-risk entrusted wealth management products with low security and poor liquidity

Applicable  Not applicable

#### (2) Entrusted loans

Applicable  Not applicable

There were no entrusted loans during the Reporting Period

**4. Other significant contracts**Applicable  Not applicable

The Company did not have any other significant contracts during the Reporting Period.

**XVI. Use of proceeds** Applicable Not applicable**1. Overall use of proceeds** Applicable Not applicable

Unit: RMB10,000

Year of Fundraising	Fundraising Method	Securities Listing Date	Total Proceeds	Net Proceeds (1)	Proceeds Used in the Reporting Period	Cumulative Proceeds Used (2)	Proceeds Usage Ratio by the End of the Reporting Period (3) = (2)/(1)	Amount of Reallocated Proceeds During the Reporting Period	Cumulative Reallocated Proceeds	Proportion of Reallocated Proceeds	Unused Proceeds	Use and Destination of Unused Proceeds	Amount being idle for more than two years
2023	Approved to issue Global Depository Receipts (hereinafter referred to as GDR) and to list them on the SIX Swiss Exchange	April 18, 2023	145,762.46	145,762.46	22,632.34	71,261.56	48.89%	0	0	0.00%	91,861.92	The funds will continue to be used for capital-raising projects.	0
Total	--	--	145,762.46	145,762.46	22,632.34	71,261.56	48.89%	0	0	0.00%	91,861.92	--	0

Explanation of overall use of proceeds:

In 2025, the Company actually used USD32,934,700 of raised funds, and the net amount of bank deposit interest received, after deducting bank fees and others, was USD6,817,100. As of December 31, 2025, the balance of raised funds was USD130,693,600.

**2. Status of committed projects funded by proceeds** Applicable Not applicable

Unit: RMB10,000

Project Name	Securities Listing Date	Committed Funded Project and Excess Proceeds Allocation	Project Nature	Has the Project Been Changed (Including Partial Changes)	Committed Investment	Adjusted Investment (1)	Investment Amount during the Reporting Period	Cumulative Investment by the End of the Reporting Period (2)	Investment Progress by the End of the Reporting Period (3) = (2)/(1)	Date When the Project Reaches the Expected Operational State	Returns Achieved in the Reporting Period	Cumulative Returns by the End of the Reporting Period	Have the Expected Returns Been Achieved	Is There Any Significant Change in Project Feasibility
Committed Investment Projects														

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Development of the power device business, including building small-signal products, silicon-based, and silicon carbide	April 18, 2023	Development of the power device business, including building small-signal products, silicon-based, and silicon carbide	Production and construction	No	87,457.49	87,457.49	22,632.34	27,532.82	31.48%	December 31, 2028			No	No
Packaging of SBD, MOSFET, and other products		Packaging of SBD, MOSFET, and other products												
Establishment of overseas R&D centers and global sales and after-sales service networks	April 18, 2023	Establishment of overseas R&D centers and global sales and after-sales service networks	R&D and sale	No	14,576.23	14,576.23			0.00%	December 31, 2028			N/A	No
Working capital replenishment and other general corporate purposes	April 18, 2023	Working capital replenishment and other general corporate purposes	Liquidity replenishment	No	43,728.74	43,728.74		43,728.74	100.00%				N/A	No
Subtotal of committed investment projects				--	145,762.46	145,762.46	22,632.34	71,261.56	--	--			--	--
Investment with the excessively raised funds														
N/A	23 January 2014	N/A	N/A	No						31 December 2025			N/A	No
Total				--	145,762.46	145,762.46	22,632.34	71,261.56	--	--	0	0	--	--
Statement on the failure to achieve the scheduled progress and/or the anticipated returns and its reasons by project (including the reasons for choosing "not applicable" for "whether the anticipated returns have been	The Company held the 25th meeting of the 5th Board of Directors on March 28, 2026, reviewed and adopted the Proposal on the Extension of Partial Raised Funds Investment Projects, and agreed to adjust the date on which the project of "developing the power component business, including the construction of packaging for small-signal products, silicon-based and silicon carbide SBDs, MOSFETs and other products" and the project of "construction of overseas R&D centers and global sales and after-sales service network outlets" are expected to reach the intended usable state from April 18, 2026 to December 31, 2028, without changing the implementing entities, the purposes and scales of the raised funds investment.													

achieved”)	
Statement on material changes in project feasibility	None during the Reporting Period
Amount, use, and used proportion of excessively raised funds	N/A
There were instances of unauthorised changes to the use of proceeds or violations involving the misuse of funds raised.	N/A
Change of implementation location of raised funds investment projects	N/A
Adjustment to the implementation methods for investment projects with the raised funds	N/A
Advance Use and Reimbursement of Proceeds	N/A
Temporary replenishment of liquid capital with the idle raised funds	N/A
Surplus amount of raised funds upon project implementation and the reasons	N/A
Use and Destination of Unused Proceeds	The Company temporarily deposited USD96,739,600 of raised funds in a bank time deposit account under the fundraising account, and USD33,954,100 into the special account for raised funds.
Problems such as in the use of the raised funds and the disclosure of the use	N/A

### 3. Change of projects funded by proceeds

Applicable  Not applicable

### 4. Verification opinions of intermediary institutions on the deposit and use of proceeds

Applicable  Not applicable

No such cases in the Reporting Period.

## **XVII. Explanation of other significant matters**

Applicable    Not applicable

1. February 14, 2025, the Company convened the Twelfth Meeting of the Fifth Board of Directors, during which the *Proposal on the Share Repurchase Plan* was approved. The Company plans to use its own funds or self-raised funds to repurchase a portion of public shares through centralized bidding transactions, intended for stock incentive plans or employee stock ownership plans (hereinafter referred to as this “Repurchase”). The total amount allocated for this Repurchase will not be less than RMB40 million (inclusive) and not more than RMB80 million (inclusive), with a repurchase price not exceeding RMB58 per share (inclusive). Based on the maximum repurchase price of RMB58.00 per share, when the total repurchase funds are at the lower limit of RMB40 million, it is estimated that approximately 689,656 shares will be repurchased, representing 0.13% of the Company’s current total share capital; when the total repurchase funds reach the upper limit of RMB80 million, it is estimated that approximately 1,379,310 shares will be repurchased, representing 0.25% of the Company’s current total share capital. This Repurchase shall be implemented within 12 months after the date on which the Company’s Board of Directors approves the share repurchase plan. For details, see the *Proposal on the Share Repurchase Plan* disclosed by the Company on Cninfo (www.cninfo.com.cn). As of the end of the Reporting Period, this share repurchase has been completed.

2. On September 10, 2025, the Company held the 20th meeting of the 5th Board of Directors and the 19th meeting of the 5th Board of Directors. The meeting was held in person at the Company’s headquarters in Yangzhou, Jiangsu Province. The meeting was presided over by Chairman Wang Jianjun, attended by all directors, and supervised by independent non-executive director Chen Jianjun. The meeting discussed and approved the Company’s 2025 Annual Report, the Company’s 2025 Interim Report, and the Company’s 2025 Half-Year Report. The meeting also discussed and approved the Company’s 2025 Annual Report, the Company’s 2025 Interim Report, and the Company’s 2025 Half-Year Report. The meeting was held in person at the Company’s headquarters in Yangzhou, Jiangsu Province. The meeting was presided over by Chairman Wang Jianjun, attended by all directors, and supervised by independent non-executive director Chen Jianjun. The meeting discussed and approved the Company’s 2025 Annual Report, the Company’s 2025 Interim Report, and the Company’s 2025 Half-Year Report. The meeting was held in person at the Company’s headquarters in Yangzhou, Jiangsu Province. The meeting was presided over by Chairman Wang Jianjun, attended by all directors, and supervised by independent non-executive director Chen Jianjun. The meeting discussed and approved the Company’s 2025 Annual Report, the Company’s 2025 Interim Report, and the Company’s 2025 Half-Year Report.

with the business license, except the items that require approval in accordance with laws) Chengdu Qingyang Electronic Materials Co., Ltd. completed the industrial and commercial change registration on April 2, 2025.

2. Due to business development needs, Yangzhou Jiejia Electronic Materials Co., Ltd. held a shareholders' meeting and agreed to adjust the company's business scope to: General items: manufacture of electronic special materials, sales of electronic special materials, research and development of electronic special materials, technology services, technology development, technical consulting, technical exchange, technology transfer, and technology promotion, manufacture of power electronic components, sales of power electronic components, research and development of new material technologies, manufacture of metal materials, sales of metal materials, manufacture of rubber products, sales of rubber products, manufacture of metal structures, sales of metal structures, metal surface treatment and heat treatment processing, manufacture of seals, sales of seals, manufacture of plastic products, sales of plastic products, sales of metal products, repair of metal products, research and development of metal products, manufacture of electronic components, wholesale of electronic components, import and export of goods, import and export of technology, import and export agency, technology promotion services, scientific and technological promotion and application services, special equipment repair, general equipment repair, sale of mechanical parts and components, installation and repair of industrial robots, sales of renewable resources, processing of renewable resources, manufacture of industrial automatic control systems, sales of industrial automatic control systems, sales of intelligent robots, sales of industrial robots, sales of intelligent storage equipment, research and development of mechanical equipment, sales of optical instruments, manufacture of semiconductor device special equipment, sales of semiconductor device special equipment, manufacture of intelligent basic manufacturing equipment, research and development of hardware products, retail of hardware products, sales of photovoltaic equipment and components, manufacture of special equipment (excluding licensed professional equipment), manufacture and sales of mechanical and electrical equipment, manufacture of environmental monitoring instruments, sales of bearings, gears, and transmission parts, sales of daily miscellaneous goods, sales of instruments and meters, sales of electronic special equipment (except for items that require approval according to law, business activities are carried out independently in accordance with the business license.) Yangzhou Jiejia Electronic Materials Co., Ltd. completed the industrial and commercial change registration on April 17, 2025.

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

4. Due to operational development needs, Hunan Jiechuwei Semiconductor Technology Co., Ltd. held a shareholders' meeting to decide to remove Qiu Songjie and He Yi from the board of directors, re-elect Liu Hua, and appoint Zhang Pucha as directors, and held a board meeting to decide to dismiss Qiu Songjie from the position of general manager and reappoint Liu Hua as general manager. Hunan Jiechuwei Semiconductor Technology Co., Ltd. completed the business change registration of the above matters on February 10, 2025.

Due to business development needs, Hunan Jiechuwei Semiconductor Technology Co., Ltd. held a shareholders' meeting and decided to change the company's legal representative from

Chen Runsheng to Liu Hua. Hunan Jiechuwei Semiconductor Technology Co., Ltd. completed the industrial and commercial change registration of the aforementioned matters on June 16, 2025.

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

Due to operational development needs, the Company decided to cancel the subsidiary Wuxi Jiexiwei Semiconductor Co., Ltd. and completed the business cancellation procedures on August 29, 2025.

6. To further optimize the Company's business layout, the Company signed an equity transfer agreement with Jiangsu Dongchen Electronic Technology Co., Ltd., Zhang Fan, Zhao Yongliang, and Zhu Xuqian, agreeing that Jiangsu Dongchen Electronic Technology Co., Ltd., Zhang Fan, Zhao Yongliang, and Zhu Xuqian will transfer their 19%, 2.5%, 1%, and 1% equity of Yixing Jiexin Semiconductor Co., Ltd. to the Company respectively, and the above matter was completed with business change registration on July 14, 2025.

Due to operational development needs, Yixing Jiexin Semiconductor Co., Ltd. held a shareholders' meeting to decide to remove Qiu Junqing from the position of director, elect Qiu Liqiang as the new director of the company, and held a board meeting to decide to remove Qiu Junqing from the position of chairman, elect Qiu Liqiang as chairman and director executing company affairs, and changed the legal representative of the company from Qiu Junqing to Qiu Liqiang, and Yixing Jiexin Semiconductor Co., Ltd. completed the business change registration of the aforementioned matters on December 26, 2025.

7. Due to business development needs, Hangzhou E-Giant Semiconductor Technology Co., Ltd. held a shareholders meeting and agreed to change the Company address to: 1/F, No. 1711-8, Tongdeng Street, Chunjian Street, Fuyang District, Hangzhou, Zhejiang Province. Hangzhou E-Giant Semiconductor Technology Co., Ltd. completed the business registration change on July 22, 2025.

8. Due to business development needs, the Company decided to cancel its subsidiary Shanghai Lingxin Semiconductor Technology Co., Ltd. and completed the business deregistration procedures on August 7, 2025.

9. Due to business development needs, Jiangsu Yangjie Runau Semiconductor Co., Ltd. made a shareholder decision to remove Xu Aimin from the position of director and appointed Zuo Guojun as a company director, with the Company's legal representative changing from Xu Aimin to Zuo Guojun. Jiangsu Yangjie Runau Semiconductor Co., Ltd. completed the business registration change of the aforementioned matters on October 10, 2025.

10. Due to strategic development needs, the Company has established Dongsen HK Semiconductor Co., Limited in Hong Kong, with the business scope of electronic component trade and investment holding. The Company completed the registration procedures on January 17, 2025.

## Section VI Share Changes and Shareholder Information

## I. Share Changes

## 1. Share changes

Unit: share

	Before Change		Change (Increase, Decrease)					After Change	
	Quantity	Proportion	New Shares Issued	Shares as dividend converted from profit	Capitalisation of Reserves	Others	Subtotal	Quantity	Proportion
I. Shares with Limited Circulation	1,199,927	0.22%	0	0	0	9,500	9,500	1,209,427	0.22%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal entity shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestic shares	1,196,552	0.22%	0	0	0	9,500	9,500	1,206,052	0.22%
- Domestic legal entity shares	0	0.00%	0	0	0	0	0	0	0.00%
Domestic individual shares	1,196,552	0.22%	0	0	0	9,500	9,500	1,206,052	0.22%
4. Overseas shares	3,375	0.00%	0	0	0	0	0	3,375	0.00%
Including: Overseas legal entity shares	0	0.00%	0	0	0	0	0	0	0.00%
Overseas individual shares	3,375	0.00%	0	0	0	0	0	3,375	0.00%
II. Shares with No Circulation Restrictions	542,147,860	99.78%	0	0	0	-9,500	-9,500	542,138,360	99.78%
1. RMB ordinary shares	542,147,860	99.78%	0	0	0	-9,500	-9,500	542,138,360	99.78%
2. Domestic listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%

4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total Shares	543,347,787	100.00%	0	0	0	0	0	543,347,787	100.00%

## Reasons for share changes

Applicable    Not applicable

On August 25, 2025, the Company held the 19th meeting of the 5th Board of Directors, reviewed and approved the relevant proposal to change the Board Secretary. Due to work adjustments, Mr. Fan Fengbin will no longer serve as the Company's Board Secretary and will continue to hold other positions within the Company. Nominated by the Chairman, reviewed by the Nomination Committee of the Board of Directors, the Board of Directors agreed to appoint Ms. Qin Nan as the Company's Board Secretary. On October 30, 2025, due to work adjustments, Mr. Fan Fengbin will no longer serve as assistant to the Company's Chairman. Managed according to the *GEM Stock Listing Rules of Shenzhen Stock Exchange, Interim Measures for the Management of Share Reduction by Shareholders of Listed Companies, Rules for the Management of the Shares Held by Directors and Senior Managers of Listed Companies and Their Changes* and other laws, regulations, and normative documents and related commitments made. Mr. Fan Fengbin will not transfer his company stock within six months from the date of leaving, increasing the senior management restricted stock by 5,000 shares. At the same time, according to relevant regulations, during the tenure of directors and senior management of a listed company, the annual transfer of shares cannot exceed 25% of the total shares they hold in the company, increasing the senior management restricted stock by 4,500 shares. The above changes are all changes in the restricted stock of senior management.

## Approval of share changes

Applicable    Not applicable

On August 25, 2025, the Company held the 19th meeting of the 5th Board of Directors, reviewed and approved the relevant proposal to change the Board Secretary. Due to work adjustments, Mr. Fan Fengbin will no longer serve as the Company's Board Secretary and will continue to hold other positions within the Company. Nominated by the Chairman, reviewed by the Nomination Committee of the Board of Directors, the Board of Directors agreed to appoint Ms. Qin Nan as the Company's Board Secretary. On October 30, 2025, due to work adjustments, Mr. Fan Fengbin will no longer serve as assistant to the Company's Chairman.

## Transfer of share ownership:

Applicable    Not applicable

Effects of share changes on the basic earnings per share (EPS) and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

Applicable    Not applicable

Other disclosable contents that the Company deemed necessary or were required by securities Regulation Institute

Applicable    Not applicable

**2. Changes in restricted shares**

Applicable    Not applicable

Unit: share

Name of the shareholders	Opening Restricted Shares	New Restricted Shares This Period	Restricted Shares Released This Period	Closing Restricted Shares	Restricted reasons	Release Date
Xu Xiaobing	89,377.00	0.00	0.00	89,377.00	Management restricted shares	-
Shen Ying	16,500.00	0.00	0.00	16,500.00	Management restricted shares	-
Liu Congning	299,860.00	0.00	0.00	299,860.00	Management restricted shares	-
Liang Yao	296,719.00	0.00	0.00	296,719.00	Management restricted shares	-
Chen Runsheng	266,752.00	0.00	0.00	266,752.00	Management restricted shares	-
Dai Juan	212,344.00	0.00	0.00	212,344.00	Management restricted shares	-
Fan Fengbin	15,000.00	5,000.00	0.00	20,000.00	Locked shares of departed directors, supervisors, and senior management	May 01, 2026
Wang Jinxiong	3,375.00	0.00	0.00	3,375.00	Management restricted shares	-
Qin Nan	0.00	4,500.00	0.00	4,500.00	Management restricted shares	-
Total	1,199,927.00	9,500.00	0.00	1,209,427.00	--	--

**II. Securities Issuance and Listing Information****1. Securities issuance (excluding preferred shares) during the Reporting Period**

Applicable    Not applicable

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

Applicable    Not applicable

**3. Existing internal employee shares**

Applicable    Not applicable

**III. Shareholders and Actual Controller****1. Number of shareholders and shareholding status**

Unit: share

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Total number of ordinary shareholders at the end of the Reporting Period	60,038	Total number of ordinary shareholders at the end of the previous month prior to the disclosure date of the annual report	49,607	Total number of preferred shareholders with restored voting rights at the end of the Reporting Period (if any) (refer to Note 9)	0	Total number of preferred shareholders with restored voting rights at the end of the previous month prior to the disclosure date of the annual report (if any) (refer to Note 9)	0	Total number of shareholders holding special voting rights (if any)	0
Shareholding of Shareholders Holding More Than 5% or the Top Ten Shareholders (Excluding Shares Lent via Stock Borrowing and Lending)									
Name of the shareholders	Shareholder Type	Shareholding percentage (%)	Number of Shares Held at the End of the Reporting Period	Changes in Shareholding During the Reporting Period	Shares with Limited Circulation Held	Shares with No Circulation Restrictions Held	Pledged, Marked, or Frozen Status		
							Share Status	Quantity	
Jiangsu Yangjie Investment Co., Ltd.	Domestic non-state-owned legal person	36.10%	196,151,100.00	0.00	0.00	196,151,100.00	N/A		0.00
Jianshui County Jiejie Enterprise Management Co., Ltd.	Domestic non-state-owned legal person	11.73%	63,723,520.00	0.00	0.00	63,723,520.00	Pledge		2,250,000.00
Hong Kong Securities Clearing Company	Overseas legal entity	1.28%	6,960,698.00	1,372,207.00	0.00	6,960,698.00	N/A		0.00
Industrial and Commercial Bank of China Co., Ltd. - E Fund GEM Traded Open-End Index Securities Investment Fund	Others	1.01%	5,498,094.00	-2,470,148.00	0.00	5,498,094.00	N/A		0.00
Agricultural Bank of China Limited-CSI 500 Exchange Traded Fund (ETF)	Others	0.88%	4,798,059.00	173,200.00	0.00	4,798,059.00	N/A		0.00
Shanghai Ruijun Asset Management Co., Ltd. - Ruijun Youfu No. 1 Private Securities Investment Fund	Others	0.84%	4,577,872.00	N/A	0.00	4,577,872.00	N/A		0.00

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Shanghai Ruijun Asset Management Co., Ltd. - Ruijun Youfu No. 3 Private Securities Investment Fund	Others	0.72%	3,918,400.00	N/A	0.00	3,918,400.00	N/A	0.00
Wang Yan	Domestic natural person	0.69%	3,766,000.00	0.00	0.00	3,766,000.00	N/A	0.00
Yangzhou Yangjie Electronic Technology Co., Ltd. - "Strivers Program (Phase VI)" Employee Stock Ownership Plan	Others	0.63%	3,421,105.00	3,421,105.00	0.00	3,421,105.00	N/A	0.00
Shanghai Ruijun Asset Management Co., Ltd. - Ruijun Youfu No. 2 Private Securities Investment Fund	Others	0.44%	2,390,778.00	N/A	0.00	2,390,778.00	N/A	0.00
A strategic investor or ordinary legal person becomes the top 10 shareholders due to rights issue (if any) (see Note 4)		N/A						
Explanations of relationships between or concerted actions of the aforementioned shareholders		<p>1. Ms. Liang Qin is the de facto controller of both Jiangsu Yangjie Investment Co., Ltd. and Jianshui County Jiejie Enterprise Management Co., Ltd., and is a person acting in concert;</p> <p>2. Ms. Wang Yan is the sister of Ms. Liang Qin's spouse;</p> <p>3. Apart from the above, the Company is not aware of any connected relationship among other shareholders or whether they are parties acting in concert as stipulated in the <i>Administrative Measures on Acquisition of Listed Companies</i>.</p>						
Description of the above shareholders involved in proxy/trustee voting rights and waiver of voting rights		N/A						
Special explanation on whether the top 10 shareholders have special accounts of repurchase (if any) (see Note 10)		N/A						
Shareholdings of Top Ten Unlimited Shareholders (Excluding Shares Lent through Refinancing and Management Lock-up Shares)								
Name of the shareholders	Number of Shares with No Circulation Restrictions at the End of the Reporting Period	Share Type						
		Share Type	Quantity					

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Jiangsu Yangjie Investment Co., Ltd.	196,151,100.00	RMB ordinary shares	196,151,100.00
Jianshui County Jiejie Enterprise Management Co., Ltd.	63,723,520.00	RMB ordinary shares	63,723,520.00
Hong Kong Securities Clearing Company	6,960,698.00	RMB ordinary shares	6,960,698.00
Industrial and Commercial Bank of China Co., Ltd. - E Fund GEM Traded Open-End Index Securities Investment Fund	5,498,094.00	RMB ordinary shares	5,498,094.00
Agricultural Bank of China Limited–CSI 500 Exchange Traded Fund (ETF)	4,798,059.00	RMB ordinary shares	4,798,059.00
Shanghai Ruijun Asset Management Co., Ltd. - Ruijun Youfu No. 1 Private Securities Investment Fund	4,577,872.00	RMB ordinary shares	4,577,872.00
Shanghai Ruijun Asset Management Co., Ltd. - Ruijun Youfu No. 3 Private Securities Investment Fund	3,918,400.00	RMB ordinary shares	3,918,400.00
Wang Yan	3,766,000.00	RMB ordinary shares	3,766,000.00
Yangzhou Yangjie Electronic Technology Co., Ltd. – “Strivers Program (Phase VI)” Employee Stock Ownership Plan	3,421,105.00	RMB ordinary shares	3,421,105.00
Shanghai Ruijun Asset Management Co., Ltd. - Ruijun Youfu No. 2 Private Securities Investment Fund	2,390,778.00	RMB ordinary shares	2,390,778.00
Explanation of related party relationships or concerted actions among the top ten shareholders with no circulation restrictions, or between the top ten shareholders with no circulation restrictions and the top ten shareholders	The same as above		
Explanation of shareholders participating in margin financing and securities lending (if any) (refer to Note 5)	N/A		

The situation of shareholders holding more than 5% of shares, the top 10 shareholders, and the top 10 shareholders of unrestricted tradable shares participating in shares loan through refinancing

Applicable  Not applicable

Changes in top ten shareholders and top ten shareholders with no circulation restrictions due

to margin financing lending/repayment

Applicable  Not applicable

The Company has voting right differentiation arrangements or not

Applicable  Not applicable

The Company's top ten ordinary shareholders and top ten shareholders with no circulation restrictions engaged in repurchase transactions during the Reporting Period or not

Yes  No

The Company's top ten ordinary shareholders and top ten shareholders with no circulation restrictions did not engage in repurchase transactions during the Reporting Period

## 2. Situation of the Company's controlling shareholder

Controlling shareholder nature: Individual shareholder

Type of the controlling shareholder: Legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Jiangsu Yangjie Investment Co., Ltd.	Liang Qin	15 March 2000	91321091718662003Y	Industrial investment; proprietary investment management; investment consulting; proprietary and agency import and export of various commodities and technologies (excluding commodities and technologies that are restricted or prohibited by the government). (Projects that are legally required to be approved can only be conducted after approval by relevant departments) Licensed projects: Power generation business, transmission business, supply (distribution) business (Projects that are legally required to be approved can only be conducted after approval by relevant departments, specific business projects are subject to approval results)
Particulars about shareholding of controlling shareholders controlling and holding shares of other listed companies during the Reporting Period	N/A			

Changes in the controlling shareholder during the Reporting Period

Applicable  Not applicable

There were no changes in the controlling shareholder during the Reporting Period

## 3. The Company's actual controller and the concerted action parties

Actual controller type: Domestic individual

Actual controller type: Individual

Full Text of the 2025 Annual Report of Yangzhou Yangjie Electronic Technology Co., Ltd.

