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成都四威科技股份有限公司

CHENGDU SIWI SCIENCE AND TECHNOLOGY COMPANY LIMITED

(a sino-foreign joint stock company incorporated in the People's Republic of China)

(Stock Code: 1202)

2023 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Chengdu SIWI Science and Technology Company Limited (the “**Company**”) hereby announces the audited consolidated financial data of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2023 (the “**Year**”) together with comparative figures for the corresponding period in 2022 as follows:

CONSOLIDATED BALANCE SHEET

As at 31 December 2023

Chengdu SIWI Science and
Technology Company Limited

*(Amounts in Renminbi,
unless otherwise stated)*

Assets	<i>Section 6</i>	Closing balance	Opening balance
Current Assets:			
Cash and bank balance		373,607,624.23	485,368,181.46
Financial assets held for trading			
Derivative financial asset			
Notes receivable	<i>Note 1</i>	95,179,226.19	
Account receivable	<i>Note 2</i>	125,202,788.78	78,930,240.49
Receivable financing	<i>Note 3</i>	41,011,605.83	76,003,141.78
Advances paid		11,336,285.41	7,359,411.26
Other receivables		3,683,228.72	3,819,556.49
Inventories		99,779,109.17	94,630,633.76
Contract Assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		645,250.75	5,812,246.89
Total Current Assets		750,445,119.08	751,923,412.13

Assets	<i>Section 6</i>	Closing balance	Opening balance
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term accounts receivable			
Long-term equity investments		29,661,449.35	37,705,739.10
Other equity instrument investments			5,627,988.00
Other non-current financial assets			
Investment Property		66,012,849.35	70,974,819.27
Fixed assets		111,882,697.85	116,410,967.30
Construction in process		3,213,801.20	813,523.02
Productive biological assets			
Oil&gas assets			
Right-of-use assets			
Intangible assets		30,720,442.21	31,643,528.41
Capitalised R&D expenses			
Goodwill			
Long-term deferred expenses		1,972,185.95	2,641,830.27
Deferred income tax assets			
Other non-current assets		1,859,459.40	253,600.00
		-----	-----
Total Non-current Assets		245,322,885.31	266,071,995.37
		-----	-----
Total Assets		995,768,004.39	1,017,995,407.50
		=====	=====

LIABILITIES AND EQUITY	<i>Section 6</i>	Closing balance	Opening balance
Current Liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	<i>Note 4</i>	28,233,898.59	32,270,673.28
Advances received		559,155.80	1,156,921.07
Contract liabilities		820,726.09	3,833,449.99
Employee benefits payable		11,521,445.23	19,475,905.30
Taxes and rates payable		4,415,396.76	3,540,804.90
Other payables		18,017,381.92	22,951,708.02
Liabilities held for sale			
Non-current liabilities due within one year		471,441.50	445,269.63
Other current liabilities		3,788,699.64	249,893.18
		-----	-----
Total Current Liabilities		67,828,145.53	83,924,625.37
		-----	-----
Non-current Liabilities:			
Long-term borrowings		4,162,957.17	4,377,122.09
Bonds payable			
Including: Preferred shares perpetual bonds			
Lease Liabilities			
Long-term accounts payable			
Long-term employee benefits payable		13,550,155.94	38,339,412.23
Provisions			
Deferred income		45,152,067.40	47,773,766.80
Deferred tax liabilities			
Other non-current liabilities			
		-----	-----
Total Non-current Liabilities		62,865,180.51	90,490,301.12
		-----	-----
Total Liabilities		130,693,326.04	174,414,926.49
		=====	=====

LIABILITIES AND EQUITY	<i>Section 6</i>	Closing balance	Opening balance
Owners' Equity:			
Share capital		400,000,000.00	400,000,000.00
Other equity instruments			
Including: Preferred shares perpetual bonds			
Capital reserves		641,928,122.08	641,928,122.08
Less: Treasury stock			
Other Comprehensive Income	<i>Note 5</i>		4,916,795.69
Special reserves		54,983.07	
Surplus reserves		8,726,923.61	8,726,923.61
Retained earnings		-274,062,703.01	-299,724,682.19
		-----	-----
Total equity attributable to the parent company		776,647,325.75	755,847,159.19
		-----	-----
Non-controlling interest		88,427,352.60	87,733,321.82
		-----	-----
Total Owners' Equity		865,074,678.35	843,580,481.01
		-----	-----
Total Liabilities and Owners' Equity		995,768,004.39	1,017,995,407.50
		=====	=====