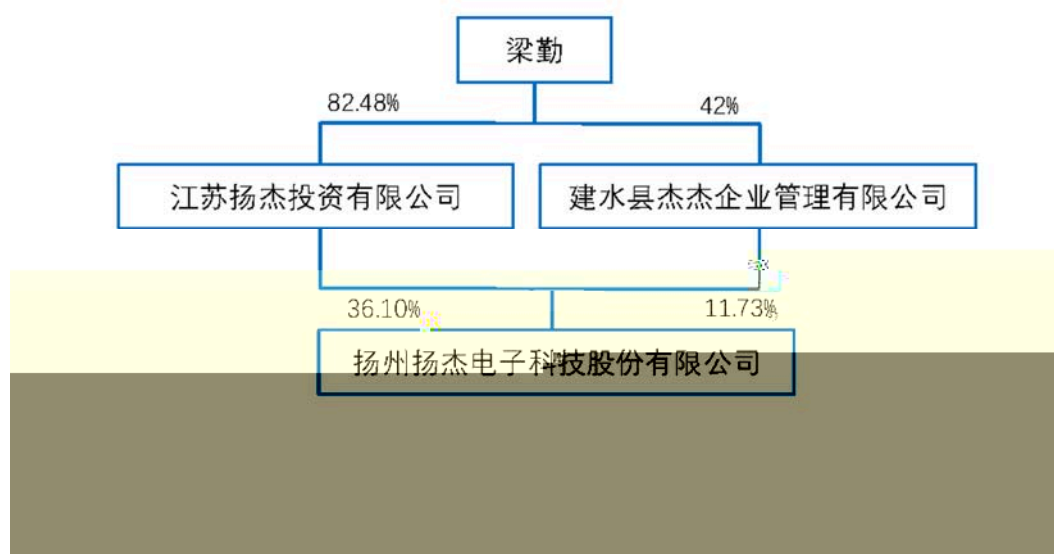
Actual Controller Name	Relationship with Actual Controller	Nationality	Obtained Residency Rights in Other Countries or Regions
Liang Qin	Himself	China	No
Main occupation and position	Currently, she serves as the Chairman of Jiangsu Yangjie Investment Co., Ltd., Executive Director of Jianshui County Jiejie Enterprise Management Co., Ltd., Chairman of Yangzhou Yangjie Electronic Technology Co., Ltd., Director and General Manager of J&V Semiconductor Co., Ltd., Executive Director of Jiangsu Yangjie Semiconductor Co., Ltd., Director of MCC Semiconductor HK Co., Ltd., Chairman of Micro Commercial Components Corporation, Director of Caswell Industries Limited, Board Member of Yangjie Electronic Korea Co., Ltd., Director of Chengdu Qingyang Electronic Material Co., Ltd., Director of Yixing Jiexin Semiconductor Co., Ltd., Director of Sichuan Yajixin Electronic Technology Co., Ltd., Chairman of Yangzhou Jieguan Microelectronics Co., Ltd., Director of MCC SINGAPORE PTE. and independent director of Yadea Group Holdings Ltd.		
Domestic and foreign listed companies controlled by the actual controller in the last ten years	N/A		

Changes in the actual controller during the Reporting Period

Applicable  Not applicable

The actual controller did not change during the Reporting Period.

Property rights and control relationship diagram between the Company and the actual controller



	Liang Qin
	Jiangsu Yangjie Investment Co., Ltd.
	Jianshui County Jiejie Enterprise Management Co., Ltd.
	Yangzhou Yangjie Electronic Technology Co.,

	Ltd.
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The actual controller controls the Company through trusts or other asset management methods

Applicable  Not applicable

**4. The controlling shareholder or the largest shareholder and their concerted actors have pledged shares amounting to 80% of their holdings in the Company**

Applicable  Not applicable

**5. Other corporate shareholders holding more than 10%**

Applicable  Not applicable

Name of legal person shareholder	Legal representative/person in charge	Date of establishment	Registered capital	Main business operation or management activities
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Jianshui County Jiejie

There were no preferred shares during the Reporting Period.

**Section VII Bond Information**

Applicable  Not applicable

## Section VIII Financial Statements

### I. Auditor's Report

Type of the audit opinion	Standard unreserved opinion
Signing date of the Auditor's Report	March 28, 2026
Name of the audit institution	Pan-China Certified Public Accounts LLP
Name of the certified public accountants	Li Zongwei, Liu Meng

Independent Auditor's Report

### Auditor's Report

T.J.S. [2026] No. 3113

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

#### I. Opinion

We have audited the accompanying financial statements of Yangzhou Yangjie Electronic Technology Co., Ltd. (hereinafter referred to as the "Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2025, the consolidated and parent company income statements for 2025, the consolidated and parent company cash flow statements, and the consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

In our opinion, the attached financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises.

#### II. Basis for Opinion

We conducted our audit in accordance with the Auditing Standards for Chinese Certified Accountants. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. In accordance with the *Independence Standard for Chinese Certified Public Accountants No. 1 - Requirements for Independence in Audit and Review of Financial Statements and the Code of Professional Conduct for Chinese Certified Public Accountants*, we are independent of the Company and have fulfilled other responsibilities regarding professional ethics. We followed the independence requirements for auditing public interest entities during the audit. 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### i. Revenue recognition

##### 1. Description

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

The operating revenue of the Company is mainly from the R&D, production and sales of semiconductor components, semiconductor chips, and semiconductor silicon wafers. In 2025, the Company's operating revenue was RMB7,130,199,200.

As operating revenue is one of the key performance indicators of the Company, there exists an inherent risk that the Company's management (hereinafter referred to as the "Management") may inappropriately recognize revenue to achieve specific objectives or expectations. Therefore, we identified revenue recognition as a key audit matter.

##### 2. Response to audit

The audit procedures we performed in relation to revenue recognition primarily include:

- (1) We understood key internal controls related to revenue recognition, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;
- (2) We checked sale contracts, obtained understandings of main contractual terms or conditions, and assessed whether the revenue recognition method was appropriate;
- (3) We performed analytical procedures on operating revenue and gross profit margin by month, product, customer, etc., to identify significant or abnormal fluctuations and investigate the causes;
- (4) For domestic sales income, we selected items to examine related supporting documents, including sales contracts, orders, sales invoices, delivery notes, shipping documents, and reconciliation statements; for export income, we obtained electronic port information and reconciled it with the account records, and selected items to examine related supporting documents, including sales contracts, export declarations, shipping bills of lading, sales invoices, etc.;
- (5) In conjunction with accounts receivable confirmations, we selected items to confirm sales amounts;
- (6) We performed cut-off testing to check whether revenue was recognized in the appropriate period;
- (7) We checked whether information related to operating revenue had been presented appropriately in the financial statements.

## ii. Impairment of accounts receivable

### 1. Description

Please refer to Note III xi. and V i. 4 the financial statements for details.

As of December 31, 2025, the Company's accounts receivable book balance was RMB 1,958,611,600, the bad debt provision was RMB 99,599,500, and the book value was RMB 1,859,012,100.

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

### 2. Response to audit

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

- (1) We obtained understandings of key internal controls related to impairment of accounts receivable, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of their operation;
- (2) We reviewed the results of the Management's prior year's estimates for bad debt provisions or the Management's subsequent re-estimation of them;
- (3) We reviewed the consideration of the Management on credit risk assessment and objective evidence, and assessed whether the credit risk features of accounts receivable had been appropriately identified by the Management;
- (4) For accounts receivable measured on an individual basis for expected credit losses, we reviewed the Management's forecast of expected cash flows to be received, evaluated the appropriateness of significant assumptions used in the forecast, and the adequacy, relevance, and reliability of the data, and verified these against external evidence obtained;
- (5) For accounts receivable measured on an expected credit loss basis based on a portfolio, we evaluated the reasonableness of the Management's classification of the portfolio by credit risk characteristics; evaluated the reasonableness of the expected credit loss rate for accounts receivable determined by management, including the appropriateness of the significant assumptions used and the appropriateness, relevance, and reliability of the data; tested the accuracy of the Management's calculation of the allowance for doubtful accounts;
- (6) We evaluated the reasonableness of the Management's provision for doubtful accounts in conjunction with accounts receivable confirmation and subsequent recovery;
- (7) We checked whether information related to impairment of accounts receivable had been presented appropriately in the financial statements.

## IV. Other Information

The Company's management (hereinafter referred to as the "Management") is responsible for other information. The other information comprises all of the information included in the Company's Annual Report other than the financial statements and our auditor's report thereon.



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 doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or; and if such disclosures are inadequate, we shall express non-unqualified opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We communicate with those charged with the governance members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with the governance members with a statement on observing the professional ethics related to independence, and communicated with those charged with governance on all the relationships and other matters that might be reasonably deemed to affect our independence, and relevant preventative measures (if applicable).

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

Pan-China Certified Public Accountant (LLP)	Chinese Certified Public Accountant:  (Engagement Partner)
Hangzhou, China	Chinese Certified Public Accountant:

March 28, 2026

## II. Financial Statements

Currency unit for the financial statements and the notes thereto: RMB

### 1. Consolidated balance sheet

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

December 31, 2025

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Current assets:		
Monetary assets	4,162,349,382.80	3,942,231,888.63
Settlement reserve		
Placements with banks and non-bank financial institutions		
Held-for-trading financial assets	561,200,000.00	248,289,829.99
Derivative financial assets		
Notes receivable	14,353,761.70	22,118,258.88
Accounts receivable	1,859,012,123.30	1,875,353,558.04
Receivables financing	178,634,619.13	221,615,999.99
Prepayments	19,778,898.35	26,082,059.32
Premiums receivable		

Reinsurance receivable		
Receivable reinsurance contract reserve		
Other receivables	16,347,948.01	18,236,464.28
Including: Interest receivable		
Dividend receivable		
Financial assets held under resale agreements		
Inventories	1,631,598,144.66	1,227,175,102.44
Including: Data resources		
Contract assets	1,509,399.04	1,104,772.28
Assets held for sale		
Non-current assets due within one year	72,000,000.00	
Other current assets	194,612,055.54	164,276,158.50
Total current assets	8,711,396,332.53	7,746,484,092.35
Non-current liabilities:		
Loans and advances to customers		
Debt investment		
Investments in other debt obligations		
Long-term receivables		18,797,967.26
Long-term equity investments		
Investments in other equity instruments	759,074,391.54	696,898,681.49
Other non-current financial assets		
Investment property	4,094,564,438.74	3,467,212,945.22
Fixed assets	1,943,804,866.98	1,359,312,665.99

Construction in progress		
Productive biological assets		
Oil and gas assets	31,994,329.19	96,199,205.86
Right-of-use assets	281,164,368.63	198,961,777.64
Intangible assets		
Including: Data resources		
Development expenses		
Including: Data resources	279,161,191.44	301,940,405.03
Goodwill	129,047,732.46	132,059,342.92
Long-term prepaid expenses	10,137,671.78	9,756,520.28
Deferred income tax assets	443,159,453.23	243,996,762.87
Other non-current assets	7,972,108,443.99	6,525,136,274.56
Total non-current assets	16,683,504,776.52	14,271,620,366.91
Total assets		
Current liabilities:	2,075,446,798.35	1,056,002,216.99
Short-term borrowings		
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	329,488,163.27	424,034,769.86
Accounts payable	2,211,940,202.83	1,567,952,586.19
Advances from customers		

Contract liabilities	31,347,159.87	11,243,387.05
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payable for acting trading of securities		
Payable for underwriting of securities	256,107,381.30	213,434,023.08
Accrued staff costs	65,939,287.37	60,692,578.43
Taxes payable	172,960,081.43	59,613,183.59
Other payables		
Including: Interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance payable		
Liabilities held for sale		
Current portion of non-current liabilities	702,173,028.62	465,262,145.91
Other current liabilities	26,401,494.74	3,966,129.45
Total current liabilities	5,871,803,597.78	3,862,201,020.55
Non-current liabilities		
Insurance contract reserve		
Long-term borrowings	358,102,539.48	523,744,408.78
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	27,282,596.14	78,803,045.30

Long-term payables		
Long-term employee benefits payable		
Projected liabilities		
Deferred income	255,759,067.36	202,793,634.62
Deferred income tax liabilities	205,928,282.58	225,407,489.16
Other non-current liabilities	71,800,000.00	215,800,000.00
Total non-current liabilities	918,872,485.56	1,246,548,577.86
Total liabilities	6,790,676,083.34	5,108,749,598.41
Owners' equity:		
Share capital	543,347,787.00	543,347,787.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	4,094,904,394.19	4,066,993,433.97
Less: Treasury stock	131,512,027.80	90,528,153.80
Other integrated income	4,379,091.65	26,092,399.71
Specific reserve		
Surplus reserves	271,673,893.50	271,673,893.50
General reserve		
Retained earnings	4,761,068,587.04	3,946,969,152.74
Total equity attributable to owners of the Company as the parent	9,543,861,725.58	8,764,548,513.12
Non-controlling interests	348,966,967.60	398,322,255.38
Total owners' equity	9,892,828,693.18	9,162,870,768.50
Total liabilities and owners' equity	16,683,504,776.52	14,271,620,366.91

Legal Representative: Liang Qin    Chief Accountant: Dai Juan    Head of Accounting Department: Zou Ling

**2. Balance sheet of the parent company**

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Current assets:		
Monetary assets	2,713,977,819.50	2,636,421,975.78
Held-for-trading financial assets	558,000,000.00	210,000,000.00
Derivative financial assets		
Notes receivable	12,635,723.31	10,747,369.62
Accounts receivable	1,757,616,520.44	1,774,713,697.89
Receivables financing	120,450,309.65	116,152,796.29
Prepayments	47,767,298.01	65,546,606.29
Other receivables	629,787,368.91	119,846,459.88
Including: Interest receivable		
Dividend receivable	84,948,031.42	
Inventories	1,101,380,705.38	846,750,571.76
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	72,000,000.00	
Other current assets	72,769,073.37	90,342,393.80
Total current assets	7,086,384,818.57	5,870,521,871.31
Non-current liabilities:		
Debt investment		
Investments in other debt obligations		

Long-term receivables		
Long-term equity investments	2,269,893,294.95	2,264,515,211.41
Investments in other equity instruments		
Other non-current financial assets	759,074,391.54	696,898,681.49
Investment property		
Fixed assets	1,862,984,119.59	1,806,638,422.53
Construction in progress	332,782,934.63	161,825,094.13
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	64,792,192.72	54,163,989.12
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	63,097,134.25	70,654,806.40
Deferred income tax assets		
Other non-current assets	443,126,649.23	221,709,736.89
Total non-current assets	5,795,750,716.91	5,276,405,941.97
Total assets	12,882,135,535.48	11,146,927,813.28
Current liabilities:		
Short-term borrowings	163,104,784.17	227,134,028.22
Held-for-trading financial liabilities		
Derivative financial liabilities		

Notes payable	862,985,917.43	618,967,069.99
Accounts payable	1,612,680,308.15	1,123,054,834.01
Advances from customers		
Contract liabilities	51,118,931.50	37,241,398.37
Accrued staff costs	141,525,194.89	123,259,091.81
Taxes payable	41,681,304.86	46,284,318.16
Other payables	1,057,369,329.86	348,785,730.84
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Current portion of non-current liabilities	420,962,822.96	398,821,000.00
Other current liabilities	29,116,390.37	4,448,067.71
Total current liabilities	4,380,544,984.19	2,927,995,539.11
Non-current liabilities		
Long-term borrowings	110,419,531.47	304,597,852.55
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Projected liabilities		
Deferred income	174,101,704.18	149,757,475.83

Deferred income tax liabilities	108,330,492.70	117,196,153.60
Other non-current liabilities	71,800,000.00	215,800,000.00
Total non-current liabilities	464,651,728.35	787,351,481.98
Total liabilities	4,845,196,712.54	3,715,347,021.09
Owners' equity:		
Share capital	543,347,787.00	543,347,787.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	4,102,468,324.96	4,074,211,980.00
Less: Treasury stock	131,512,027.80	90,528,153.80
Other integrated income		
Specific reserve		
Surplus reserves	271,673,893.50	271,673,893.50
Retained earnings	3,250,960,845.28	2,632,875,285.49
Total owners' equity	8,036,938,822.94	7,431,580,792.19
Total liabilities and owners' equity	12,882,135,535.48	11,146,927,813.28

### 3. Consolidated income statement

Unit: RMB

Item	2025	2024
I. Revenue	7,130,199,236.29	6,033,378,067.00
Including: Operating revenue	7,130,199,236.29	6,033,378,067.00
Interest income		
Insurance premium income		

Fee and commission income		
II. Total operating cost	5,847,642,481.58	4,947,470,741.60
Including: Cost of sales	4,686,477,567.52	4,037,297,864.83
Interest expense		
Transaction fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expense on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	46,861,826.82	38,215,175.46
Sales expense	291,063,334.27	224,611,780.18
Administrative expense	389,716,415.51	358,906,908.89
R&D expense	471,056,470.15	423,472,000.30
Finance costs	-37,533,132.69	-135,032,988.06
Including: Interest expense	67,154,875.94	52,390,095.37
Interest income	166,469,465.57	158,470,527.28
Add: Other income	119,449,975.74	128,774,965.27
Return on investment (“-” for loss)	22,615,468.46	46,795,636.06
Including: Share of profit or loss of joint ventures and associates		5,578,497.09
Income from the derecognition of financial assets at amortized cost		

Exchange gain (“-” for loss)		
Net gain on exposure hedges* (“-” for loss)		
Gain on fair value changes (“-” for loss)	96,822,438.84	133,017.94
Credit impairment loss (“-” for loss)	-1,524,043.17	-16,732,011.45
Asset impairment loss (“-” for loss)	-91,429,364.84	-64,839,784.84
Asset disposal income (“-” for loss)	2,565,796.08	2,925,974.27
III. Operating profit (“-” for loss)	1,431,057,025.82	1,182,965,122.65
Add: Non-operating income	10,902,725.91	8,579,242.21
Less: Non-operating expense	21,721,073.84	21,449,348.89
IV. Profit before tax (“-” for loss)	1,420,238,677.89	1,170,095,015.97
Less: Income tax expense	175,167,416.30	169,478,104.69
V. Net profit (“-” for net loss)	1,245,071,261.59	1,000,616,911.28
i. Classification by operation continuity		
1. Net profit from continuing operations (“-” for net loss)	1,245,071,261.59	1,000,616,911.28
2. Net profit from discontinuing operations (“-” for net loss)		
ii. Classification by ownership		
1. Net profit attributable to equity holders of the parent company	1,258,583,297.64	1,002,451,864.19
2. Profit and loss of minority shareholders	-13,512,036.05	-1,834,952.91
VI. Other comprehensive income, net of tax	-21,713,308.06	3,130,549.00
Attributable to owners of the Company	-21,713,308.06	3,130,549.00



Attributable to owners of the parent company	1,236,869,989.58	1,005,582,413.19
Attributable to non-controlling interests	-13,512,036.05	-1,834,952.91
VIII. Earnings per share		
i. Basic earnings per share	2.33	1.85
ii. Diluted earnings per share	2.33	1.85

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal Representative: Liang Qin    Chief Accountant: Dai Juan    Head of Accounting Department: Zou Ling

#### 4. Income statement of the parent company

Unit: RMB

Item	2025	2024
I. Operating revenue	6,198,426,630.93	5,237,301,854.30
Less: Cost of sales	4,547,125,862.29	3,949,374,931.81
Taxes and surcharges	30,426,484.34	26,076,461.03
Sales expense	143,166,341.97	103,164,286.66
Administrative expense	210,083,671.65	198,628,909.16
R&D expense	273,303,107.20	237,926,017.15
Finance costs	-28,720,085.08	-96,112,638.42
Including: Interest expense	41,393,575.33	31,124,718.76
Interest income	122,258,212.63	101,839,818.22
Add: Other income	85,891,043.27	95,594,446.31
Return on investment (“-” for loss)	98,176,778.48	76,701,030.25
Including: Share of profit or loss of joint ventures and associates		5,578,497.09
Income from		

derecognition of financial assets measured by amortized cost (“-” for loss)		
Net gain on exposure hedges* (“-” for loss)		
Gain on fair value changes (“-” for loss)	76,294,730.32	-2,676,584.39
Credit impairment loss (“-” for loss)	-25,209,084.56	-17,236,850.67
Asset impairment loss (“-” for loss)	-48,285,786.21	-31,204,410.96
Asset disposal income (“-” for loss)	2,572,010.48	5,664,354.60
II. Operating profit (“-” for loss)	1,212,480,940.34	945,085,872.05
Add: Non-operating income	10,423,750.57	5,538,737.61
Less: Non-operating expense	18,149,036.18	16,995,590.92
III. Profit before tax (“-” for loss)	1,204,755,654.73	933,629,018.74
Less: Income tax expense	142,186,231.60	102,640,107.97
IV. Net profit (“-” for net loss)	1,062,569,423.13	830,988,910.77
i. Net profit from continuing operations (“-” for net loss)	1,062,569,423.13	830,988,910.77
ii. Net profits from discontinuing operations (“-” for net loss)		
V. Other comprehensive income, net of tax		
i. Other comprehensive income that will not be reclassified to profit or loss		
1. Changes caused by re-measurements on defined benefit schemes		
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method		

3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value arising from changes in own credit risk		
5. Other		
ii. Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements		
7. Others		
VI. Total comprehensive income	1,062,569,423.13	830,988,910.77
VII. Earnings per share		
i. Basic earnings per share		
ii. Diluted earnings per share		

## 5. Consolidated cash flow statement

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		

Proceeds from sale of commodities and rendering of services	5,918,634,597.91	4,564,999,332.79
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from banks and other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Cash received from interest, fee and commission		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Refund of taxes	24,832,718.75	760,683.95
Cash generated from other operating activities	389,884,055.55	305,991,689.74
Subtotal of cash inflows from operating activities	6,333,351,372.21	4,871,751,706.48
Payments for commodities and services	2,723,854,130.70	1,908,058,989.51
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		

Payments for claims on original insurance contracts		
Net increase in loans to other banks and financial institutions		

Net proceeds from acquisition of subsidiaries and other business entities	32,201,498.54	
Cash used in other investing activities	1,221,300,000.00	453,047,600.00
Subtotal of cash used in investing activities	2,272,067,071.94	1,366,531,573.81
Net cash generated from/used in investing activities	-1,862,017,466.22	-1,088,333,634.77
III. Cash flows from financing activities:		
Capital contributions received		17,274,976.00
Including: Cash received by subsidiaries from capital contributions of minority shareholders		5,820,000.00
Borrowings raised	3,288,431,634.35	2,313,034,569.39
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	3,288,431,634.35	2,330,309,545.39
Cash paid for debt repayment	2,383,831,848.85	1,684,825,683.13
Cash paid for distribution of dividend, profit or payment of interest	509,691,787.02	530,750,314.85
Including: Dividends paid by subsidiaries to non-controlling interests	2,544,546.92	20,000,000.00
Cash used in other financing activities	367,023,242.28	68,976,311.10
Subtotal of cash used in financing activities	3,260,546,878.15	2,284,552,309.08
Net cash generated from/used in financing activities	27,884,756.20	45,757,236.31

Add: Opening balance of cash and cash equivalents	3,854,854,923.00	3,474,836,947.19
VI. Closing balance of cash and cash equivalents	3,646,997,397.82	3,854,854,923.00

## 6. Cash flow statement of the parent company

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	5,210,330,150.93	4,034,505,979.75
Refund of taxes	13,431,533.94	
Cash generated from other operating activities	233,200,080.62	192,574,245.95
Subtotal of cash inflows from operating activities	5,456,961,765.49	4,227,080,225.70
Payments for commodities and services	2,507,957,400.47	2,295,868,819.81
Cash paid to and for employees	715,973,581.61	613,459,902.51
Taxes paid	195,281,865.83	140,294,030.16
Cash used in other operating activities	211,916,860.64	116,845,039.43
Subtotal of cash used in operating activities	3,631,129,708.55	3,166,467,791.91
Net cash flows from operating activities	1,825,832,056.94	1,060,612,433.79
II. Cash flows from investing activities:		
Proceeds from disinvestment	38,939,594.01	89,699,999.99
Return on investment	14,406,946.94	35,515,621.79
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	13,099,655.44	46,268,632.93
Net proceeds from the disposal of		

subsidiaries and other business units		
Cash generated from other investing activities	290,500,000.00	63,396,210.10
Subtotal of cash generated from investing activities	356,946,196.39	234,880,464.81
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	466,917,000.45	263,045,730.38
Payments for investments	28,805,662.38	83,265,950.00
Net proceeds from acquisition of subsidiaries and other business entities	2,350,000.00	
Cash used in other investing activities	1,708,374,959.73	477,165,498.55
Subtotal of cash used in investing activities	2,206,447,622.56	823,477,178.93
Net cash generated from/used in investing activities	-1,849,501,426.17	-588,596,714.12
III. Cash flows from financing activities:		
Capital contributions received		11,454,976.00
Borrowings raised	848,920,952.24	1,203,425,000.00
Cash generated from other financing activities	1,096,780,000.00	667,098,136.90
Subtotal of cash generated from financing activities	1,945,700,952.24	1,881,978,112.90
Cash paid for debt repayment	1,156,784,330.29	1,101,500,000.00
Cash paid for distribution of dividend, profit or payment of interest	483,219,503.01	490,650,906.53
Cash used in other financing activities	393,944,834.18	70,222,555.56
Subtotal of cash used in financing activities	2,033,948,667.48	1,662,373,462.09
Net cash generated from/used in financing activities	-88,247,715.24	219,604,650.81





equity															
1. Increase in capital (or share capital) from capital reserves															
2. Increase in capital (or share capital) from surplus reserves															
3. Loss offset by surplus reserves															
4. Changes in defined benefit pension schemes transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Other															
v. Specific reserve															
1. Increase in the period															
2. Used in the period															
vi. Other					707,473.40	40,983,874.00						40,276,400.60	33,298,704.81	73,575,105.41	
IV. Ending balances of the period	543,347,787.00				4,094,904,394.19	131,512,437,091.65		271,673,893.50		4,761,068,587.04		9,543,861,725.58	348,966,967.60	9,892,828,693.18	

Amount of the previous period

Unit: RMB

Item	2024														Non-controlling Interests	Total Owners' Equity
	Equity Attributable to Owners of the Company as the Parent Company															
	Share Capital	Other equity instruments			Capital Reserves	Less: Treasury Stock	Other Integrated Income	Specific Reserve	Surplus Reserves	General Reserve	Retained Earnings	Others	Subtotal			
		Preferred Shares	Perpetual Bonds	Others												
I. Ending balances of the prior year	543,014,987.00				4,059,355,866.45	59,962,257.01	22,961,850.71		271,507,493.50		3,409,569,241.07		8,246,447,181.72	440,242,717.21	8,686,689,898.93	
Add: Adjustments for changed accounting policies																
Adjustments for corrections of previous errors																
Others																
II. Beginning balances of the year	543,014,987.00				4,059,355,866.45	59,962,257.01	22,961,850.71		271,507,493.50		3,409,569,241.07		8,246,447,181.72	440,242,717.21	8,686,689,898.93	
III. Increase/decrease in the period ("+" for increase, "-" for decrease)	332,800.00				7,637,567.52	30,565,896.79	3,130,549.00		166,400.00		537,399,911.67		518,101,331.40	41,920,461.83	476,180,869.57	
i. Total comprehensive income							3,130,549.00				1,002,451,864.19		1,005,582,413.19	-1,834,952.91	1,003,747,460.28	
ii. Capital increased and reduced by owners	332,800.00				11,732,058.60								12,064,858.60	5,820,000.00	17,884,858.60	
1. Ordinary share increase by owners	332,800.00				11,122,176.00								11,454,976.00	5,820,000.00	17,274,976.00	

2. Capital increase by other equity instruments holders																
3. Share-based payments included in owners' equity																
4. Others					609,882.60							609,882.60		609,882.60		
iii. Profit distribution								166,400.00		-	465,051,952.52		-	464,885,552.52	20,000,000.00	484,885,552.52
1. Appropriation to surplus reserves								166,400.00		-	166,400.00					
2. Appropriation to general reserve																
3. Appropriation to owners (or shareholders)										-	464,885,552.52		-	464,885,552.52	20,000,000.00	484,885,552.52
4. Others																
iv. Transfers within owners' equity																
1. Increase in capital (or share capital) from capital reserves																
2. Increase in capital (or share capital) from surplus reserves																
3. Loss offset by surplus																



Add: Adjustments for changed accounting policies												
Adjustments for corrections of previous errors												
Others												
II. Beginning balances of the year	543,347,787.00				4,074,211,980.00	90,528,153.80			271,673,893.50	2,632,875,285.49		7,431,580,792.19
III. Increase/ decrease in the period ("-" for decrease)					28,256,344.96	40,983,874.00			618,085,559.79			605,358,030.75
i. Total comprehensive income									1,062,569,423.13			1,062,569,423.13
ii. Capital increased and reduced by owners					27,203,486.82							27,203,486.82
1. Ordinary share increase by owners												
2. Capital increase by other equity instruments holders												
3. Share-based payments included in owners' equity					27,203,486.82							27,203,486.82
4. Others												
iii. Profit distribution									444,483,863.34	-		444,483,863.34

1. Appropriation to surplus reserves												
2. Appropriation to owners (or shareholders)										444,483,863.34	-	444,483,863.34
3. Other												
iv. Transfers within owners' equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit pension schemes transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Other												
v. Specific reserve												

1. Increase in the period												
2. Used in the period												
vi. Other					1,052,858.14	40,983,874.00						-39,931,015.86
IV.. Ending balances of the period	543,347,787.00				4,102,468,324.96	131,512,027.80			271,673,893.50	3,250,960,845.28		8,036,938,822.94

Amount of the previous period

Unit: RMB

Item	2024											
	Share Capital	Other equity instruments			Capital Reserves	Less: Treasury Stock	Other Integrated Income	Specific Reserve	Surplus Reserves	Retained Earnings	Others	Total Owners' Equity
		Preferred Shares	Perpetual Bonds	Others								
I. Ending balances of the prior year	543,014,987.00				4,062,479,921.40	59,962,257.01			271,507,493.50	2,266,938,327.24		7,083,978,472.13
Add: Adjustments for changed accounting policies												
Adjustments for corrections of previous errors												
Others												
II. Beginning balances of the year	543,014,987.00				4,062,479,921.40	59,962,257.01			271,507,493.50	2,266,938,327.24		7,083,978,472.13
III. Increase/decrease in the period ("-" for decrease)	332,800.00				11,732,058.60	30,565,896.79			166,400.00	365,936,958.25		347,602,320.06

i. Total comprehensive income										830,988,910.77		830,988,910.77	
ii. Capital increased and reduced by owners	332,800.00				11,732,058.60							12,064,858.60	
1. Ordinary share increase by owners	332,800.00				11,122,176.00							11,454,976.00	
2. Capital increase by other equity instruments holders													
3. Share-based payments included in owners' equity													
4. Others					609,882.60							609,882.60	
iii. Profit distribution									166,400.00	-	465,051,952.52	-	464,885,552.52
1. Appropriation to surplus reserves									166,400.00	-	166,400.00	-	166,400.00
2. Appropriation to owners (or shareholders)										-	464,885,552.52	-	464,885,552.52
3. Other													
iv. Transfers within owners' equity													
1. Increase in capital (or share capital) from capital reserves													

2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit pension schemes transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Other												
v. Specific reserve												
1. Increase in the period												
2. Used in the period												
vi. Other						30,565,896.79						30,565,896.79
IV. Ending balances of the period	543,347,787.00				4,074,211,980.00	90,528,153.80			271,673,893.50	2,632,875,285.49		7,431,580,792.19

### III. Company Profile

Yangzhou Yangjie Electronic Technology Co., Ltd. (hereinafter referred to as the “Company”), a limited liability company by shares, was transformed from a limited liability company. It was registered at the Administration for Industry and Commerce of Yangzhou, Jiangsu Province. The company is an A-share listed company.

a business license with unified social credit code of 913210007908906337, and has registered capital of RMB543,347,787.00, with total share of 543,347,787 shares (each with par value of RMB1), Among them, there are 1,209,427 restricted circulating A-shares and 542,138,360 unrestricted circulating A-shares. The Company's shares were listed on the Shenzhen Stock Exchange on January 23, 2014.

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

This financial statements were approved by the Company at the 25th meeting of the 5th Board of Directors on March 28, 2026, for external release.

## **IV Basis for Preparation of Financial Statements**

### **1. Preparation basis**

The financial statements of the Company are based on continuing operations.

### **2. Going-concern**

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

## **V. Significant Accounting Policies and Estimates**

Specific accounting policies and accounting estimates indicators:

The Company has formulated specific accounting policies and estimates for transactions or matters such as impairment of financial instruments, inventory, fixed asset depreciation, construction in progress, intangible assets, and revenue recognition based on the actual production and operation characteristics.

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

The financial statem

Significant write-off of accounts receivables	A single amount exceeding 0.5% of the total assets
Significant prepayments aging over one year	A single amount exceeding 0.5% of the total assets
Significant construction in progress	An amount of single construction exceeding 0.5% of the total assets
Significant cash flows from investing activities	A single amount exceeding 10% of the total assets
Significant subsidiary and non-wholly-owned subsidiary	The Company identifies subsidiaries whose total assets/total revenue/total profit exceed 15% of the Group's total assets/total revenue/total profit as significant subsidiaries and non-wholly-owned subsidiaries.

Significant associates

The book value of a single long-term equity investment exceeds 15% of the group's net assets / The investment income accounted for using the equity method exceeds 15% of the group's total profit

## 8. Determination criteria for cash and cash equivalents

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

## 9. Foreign currency business and conversion of foreign currency statement

### (1) Translation of foreign currency transactions

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

### (2) Translation of financial statements in foreign currencies

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

## 10. Financial instruments

### (1) Classification of financial assets and financial liabilities

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

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

### (2) Recognition basis, measurement methods and derecognition conditions for financial assets and financial liabilities

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

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

#### 2) Subsequent measurement method of financial liabilities

##### a) Financial assets measured at amortized cost;

Other financial liabilities are subsequently measured at amortized cost by the effective interest method. Gains or losses arising from a financial asset measured at amortized cost which does not form part of any hedging relationship are recorded in current profit or loss at the time of de-recognition, reclassification, amortization according to the effective interest method or recognition of impairment.

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

Such financial assets shall be subsequently measured at fair value. Interest, impairment losses or gains and foreign exchange gains or losses calculated by the effective interest method are included in current profit and loss, while other gains or losses are included in other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out and included in current profit and loss.

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

Such financial assets shall be subsequently measured at fair value. Dividends obtained (other than those as part of investment cost recovery) are included into profit or loss, while other gains or losses are included into other comprehensive income. The accumulative gains or losses which are previously included in other comprehensive income are transferred out from other comprehensive income and included in retained earnings upon derecognition.

d) Financial assets at fair value with changes recognized in profit or loss

Gains or losses (including interest income and dividend income) arising from the subsequent measurement at fair value are recorded in current profit or loss, unless the financial asset forms part of a hedging relationship.

3) Subsequent measurement method of financial liabilities

a) Financial liabilities at fair value through profit or loss

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

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

are measured according to the relevant provisions of the *Accounting Standard for Business Enterprises No. 23 -- Transfer of Financial Assets*.

c) Financial guarantee contracts which do not fall within the category of a) or b) above, and loan commitments which do not fall within the category of a) above and made at an interest rate lower than the market rate,

are subsequently measured at the higher of the two following amounts after initial recognition: a. The amount of loss provision determined according to the rules related to the impairment of financial instruments; b. The remaining balance of the initially recognized amount after deducting the amount of cumulative amortization determined according to relevant rules of the *Accounting Standard for Business Enterprises No. 14 -- Income*.

d) Financial liabilities at amortized cost

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

4) Derecognition of financial assets and financial liabilities

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

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

b. The financial asset has been transferred, and such transfer satisfies the criteria set out in the *Accounting Standard for Business Enterprises No. 23 -- Transfer of Financial Assets* regarding the de-recognition of financial assets.

b) Where the present obligation of a financial liability (or a portion thereof) has been discharged, the Company de-recognizes the financial liability (or a portion thereof).

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

If the Company has transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized, and the right and obligation arising from or retained in the transfer are individually recognized as an asset or liability. If substantially all risks and rewards of ownership of the financial asset are retained, the financial asset transferred remains recognized. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: 1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; 2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

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

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

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

1) Level 1 inputs are the unadjusted quotation of the same assets or liabilities available on the active market on the measurement day;

2) Level 2 inputs are inputs for the relevant assets or liabilities other than the level 1 inputs, which are directly or indirectly observable, including quotations for similar assets or liabilities.

For the acquired or derived financial assets with credit impairment, the Company only recognizes the cumulative change of expected credit loss over the lifetime after initial recognition as the loss reserve on the balance sheet date.

For lease receivables, receivables, and contract assets arising from transactions regulated by *Accounting Standards for Business Enterprises No. 14 - Revenue*, the Company uses a simplified measurement method to measure the loss allowance as an amount equal to the expected credit loss over the entire life of the asset.

For financial assets other than the above measurement methods, at each balance sheet date, the Company assesses the financial assets to see if the credit risk has significantly increased after initial recognition. If the credit risk has significantly increased after initial recognition, the Company calculates provision for loss according to the amount of expected credit loss over the lifetime of the assets; if credit risk has not significantly increased after initial recognition, the Company calculates loss provision based on expected credit loss in the future 12 months.

The Company uses available reasonable and well-founded information, including forward-looking information, to determine whether the credit risk of financial instruments has increased significantly since the initial recognition by comparing the default risk of financial instruments on the balance sheet date with the default risk on the initial recognition date.

On the balance sheet date, if the Company judges that the financial instrument only has low credit risk, it is assumed that the credit risk of the financial instrument has not increased significantly since the initial recognition.

The Company assesses the expected credit risk and measures the expected credit loss on the basis of single financial instrument or portfolios of financial instruments. When based on the portfolio of financial instruments, the Company classifies the financial instruments into different portfolios according to the common risk characteristics.

The Company re-measures expected credit loss at each balance sheet date, and the amount of increase in loss provision or the written-back amount of loss provision arising from re-measurement is recorded in current profit or loss as an impairment loss or gain. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

#### (6) Offsetting financial assets and financial liabilities

The financial assets and financial liabilities are respectively listed in the balance sheet, not offsetting each other. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company:

- 1) has the statutory right to offset the recognized amounts, and such right is currently enforceable;
- 2) intends to settle the financial assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously. For the transfer of financial assets where the derecognition criteria are not met, the Company shall not offset the financial assets transferred against the related liabilities.

## 11. Accounts receivable

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

Portfolio	Basis for Portfolio Recognition	Measurement of Expected Credit Loss
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Bank acceptance receivable

Type of notes

Portfolio	Basis for Portfolio Recognition	Measurement of Expected Credit Loss
Accounts receivable – portfolio grouped with ages	Aging	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and lifetime expected credit loss rate of accounts receivable to calculate expected credit loss.
Other receivables – portfolio grouped with ages	Aging	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Contract assets - quality guarantee deposit portfolio	Nature	With reference to historical credit loss experience, combined with the current situation and the forecast of future economic conditions, the expected credit loss is calculated through default risk exposure and the expected credit loss rate or over the lifetime.

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

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

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

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

For accounts receivables and contract assets whoM gi

The right of the Company to receive consideration from its customers unconditionally (i.e. only depending on the passage of time) is presented as receivables, and the right to receive consideration for goods transferred to its customers (depending on factors other than the passage of time) is presented as contract assets.

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

### **13. Inventory**

#### (1) Classification of inventories

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

#### (2) Valuation methods for issued inventories

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

#### (3) Inventory system

Perpetual inventory method is adopted.

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

##### 1) Low-value consumables

Low-value consumables are amortized with a one-time write-off method.

##### 2) Packing materials

Low-value consumables are amortized with a one-time write-off method.

#### (5) Provision for inventory write-down

transaction”, on the combination date, the initial investment cost of the long-term equity investment shall be determined based on the share of net assets’ carrying value of the acquiree in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

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

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

a) If the transaction is not a package deal, the sum of the book value of the equity investment originally held plus the cost of the new investment shall be the initial investment cost calculated in accordance with the cost method.

b) In the consolidated financial statements, it is determined whether it is a “bundled transaction”. If the deals fell into a “bundled transaction”, all transactions shall be treated as a transaction to gain control. If it is not a “bundled transaction”, the carrying amount of the acquirer’s previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer’s previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

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

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

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

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

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

a) These transactions were entered into simultaneously or considering their mutual influence;

b) The transactions as a whole can achieve a complete commercial outcome;

c) The occurrence of one transaction is contingent upon the occurrence of at least one other transaction;

d) One transaction is uneconomical on its own, but it is economical when taken together with other transactions.

2) Accounting treatment of transactions that are not “bundled transaction”

a) Stand-alone financial statements

For the disposal of long-term equity investments, the difference between the carrying value and the actual price acquired shall be recorded into profit and loss of the current period. For the remaining equity, if it still has a significant impact on the investee or implements joint control with other parties, it shall be accounted for by the equity method; if it is no longer possible to exercise control, joint control or significant influence

on the investee, accounting shall be carried out in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments*.

b) Consolidated financial statements

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

In case of loss of control over the original subsidiary, the remaining equity shall be re-measured according to its fair value on the date of loss of control. The aggregate of the consideration obtained by disposing of the equity and the fair value of the remaining equity less the portion of the net assets of the subsidiary that has been measured, as calculated at the original shareholding proportion, from the acquisition date or combination date is recognized in profit and loss of the current period on investments in which the control is lost, and goodwill shall be offset. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

3) Accounting treatment of "bundled transaction"

a) Stand-alone financial statements

Each transaction is accounted for as a single disposal of a subsidiary and loss of control. However, any difference between the disposal proceeds and the carrying value of the long-term equity investment corresponding to the disposal investment is recognized in other comprehensive income in the individual financial statements, and transferred to the profit or loss of the period when control is lost.

b) Consolidated financial statements

Each transaction is accounted for as a single disposal of a subsidiary and loss of control. However, before the Company loses control, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income in the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

## 15. Fixed assets

### (1) Recognition conditions

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

### (2) Depreciation methods

Category	Depreciation Method	Useful Life	Salvage Value (%)	Annual Deprecation (%)
Properties and buildings	Average method of useful life	10-20	5.00	9.50-4.75
General equipment	Average method of useful life	3-5	5.00	31.67-19.00
Special equipment	Average method of useful life	3-10	5.00	31.67-9.50
Transportation tools	Average method of useful life	4	5.00	23.75

## 16. Construction in progress

(1) Construction in progress is recognized when it is probable that future economic benefits will flow to the entity and the costs can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

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

Category	Standard and Timing for Transferring Construction in Progress to Fixed Assets
Properties and buildings	Construction works has been completed and accepted, and reached its designed usable conditions.

General equipment

## 18. Intangible assets

### (1) Useful life and its determination basis, estimation, amortization method, or review procedure

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

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

Item	Useful Life and Its Determination Basis	Amortization Method
Land use rights	50 years, the period recorded in the land certificate	Straight-line method
Software	Five to ten years, expected useful life	Straight-line method
Proprietary technology	Ten years, expected useful life	Straight-line method

### (2) The scope of R&D expenditure collection and the related accounting treatment

#### 1) Scope of R&D expenditure

##### a) Personnel and labor expenses

Personnel and labor expenses include the wages and salaries, basic endowment insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund of the company's R&D personnel, as well as the labor costs of outsourcing R&D personnel. If R&D personnel serve multiple R&D projects simultaneously, the labor cost shall be recognized based on the time records of R&D personnel provided by the company's management department, and be allocated proportionally between different R&D projects.

Personnel directly engaged in R&D activities, as well as outsourced R&D personnel who are simultaneously engaged in non-R&D activities, have their actual manpower costs allocated between R&D expenses and production and operation expenses based on the actual hours worked in different roles, or other reasonable methods.

##### b) Direct input expenses

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

##### c) Depreciation expenses and long-term prepayments

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

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

##### d) Amortization expenses of intangible assets

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

##### e) Design costs

Design costs refer to costs incurred in conceptualizing, developing, and manufacturing new products and processes, and the design of processes, technical specifications, regulations, and operational characteristics,

including related costs incurred in creative design activities to obtain innovative, creative, and breakthrough products.

f) Equipment debugging costs and testing costs

Equipment debugging costs refer to expenses incurred during R&D activities in the process of tooling preparation, including costs for developing special, dedicated production machines, altering production and quality control procedures, or establishing new methods and standards.

Costs incurred in routine tooling preparation and industrial engineering for large-scale, mass, and commercial production are not included in the collated scope.

Testing costs include fees for clinical trials in new drug development, on-site testing fees for exploration and development technology, field experiment fees, etc.

g) Commissioned R&D expenses

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

h) Other expenses

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

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

## 19. Impairment of long-term assets

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

If the recoverable amount of the above-mentioned long-term assets is lower than its carrying value, the asset impairment reserve shall be recognized according to the difference and recorded in profit and loss of the current period.

## 20. Long-term prepayments

Long-term prepayments are expenses that have been recognized but with an amortization period of over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If the long-term deferred expenses item cannot bring benefit in the subsequent accounting period, the amortized value of the item that has not been amortized will be transferred to the profit or loss for the current period.

## 21. Contract liabilities

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

The right of the Company to receive consideration from its customers unconditionally (i.e. only depending on the passage of time) is presented as receivables, and the right to receive consideration for goods

transferred to its customers (depending on factors other than the passage of time) is presented as contract assets.

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

## **22. Payroll**

### **(1) Accounting treatment of short-term compensation**

Within the accounting period when employees provide service, the actual short-term remuneration shall be recognized as liabilities and be recorded in profit and loss of the current period or relevant asset costs.

### **(2) Accounting treatment of the welfare after demission**

The Company classifies post-employment benefit plans into the d

The Company's share-based payment includes equity-settled share-based payment and cash-settled share-based payment.

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

1) Equity-settled share-based payment

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

the Company performs the obligation; 2) The customer can control the goods under construction during the performance of the Company; 3) The goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect amount for the cumulative performance completed so far during the whole contract period.

For the performance obligations performed within a certain period of time, the Company recognizes the revenue according to the performance progress within that period of time. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until t

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

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

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

The Company shall make provision for impairment and recognize it as impairment losses on assets to the extent that the carrying amount of an asset related to the contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates less the costs expected to be incurred. If the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates minus the costs expected to be incurred is higher than the carrying amount of the asset due to the subsequent changes in the factors of impairment in previous periods, the asset impairment provisions set aside should be reversed and included in profit and loss of the current period. However, the carrying amount of the asset upon the reversal should not exceed the carrying amount of the asset on the reversal date, supposing that impairment provisions are not set aside.

## 26. Government subsidy

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

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

Government documents stipulate that government grants used to purchase, build or otherwise form long-term assets are classified as government grants related to assets. If the government documents concerning a government grant do not specify the target of the grant, it should be determined based on the basic conditions that must be met in order to receive the grant, and government grants which are conditional upon a long-term asset acquired, constructed or otherwise formed are classified as asset-related government grants. Government grants related to assets are used to offset carrying value of assets or are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. The government grants measured according to the nominal amount shall be directly included in the current profit and loss. If relevant assets are sold, transferred, written off or damaged before the end of their useful lives, the Company should transfer the balance of retained deferred returns into the profit or loss for the current period of assets disposal.

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

Government grants other than asset-related government grants are classified as income-related government grants. For government grants, including both asset-related parts and income-related parts that are difficult to be distinguished, overall government grants shall be classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant costs during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset the relevant cost.

(4) Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature. Government grants that are not related to daily activities are recognized as non-operating income and expenses.

(5) Accounting method for interest subsidy on policy prime loans

- 1) If the fiscal system allocates the funds of interest subsidies to the lending bank, and the lending bank provides loans to the Company at a policy prime interest rate, the actual loan amount received by the Company is recognized as the book value of the loan, and the relevant borrowing costs are calculated in accordance with the loan principal and the policy prime interest rate.
- 2) If the fiscal system allocated the funds of interest subsidies to the Company directly, the Company reduced the corresponding interest subsidies against relevant borrowing costs.

## **27. Deferred income tax assets/deferred income tax liabilities**

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

(2) A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. On the balance sheet date, deferred income tax assets without recognition during the former accounting period shall be recognized if there are definite indications representing that it is probable to have sufficient taxable income to offset the deductible temporary differences during the future period.

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

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

(5) When the following conditions are met simultaneously, the Company shall presenttr d #o e r z a M]

leasehold property will be obtained at the end of the lease term, the Company will depreciate the leased asset(s) over the lease term or the remaining service life, whichever is shorter.

## 2) Lease liabilities

At the commencement date of the lease term, the Company measures the lease liabilities at the present value of the lease payments that are not paid at that date. The Company uses the interest rate implicit in lease as the rate of discount when calculating the present value of the lease payments. The incremental interest rate on borrowing of the lessee will be used as the rate of discount, if the interest rate implicit in lease cannot be determined. The difference between the lease payment and its present value is regarded as an unrecognized financing expense. Interest expense is recognized at the discount rate of the present value of the recognized lease payment during each period of the lease term and is recorded in the profit and loss for the current period. Variable lease payments that are not covered in the measurement of the lease liabilities are included in current profit or loss when actually incurred.

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

## (2) Accounting treatment of leases as the lessor

On the start date of the lease term, the Company divides the lease that substantially transfers almost all risks and rewards related to the ownership of the leased assets into finance leases, except for operating leases.

For operating leases, the Company recognizes the lease payments receivable as rentals in each period within the lease term on a straight-line basis. The Company capitalizes the initial direct costs related to operating leases upon incurrence thereof and apportions and includes such costs in the profit and loss of the current period on the basis same as the recognition of rentals. Variable lease payments obtained by the Company in relation to operating leases that are not included in the lease receivable are included in the profit or loss for the current period when they are actually incurred.

## 29. Other significant accounting policies and accounting estimates

### (1) Segment report

The Company identifies the operating segments based on the internal organization structure, management requirements and internal reporting system. A Company's operating segment relr e y

### 30. Significant accounting policies and estimates

#### (1) Significant Changes in Accounting Policies

Applicable  Not applicable

#### (2) Significant Changes in Accounting Estimates

Applicable  Not applicable

#### (3) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2025

Applicable  Not applicable

### 31. Others

## VI Taxation

### 1. Main taxes and tax rate

Category of Taxes	Tax Basis	Tax Rate
VAT	Revenue from commodity sales and taxable services calculated according to the tax law are the basic calculation of output tax. After deducting the amount of input tax which is allowed to be deducted in the current period, the difference is the VAT payable.	9%, 13% The export tax rebate rate is 13%
City maintenance & construction tax	Turnover tax paid	7%, 5%
Enterprise income tax	Income tax payable	15%, 20%, 25%
Real estate tax	Ad valorem tax: levied at 1.2% of the remaining value after deducting 30 % from the original value of the housing property; Tax levied from rent: levied at 12% of the rental income.	1.2%, 12%
Educational fee	Turnover tax paid	3%
Local educational surcharge	Turnover tax paid	2%

Disclosure of information on taxable entities with different corporate income tax rates

Taxpayer	Income tax rate
The Company, Chengdu Qingyang Electronic Material Co., Ltd., Yangzhou Jieli Semiconductor Co., Ltd., Jiangsu Yangjie Semiconductor Co., Ltd., Yixing Jiexin Semiconductor Co., Ltd., Jiangsu Yangjie Runao Semiconductor Co., Ltd., Sichuan Yajixin Electronic Technology Co., Ltd., Sihong Hongxin Semiconductor Co., Ltd., Hunan Jiechuwei Semiconductor Technology Co., Ltd. (the aforementioned subsidiaries are respectively referred to as Chengdu Qingyang Company, J&V Semiconductor, Yangjie Semiconductor Company, Yixing Jiexin Company, Jiangsu Runau Company, Sichuan Yajixin Company,	15%

Sihong Hongxin Company, and Hunan Jiechuwei Company)

Shanghai Xinyangjie Electroni



Including: Equity instrument investments		35,089,829.99
Wealth management products	561,200,000.00	213,200,000.00
Including:		
Total	561,200,000.00	248,289,829.99

Other descriptions:

### 3. Notes receivable

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

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Commercial acceptance bills	14,353,761.70	22,118,258.88
Total	14,353,761.70	22,118,258.88

#### (2) Disclosure by withdrawal methods for bad debts

Unit: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Value		Bad Debts Reserve		Carrying Amount	Book Value		Bad Debts Reserve		Carrying Amount
	Amount	Proportion	Amount	Provision Percentage		Amount	Proportion	Amount	Provision Percentage	
Including:										
Notes receivable of bad debt provision withdrawn by groups	15,109,222.85	100.00%	755,461.15	5.00%	14,353,761.70	23,282,377.77	100.00%	1,164,118.89	5.00%	22,118,258.88
Including:										
Trade acceptance	15,109,222.85	100.00%	755,461.15	5.00%	14,353,761.70	23,282,377.77	100.00%	1,164,118.89	5.00%	22,118,258.88
Total	15,109,222.85	100.00%	755,461.15	5.00%	14,353,761.70	23,282,377.77	100.00%	1,164,118.89	5.00%	22,118,258.88

Withdrawal of bad debt provision by group: 755,461.15

Unit: RMB

Name	Balance at the End of the Period		
	Book Value	Bad Debts Reserve	Provision Percentage
Trade acceptance	15,109,222.85	755,461.15	5.00%
<b>Total</b>	<b>15,109,222.85</b>	<b>755,461.15</b>	

Notes to the determination basis for the group:

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

Applicable  Not applicable **(3) Bad debt provision withdrawal, reversed or recovered in the current period**

Withdrawal of bad debt provision:

Unit: RMB

Category	Balance at the Beginning of the Period	Change in the Reporting Period				Balance at the End of the Period
		Accrual	Reversed or Recovered	Write-offs	Others	
Provision set aside for bad debts by portfolio	1,164,118.89	-408,657.74				755,461.15
<b>Total</b>	<b>1,164,118.89</b>	<b>-408,657.74</b>				<b>755,461.15</b>

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable  Not applicable **(4) Notes receivable pledged by the Company at the period-end**

Unit: RMB

Item	Ending Pledged Amount

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

Unit: RMB

Item	Derecognized Amount at the End of the Reporting Period	Non-Derecognized Amount at the End of the Reporting Period
Commercial acceptance bills		2,097,491.67

Total		2,097,491.67
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**(6) Notes receivable written-off in current period**

Unit: RMB

Item	Written-off Amount
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Including: Write-off of significant notes receivable:

Unit: RMB

Name	Nature	Written-off Amount	Reasons for Write-off	Write-off Procedures Performed	Whether the Accounts Arise from Related Party Transactions
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Notes to the write-off of notes receivable:

**4. Accounts receivable****(1) Disclosure by aging**

Unit: RMB

Aging	Closing Carrying Balance	Carrying Balance at the Beginning of the Period
Within one year (inclusive)	1,953,943,903.23	1,968,922,722.19
One to two years	1,233,739.14	5,418,233.84
Two to three years	3,310,100.00	974,864.01
Over three years	123,867.21	135,281.71
Three to four years	123,867.21	135,281.71
Total	1,958,611,609.58	1,975,451,101.75

**(2) Disclosure by withdrawal methods for bad debts**

Unit: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Value		Bad Debts Reserve		Carrying Amount	Book Value		Bad Debts Reserve		Carrying Amount
	Amount	Proportion	Amount	Provision Percentage		Amount	Proportion	Amount	Provision Percentage	
Accounts receivable	113,200.38	0.01%	113,200.38	100.00%	0.00	1,086,941.3	0.06%	1,086,941.3	100.00%	0.00

withdrawal of Bad debt provision separately accrued						8		8		
Including:										
Accounts receivable withdrawal of bad debt provision of by group	1,958,498,409.20	99.99%	99,486,285.90	5.08%	1,859,012,123.30	1,974,364,160.37	99.94%	99,010,602.33	5.01%	1,875,353,558.04
Including:										
Total	1,958,611,609.58	100.00%	99,599,486.28	5.09%	1,859,012,123.30	1,975,451,101.75	100.00%	100,097,543.71	5.07%	1,875,353,558.04

Bad debt provision separately accrued: 113,200.38

Unit: RMB

Name	Balance at the Beginning of the Period		Balance at the End of the Period			
	Book Value	Bad Debts Reserve	Book Value	Bad Debts Reserve	Provision Percentage	Reasons for the provision
Provision for individual bad debts	1,086,941.38	1,086,941.38	113,200.38	113,200.38	100.00%	
Total	1,086,941.38	1,086,941.38	113,200.38	113,200.38		

Withdrawal of bad debt provision by group: 99,486,285.90

Unit: RMB

Name	Balance at the End of the Period		
	Book Value	Bad Debts Reserve	Provision Percentage
Within one year	1,953,943,903.23	97,697,195.16	5.00%
One to two years	1,233,739.14	123,373.91	10.00%
Two to three years	3,310,100.00	1,655,050.00	50.00%
Over three years	10,666.83	10,666.83	100.00%

Total	1,958,498,409.20	99,486,285.90	
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Notes to the determination basis for the group:

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

Applicable  Not applicable

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

Withdrawal of bad debt provision:

Unit: RMB

Category	Balance at the Beginning of the Period	Change in the Reporting Period				Balance at the End of the Period
		Accrual	Reversed or Recovered	Write-offs	Others	
Bad debt provision accrued by item	1,086,941.38			973,741.00		113,200.38
Provision set aside for bad debts by portfolio	99,010,602.33	1,599,710.59		1,124,027.02		99,486,285.90
<b>Total</b>	<b>100,097,543.71</b>	<b>1,599,710.59</b>		<b>2,097,768.02</b>		<b>99,599,486.28</b>

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Unit: RMB

Name	Amount Recovered or Reclassified	Reason for Reclassification	Recovery Method	Basis for Determining the Percentage of the Original Provision for Bad Debts and Its Reasonableness

### (4) Accounts receivable written-off in current period

Unit: RMB

Item	Written-off Amount
Written-off accounts receivable	2,097,768.02

Of which the verification of significant accounts receivable:

Unit: RMB

Name	Nature of Accounts Receivable	Written-off Amount	Reasons for Write-off	Write-off Procedures Performed	Whether the Accounts Arise from Related Party Transactions
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Notes to the write-off of accounts receivable:

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

Unit: RMB

Name	Closing Balance of Accounts Receivable	Closing Balance of Contract Assets	Ending Balance of Accounts Receivable and Contract Assets	Proportion to Total Ending Balance of Accounts Receivable and Contract Assets	Ending Balance of Bad Debt Provision for Accounts Receivable and Impairment Provision for Contract Assets
No. 1	138,962,281.46		138,962,281.46	7.09%	6,948,114.07
No. 2	72,294,231.64		72,294,231.64	3.69%	3,614,711.58
No. 3	55,072,100.00		55,072,100.00	2.81%	2,753,605.00
No. 4	50,524,884.63		50,524,884.63	2.58%	2,526,244.23
No. 5	46,405,760.00		46,405,760.00	2.37%	2,320,288.00
Total	363,259,257.73		363,259,257.73	18.54%	18,162,962.88

**5. Contract assets**

**(1) List of contract assets**

Unit: RMB

Item	Balance at the End of the Period			Balance at the Beginning of the Period		
	Book Value	Bad Debts Reserve	Carrying Amount	Book Value	Bad Debts Reserve	Carrying Amount
Receivable warranty deposits	1,588,841.09	79,442.05	1,509,399.04	1,162,918.19	58,145.91	1,104,772.28
Total	1,588,841.09	79,442.05	1,509,399.04	1,162,918.19	58,145.91	1,104,772.28

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

Unit: RMB

Item	Amount of Changes	Reasons for Changes
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**(3) Disclosure by withdrawal methods for bad debts**

Unit: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Value		Bad Debts Reserve		Carrying Amount	Book Value		Bad Debts Reserve		Carrying Amount
	Amount	Proportion	Amount	Provision Percentage		Amount	Proportion	Amount	Provision Percentage	
Including:										
Provision set aside for bad debts by portfolio	1,588,841.09	100.00%	79,442.05	5.00%	1,509,399.04	1,162,918.19	100.00%	58,145.91	5.00%	1,104,772.28
Including:										
Total	1,588,841.09	100.00%	79,442.05	5.00%	1,509,399.04	1,162,918.19	100.00%	58,145.91	5.00%	1,104,772.28

Withdrawal of bad debt provision by group: 79,442.05

Unit: RMB

Name	Balance at the End of the Period		
	Book Value	Bad Debts Reserve	Provision Percentage
Warranty deposit combination	1,588,841.09	79,442.05	5.00%
Total	1,588,841.09	79,442.05	

Notes to the determination basis for the group:

Provision set aside for bad debts by the general expected credit loss model

Applicable  Not applicable **(4) Bad debt provision withdrawal, reversed or recovered in the current period**

Unit: RMB

Item	Provision in the	Recovery or Reversal	Charge-off/Write-off in	Reason
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	Current Period	in the Reporting Period	the Reporting Period	
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Impairment allowances

**(2) Disclosure by withdrawal methods for bad debts**

Unit: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Value		Bad Debts Reserve		Carrying Amount	Book Value		Bad Debts Reserve		Carrying Amount
	Amount	Proportion	Amount	Provision Percentage		Amount	Proportion	Amount	Provision Percentage	
Including:	178,634,619.13	100.00%			178,634,619.13	221,615,999.99	100.00%			221,615,999.99
Provision set aside for bad debts by portfolio										
Including:	178,634,619.13	100.00%			178,634,619.13	221,615,999.99	100.00%			221,615,999.99
Bank acceptance bills	178,634,619.13	100.00%			178,634,619.13	221,615,999.99	100.00%			221,615,999.99
Total	178,634,619.13	100.00%			178,634,619.13	221,615,999.99	100.00%			221,615,999.99

Withdrawal of bad debt provision by group: 0

Unit: RMB

Name	Balance at the End of the Period		
	Book Value	Bad Debts Reserve	Provision Percentage
Grouping of banker's acceptance bills	178,634,619.13	0.00	0.00%
Total	178,634,619.13	0.00	

Notes to the determination basis for the group:

Provision set aside for bad debts by the general expected credit loss model

Unit: RMB

Bad Debts Reserve	0	Phase I

Balance as of January 1, 2025 in the reporting period				
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Basis of classification of stages and percentage of provision for bad debts

Notes to the significant changes in the book balance of receivables financing arising from changes in the provision for losses in the reporting period:

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

Unit: RMB

Category	Balance at the Beginning of the Period	Change in the Reporting Period				Balance at the End of the Period
		Accrual	Reversed or Recovered	Charge-off or Write-off	Other Changes	

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Unit: RMB

Name	Amount Recovered or Reclassified	Reason for Reclassification	Recovery Method	Basis for Determining the Percentage of the Original Provision for Bad Debts and Its Reasonableness

Other descriptions:

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

Unit: RMB

Item	Ending Pledged Amount

### (5) Receivables financing endorsed or discounted by the Company at the end of the Reporting Period and not yet maturing as of the balance sheet date

Unit: RMB

Item	Derecognized Amount at the End of the Reporting Period	Non-Derecognized Amount at the End of the Reporting Period
Bank acceptance bills	1,360,987,931.96	
Total	1,360,987,931.96	

### (6) Receivables financing with actual verification for the current period

Unit: RMB

Item	Written-off Amount
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Including: Significant write-off of receivables financing

Unit: RMB

Name	Nature	Written-off Amount	Reasons for Write-off	Write-off Procedures Performed	Whether the Accounts Arise from Related Party Transactions
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Notes on write-off:

### (7) The changes of accounts receivable financing in the current period and the fair value changes

### (8) Other notes

The acceptors of bank acceptance drafts are commercial banks with higher credit. The possibility of non-payment at maturity by their accepted drafts is low; therefore, the Company derecognizes the bank acceptance drafts that have been endorsed or discounted. However, if such drafts are not paid upon maturity, according to the provisions of the *China Commercial Instrument Law*, the Company will still assume joint and several liability to the holders.

## 7. Other receivables

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Other receivables	16,347,948.01	18,236,464.28
Total	16,347,948.01	18,236,464.28

### (1) Other receivables

#### 1) Other receivables classified by nature

Unit: RMB

Nature	Closing Carrying Balance	Carrying Balance at the Beginning of the Period
Guaranteed deposit	17,584,698.54	17,703,404.69
Temporary advance payment receivable	4,754,378.00	5,111,882.85
Others	59,205.71	1,138,520.66
Total	22,398,282.25	23,953,808.20

**2) Disclosure by aging**

Unit: RMB

Aging	Closing Carrying Balance	Carrying Balance at the Beginning of the Period
Within one year (inclusive)	10,157,770.16	12,368,095.77
One to two years	5,766,996.21	6,757,289.37
Two to three years	3,015,539.54	810,425.74
Over three years	3,457,976.34	4,017,997.32
Three to four years	3,457,976.34	4,017,997.32
Total	22,398,282.25	23,953,808.20

**3) Disclosure by withdrawal methods for bad debts**Applicable Not applicable

Unit: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Value		Bad Debts Reserve		Carrying Amount	Book Value		Bad Debts Reserve		Carrying Amount
	Amount	Proportion	Amount	Provision Percentage		Amount	Proportion	Amount	Provision Percentage	
Including:										
Provision set aside for bad debts by portfolio	22,398,282.25	100.00%	6,050,334.24	27.01%	16,347,948.01	23,953,808.20	100.00%	5,717,343.92	23.87%	18,236,464.28
Including:										
Total	22,398,282.25	100.00%	6,050,334.24	27.01%	16,347,948.01	23,953,808.20	100.00%	5,717,343.92	23.87%	18,236,464.28

Withdrawal of bad debt provision by group: 6,050,334.24

Unit: RMB

Name	Balance at the End of the Period		
	Book Value	Bad Debts Reserve	Provision Percentage
Within one year	10,157,770.16	507,888.51	5.00%

One to two years	5,766,996.21	576,699.62	10.00%
Two to three years	3,015,539.54	1,507,769.77	50.00%
Over three years	3,457,976.34	3,457,976.34	100.00%
<b>Total</b>	<b>22,398,282.25</b>	<b>6,050,334.24</b>	

Notes to the determination basis for the group:

Withdrawal of bad debt provision by adopting the general mode of expected credit loss:

Unit: RMB

Bad Debts Reserve	Phase I	Phase II	Phase III	Total
	Expected Credit Loss of the Next 12 Months	Expected Credit Loss During the Whole Outstanding Maturity (Without Credit Impairment Loss)	Expected Credit Loss During the Whole Outstanding Maturity (With Credit Impairment Loss)	
Balance as of January 1, 2025	618,404.79	675,728.94	4,423,210.19	5,717,343.92
Balance as of January 1, 2025 in the reporting period				
--Transfer to stage II	-288,349.81	288,349.81		
--Transfer to stage III		-301,553.95	301,553.95	
Provision in the current period	177,833.53	-85,825.18	240,981.97	332,990.32
Balance on December 31, 2025	507,888.51	576,699.62	4,965,746.11	6,050,334.24

Basis of classification of stages and percentage of provision for bad debts

Aging less than one year is the first stage, one to two years is the second stage, and more than two years is the third stage.

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

Applicable  Not applicable

**4) Bad debt provision withdrawn, reversed or recovered in the cM31,**

**31**

	Beginning of the Period	Accrual	Reversed or Recovered	Charge-off or write-off	Others	End of the Period
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Including: Significant amount of provision for bad debts reclassified or recovered in the reporting period:

Unit: RMB

Name	Amount Recovered or Reclassified	Reason for Reclassification	Recovery Method	Basis for Determining the Percentage of the Original Provision for Bad Debts and Its Reasonableness
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### 5) Other receivables with actual verification during the Reporting Period

Unit: RMB

Item	Written-off Amount
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Including: Write-off of significant other receivables:

Unit: RMB

Name	Nature of Other Receivables	Written-off Amount	Reasons for Write-off	Write-off Procedures Performed	Whether the Accounts Arise from Related Party Transactions
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Notes to the write-off of other receivables:

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

Unit: RMB

Name	Nature	Balance at the End of the Period	Aging	Proportion to Total Ending Balance of Other Receivables %	Ending Balance of Bad Debt Provision
No. 1	Guaranteed deposit	2,000,000.00	Over three years	8.93%	2,000,000.00
No. 2	Guaranteed deposit	1,990,000.00	Within one year	8.88%	99,500.00
No. 3	Guaranteed deposit	1,722,660.63	One to two years	7.69%	172,266.06
No. 4	Guaranteed deposit	1,200,000.00	Within one year	5.36%	60,000.00
No. 5	Guaranteed deposit	970,000.00	One to two years	4.33%	97,000.00

Total		7,882,660.63		35.19%	2,428,766.06
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## 7) Presentation in other receivables due to the centralized management of funds

Unit: RMB

Other descriptions:

## 8. Prepayments

### (1) Prepayment listed by aging analysis

Unit: RMB

Aging	Balance at the End of the Period		Balance at the Beginning of the Period	
	Amount	Proportion	Amount	Proportion
Within one year	18,412,339.66	93.09%	19,964,929.74	76.55%
One to two years	954,643.64	4.83%	4,866,264.19	18.66%
Two to three years	411,915.05	2.08%	433,702.82	1.66%
Over three years			817,162.57	3.13%
Total	19,778,898.35		26,082,059.32	

Notes to the reasons for the prepayments aging over one year with significant amount but failed settled in time:

### (2) Top 5 prepayment in ending balance collected according to the prepayment target

The total of the top 5 largest prepayments at the end of the period is RMB8,703,882.54, accounting for 44.01% of the ending balance of prepayments.

Other descriptions:

## 9. Inventories

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

No

### (1) Category of inventory

Unit: RMB

Item	Balance at the End of the Period			Balance at the Beginning of the Period		
	Book Value	Falling Price Reserves or Provision for	Carrying Amount	Book Value	Falling Price Reserves or Provision for	Carrying Amount

		Impairment on Contract Performance Cost			Impairment on Contract Performance Cost	
Raw materials	430,060,868.67	16,603,255.35	413,457,613.32	329,932,132.81	23,418,527.71	306,513,605.10
Goods in process	292,597,588.90	8,749,165.03	283,848,423.87	226,835,862.77	2,948,203.73	223,887,659.04
Products on hand	955,469,660.17	60,871,202.68	894,598,457.49	709,476,103.89	39,237,672.09	670,238,431.80
Commissioned materials	39,693,649.98		39,693,649.98	26,535,406.50		26,535,406.50
Total	1,717,821,767.72	86,223,623.06	1,631,598,144.66	1,292,779,505.97	65,604,403.53	1,227,175,102.44

**(2) Falling price reserves of inventory and impairment reserves for contract performance costs**

Unit: RMB

Item	Balance at the Beginning of the Period	Increase Amount of the Current Period		Decrease in the Reporting Period		Balance at the End of the Period
		Accrual	Others	Reclassification or Charge-off	Others	
Raw materials	23,418,527.71	9,247,180.06		15,543,453.88	518,998.54	16,603,255.35
Goods in process	2,948,203.73	6,920,550.43		1,119,589.13		8,749,165.03
Products on hand	39,237,672.09	53,753,405.93		31,485,952.93	633,922.41	60,871,202.68
Total	65,604,403.53	69,921,136.42		48,148,995.94	1,152,920.95	86,223,623.06

Item	The Specific Basis for Determining the Net Realizable Value	Reasons for charged-off the reserve for inventory shrinkage Reason for provision
Raw materials	Realizable net value determined by deducting estimated selling price of related finished products from estimated cost to complete	

Provision set aside for inventories impairment by portfolio

Unit: RMB

Portfolio name	Period-end			Period-beginning		
	Balance at the End of the Period	Falling Price Reserves	Depreciation Provision Proportion	Balance at the Beginning of the Period	Falling Price Reserves	Depreciation Provision Proportion

Criteria for setting aside provision for inventories impairment by portfolio

### 10. Current portion of non-current assets

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Advanced capacity deposit paid	72,000,000.00	
<b>Total</b>	<b>72,000,000.00</b>	

### 11. Other current assets

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Principal-prot	th	ro 172,000,000 of S 0-

I. Joint ventures												
II. Associated enterprises												
Jiangsu Intelligent Microsystem Industrial Technology Co., Ltd.	18,797,967.26			18,797,967.26							0.00	
Subtotal	18,797,967.26			18,797,967.26								
Total	18,797,967.26			18,797,967.26							0.00	

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

Applicable  Not applicable

The recoverable amount is determined by the present value of the forecasted future cash flow.

Applicable  Not applicable

The differences between the foregoing information and the data used in impairment testing in previous years, or external information, are due to apparent reasons

The reasons for the disparity between the information used in impairment testing in the previous years and the actual situation of the current year are evident for the Company

Other descriptions:

### 13. Other non-current financial assets

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Financial assets classified as at fair value through the profit or loss for the current period		
Among them: Beijing Guangmeng Semiconductor Industry Investment Center (LP)	438,354,009.38	438,354,009.38
Ningbo Dongxin Guohong Enterprise Management Partnership (LP)	204,323,574.02	133,201,524.17
Hanxin (Shanghai) Enterprise Management Partnership (LP)	50,000,000.00	50,000,000.00
Nantong Jinxin Haohua Investment Center (LP)	15,823,732.47	15,539,508.56

Xinlian Integrated Circuit Manufacturing Co., Ltd.	20,963,957.94	16,075,501.38
Jiangsu Applied Power Microelectronics Co., Ltd.	15,000,000.00	15,000,000.00
Chengdu Senmi Technology Consulting Partnership (LP)		13,728,138.00
Dalian Jafeng Automation Co., Ltd.	10,000,000.00	10,000,000.00
Hainan Huoyan Xihe Equity Investment Private Equity Fund Partnership (LP)	4,609,117.73	5,000,000.00
<b>Total</b>	<b>759,074,391.54</b>	<b>696,898,681.49</b>

Other descriptions:

#### 14. Fixed assets

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Fixed assets	4,094,564,438.74	3,467,212,945.22
<b>Total</b>	<b>4,094,564,438.74</b>	<b>3,467,212,945.22</b>

##### (1) List of fixed assets

Unit: RMB

Item	Properties and Buildings	General Equipment	Special Equipment	Transportation Tools	Total
I. Original carrying value:					
1. Balance at the Beginning of the Period	1,057,607,644.69	57,376,333.06	4,574,885,975.30	17,263,482.17	5,707,133,435.22
2. Increase amount of the current period	500,640,835.04	12,206,913.82	765,017,480.88	1,104,936.10	1,278,970,165.84
(1) Purchase	2,445,431.14	3,151,701.13	2,843,535.14	152,511.51	8,593,178.92
(2) Transfer-in of construction progress	157,916,762.06	9,054,501.00	762,134,042.77	952,424.59	930,057,730.42

(3) Increase for business combination	340,042,895.63				340,042,895.63
(4) Impact of exchange rate changes	235,746.21	711.69	39,902.97		276,360.87
3. Decrease in the Reporting Period	245,361.89	947,316.05	46,247,560.78	140,251.07	47,580,489.79
(1) Disposal or scrap		872,741.25	33,562,596.66	129,997.86	34,565,335.77
(2) Transferred to construction in progress			12,684,401.21		12,684,401.21
(3) Impact of exchange rate changes	245,361.89	74,574.80	562.91	10,253.21	330,752.81
4. Closing balance	1,558,003,117.84	68,635,930.83	5,293,655,895.40	18,228,167.20	6,938,523,111.27
II. Accumulated depreciation					
1. Balance at the Beginning of the Period	205,872,400.88	37,991,169.92	1,980,708,406.76	15,348,512.44	2,239,920,490.00
2. Increase amount of the current period	115,758,317.23	9,302,662.12	509,634,469.84	2,733,897.10	637,429,346.29
(1) Accruing	81,314,159.21	9,302,662.12	509,618,460.48	2,733,897.10	602,969,178.91
(2) Increase for business combination	34,400,940.79				34,400,940.79
(3) Impact of exchange rate changes	43,217.23		16,009.36		59,226.59
3. Decrease in the Reporting Period	49,062.85	812,546.42	31,657,974.18	871,580.31	33,391,163.76
(1) Disposal or scrap		742,435.40	27,204,664.78	869,619.27	28,816,719.45

(2) Transferred to construction in progress			4,354,496.84		4,354,496.84
(3) Impact of exchange rate changes	49,062.85	70,111.02	98,812.56	1,961.04	219,947.47
4. Closing balance	321,581,655.26	46,481,285.62	2,458,684,902.42	17,210,829.23	2,843,958,672.53
III. Impairment provisions					
1. Balance at the Beginning of the Period					
2. Increase amount of the current period					
(1) Accruing					
3. Decrease in the Reporting Period					
(1) Disposal or scrap					
4. Closing balance					
IV. Carrying value					
1. Carrying value at the end of the period	1,236,421,462.58	22,154,645.21	2,834,970,992.98	1,017,337.97	4,094,564,438.74
2. Beginning carrying value	851,735,243.81	19,385,163.14	2,594,177,568.54	1,914,969.73	3,467,212,945.22

**(2) List of temporarily idle fixed assets**

Unit: RMB

Item	Original Carrying Value	Accumulated Depreciation	Provision for Impairment Losses	Carrying Amount	Notes
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**(3) Fixed assets leased out by operation lease**

Unit: RMB

Item	Closing Carrying Value
Special equipment	248,991,918.34
Properties and buildings	11,181,565.42
Subtotal	260,173,483.76

**(4) List of fixed assets with certificate of title uncompleted**

Unit: RMB

Item	Carrying Amount	Reason
Building 6 in Plant Area No. 3	6,572,053.69	In processing due to changes in building construction plan.
Factory 2# of Chengdu Qingyang	5,980,019.59	The real estate ownership certificate has not been obtained due to the fact that the fire protection of the factory has not yet been accepted
Plant of Jiangsu Runau Company	1,340,460.94	The land of the entrepreneurial park where the entity is located has been mortgaged by the government for loans, which is not released yet. As a result, the entrepreneurial park cannot be used to apply for real estate ownership certificate.
Subtotal	13,892,534.22	

Other descriptions:

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

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
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Other descriptions:

**15. Construction in progress**

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Construction in progress	1,943,804,866.98	1,359,312,665.99
Total	1,943,804,866.98	1,359,312,665.99

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

Unit: RMB

Item	Balance at the End of the Period			Balance at the Beginning of the Period		
	Book Value	Provision for Impairment Losses	Carrying Amount	Book Value	Provision for Impairment Losses	Carrying Amount
8" wafer project						

8" wafer project

Other fragmentary projects	16,245,229.69		16,245,229.69	10,780,656.94		10,780,656.94
Total	1,943,804,866.98		1,943,804,866.98	1,359,312,665.99		1,359,312,665.99

**(2) Changes in significant construction in progress during the Reporting Period**

Unit: RMB

Item	Budget	Balance at the Beginning of the Period	Increase Amount of the Current Period	Amount of Transfer into Fixed Assets in the Current Period	Other Decreased Amount for the Current Period	Balance at the End of the Period	Proportion of Accumulated Investment in Constructions to Budget	Project Progress	Accumulated Amount of Interest Capitalization	Of Which: Amount of Interest Capitalization in the Current Period	Capitalization Rate of Interests for the Current Period	Source of Fund
8" wafer project	2,000,000.00	682,441,314.37	440,086,797.35	106,239,517.31	7,637,512.82	1,008,651,081.59	66.35%	67				Others
Other production expansion and line upgrade projects	1,500,000.00	154,470,439.04	658,408,099.35	427,574,791.40	30,875,853.84	354,427,893.15	94.12%	94.000				Others
Wafer project phase II	420,000.00	41,952,947.08	68,302,04.48	97,010,64.02	7,977,118.00	5,268,575.74	97.36%	97.000				Others
Automotive-grade power chip manufacturing project	640,000.00	266,886,711.95	39,670,69.94	34,036,99.58	9,129,678.65	263,390,703.66	73.84%	74.000				Others
SKY and MOS production expansion projects	425,000.00	10,631,758.00	5,859,851.18	15,027,917.67		1,463,718.51	98.74%	99.000				Others
Vietnam production base construction project	619,690,000.00	131,511,871.93	274,966,616.07	159,272,531.85	1,759,414.73	245,446,541.42	66.38%	67				Fundraising, others.
Semiconductor or monocrystalline material capacity expansion project phase I	165,000.00	1,069,915.00	5,387,237.94	6,038,110.05	419,039.46		96.89%	97.000				Others
Total	5,769,690,000.00	1,288,964,980.94	1,492,682,076.31	845,199,931.88	57,798,611.30	8,618,786,514.07						

**(3) List of the withdrawal of the depreciation reserves for construction in progress**

Unit: RMB

Item	Balance at the Beginning of the Period	Increase in the Reporting Period	Decrease in the Reporting Period	Balance at the End of the Period	Reason for Withdrawal

Other descriptions:

**(4) Impairment test of construction in progress**

4. Closing balance			
III. Impairment provisions			
1. Balance at the beginning of the period			
2. Increase amount of the current period			
(1) Accruing			
3. Decrease in the Reporting Period			
(1) Disposal			
4. Closing balance			
IV. Carrying value	2,485,689.79	29,508,639.40	31,994,329.19
1. Carrying value at the end of the period	75,486,298.70	20,712,907.16	96,199,205.86
2. Beginning carrying value	153,249,529.34	28,603,538.46	181,853,067.80

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

Applicable  Not applicable

Other descriptions:

## 17. Intangible assets

### (1) List of intangible assets

Unit: RMB

Land Use	Non-patent	N	1 M
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2. Increase amount of the current period	93,326,435.56			15,455,099.73		108,781,535.29
(1) Purchase	10,397,488.76			15,441,913.97		25,839,402.73
(2) Internal R&D						
(3) Increase for business combination	82,437,195.85					82,437,195.85

4) Impact of exchange rate changes



The proportion of intangible assets formed from the internal R&D of the Company at the Period-end to the ending balance of intangible assets

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

Unit: RMB

Item	Carrying Amount	Reason
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Other descriptions:

## (3) Impairment test of intangible assets

Applicable  Not applicable

## 18. Goodwill

### (1) Original carrying value of goodwill

Unit: RMB

Name of the Invested Units or Events Generating Goodwill	Balance at the Beginning of the Period	Increase in the Reporting Period		Decrease in the Reporting Period		Balance at the End of the Period
		Formed Through Business Combinations		Disposal		
Hunan Jiechuwei Company	151,444,997.06					151,444,997.06
Caswell Company	102,553,622.99					102,553,622.99
Chengdu Qingyang Company	37,844,782.13					37,844,782.13
Sichuan Yajixin Company	20,352,886.90					20,352,886.90
Jiangsu Runau Company	4,462,624.51					4,462,624.51
Shanghai Lingxin Company	1,292,281.31			1,292,281.31		
MCC Shenzhen	343,177.48					343,177.48
Shanghai Xinyangjie Company	1,944,739.19					1,944,739.19

Total	320,239,111.57			1,292,281.31		318,946,830.26
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**(2) Depreciation reserves of goodwill**

Unit: RMB

Name of the Invested Units or Events Generating Goodwill	Balance at the Beginning of the Period	Increase in the Reporting Period		Decrease in the Reporting Period		Balance at the End of the Period
		Accrual		Disposal		
Hunan Jiechuwei Company	12,512,017.06	21,305,316.87				33,817,333.93
Chengdu Qingyang Company	2,727,831.48					2,727,831.48
Jiangsu Runau Company	1,114,118.81	181,615.41				1,295,734.22
Shanghai Xinyangjie Company	1,944,739.19					1,944,739.19
Total	18,298,706.54	21,486,932.28				39,785,638.82

**(3) Information on the assets groups or combination of assets groups which goodwill belongs to**

Name	Composition and Basis of the Asset Group or Combination of Asset Groups	Operating Segments and Basis	Whether It Is Consistent with the Previous Year
Hunan Jiechuwei Company	Cash inflows generated independently of other assets or asset groups	Managed according to business types	Yes
MCC Hong Kong, Caswell Company and its subsidiaries, MCC Shenzhen	Cash inflows generated independently of other assets or asset groups	Managed according to business types	Yes
Chengdu Qingyang Company, Sichuan Yajixin Company	Cash inflows generated independently of other assets or asset groups	Managed according to business types	Yes

Changes in asset groups or combinations of asset groups

Name	Composition Before the Change	Composition After the Change	Objective Facts Leading to the Change and Their Basis

Other notes:

The business combination under non-common control involves valuation appreciation, which leads to subsequent income tax effects that need to be taxed in the future. Deferred tax liabilities are recognized, and the amount of recognized goodwill is adjusted accordingly. This period, a goodwill impairment provision of RMB967,121.93 is made based on the amount of deferred tax liabilities reversed attributable to the parent company.

#### (4) Specific method of determining the recoverable amount

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

Applicable  Not applicable

The recoverable amount is determined by the present value of the forecasted future cash flow.

Applicable  Not applicable

Unit: RMB

Item	Carrying Amount	Recoverable Amount	Impairment Amount	Years of the Forecast Period	Key Parameters for the Forecast Period	Key Parameters for the Stable Period	Basis for Determining Key Parameters for the Stable Period
Hunan Jiechuwei Company	1,412,314,014.79	1,383,000,000.00	20,519,810.35	Hunan Jiechuwei Company	Five years	Determined by the Company based on historical experience and market development predictions	Revenue growth rate: 0 with estimated product selling price, sales volume, production costs and other relevant expenses.
MCC Hong Kong, Caswell Company and its subsidiaries, MCC Shenzhen	520,399,144.20	824,591,939.83		MCC Hong Kong, Caswell Company and its subsidiaries, MCC Shenzhen	Five years	Determined by the Company based on historical experience and market development predictions	Revenue growth rate: 0 with estimated product selling price, sales volume, production costs and other relevant expenses.
Chengdu Qingyang Company, Sichuan Yajixin Company	537,875,664.31	638,000,000.00		Chengdu Qingyang Company, Sichuan Yajixin Company	Five years	Determined by the Company based on historical experience and market development predictions	Revenue growth rate: 0 with estimated product selling price, sales volume, production costs and other relevant expenses.

Total	2,470,588,823.30	2,845,591,939.83	20,519,810.35				
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The differences between the foregoing information and the data used in impairment testing in previous years, or external information, are due to apparent reasons

The reasons for the disparity between the information used in impairment testing in the previous years and the actual situation of the current year are evident for the Company

## (5) Completion of commitments to results and corresponding goodwill impairment

Performance commitments existed at the time goodwill was formed and are within the performance commitment period in the reporting period or the previous reporting period

Applicable  Not applicable

Other descriptions:

## 19. Long-term deferred expenses

Unit: RMB

Item	Balance at the Beginning of the Period	Increase Amount of the Current Period	Amortization Amount in the Reporting Period	Other Decreases	Balance at the End of the Period
Decoration and repair fees	132,059,342.92	63,899,675.67	66,911,286.13		129,047,732.46
Total	132,059,342.92	63,899,675.67	66,911,286.13		129,047,732.46

Other descriptions:

## 20. Deferred income tax assets/deferred income tax liabilities

### (1) Deferred income tax assets had not been off-set

Unit: RMB

Item	Balance at the End of the Period		Balance at the Beginning of the Period	
	Deductible Temporary Differences	Deferred Income Tax Assets	Deductible Temporary Differences	Deferred Income Tax Assets
Provision for impairment of assets	190,473,792.34	29,422,693.67	166,928,583.18	25,833,611.47
Internal unrealized profit	30,941,698.19	5,157,677.54	22,171,302.39	3,724,553.75
Deductible losses	82,753,077.67	13,040,951.24	104,689,055.69	16,331,347.95

Deferred income	239,962,705.53	35,994,405.84	201,544,044.42	30,231,606.66
Equity incentive expense	38,772,523.56	5,815,878.53		
Lease liabilities	1,701,939.15	335,604.66	2,845,842.12	548,096.87
<b>Total</b>	<b>584,605,736.44</b>	<b>89,767,211.48</b>	<b>498,178,827.80</b>	<b>76,669,216.70</b>

**(2) Deferred Income Tax Liabilities Had Not Been Off-set**

Unit: RMB

Item	Balance at the End of the Period		Balance at the Beginning of the Period	
	Taxable Temporary Differences	Deferred Income Tax Liabilities	Taxable Temporary Differences	Deferred Income Tax Liabilities
Asset appraisal and appreciation of business combinations not under the same control	29,855,213.62	4,478,533.68	36,404,141.22	5,460,621.17
Extra deduction of depreciation of fixed assets	1,131,409,311.51	169,711,396.75	1,136,826,029.67	170,523,904.45
Net profit realized by MCC Hong Kong	445,594,896.80	66,839,234.52	553,106,336.27	82,965,950.44
Changes in the fair value of other non-current financial assets	295,148,729.31	44,272,309.40	218,853,998.99	32,828,099.85
Right-of-use assets	1,188,976.16	256,347.93	2,841,116.32	541,609.67
<b>Total</b>	<b>1,903,197,127.40</b>	<b>285,557,822.28</b>	<b>1,948,031,622.47</b>	<b>292,320,185.58</b>

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

Unit: RMB

Item	Ending Off-Set Amount of Deferred Income Tax Assets and Liabilities	Ending Balance of Deferred Income Tax Assets and Liabilities	Beginning Off-Set Amount of Deferred Income Tax Assets and Liabilities	Beginning Balance of Deferred Income Tax Assets and Liabilities
Deferred income tax assets	79,629,539.70	10,137,671.78	66,912,696.42	9,756,520.28
Deferred income tax liabilities	79,629,539.70	205,928,282.58	66,912,696.42	225,407,489.16

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

Unit: RMB

Item
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deposit						
Advance payment for engineering equipment	32,804.00		32,804.00	28,196,762.87		28,196,762.87
Total	443,159,453.23		443,159,453.23	243,996,762.87		243,996,762.87

Other descriptions:

## 22. Assets with restricted ownership or right to use

Unit: RMB

Item	Period-end				Period-beginning			
	Book Value	Carrying Amount	Type of Restriction	Restriction Details	Book Value	Carrying Amount	Type of Restriction	Restriction Details
Monetary assets	208,234,673.41	208,234,673.41	Deposits, pledge, freeze	Letter of credit deposits, freeze, pledge used for borrowing	48,579,009.19	48,579,009.19	Deposits	Deposits for L/Gs and L/Cs
Fixed assets	922,143,772.76	583,506,173.70	Mortgage	Pledge for borrowings	837,789,568.34	585,806,191.31	Mortgage	Pledge for borrowings
Intangible assets	50,072,753.15	42,702,750.26	Mortgage	Pledge for borrowings	49,581,002.19	42,846,341.83	Mortgage	Pledge for borrowings
Construction in progress	55,234,058.18	55,234,058.18	Mortgage	Pledge for borrowings	109,420,646.02	109,420,646.02	Mortgage	Pledge for borrowings
Total	1,235,685,257.50	889,677,655.55			1,045,370,225.74	786,652,188.35		

Other descriptions:

## 23. Short-term loans

### (1) Category of short-term loans

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Mortgaged borrowings	107,924,600.57	27,699,777.06

Credit loan	1,967,522,197.78	1,028,302,439.93
Total	2,075,446,798.35	1,056,002,216.99

Notes to the classification of short-term loans:

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

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

Unit: RMB

Borrowing unit	Balance at the End of the Period	Interest Rate	Overdue Time	Overdue Charge Rate
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Other descriptions:

## 24. Notes payable

Unit: RMB

Category	Balance at the End of the Period	Balance at the Beginning of the Period
Bank acceptance bills	329,488,163.27	424,034,769.86
Total	329,488,163.27	424,034,769.86

The total amount of notes payable due but unpaid was RMB0.00 without the reason for non-payment.

## 25. Accounts payable

### (1) List of accounts payable

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Payments for materials	1,396,789,354.14	1,193,672,170.00
Engineering equipment	815,150,848.69	374,280,416.19
Total	2,211,940,202.83	1,567,952,586.19

### (2) Significant accounts payable aging over one year or overdue

Unit: RMB

Item	Balance at the End of the Period	Reason for non-repayment or carry-over
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Other descriptions:

**(3) Are there any overdue payments to SMEs?**

Is it a large enterprise?

Yes  No **26. Other payables**

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Other payables	172,960,081.43	59,613,183.59
Total	172,960,081.43	59,613,183.59

**(1) Other Payables****1) Other Payables Listed by Nature of Account**

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Accrued expenses	17,813,699.34	27,785,633.21
Guaranteed deposit	24,955,647.28	22,763,166.77
Temporary receipts payable	9,856,623.81	7,615,883.61
Inter-company loan [Note]	118,885,611.00	
Payments for equity acquisition	1,448,500.00	1,448,500.00
Total	172,960,081.43	59,613,183.59

**2) Significant other accounts payable aging over one year or overdue**

Unit: RMB

Item	Balance at the End of the Period	Reason for non-repayment or carry-over

Other descriptions:

[Note] Transferred in during the current period upon the acquisition of Changsha Bodian Energy Technology Co., Ltd. (hereinafter referred to as "Changsha Bodian").

**27. Contract liabilities**

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Payment for goods	31,347,159.87	11,243,387.05

Total	31,347,159.87	11,243,387.05
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Significant contract liabilities aging over one year

Unit: RMB

Item	Balance at the End of the Period	Reason for non-repayment or carry-over
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Amount of and reason for significant changes in carrying value during the Reporting Period

Unit: RMB

Item	Amount of Changes	Reasons for Changes
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**28. Payroll payable****(1) List of payroll payable**

Unit: RMB

Item	Balance at the Beginning of the Period	Increase in the Reporting Period	Decrease in the Reporting Period	Balance at the End of the Period
I. Short-term remuneration	213,312,077.42	1,280,916,307.99	1,238,474,158.28	255,754,227.13
II. Post-employment benefits-defined contribution plan	121,945.66	74,768,643.63	74,537,435.12	353,154.17
Total	213,434,023.08	1,355,684,951.62	1,313,011,593.40	256,107,381.30

**(2) List of Short-term Salary**

Unit: RMB

Item	Balance at the Beginning of the Period	Increase in the Reporting Period	Decrease in the Reporting Period	Balance at the End of the Period
1. Salary, bonus, allowance, subsidy	173,917,022.05	1,115,595,849.37	1,069,799,226.69	219,713,644.73
2. Employee welfare		47,320,819.42	47,320,819.42	
3. Social insurance	119,777.61	47,319,314.99	47,175,669.45	263,423.15
Including: Medical insurance premiums	116,444.29	41,247,436.86	41,107,347.76	256,533.39
Work injury insurance premiums	2,405.84	3,164,401.36	3,163,623.43	3,183.77

Maternity insurance premiums	927.48	2,907,476.77	2,904,698.26	3,705.99
4. Housing fund	49,299.29	33,164,103.66	33,029,370.25	184,032.70
5. Labor-union expenditure and employee education budget	39,225,978.47	37,516,220.55	41,149,072.47	35,593,126.55
Total	213,312,077.42	1,280,916,307.99	1,238,474,158.28	255,754,227.13

**(3) List of defined contribution plans**

Unit: RMB

	Balance at the Beginning of the Period	Increase in the Reporting Period	Decrease in the Reporting Period	Balance at the End of the Period
1. Basic endowment insurance	119,209.66	72,371,104.72	72,140,721.10	349,593.28
2. Unemployment insurance premiums	2,736.00	2,397,538.91	2,396,714.02	3,560.89
Total	121,945.66	74,768,643.63	74,537,435.12	353,154.17

Stamp duty and others	1,894,983.07	1,595,577.49
<b>Total</b>	<b>65,939,287.37</b>	<b>60,692,578.43</b>

Other descriptions:

### 30. Current portion of non-current liabilities

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Long-term borrowings matured within one year	622,936,018.13	398,821,000.00
Lease liabilities matured within one year	7,237,010.49	66,441,145.91
Advanced capacity deposit received	72,000,000.00	
<b>Total</b>	<b>702,173,028.62</b>	<b>465,262,145.91</b>

Other descriptions:

### 31. Other current liabilities

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Tax to be charged off	2,122,104.00	928,165.32
Acceptance receivable, DiChain etc. not yet derecognized	24,279,390.74	3,037,964.13
<b>Total</b>	<b>26,401,494.74</b>	<b>3,966,129.45</b>

Change in short-term bonds payable:

Unit: RMB

Name	Par Value	Coupon Rate	Issue Date	Bond Duration	Issue Amount	Balance at the Beginning of the Period	Issued in the Reporting Period	Interest Accrued at Par Value	Amortization of Premium and Depreciation	Repaid in the Current Period	Balance at the End of the Period	Default or Not
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### 32. Long-term borrowings

#### (1) Category of long-term borrowings

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Pledge loans		48,545,310.96
Mortgaged borrowings	115,915,000.00	453,030,293.15
Credit loan	242,187,539.48	22,168,804.67
Total	358,102,539.48	523,744,408.78

Notes to the classification of long-term borrowings:

Other notes, including the interest rate range:

### 33. Lease liabilities

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Lease liabilities	30,531,070.62	85,108,055.49
Lease liabilities with unrecognized financing costs	-3,248,474.48	-6,305,010.19
Total	27,282,596.14	78,803,045.30

Other descriptions:

### 34. Deferred income

Unit: RMB

Item	Balance at the Beginning of the Period	Increase in the Reporting Period	Decrease in the Reporting Period	Balance at the End of the Period	Source
Government subsidies	202,793,634.62	106,962,209.63	53,996,776.89	255,759,067.36	Related to assets
Total	202,793,634.62	106,962,209.63	53,996,776.89	255,759,067.36	

Other descriptions:

**35. Other non-current liabilities**

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Advanced capacity deposit received	71,800,000.00	215,800,000.00
<b>Total</b>	<b>71,800,000.00</b>	<b>215,800,000.00</b>

Other descriptions:

**36. Share capital**

Unit: RMB

	Balance at the Beginning of the Period	Change This Time (+, -)					Balance at the End of the Period
		New Shares Issued	Shares as Dividend Converted from Profit	Capitalisation of Reserves	Others	Subtotal	
Total shares	543,347,787.00						543,347,787.00

Other descriptions:

**37. Capital reserves**

Unit: RMB

Item	Balance at the Beginning of the Period	Increase in the Reporting Period	Decrease in the Reporting Period	Balance at the End of the Period
Share capital premium (share premium)	4,017,230,328.12		345,384.74	4,016,884,943.38
Other capital reserves	49,763,105.85	28,938,842.33	682,497.37	78,019,450.81
<b>Total</b>	<b>4,066,993,433.97</b>	<b>28,938,842.33</b>	<b>1,027,882.11</b>	<b>4,094,904,394.19</b>

Other notes, including notes to the changes in the reporting period and reasons for the changes:

(1) The Company implemented equity-settled share-based payments, and the employee service amount exchanged for share payment this period is RMB27,203,486.82, correspondingly increasing other capital reserves;

(2) During this period, the Company acquires a 23.50% minority stake in subsidiary Yixing Jiexin Company, and the difference of RMB345,384.75 between the consideration paid and the share of the net assets calculated from the acquisition date which should be entitled according to the increased holding ratio, reduces the capital reserves (share premium) in the consolidated financial statements;

(3) According to the commitment letter issued to the Company by the controlling shareholder Jiangsu Yangjie Investment Co., Ltd. (hereinafter referred to as “Yangjie Investment Company”) on November 12, 2018, because the principal investment of the Dongrong Huizhui 1 Fund could not be recovered, Yangjie Investment Company compensates the company, and it is agreed that the amount paid by Yangjie Investment Company that exceeds the impairment provision amount in the annual report (cumulative amount) will be promptly returned to Yangjie Investment Company. In 2019, the Company received a full compensation of RMB50 million from Yangjie Investment Company, and in this period returned RMB682,497.37 of the recovered investment in the Dongrong Huizhui 1 Fund to Yangjie Investment Company, correspondingly reducing other capital reserves;

(4) The Company’s cost expenses amount confirmed when unlocking the restricted stocks during this period as per accounting standards, and the difference with the pre-tax deductible amount allowed for stock-related expenses stipulated by the tax law, increased other capital reserves by RMB1,735,355.51 due to the impact on deferred income tax.

### 38. Treasury stocks

Unit: RMB

Item	Balance at the Beginning of the Period	Increase in the Reporting Period	Decrease in the Reporting Period	Balance at the End of the Period
Repurchased public shares of the Company	90,528,153.80	40,983,874.00		131,512,027.80
Total	90,528,153.80	40,983,874.00		131,512,027.80

Other notes, including notes to the changes in the reporting period and reasons for the changes:

During this period, the Company repurchased 870,100 shares of public company stock through a centralized bidding trading method, correspondingly increasing treasury shares by RMB40,983,874.00.

### 39. Other comprehensive income

Unit: RMB

Balance at the	Amount	Amount Accounted for in the Current Period		tax expense	Company After Tax	Shareholders After Tax	Balance at the
		Less: Amount Recognized as Other Comprehensive	Less: Amount Recognized as Other Comprehensive				
		Income Tax for the Current Period	Period and Transferred to Profit or Loss in the Reporting Period	Period and Transferred to Retained Earnings in the Reporting Period			

Exchange difference on translation of financial statements in foreign currency	26,092,399.71	21,713,308.06	-	-	21,713,308.06	-	4,379,091.65
Total of other comprehensive income	26,092,399.71	21,713,308.06	-	-	21,713,308.06	-	4,379,091.65

Other notes, including the reclassification of effective portion of cash flow hedge reserves to adjust the initial carrying amount of the hedged item:

#### 40. Surplus reserves

Unit: RMB

Item	Balance at the Beginning of the Period	Increase in the Reporting Period	Decrease in the Reporting Period	Balance at the End of the Period
Statutory surplus reserves	271,673,893.50			271,673,893.50
Total	271,673,893.50			271,673,893.50

Notes to surplus reserves, including notes to changes in the reporting period and reasons for such change:

#### 41. Undistributed profit

Unit: RMB

Item	Reporting Period	Previous Period
Undistributed profits at the end of the previous period before the adjustment	3,946,969,152.74	3,409,569,241.07
Opening undistributed profits after the adjustment	3,946,969,152.74	3,409,569,241.07
Plus: Net profit attributable to owners of the parent company in the reporting period	1,258,583,297.64	1,002,451,864.19
Less: Appropriation of statutory surplus reserves		166,400.00
Ordinary share dividends payable	444,483,863.34	464,885,552.52
Closing undistributed profits	4,761,068,587.04	3,946,969,152.74

Details on adjustment of undistributed profits at the beginning of the period:

- 1) The undistributed profit at the beginning of the period is adjusted by RMB0.00 due to the retroactive adjustment according to the *Accounting Standards for Business Enterprises* and relevant new provisions.
- 2) The undistributed profit at the beginning of the period is adjusted by RMB0.00 due to changes in accounting policies.
- 3) The undistributed profit at the beginning of the period is adjusted by RMB0.00 due to correction of major accounting errors.
- 4) The undistributed profit at the beginning of the period is adjusted by RMB0.00 due to changes in the combination scope arising from the same control.
- 5) The undistributed profit at the beginning of the period is adjusted by RMB0.00 in total due to other adjustments.

Detailed explanation of using capital reserves to offset losses:

## 42. Operating revenue and cost of sales

Unit: RMB

Item	Amount Accounted for in the Current Period		Amount Accounted for in the Previous Period	
	Income	Cost	Income	Cost
Main operations	6,958,389,684.36	4,632,337,321.80	5,891,651,210.64	3,989,040,602.64
Other operations	171,809,551.93	54,140,245.72	141,726,856.36	48,257,262.19
Total	7,130,199,236.29	4,686,477,567.52	6,033,378,067.00	4,037,297,864.83

The lowest of the Company's audited total profit, net profit, and net profit after the deduction of non-recurring gains or losses during the Reporting Period was negative.

Yes  No

Breakdown information of operating income and operating cost:

Unit: RMB

Classification of Contracts	Segment 1		Segment 2				Total	
	Operating Revenue	Operating Cost	Operating Revenue	Operating Cost	Operating Revenue	Operating Cost	Operating Revenue	Operating Cost
Business type	7,113,557,956.98	4,670,711,416.74					7,113,557,956.98	4,670,711,416.74
Including:								
Semiconductor components	6,256,897,728.73	4,167,913,521.06					6,256,897,728.73	4,167,913,521.06
Semiconductor chips	534,017,937.48	356,389,755.76					534,017,937.48	356,389,755.76
Semiconductor	167,474,018.1	108,034,044.9					167,474,018.1	108,034,044.9

silicon wafers	15	8					5	8
Others	155,168,272.62	38,374,094.94					155,168,272.62	38,374,094.94
Classified by operating region	7,113,557,956.98	4,670,711,416.74					7,113,557,956.98	4,670,711,416.74
Specifically:								
Domestic	5,467,641,130.40	3,806,669,225.29					5,467,641,130.40	3,806,669,225.29
Overseas	1,645,916,826.58	864,042,191.45					1,645,916,826.58	864,042,191.45
Market or customer type								
Specifically:								
Contract type								
Specifically:								
Classified by the time of goods transfer	7,113,557,956.98	4,670,711,416.74					7,113,557,956.98	4,670,711,416.74
Specifically:								
Recognized at a point in time	7,113,557,956.98	4,670,711,416.74					7,113,557,956.98	4,670,711,416.74
Classified by contract term								
Specifically:								
Classified by sales channel								
Specifically:								

Total	7,113,557,956.98	4,670,711,416.74					7,113,557,956.98	4,670,711,416.74

Information about performance obligations:

Item	Time for Contract Fulfillment Obligations	Important Payment Terms	The Nature of the Company's Commitment to the Transfer of the Goods	Whether or Not the Person Is Primarily Responsible	Company's Share of Expected Refunds to Customers	Types of Quality Assurance Offered by the Company and Related Obligations
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Other notes:

The revenue recognized in the current period included in the initial book value of the contract liabilities was RMB9,032,403.76.

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

As at the end of the Reporting Period, the revenue amount corresponding to the contract performance obligation yet to be fulfilled or yet to be completed under a signed contract is RMB 2,276,168,872.75, including RMB 2,232,901,477.04 expected to be recognized as revenue in the year, RMB 2026 expected to be recognized as revenue in the year, and RMB 43,267,395.71 expected to be recognized as revenue in the year.

Information related to variable consideration in contracts:

Significant contract changes or significant transaction price adjustments

Unit: RMB

Item	Accounting Treatment	Amount of Impact on Revenue
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Other descriptions:

### 43. Taxes and surcharges

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
City maintenance & construction tax	16,065,719.59	13,368,217.72
Educational fee	7,217,520.74	5,760,565.78
Real estate tax	9,867,559.57	8,246,341.12
Land use tax	2,210,260.81	1,420,101.10
Local educational surcharge	4,808,211.94	3,840,377.18

Stamp duty and others	6,692,554.17	5,579,572.56
<b>Total</b>	<b>46,861,826.82</b>	<b>38,215,175.46</b>

Other descriptions:

#### 44. Administrative expense

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Employee benefits	219,115,582.89	207,221,178.76
Depreciation and amortization	63,699,781.52	72,722,577.18
Intermediary service fees	23,523,300.58	16,836,483.68
Administrative expense	40,929,432.04	30,129,064.99
Equity-settled share-based payment expenses	11,483,041.56	
Travel expenses	3,949,352.65	2,911,893.59
Entertainment fees	5,774,323.19	1,907,079.93
Others	21,241,601.08	27,178,630.76
<b>Total</b>	<b>389,716,415.51</b>	<b>358,906,908.89</b>

Other descriptions:

#### 45. Selling Expense

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Employee benefits	218,961,802.20	176,415,696.20
Travel expenses	15,930,967.29	12,917,270.07
Entertainment fees	11,375,939.00	8,507,119.61
Administrative expense	9,410,440.35	7,307,735.92

Advertising expenses	9,586,236.40	7,235,998.62
Depreciation and amortization	5,809,776.96	6,414,493.26
Equity-settled share-based payment expenses	7,473,771.60	
Business consultation fees	6,508,046.45	2,443,774.55
Others	6,006,354.02	3,369,691.95
<b>Total</b>	<b>291,063,334.27</b>	<b>224,611,780.18</b>

Other descriptions:

#### 46. R&D expense

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Employee benefits	217,476,245.07	195,385,879.75
Direct investment	181,725,517.83	172,808,313.92
Depreciation and amortization	26,247,015.02	25,831,675.61
Consultant certification fees	5,177,556.72	5,179,066.56
Equity-settled share-based payment expenses	4,980,924.12	
Others	35,449,211.39	24,267,064.46
<b>Total</b>	<b>471,056,470.15</b>	<b>423,472,000.30</b>

Other descriptions:

#### 47. Financial expenses

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Interest income	-166,469,465.57	-158,470,527.28

Foreign exchange gains or losses	58,899,182.61	-32,573,600.96
Interest expense	65,461,621.22	47,688,416.03
Unrecognised financing costs	1,693,254.72	4,701,679.34
Others	2,882,274.33	3,621,044.81
<b>Total</b>	<b>-37,533,132.69</b>	<b>-135,032,988.06</b>

Other descriptions:

#### 48. Other income

Unit: RMB

Sources	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Additional VAT deductions	49,809,621.29	69,641,689.95
Government grants related to assets	53,996,776.89	35,872,206.98
Government grants related to income	14,956,566.23	22,665,342.02
Return of handling fee for personal income tax withheld	687,011.33	595,726.32
<b>Total</b>	<b>119,449,975.74</b>	<b>128,774,965.27</b>

#### 49. Gains on changes in fair value

Unit: RMB

Sources of gain on changes in fair value	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Equity instrument investment		
Among them: the gain from changes in fair value generated by financial assets designated to be measured at fair value with changes included in the current profit and loss	96,822,438.84	133,017.94
<b>Total</b>	<b>96,822,438.84</b>	<b>133,017.94</b>

Other descriptions:

**50. Investment Income**

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Long-term equity investment income calculated by the equity method		5,578,497.09
Investment income from disposal of long-term equity investment	1,774,402.67	44,330,011.42
Investment income from held-for-trading financial assets during the holding period	5,434,763.19	
Investment income from wealth management products	20,902,335.97	1,992,934.08
Financing discount loss of receivables	-4,852,755.05	-5,625,001.83
Income from the disposal of other non-current financial assets	-647,944.62	148,390.11
Others	4,666.30	370,805.19
Total	22,615,468.46	46,795,636.06

Other descriptions:

**51. Credit impairment loss**

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Bad debt loss of notes receivable	408,657.74	-487,110.81
Bad debt loss of accounts receivable	-1,599,710.59	-20,612,561.43
Bad debt loss of other receivables	-332,990.32	4,367,660.79
Total	-1,524,043.17	-16,732,011.45

Other descriptions:

**52. Assets impairment loss**

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
I. Inventory falling price loss and impairment provision for contract performance costs	-69,921,136.42	-52,955,689.52
X. Goodwill Impairment Losses	-21,486,932.28	-11,910,664.75
XI. Impairment Losses of Contract Assets	-21,296.14	26,569.43
Total	-91,429,364.84	-64,839,784.84

Other descriptions:

### 53. Gains on asset disposal

Unit: RMB

Source of Asset Disposal Income	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Gains on disposal of fixed assets	2,432,929.10	2,925,974.27
Gain on disposal of right-of-use assets	132,866.98	
Total	2,565,796.08	2,925,974.27

### 54. Non-operating revenue

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period	Amount Recorded in the Current Non-Recurring Profit or Loss
Quality indemnity	5,626,767.75	4,241,986.26	5,626,767.75
Payments unable to clear	764,147.81	713,198.67	764,147.81
Others	4,511,810.35	3,624,057.28	4,511,810.35
Total	10,902,725.91	8,579,242.21	10,902,725.91

Other descriptions:

### 55. Non-operating expenditures

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period	Amount Recorded in the Current Non-Recurring Profit or Loss
Donations	6,045,387.68	3,324,000.00	6,045,387.68
Quality indemnity	7,951,850.97	14,733,189.81	7,951,850.97
Losses from damage and scrap of non-current assets	4,577,469.95	687,949.12	4,577,469.95
Others	3,146,365.24	2,704,209.96	3,146,365.24
Total	21,721,073.84	21,449,348.89	21,721,073.84

Other descriptions:

## 56. Income tax expenses

### (1) List of income tax expense

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Income tax expenses of the reporting period	193,292,418.87	172,463,114.33
Deferred income tax expenses	-18,125,002.57	-2,985,009.64
Total	175,167,416.30	169,478,104.69

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

Unit: RMB

Item	Amount Accounted for in the Current Period
Total profits	1,420,238,677.89
Income tax expenses calculated at legal/applicable tax rates	213,035,801.68
Impact of different tax rates applied by subsidiaries	-4,304,013.62
Impact of income tax in the periods before adjustment	3,029,575.76
Impact of non-taxable income	-509,271.96
Impacts of non-deductible costs, expenses, and losses	4,165,940.76

Impact of using deductible losses on the deferred tax assets not recognized previously	-708,461.57
Impact of deductible temporary differences or deductible losses of deferred tax assets not recognized in the reporting period	37,959,855.01
Influence of R&D and deductions	-61,911,820.50
Other adjusted items	-15,590,189.26
Income tax expense	175,167,416.30

Other descriptions:

## 57. Other comprehensive income

See Note VI. 39 for details.

## 58. Items of cash flow statement

### (1) Cash related to operating activities

Cash generated from other operating activities

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Government subsidies	121,918,775.86	76,427,966.02
Interest income	160,728,127.88	155,925,199.52
Recovery of various deposits	102,023,188.19	61,602,117.63
Others	5,213,963.62	12,036,406.57
Total	389,884,055.55	305,991,689.74

Notes to other cash received related to operating activities:

Other cash paid related to operating activities

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Out-of-pocket expenses	226,019,815.60	162,956,038.36
Payments for various deposits	52,852,992.34	111,162,911.04

Total	278,872,807.94	274,118,949.40
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Notes to other cash paid related to operating activities:

## (2) Cash related to investing activities

Cash generated from other investing activities

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Recovery of wealth management products	290,000,000.00	169,847,601.00
Recovery of various deposits		581,474.92
Total	290,000,000.00	170,429,075.92

Cash generated from important investing activities

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period

Notes to other cash received related to investing activities:

Other cash paid related to investing activities

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Acquisition of wealth management products	583,000,000.00	453,047,600.00
Purchase of time deposit	638,300,000.00	
Total	1,221,300,000.00	453,047,600.00

Cash used in significant investing activities

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period

Notes to other cash paid related to investing activities:

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

Other cash received from financing-related activities:

Unit: RMB



Lease liabilities (including current portion of lease liabilities)	145,244,191.21		13,446,918.35	3,628,375.24	120,543,127.69	34,519,606.63
Other payables - Inter-company loans			118,885,611.00			118,885,611.00
<b>Total</b>	<b>2,123,811,816.98</b>	<b>3,288,431,634.35</b>	<b>368,313,850.80</b>	<b>2,450,123,600.85</b>	<b>120,543,127.69</b>	<b>3,209,890,573.59</b>

#### (4) Description of cash flows presented on a net basis

Item	Relevant Facts	Basis for Net Presentation	Financial Impact
Cash flows related to agency business	The Company reports net cash flows related to agency business	Cash flows related to agency business are cash collected and paid on behalf of customers, and reporting net amounts better explains their impact on the Company's payment capabilities and debt repayment capabilities, which aids in evaluating and analyzing the Company's future cash flows.	For the current period, if the agency business uses the total amount report, it will increase the cash received related to other business activities and the cash paid related to other business activities by RMB1,218,903,187.50 each.

#### (5) Significant activities and financial impact that do not involve current cash receipts and disbursements but affect the Company's financial position or may affect the Company's cash flows in the future

The amount of a commercial bill of exchange transferred by endorsement that does not involve cash receipts or disbursements

Item	Amount of Current Period	Same Period of Last Year
Amount of the commercial bill transferred by endorsement	2,001,794,344.95	1,744,466,634.37
Including: Payment of goods	1,683,461,966.27	1,413,888,284.42
Payment for the purchase of fixed assets and other long-term assets	318,332,378.68	330,578,349.95

### 59. Supplementary information to cash flow statement

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

Unit: RMB

Supplemental Information	Amount During the Current Period	Amount of the Previous Period
1. Reconciliation of net profit to net cash		

flows generated from operating activities:		
Net profit	1,245,071,261.59	1,000,616,911.28
Plus: Provision for asset impairment	92,953,408.01	81,571,796.29
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	602,969,178.91	559,720,468.44
Depreciation of right-of-use assets	13,544,374.91	25,163,259.60
Amortization of intangible assets	15,930,586.55	12,540,494.67
Amortization of long-term prepaid expenses	66,911,286.13	70,367,431.62
Losses on the disposal of fixed assets, intangible assets, and other long-term assets (“-” indicates income)	-2,565,796.08	-2,925,974.27
Losses on the retirement of fixed assets (“-” indicates income)	4,577,469.95	687,949.12
Losses on the changes in fair value (“-” indicates income)	-96,822,438.84	-133,017.94
Financial expenses (“-” indicates income)	126,054,058.55	19,816,494.41
Losses on investments (“-” indicates income)	-27,468,223.51	-52,420,637.89
Decrease in deferred income tax assets (“-” indicates increase)	-381,151.50	4,474,977.08
Increase in deferred income tax liabilities (“-” indicates decrease)	-19,479,206.58	-7,459,986.72
Decrease in inventories (“-” indicates increase)	-473,191,257.70	-134,813,170.22
Decrease in operating receivables (“-” indicates increase)	100,446,705.40	-687,629,459.01
Increase in operating payables (“-” indicates decrease)	27,418,660.21	501,744,615.05
Others	27,203,486.82	609,882.60
Net cash flows from operating activities	1,703,172,402.82	1,391,932,034.11

2. Significant investing and financing activities without involvement of cash receipts and payments		
Debts converted to capital		
Convertible corporate bonds due within one year		
Fixed asset acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	3,646,997,397.82	3,854,854,923.00
Less: Opening balance of cash	3,854,854,923.00	3,474,836,947.19
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-207,857,525.18	380,017,975.81

**(2) Net cash paid for acquisition of subsidiaries**

Unit: RMB

	Amount
Including:	
Including:	
Including:	

Other descriptions:

**(3) Net cash received from disposal of the subsidiaries**

Unit: RMB

	Amount
Including:	

Including:	
Including:	

Other descriptions:

#### (4) Cash and cash equivalents

Unit: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
I. Cash	3,646,997,397.82	3,854,854,923.00
Including: Cash on hand	667.01	651.20
Bank deposits on demand	3,646,996,730.81	3,854,854,271.80
III. Closing balance of cash and cash equivalents	3,646,997,397.82	3,854,854,923.00

#### (5) Presentation of cash and cash equivalents that are subject to certain restrictions on their usage

Unit: RMB

Item	Amount During the Current Period	Amount of the Previous Period	Reason for Classifying the Item as Cash and Cash Equivalents
Bank deposits	918,619,524.52	1,120,032,950.24	The scope of use of raised funds is restricted, but payment for fundraising projects is not
Total	918,619,524.52	1,120,032,950.24	

#### (6) Monetary assets not classified as cash and cash equivalents

Unit: RMB

Item	Amount During the Current Period	Amount of the Previous Period	Reasons for Not Classifying the Funds as Cash and Cash Equivalents
Bank deposits	190,000,000.00		Pledged loans obtained
Bank deposits	280,000,000.00		Term deposits

Bank deposits

			pledged loans obtained from banks
Bank deposits	60,673.41		Frozen
Other monetary funds	1,720,000.00	48,579,009.19	These consist of bank-accepted bills and letter of credit deposits, which do not

Of which: USD	44,431,348.18	7.0288	312,299,060.06
EUR			
HKD	1,806,989.99	0.9032	1,632,109.50
TWD	336,685.00	0.2246	75,614.00
VND	13,984,000.00	0.0003	3,742.27
Long-term borrowings			
Of which: USD			
EUR			
HKD			
Other receivables			1,273,516.13
Of which: VND	3,381,320,000.00	0.0003	904,878.44
KRW	62,129,629.00	0.0049	301,966.59
TWD	135,298.00	0.2246	30,385.74
JPY	653,092.00	0.0448	29,256.56
USD	1,000.00	7.0288	7,028.80
Short-term borrowings			7,860,433.91
Including: TWD	35,000,000.00	0.2246	7,860,433.91
Accounts payable			342,094,696.20
Of which: USD	21,056,282.94	7.0288	148,000,401.51
VND	384,700,231,169.00	0.0003	102,950,013.56
JPY	1,790,145,000.00	0.0448	80,193,125.56
EUR	1,169,176.00	8.2355	9,628,748.95
TWD	5,888,254.00	0.2246	1,322,406.62
Other payables			2,236,929.16

Of which: USD	165,507.24	7.0288	1,163,317.29
VND	2,798,521,493.00	0.0003	748,915.14
JPY	4,487,585.00	0.0448	201,030.35
KRW	24,302,601.00	0.0049	118,117.13
TWD	24,709.00	0.2246	5,549.25

Other descriptions:

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

Applicable    Not applicable

Entities	Main Place of Business	Reporting Currency	Reasons
MCC USA	America	USD	Required by local laws.
MCC Semiconductor	Taiwan	TWD	Required by local laws.
MCC Hong Kong	Hong Kong	USD	Required by local laws.
Caswell Company	The British Virgin Islands	USD	Required by local laws.
Yangjie Korea Company	Republic of Korea	KRW	Required by local laws.
MCC Germany	Germany	EUR	Required by local laws.
YJ	Japan	JPY	Required by local laws.
MCC Singapore	Singapore	USD	Required by local laws.
MCC Vietnam	Vietnam	VND	Required by local laws.
Dongsen Semiconductor HK	Hong Kong	USD	Required by local laws.

## 62. Leases

### (1) The Company as lessee:

Applicable    Not applicable

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

Applicable    Not applicable

Simplified short-term lease or lease expense for low-value assets



**63. Others****VIII. Research and Development Expenditure**

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Employee benefits	217,476,245.07	195,385,879.75
Direct investment	181,725,517.83	172,808,313.92
Depreciation and amortization	26,247,015.02	25,831,675.61
Consultant certification fees	5,177,556.72	5,179,066.56
Equity-settled share-based payment expenses	4,980,924.12	
Others	35,449,211.39	24,267,064.46
<b>Total</b>	<b>471,056,470.15</b>	<b>423,472,000.30</b>
Including: Expensed R&D expenditure	471,056,470.15	423,472,000.30

**1. R&D projects eligible for capitalization**

Unit: RMB

Item	Balance at the Beginning of the Period	Increase Amount of the Current Period			Decrease in the Reporting Period			Balance at the End of the Period
		Internal Development Expenditures	Others		Recognized as Intangible Assets	Transferred into the Current Profit or Loss		
<b>Total</b>								

Significant capitalized R&amp;D projects

Item	R&D progress	Estimated Completion Date	Method of Generating Estimated Economic Benefits	Time Point of Capitalization Commencement	Specific Basis for Commencement of Capitalization

Provision for impairment of development expenditure

Unit: RMB

Item	Balance at the Beginning of the Period	Increase in the Reporting Period	Decrease in the Reporting Period	Balance at the End of the Period	Impairment Testing
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-Others	
Total combination costs	
Less: Share in the fair value of identifiable net assets acquired	
The amount of goodwill/combination cost less than the share in the fair value of identifiable net assets acquired	

Method of determining the fair value of the consolidation cost:

Notes to contingent consideration and changes therein

Main reason for the formation of large goodwill:

Other descriptions:

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

Unit: RMB

	Fair Value on Acquisition Date	Carrying Value on Acquisition Date
Assets:		
Monetary assets		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Loans		
Accounts payable		
Deferred income tax liabilities		

Net assets		
Less: Non-controlling interests		
Net assets acquired		

Method of determining the fair value of identifiable assets and liabilities:

Contingent liabilities of the acquiree undertaken in the business combination:

Other descriptions:

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

Whether there is a transaction that realizes business combination step by step through multiple transactions and gains control during the reporting period

Yes  No

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

**(6) Other notes**

**2. Business combination under the same control**

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

Unit: RMB

Combined Party	Percentage of Interest Acquired in the Business Combination	Basis for Concluding That the Business Combination Is Under Common Control	Combination Date	Recognition Basis of Combination Date	Income of the Combined Party from the Combination Period to the Combination Date	Net Profits of the Combined Party from the Combination Period to the Combination Date	Income of the Combined Party During the Comparison Period	Net Profits of the Combined Party During the Comparison Period

Other descriptions:

**(2) Combination cost**

Unit: RMB

Combination Cost	
-Cash	

-Carrying value of non-cash assets	
-Carrying value of debt issued or assumed	
- Par value of equity securities issued	
- Contingent consideration	

Notes to contingent liabilities and their changes:

Other descriptions:

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

Unit: RMB

	Combination Date	End of the Previous Period
Assets:		
Monetary assets		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Loans		
Accounts payable		
Net assets		
Less: Non-controlling interests		
Net assets acquired		

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



## X. Equity in Other Entities

### 1. Equity in subsidiary

#### (1) Compositions of the Group

Unit: RMB

Name of Subsidiaries	Registered Capital	Main Place of Business	Registration Place	Nature of Business	Shareholding Percentage (%)		Way of Gaining
					Directly	Indirect	
J&V Semiconductor Company	15,000,000.00	Yangzhou	Yangzhou	Electronic component manufacturing	98.00%		Establishment
MCC Hong Kong	707,911,169.83	Hong Kong	Hong Kong	Investment and import & export trade	100.00%		Establishment
MCC Shenzhen	1,000,000.00	Shenzhen	Shenzhen	Trade	100.00%		Acquired
MCC USA	8,277,100.00	America	America	Import and export trade		100.00%	Acquired
MCC Semiconductor	7,208,250.00	Taiwan	Taiwan	Import and export trade		100.00%	Acquired
Yixing Jiexin Company	65,000,000.00	Yixing	Yixing	Electronic component manufacturing	78.00%		Establishment
Chengdu Qingyang Company	76,600,000.00	Chengdu	Chengdu	Electronic component manufacturing	70.00%		Acquired
Jiangsu Runau Company	20,000,000.00	Yangzhou	Yangzhou	Electronic component manufacturing		100.00%	Acquired
Sichuan Yajixin Company	60,000,000.00	Ya'an	Ya'an	Electronic component manufacturing		70.00%	Acquired
Hunan Jiechuwei Company	720,000.00	Changsha	Changsha	Electronic component manufacturing	70.00%		Acquired
Yangzhou Jieguan	500,000.00	Yangzhou	Yangzhou	Electronic component manufacturing	90.00%		Establishment

Unit: RMB

Notes to shareholding percentage in subsidiaries different from voting percentage:

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

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

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

Other descriptions:

**(2) Significant non-wholly-owned subsidiary**

Unit: RMB

Name of Subsidiaries	Shareholding Proportion of Non-Controlling Interests	The Profit or Loss Attributable to the Non-Controlling Interests	Dividends Declared to Be Distributed to Minority Shareholders in the Reporting Period	Closing Balance of Non-Controlling Interests

Note to the difference between the shareholdings of the minority shareholders of subsidiaries and the proportion of their voting rights:

Other descriptions:

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

Unit: RMB

Name of subsidiaries	Balance at the End of the Period						Balance at the Beginning of the Period					
	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities

Unit: RMB

Name of Subsidiaries	Amount Accounted for in the Current Period				Amount Accounted for in the Previous Period			
	Operating Revenue	Net Profit	Total Comprehensive Income	Cash flows of Operating Activities	Operating Revenue	Net Profit	Total Comprehensive Income	Cash flows of Operating Activities

Other descriptions:

**(4) Significant restrictions on leveraging the assets and liquidating the liabilities of the business consortium**

**(5) Financial support or other support provided to structural entities incorporated into the scope of consolidated financial statements**

Other descriptions:

## 2. The transaction of the Company with its owner's equity share changing but the Company still controls the subsidiary

### (1) Note to the owner's equity share changed in subsidiary

Name of Subsidiaries	Change Time	Shareholding Ratio Before Change	Shareholding Ratio After Change
Yixing Jiexin Company	July 2025	54.50%	78.00%

### (2) The Transaction's Influence on the Equity of Non-controlling Interests and the Owner's Equity Attributable to the Company as the Parent

Unit: RMB

Purchase cost/disposal consideration	28,805,662.38
-Cash	
-Fair value of non-cash assets	
Total purchase cost/disposal consideration	28,805,662.38
Less: Shares of net assets of subsidiaries calculated in proportion to the acquired/disposed equity	28,460,277.64
Difference	345,384.74
Including: Adjustment to capital reserves	345,384.74
Adjustment to surplus reserves	
Adjustment to the undistributed profits	

Other descriptions:

## 3. Equity in joint ventures or associated enterprises

### (1) Significant joint ventures or associated enterprises

Name of Joint Ventures or Associated Enterprises	Main Place of Business	Registration Place	Nature of Business	Shareholding Percentage (%)		Accounting Treatment of the Investment in Joint Venture or Associated
				Directly	Indirect	

						Enterprise
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Notes to the difference between the shareholdings in the joint ventures or associated enterprises and the proportion of voting rights:

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

## (2) Main financial information of significant joint ventures

Unit: RMB

	Balance at the End of the Period / Amount Incurred in the Reporting Period	Opening Balance / Amount Incurred in the Previous Period
Current assets		
Including: Cash and cash equivalents		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Non-controlling interests		
Equities attributable to shareholders of the parent company		
Share of net assets calculated based on the shareholding		
Adjustments		
- Goodwill		
- Unrealized profits of internal transactions		
- Others		
Carrying value of equity investment to joint ventures		

Fair value of equity investments in joint ventures with public quotation		
Operating revenue		
Finance costs		
Income tax expense		
Net profit		
Net profit from discontinued operations		
Other integrated income		
Total comprehensive income		
Dividends from joint ventures for the year		

Other descriptions:

### (3) Main financial information of significant associated enterprises

Unit: RMB

	Balance at the End of the Period / Amount Incurred in the Reporting Period	Opening Balance / Amount Incurred in the Previous Period
Current assets		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Non-controlling interests		
Equities attributable to shareholders of the parent company		

Share of net assets calculated based on the shareholding		
Adjustments		
- Goodwill		
- Unrealized profits of internal transactions		
- Others		
Carrying value of investment in associated enterprises		
Fair value of equity investments in associated enterprises with public quotation		
Operating revenue		
Net profit		
Net profit from discontinued operations		
Other integrated income		
Total comprehensive income		
Dividends from associated enterprises for the year		

Other descriptions:

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

Unit: RMB

	Balance at the End of the Period / Amount Incurred in the Reporting Period	Opening Balance / Amount Incurred in the Previous Period
Joint ventures:		
Total carrying value of investment		18,797,967.26
The total of following items according to the shareholding proportions		

-- Net profit		5,578,497.09
Associated enterprises:		
The total of following items according to the shareholding proportions		
-- Net profit		5,578,497.09
-- Total comprehensive income		5,578,497.09

Other descriptions:

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

**(6) The excess loss of joint ventures or associated enterprises**

Unit: RMB

Name of Joint Ventures or Associated Enterprises	Cumulative Unrecognized Losses Accumulated in the Previous Period	The Derecognized Losses (or the Share of Net Profit) in the Current Period	Cumulative Unrecognized Losses at the End of the Reporting Period

Other descriptions:

**(7) The unrecognized commitment related to investment to joint ventures**

**(8) Contingent liabilities related to investment to joint ventures or associated enterprises**

**4. Significant common operation**

Name of Joint Operation	Main Place of Business	Registration Place	Nature of Business	Proportion/Share Portion	
				Directly	Indirect

Notes to holding proportion or share portion in common operation different from voting proportion:

For common operation as a single entity, basis of classifying as common operation:

Other descriptions:

## 5. Equity in the structured entity excluded in the scope of consolidated financial statements

Notes to structured entities not included in the scope of consolidated financial statements:

## 6. Others

### XI. Government Grants

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

Applicable  Not applicable

Reasons for failing to receive government grants in the estimated amount at the estimated point in time

Applicable  Not applicable

#### 2. Liability items involving government grants

Applicable  Not applicable

Unit: RMB

Accounting Item	Balance at the Beginning of the Period	Amount of New Subsidies in the Reporting Period	Amount Recognized as Non-Operating Revenue in the Reporting Period	Amount Carried Forward as Other Income in the Reporting Period	Other Changes in the Reporting Period	Balance at the End of the Period	Related to Assets / Income
Deferred income	202,793,634.62	106,962,209.63		53,996,776.89		255,759,067.36	Related to assets

#### 3. Government grants recognized in profit or loss for the current period

Applicable  Not applicable

Unit: RMB

Accounting Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period	M	M
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is to identify and analyze various risks facing the Company, establish an appropriate risk bottom line, carry out risk management and monitor various risks in a timely and reliable manner to control them within a restricted scope.

The Company faces various risks related to financial instruments in its routine activities, mainly including credit risk, liquidity risk market risk. The management has reviewed and approved the policies of managing those risks, which are summarized as follows.

(1) Credit risk

Credit risk means the risk of financial losses incurred to the other party when one party of a financial instrument is unable to fulfill its obligations.

1) Practices of credit risk management

a) Evaluation methods of credit risk

On each balance sheet date, the Company shall evaluate whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. After determining whether the credit risk has increased significantly since the initial recognition, the Company shall consider obtaining reasonable and reliable information without paying unnecessary extra costs or efforts, including qualitative and quantitative analysis based on historical data, external credit risk rating and forward-looking information. On the basis of the single financial instrument or combination of financial instruments with similar credit risk characteristics, the Company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative and qualitative criteria prevails, the Company shall believe the credit risk of financial instruments has increased significantly:

a. The quantitative criteria are mainly that the probability of default in the remaining period at the balance sheet date increases by more than a certain percentage from the time of initial recognition;

b. The qualitative criteria are mainly material adverse changes in the debtor's operating or financial status, changes in the existing or expected technical, market, economic or legal environment that will have a material adverse impact on the debtor's ability to repay the Company.

b) Definitions of default and credit-impaired assets that have occurred

When a financial instrument meets one or more of the following conditions, the Company shall define the financial asset as having defaulted, and its criteria are consistent with the definition of having incurred credit impairment:

a. The debtor has major financial difficulties;

b. The debtor violates the binding clauses of the contract against the debtor;

c. There lies a great probability of bankruptcy or other financial restructuring for the debtor;

d. The creditor, out of economic or contractual considerations related to the debtor's financial difficulties, gives concessions to the debtor which would not have been made in any other circumstances.

2) Measurement of expected credit losses

The key parameters for measuring expected credit loss included default probability, loss given default and exposure at default. The Company considered quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method, repayment method, etc.) to establish a model of probability of default, default loss ratio and default risk exposure.

3) Refer to Note VII. 3, VII. 4, VII. 6, VII. 7 for details of the reconciliation statements of opening balance and closing balance of financial instrument loss provision.

4) Credit risk exposure and credit risk concentrations

The Company's credit risk mainly comes from monetary assets and accounts receivable. To control the aforementioned relevant risks, the Company has adopted the following measures.

a) Monetary funds

The Company places its monetary assets with financial institutions of high credit ratings. Thus, its credit risk is low.

b) Receivables and contract assets

The Company continuously conducted credit assessments for customers who trade on credit lines. Based on the credit assessment result, the Company chooses to trade with recognized customers with good credit and



Item	Year-end balance of last year				
	Carrying Amount	Undiscounted Contract Amount	Within One Year	One to three years	Over Three Years
Subtotal	4,175,412,356.62	4,240,631,709.35	3,602,254,532.18	441,056,267.12	197,320,910.05

### (3) Market risk

Market risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market prices. Market risk mainly includes interest rate risk and foreign exchange risk.

#### 1) Interest rate risk

Interest rate risk is refers to fluctuation risk of the fair value or future cash flows of financial instrument change due to the change of market interest rates. Interest-bearing financial instruments with fixed interest rates may bring the fair value interest rate risk to the Company, while those with floating interest rate may bring the cash flow interest rate risk to the Company. The Company will determine the proportion between the financial instruments with fixed interest rate and those with floating interest rate in combination with market environment, and maintain an appropriate portfolio of financial instruments through regular review and monitoring.

#### 2) Foreign exchange risk

Foreign exchange risk refers to the risk that may lead to the changes of fair value of financial instruments or future cash flows due to fluctuation in exchange rate. The risk of changes of exchange rate facing the Company is mainly related to foreign currency monetary assets and liabilities of the Company. When short-term imbalance occurred to foreign currency assets and liabilities, the Company may trade foreign currency at market exchange rate when necessary, in order to maintain tM o 1 the g

### 3. Financial assets

#### (1) Classification of transfer methods

Applicable    Not applicable

Unit: RMB

Transfer Modality	Nature of Financial Assets Transferred	Amount of Financial Assets Transferred	Derecognition	Basis for Determining Derecognition
Bills discounting	Receivables financing	512,996,368.56	Derecognition	Almost all risks and remuneration have been transferred
Bills endorsement	Receivables financing	847,991,563.40	Derecognition	Almost all risks and remuneration have been transferred
Bills endorsement	Notes receivable	2,097,491.67	Non-derecognition	Almost all risks and rewards have been retained
Factoring	Accounts receivable	62,782,715.38	Derecognition	Almost all risks and remuneration have been transferred
Transfer	Accounts receivable	22,181,899.07	Non-derecognition	Almost all risks and rewards have been retained
Total		1,448,050,038.08		

#### (2) Financial assets derecognized due to transfer

Applicable    Not applicable

Unit: RMB

Item	Modality for the Transfer of Financial Assets	Amount of Financial Assets Derecognized	Gains or Losses Related to Derecognition
Receivables financing	Discounting	512,996,368.56	-4,852,755.05
Receivables financing	Endorsement	847,991,563.40	
Accounts receivable	Factoring	62,782,715.38	-2,860,299.78
Total		1,423,770,647.34	-7,713,054.83

#### (3) Continued involvement in the transfer of assets financial assets

Applicable    Not applicable

Unit: RMB

Item	Asset Transfer Methods	Amount of Assets Formed Due to Continuous	Amount of Liabilities Formed Due to Continuous
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		Involvement	Involvement
Notes receivable	Endorsement		2,097,491.67
Accounts receivable	Transfer		22,181,899.07
Total			24,279,390.74

Other notes:

### XIII. Disclosure of Fair Value

#### 1. Ending fair value of assets and liabilities at fair value

Unit: RMB

Item	Closing fair value			Total
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	
I. Consistent fair value measurement	--	--	--	--
1. Financial assets held for trading and other non-current financial assets	241,111,264.43	438,354,009.38		1,320,274,391.54
(1) Financial assets classified as at fair value through the profit or loss for the current period	241,111,264.43	438,354,009.38	640,809,117.73	1,320,274,391.54
Wealth management products			561,200,000.00	561,200,000.00

Equity instrument investment	241,111,264.43	438,354,009.38	79,800,000.00	750,265,273.81
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### **3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2**

The level-2 fair value measurements of other non-current financial assets held by the Company are determined based on the quoted prices of similar assets in active markets, or necessary adjustments to quoted prices in inactive markets to arrive at fair value.

### **4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3**

The level-3 fair value measurements of trading financial assets held by the Company are bank financial products. The Company determines its fair value by estimating future cash flows and discounting them using expected yields.

The level-3 fair value measurements of receivables financing held by the Company are bank acceptance bills with low credit risk and short remaining term. The Company determines their fair value by the book balance.

The level-3 fair value measurements of equity instrument investments held by the Company are non-public company equities. For investment enterprises whose operating environment, business conditions, and financial status have not undergone significant changes, the Company measures their fair value by reasonably estimating it using the investment cost.

### **5. Data on reconciliation between the opening and closing carrying values and the sensitivity analysis of unobservable parameters of continuous level-3 fair value measurement projects**

### **6. The reason for the conversion and the policy for determining the timing of the conversion, where there is a conversion between the various levels for the current period in items consistently measured at fair value**

### **7. Changes in the valuation techniques in the reporting period and the reasons for such changes**

### **8. Fair value of financial assets and financial liabilities not measured at fair value**

### **9. Others**

## **XIV. Related Party and Related-party Transactions**

### **1. Information related to the company as the parent company**

Name	Registration Place	Nature of Business	Registered Capital	Proportion of Share Held by the Parent Company Against the Company (%)	Proportion of Voting Rights Owned by the Parent Company Against the Company (%)

Yangjie Investment Company	Yangzhou, Jiangsu	Industrial investment	RMB20 billion	36.10%	36.10%
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Notes: information on the parent company

The Company's ultimate controlling party is Liang Qin.

Other descriptions:

## 2. Subsidiaries of the Company

Please refer to Notes X for details on the Company's subsidiaries.

## 3. Information on the joint ventures and associated enterprises of the Company

Please refer to Note X for significant joint ventures or associated enterprises.

Information on other joint venture or associated enterprise of occurring related-party transactions with the Company in Current Period, or forming balance due to related-party transactions made in previous period:

Name	Relationship with the Company

Other descriptions:

## 4. Information on other related parties

Name	Relationship Between Other Related Parties and the Company
Jiangsu Applied Power	Its shares are held by the Company
Dalian Jiafeng	Its shares are held by the Company
Yangzhou Yiyuan Education Foundation	Company Director Liang Yao serves as the vice chairman

Other descriptions:

## 5. List of related-party transactions

### (1) Information on acquisition of goods and reception of labor service

Information on acquisition of goods and reception of labor service

Unit: RMB

Related Party	Related Party	Amount	The Approval	Whether Exceed	Amount

	Transaction	Accounted for in the Current Period	Trade Credit	Trade Credit or Not	Accounted for in the Previous Period
Jiangsu Applied Power	Purchase of materials	73,280,503.88		No	45,676,482.32
Dalian Jiafeng	Purchase of equipment and materials	476,648.53		No	564,207.75

Information of sales of goods and provision of labor service

Unit: RMB

Related Party	Related Party Transaction	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Jiangsu Applied Power	Sale of goods	4,797,865.48	3,377,714.54

Notes to acquisition of goods and reception of labor service

## (2) Information on related-party trusteeship/contract

Table of management on commission/contracting by the Company:

Unit: RMB

Name of the Entruster/Contractee	Name of the Entrustee/Contractor	Type	Start Date	Due Date	Pricing Basis	Income Recognized in This Current Period
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Notes to related management on commission/contracting

Lists of entrust/contractee

Unit: RMB

Name of the Entruster/Contractee	Name of the Entrustee/Contractor	Type	Start Date	Due Date	Pricing Basis	Charge Recognized in This Current Period
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Notes to related entrusted management/outsourcing

## (3) Information on related-party lease

The Company was lessor:

Unit: RMB

Name of Lessee	Type of Leased Assets	Rental Income Recognized in the Reporting Period	Rental Income Recognized in the Previous Period
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The Company was lessee:

Unit: RMB

Name of Lessor	Type of Leased Assets	Rental Expense of Simplified Short-Term Leases and Low-Value Asset Leases (If Applicable)		Variable Lease Payments Not Included in the Measurement of Lease Liabilities (If Applicable)		Rental Paid		Interest Expenses on Lease Liabilities Borne		Added Right-of-Use Assets	
		Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period

Notes to related party leases

#### (4) Information on related-party guarantee

The Company as Guarantor:

Unit: RMB

Guaranteed Party	Amount of Guarantee	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Is Completed
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The Company as guaranteed party

Unit: RMB

Guarantor	Amount of Guarantee	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Is Completed
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Notes to related party guarantees

#### (5) Information on inter-bank lending of capital of related parties

Unit: RMB

Related Party	Amount of Lending/Borrowing	Start Date	Maturity Date	Description
Borrowing				
Lending				

#### (6) Information on assets transfer and debt restructuring by related party

Unit: RMB

Related Party	Related Party Transaction	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
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#### (7) Information on remuneration for key management personnel

Unit: RMB

Item	Amount Accounted for in the Current	Amount Accounted for in the Previous
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	Period	Period
Remuneration for key management members	13,830,682.65	11,881,200.00

### (8) Other related-party transactions

1) In the current period, the Company donated education funds of RMB5.7 million to the social public welfare organization Yangzhou Yiyuan Education Foundation.

2) In this period the Company returned RMB682,497.37 of the recovered investment in the Dongrong Wenhui 1 Fund to Yangjie Investment Company. For details, refer to the disclosure in Note VII-37 to the financial statements.

## 6. Accounts receivable and payable of related party

### (1) Accounts receivable

Unit: RMB

Item	Related Party	Balance at the End of the Period		Balance at the Beginning of the Period	
		Book Value	Bad Debts Reserve	Book Value	Bad Debts Reserve
Accounts receivable	Jiangsu Applied Power	440,798.78	22,039.94	578,266.75	28,913.34

### (2) Accounts payable

Unit: RMB

Item	Related Party	Closing Carrying Balance	Carrying Balance at the Beginning of the Period
Accounts payable	Jiangsu Applied Power	28,436,135.24	16,466,714.25
Accounts payable	Dalian Jiafeng	417,748.42	418,284.03
Subtotal		28,853,883.66	16,884,998.28

## 7. Commitments of related party

## 8. Others

## XV. Stock Payment

### 1. The overall situation of share-based payments

Applicable Not applicable

Unit: RMB

Type of Grant	Awarded in the Current Period	Option Exercise in the Current Period	Unlocked in the Current Period	Lapsed in the Current Period
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Recipients	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management staff	1,444,105	68,898,249.55						
Sales personnel	939,900	44,842,629.00						
R&D personnel	626,400	29,885,544.00						
Production	410,700	19,594,497.00						
<b>Total</b>	<b>3,421,105</b>	<b>163,220,919.55</b>						

Stock options or other equity instruments outstanding at the end of the period

Applicable  Not applicable

Other descriptions:

Based on the resolution of the Company's 16th meeting of the 5th Board of Directors and the first extraordinary shareholders' meeting in 2025, the Company implements an employee stock ownership plan in the current period. This plan involves participation by no more than 500 individuals, including directors, and senior management members. The employee stock ownership plan uses special incentive funds extracted by the Company to acquire no more than 3,421,105 shares of the Company's public shares through centralized competitive trading. Each share carries a face value of RMB1 with a purchase price of RMB47.71 per share. The lock-up period for this employee stock ownership plan is three years.

## 2. Equity-settled share-based payments

Applicable  Not applicable

Unit: RMB

Methods for determining the fair value of equity instruments on the grant date	The difference between the fair value of treasury stock on the grant date and the consideration paid by employees
Important parameters of the fair value of equity instruments on the date of grant	The difference between the fair value of treasury stock on the grant date and the consideration paid by employees
Determination basis for the number of vesting equity instruments	The number of treasury shares transferred to the company under the employee stock ownership plan
Reasons for the significant discrepancy between the current period estimates and the previous estimates	N/A
Accumulated amount of equity-settled share-based payment included in capital reserves	27,203,486.82
The total amount of the expense recognized for the current period paid on equity-settled shares	27,203,486.82

Other descriptions:

### 3. Cash-settled share-based payments

Applicable  Not applicable

### 4. Share-based payment expenses for the current period

Applicable  Not applicable

Unit: RMB

Type of Grant Recipients	Equity-Settled Share-Based Payment Expenses	Cash-Settled Share-Based Payment Expenses
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## XVII. Events after Balance Sheet Date

### 1. Significant non-adjustment matters

Unit: RMB

Item	Description	Amount of Impact on the Financial Position and Operating Results	Reason for Inability to Estimate Influence Number

### 2. Profit distribution

### 3. Sales return

### 4. Notes to other events after balance sheet date

## XVIII. Other Significant Matters

### 1. The accounting errors correction in previous period

#### (1) Retrospective restatement

Unit: RMB

Content	Processing Program	Name of the Influenced Report Items During Comparison Period	Accumulative Impact

#### (2) Prospective application

Content	Processing Program	Reason for Adopting Prospective Application

### 2. Debt restructuring

### 3. Assets replacement

#### (1) Non-monetary assets exchange

#### (2) Other assets replacement

### 4. Pension plans

### 5. Discontinued operations

Unit: RMB

Item	Income	Fees	Total Profits	Income Tax Expense	Net Profit	Profits from Discontinued Operation Attributable to Owners of the Parent Company
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Other descriptions:

## 6. Segment information

### (1) Determination basis and accounting policies of reporting division

The Company's primary business activities consist of the R&D, manufacturing and sales of discrete semiconductor products such as semiconductor components, semiconductor chips and semiconductor silicon wafers. The Company manages and evaluates the operational results of this business as a whole. Therefore, the Company does not need to disclose segment information. For details on the Company's operating revenue and operating costs classified by product and region, see Note VII. 42 of the financial statements.

### (2) The financial information of reporting division

Unit: RMB

Item		Offsets Between Segments	Total

**(3) If the Company does not report the segment, or cannot disclose the total assets and liabilities of each reporting segment, the reasons should be explained**

### (4) Other notes

## 7. Other significant transactions and events that have an influence on investors' decisions

## 8. Others

### XIX. Notes of Main Items in the Financial Statements of the Company as the Parent

#### 1. Accounts receivable

##### (1) Disclosure by aging

Unit: RMB

Aging	Closing Carrying Balance	Carrying Balance at the Beginning of the Period
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Within one year (inclusive)	1,848,935,006.74	1,866,097,230.01
One to two years	1,253,626.70	1,031,037.28
Two to three years		2,960,532.67
Over three years	9,862,606.19	9,127,453.12
Three to four years	9,862,606.19	9,127,453.12
Total	1,860,051,239.63	1,879,216,253.08

**(2) Disclosure by withdrawal methods for bad debts**

Unit: RMB

	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Value				Carrying Amount	Book Value		Bad Debts Reserve		Carrying Amount
	Amount	Proportion	Amount	Provision Percentage		Amount	Proportion	Amount	Provision Percentage	
Accounts										
Bad debt provision separately accrued	113,200.38	0.01%	113,200.38	100.00%	0.00	1,086,941.38	0.06%	1,086,941.38	100.00%	0.00
Including:										

Bad debt provision accrued by item	1,086,941.38	1,086,941.38	113,200.38	113,200.38	100.00%	
Total	1,086,941.38	1,086,941.38	113,200.38	113,200.38		

Withdrawal of bad debt provision by group: 102,321,518.81

Unit: RMB

Name	Balance at the End of the Period		
	Book Value	Bad Debts Reserve	Provision Percentage
Within one year	1,848,935,006.74	92,446,750.33	5.00%
One to two years	1,253,626.70	125,362.67	10.00%
Over three years	9,749,405.81	9,749,405.81	100.00%
Total	1,859,938,039.25	102,321,518.81	

Notes to the determination basis for the group:

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

Applicable  Not applicable

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

Withdrawal of bad debt provision:

Unit: RMB

Category	Balance at the Beginning of the Period	Change in the Reporting Period				Balance at the End of the Period
		Accrual	Reversed or Recovered	Write-offs	Others	
Bad debt provision accrued by item	1,086,941.38			973,741.00		113,200.38
Provision set aside for bad debts by portfolio	103,415,613.81	-962,638.84		131,456.16		102,321,518.81
Total	104,502,555.19	-962,638.84		1,105,197.16		102,434,719.19

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Unit: RMB

Name	Amount Recovered or Reclassified	Reason for Reclassification	Recovery Method	Basis for Determining the Percentage of the Original Provision for Bad Debts and Its Reasonableness
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**(4) Accounts receivable written-off in current period**

Unit: RMB

Item	Written-off Amount
Written-off accounts receivable	1,105,197.16

Of which the verification of significant accounts receivable:

Unit: RMB

Name	Nature of Accounts Receivable	Written-off Amount	Reasons for Write-off	Write-off Procedures Performed	Whether the Accounts Arise from Related Party Transactions
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Notes to the write-off of accounts receivable:

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

Unit: RMB

Name	Closing Balance of Accounts Receivable	Closing Balance of Contract Assets	Ending Balance of Accounts Receivable and Contract Assets	Proportion to Total Ending Balance of Accounts Receivable and Contract Assets	Ending Balance of Bad Debt Provision for Accounts Receivable and Impairment Provision for Contract Assets
No. 1	275,425,278.66		275,425,278.66	14.81%	13,771,263.93
No. 2	138,962,281.46		138,962,281.46	7.47%	6,948,114.07
No. 3	72,294,231.64		72,294,231.64	3.89%	3,614,711.58
No. 4	68,123,966.02		68,123,966.02	3.66%	3,406,198.30
No. 5	55,072,100.00		55,072,100.00	2.96%	2,753,605.00
Total	609,877,857.78		609,877,857.78	32.79%	30,493,892.88

**2. Other receivables**

Unit: RMB

	Balance at the End of the Period	Balance at the Beginning of the Period
Dividend receivable	84,948,031.42	
Other receivables	544,839,337.49	119,846,459.88
<b>Total</b>	<b>629,787,368.91</b>	<b>119,846,459.88</b>

**(1) Dividend receivable****1) Dividend Receivable Classification**

Unit: RMB

	Balance at the End of the Period	Balance at the Beginning of the Period
MCC Hong Kong	84,948,031.42	
<b>Total</b>	<b>84,948,031.42</b>	

**2) Significant dividends receivable aging over one year**

Unit: RMB

Item (or Investee)	Balance at the End of the Period	Reason	Whether Impairment Occurred and Its
			2 0

**5) Dividends receivable written-off in current period**

Unit: RMB

Item	Written-off Amount
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Including: Write-off of significant dividends receivable

Unit: RMB

Name	Nature	Written-off Amount	Reasons for Write-off	Write-off Procedures Performed	Whether the Accounts Arise from Related Party Transactions
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Notes on write-off:

Other descriptions:

**(2) Other receivables****1) Other receivables classified by nature**

Unit: RMB

Nature	Closing Carrying Balance	Carrying Balance at the Beginning of the Period
Call loans	544,923,492.21	110,048,204.29
Guaranteed deposit	14,128,025.46	13,069,956.00
Temporary advance payment receivable	21,628,693.60	5,614,686.26
Others	56,574.59	938,725.34
<b>Total</b>	<b>580,736,785.86</b>	<b>129,671,571.89</b>

**2) Disclosure by aging**

Unit: RMB

Aging	Closing Carrying Balance	Carrying Balance at the Beginning of the Period
Within one year (inclusive)	516,407,181.93	120,874,300.37
One to two years	59,152,763.51	5,182,012.96
Two to three years	2,030,055.00	704,125.74
Over three years	3,146,785.42	2,911,132.82

Three to four years	3,146,785.42	2,911,132.82
Total	580,736,785.86	129,671,571.89

## 3) Disclosure by withdrawal methods for bad debts

Unit: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Value		Bad Debts Reserve		Carrying Amount	Book Value		Bad Debts Reserve		Carrying Amount
	Amount	Proportion	Amount	Provision Percentage		Amount	Proportion	Amount	Provision Percentage	
Including:										
Provision set aside for bad debts by portfolio	580,736,785.86	100.00%	35,897,448.37	6.18%	544,839,337.49	129,671,571.89	100.00%	9,825,112.01	7.58%	119,846,459.88
Including:										
Total	580,736,785.86	100.00%	35,897,448.37	6.18%	544,839,337.49	129,671,571.89	100.00%	9,825,112.01	7.58%	119,846,459.88

Withdrawal of bad debt provision by group: 35,897,448.37

Unit: RMB

Name	Balance at the End of the Period		
	Book Value	Bad Debts Reserve	Provision Percentage
Within one year	516,407,181.93	25,820,359.10	5.00%
One to two years	59,152,763.51	5,915,276.35	10.00%
Two to three years	2,030,055.00	1,015,027.50	50.00%
Over three years	3,146,785.42	3,146,785.42	100.00%
Total	580,736,785.86	35,897,448.37	

Notes to the determination basis for the group:

Withdrawal of bad debt provision by adopting the general mode of expected credit loss:

Unit: RMB

Bad Debts Reserve	Phase I	Phase II	Phase III	Total

Expected Credit Loss the Next 12 Months	Expected Credit Loss During the Whole Outstanding Maturity (Without Credit Impairment Loss)	Expected Credit Loss During the Whole Outstanding Maturity (With Credit Impairment Loss)	
6,043,715.02	518,201.30	3,263,195.69	9,825,112.01
-2,957,638.18	2,957,638.18		
	-203,005.50	203,005.50	
22,734,282.26	2,642,442.37	695,611.73	26,072,336.36
25,820,359.10	5,915,276.35	4,161,812.92	35,897,448.37

and percentage of provision for bad debts

**5) Other receivables with actual verification during the Reporting Period**

Unit: RMB

Item	Written-off Amount
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Including: Write-off of significant other receivables:

Unit: RMB

Name	Nature of Other Receivables	Written-off Amount	Reasons for Write-off	Write-off Procedures Performed	Whether the Accounts Arise from Related Party Transactions
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Notes to the write-off of other receivables:

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

Unit: RMB

Name	Nature	Balance at the End of the Period	Aging	Proportion to Total Ending Balance of Other Receivables %	Ending Balance of Bad Debt Provision
No. 1	Call money	394,921,788.95	Within one year	68.00%	19,746,089.45
No. 1	Call money	53,999,266.49	One to two years	9.30%	5,399,926.65
No. 2	Call money	66,002,436.77	Within one year	11.37%	3,300,121.84
No. 3	Call money	30,000,000.00	Within one year	5.17%	1,500,000.00
No. 4	Temporary advances receivable	17,404,254.25	Within one year	3.00%	870,212.71
No. 5	Guaranteed deposit	2,000,000.00	Over three years	0.34%	2,000,000.00
Total		564,327,746.46		97.18%	32,816,350.65

**7) Presentation in other receivables due to the centralized management of funds**

Unit: RMB

Other descriptions:

**3. Long-term equity investments**

Unit: RMB

Item	Balance at the End of the Period			Balance at the Beginning of the Period		
	Book Value	Provision for Impairment Losses	Carrying Amount	Book Value	Provision for Impairment Losses	Carrying Amount
Investment in subsidiaries	2,271,937,804.59	2,044,509.64	2,269,893,294.95	2,247,761,753.79	2,044,509.64	2,245,717,244.15
Investment in joint ventures and associated enterprises	0.00		0.00	18,797,967.26		18,797,967.26
Total	2,271,937,804.59	2,044,509.64	2,269,893,294.95	2,266,559,721.05	2,044,509.64	2,264,515,211.41

**(1) Investment to subsidiaries**

Unit: RMB

Investee	Opening Balance (Carrying Value)	Opening Balance of the Provision for Impairment	Increase/Decrease for the Current Period				Closing Balance (Carrying Value)	Closing Balance of the Provision for Impairment
			Increase in the Investment	Reduced Investment	Withdrawal of Impairment Provision	Others		
J&V Semiconductor Company	25,917,546.71					1,665,079.02	27,582,625.73	
MCC Hong Kong	707,911,169.83						707,911,169.83	
Hunan Jiechuwei Company	650,416,121.58					701,337.18	651,117,458.76	
Yangzhou Jieguan	450,102,491.51					1,075,860.42	451,178,351.93	
Sihong Hongxin Company	101,739,610.76					415,077.00	102,154,687.76	
Chengdu Qingyang Company	131,322,499.80					345,897.48	131,668,397.28	
Yangjie Wuxi Company	52,077,935.09						52,077,935.09	
Yangjie Semiconductor	50,724,448.					1,099,715.5	51,824,164.	

ctor Company	81					2	33	
Yixing Jiexin Company	36,467,931. 60		28,805,662. 38			367,366.98	65,640,960. 96	
Yangjie Wuxi	10,000,000. 00			10,000,000. 00				

					Method			Distributed				
I. Joint ventures												
II. Associated enterprises												
[REDACTED]												
Subtotal	18,797,967.26			18,797,967.26								
Total	18,797,967.26			18,797,967.26							0.00	

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

Applicable  Not applicable

The recoverable amount is determined by the present value of the forecasted future cash flow.

Applicable  Not applicable

The differences between the foregoing information and the data used in impairment testing in previous years, or external information, are due to apparent reasons

The reasons for the disparity between the information used in impairment testing in the previous years and the actual situation of the current year are evident for the Company

### (3) Other notes

### 4. Operating ri

Including:								
Classified by operating region								
Specifically:								
Market or customer type								
Specifically:								
Contract type								
Specifically:								
Classified by the time of goods transfer	6,171,037,860.79	4,519,870,614.62					6,171,037,860.79	4,519,870,614.62
Specifically:								
Recognized at a point in time	6,171,037,860.79	4,519,870,614.62					6,171,037,860.79	4,519,870,614.62
Classified by contract term								
Specifically:								
Classified by sales channel								
Specifically:								
Total	6,171,037,860.79	4,519,870,614.62					6,171,037,860.79	4,519,870,614.62

Information about performance obligations:

Item	Time for Contract Fulfillment Obligations	Important Payment Terms	The Nature of the Company's Commitment to the Transfer of the Goods	Whether or Not the Person Is Primarily Responsible	Company's Share of Expected Refunds to Customers	Types of Quality Assurance Offered by the Company and Related Obligations
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Other notes:

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

As at the end of the Reporting Period, the revenue amount corresponding to the contract performance obligation yet to be fulfilled or yet to be completed under a signed contract is RMB 1,309,795,545.50, including RMB 1,309,321,520.26 expected to be recognized as revenue in 2026, RMB 474,025.24 expected to be recognized as revenue in 2027, and RMB0.00 expected to be recognized as revenue in 2028.

Significant contract changes or significant transaction price adjustments

Unit: RMB

Item	Accounting Treatment	Amount of Impact on Revenue
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Other descriptions:

## 5. Investment income

Unit: RMB

Item	Amount Accounted for in the Current Period	Amount Accounted for in the Previous Period
Long-term equity investment income by cost method	88,395,146.43	30,000,000.00
Long-term equity investment income calculated by the equity method		5,578,497.09
Investment income from disposal of long-term equity investment	-8,442,352.06	44,357,970.88
Interest income from calling money	11,718,637.41	
Investment income from wealth management products	11,010,537.07	234,852.30
Investment income from other non-current financial assets	-647,944.62	148,390.11
Interest income from discounted notes	-3,857,245.75	-5,063,693.92
Others		1,445,013.79

Total	98,176,778.48	76,701,030.25
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## 6. Others

### R&D expense

Item	Amount of Current Period	Same Period of Last Year
Employee benefits	121,537,145.40	112,113,306.66
Direct investment	94,955,357.55	88,216,012.96
Depreciation and amortization	16,040,838.09	16,674,399.35
Consultant certification fees	4,567,394.37	4,704,588.65
Equity-settled share-based payment expenses	3,227,581.50	
Others	32,974,790.29	16,217,709.53
Total	273,303M	0.2 2

than the above		
Less: Income tax effects	14,697,790.84	
Effects of the minority shareholders' equity (net of tax)	3,475,005.88	
Total	112,821,880.01	--

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

Applicable  Not applicable

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

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

Applicable  Not applicable

## 2. Return on equity and earnings per share

Profit as of Reporting Period	Weighted Average ROE (%)	EPS	
		Basic Earnings per Share (RMB/Share)	Diluted Earnings per Share (RMB/Share)
Net profit attributable to ordinary shareholders of the Company	13.73%	2.33	2.33
Net profits attributable to common shareholders of the Company after deducting non-recurring profits and losses	12.50%	2.12	2.12

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

### (1) Differences between disclosed net profits and net assets in financial report in accordance with International Accounting Standards and Chinese Accounting Standards

Applicable  Not applicable

### (2) Differences between disclosed net profits and net assets in financial report in accordance with Domestic Accounting Standards and Chinese Accounting Standards

Applicable  Not applicable

### (3) Notes to reasons for the differences in accounting data under domestic and overseas accounting standards; for any adjustment made to the differences in the data audited by overseas auditing institutions, the name of such overseas auditing institutions shall be specified.

Applicable  Not applicable

## 4. Others