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

Chengdu SIWI Science and
Technology Company Limited

(Amounts in Renminbi,
unless otherwise stated)

Items	Section 6	Current period cumulative	Preceding period comparative
I. Total operating Revenue	<i>Note 6</i>	403,641,154.18	304,013,607.91
Less: Cost of sales	<i>Note 6</i>	319,584,656.92	233,069,296.30
Tax and surcharge	<i>Note 7</i>	7,938,686.53	2,696,958.25
Marketing expenses	<i>Note 8</i>	3,973,033.75	5,553,658.18
Administration expenses	<i>Note 9</i>	64,601,361.75	65,343,225.31
R&D expenses	<i>Note 10</i>	11,750,168.16	10,986,677.21
Financial costs	<i>Note 11</i>	-9,991,586.86	-21,601,080.28
Including: Interest expenses		72,914.12	73,722.80
Interest income		10,318,190.17	21,488,986.12
Add: Other income		2,967,517.91	3,078,519.15
Investment income (or less: loss)		-4,146,553.25	-7,989,495.61
Including: Investments			
income from			
joint ventures			
and associates		-5,591,462.59	-8,048,498.71
Gains from			
derecognition of			
financial assets at			
amortized cost			
Net open hedge income			
(or less: loss)			
Gain on changes in fair value			
(or less: loss)			
Credit impairment loss			
(or less: loss)		-4,029,786.00	2,639,185.68
Assets impairment loss			
(or less: loss)		-2,528,768.75	-5,171,502.41
Gains on assets disposal			
(or less: loss)		-203,719.88	

Items	<i>Section 6</i>	Current period cumulative	Preceding period comparative
II. Operating Profit (or less: loss)		-2,156,476.04	521,579.75
Add: Non-operating revenue		5,622,219.45	1,009,163.16
Less: Non-operating expenditures		-----	45,185.60
III. Profit before tax (or less: loss)		3,465,743.41	1,485,557.31
Less: Income tax	<i>Note 12</i>	-----	-101,319.54
IV. Net profit (or less: net loss)		3,465,743.41	1,586,876.85
Including: Net profit realized by the merged party under common control before the merger			
(I) Categorized by continuity of operations			
1. Net profit from continuing operations (or less: loss)		3,465,743.41	1,586,876.85
2. Net profit from discontinued operations (or less: loss)			
(II) Categorized by the portion of equity ownership			
1. Net profit attributable to owners of parent company (or less: loss)		2,771,712.63	-2,224,261.22
2. Net profit attributed to non-controlling shareholders (or less: loss)		694,030.78	3,811,138.07

Items	Section 6	Current period cumulative	Preceding period comparative
V. Other comprehensive income after tax		17,973,470.86	20,172.00
Items attributable to the owners of the parent company		17,973,470.86	20,172.00
(I) Not to be reclassified subsequently to profit and loss		17,973,470.86	20,172.00
1. Changes in remeasurement on the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit and loss			
3. Changes in fair value of other equity instrument investments		17,973,470.86	20,172.00
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit and loss			
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve			
7. Investment income generated by a package disposal subsidiary prior to loss of control			
8. Conversion of other assets into investment real estate measured by fair value models			
9. Others			
Items attributable to non-controlling shareholders			

Items	<i>Section 6</i>	Current period cumulative	Preceding period comparative
VI. Total comprehensive income		<u>21,439,214.27</u>	<u>1,607,048.85</u>
Items attributable to the owners of the parent company		20,745,183.49	-2,204,089.22
Items attributable to non-controlling shareholders		694,030.78	3,811,138.07
VII. Earning per share (EPS)			
(I) Basic EPS (yuan per share)		0.01	-0.01
(II) Diluted EPS (yuan per share)		0.01	-0.01

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023

Chengdu SIWI Science and
Technology Company Limited

(Amounts in Renminbi,
unless otherwise stated)

Items	Section 6	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:			
Cash receipts from sales of goods or rendering of services		318,023,289.92	199,372,323.11
Receipts of tax refund			3,615.90
Other cash receipts related to operating activities		20,514,986.02	77,521,964.69
		-----	-----
Subtotal of cash inflows from operating activities		338,538,275.94	276,897,903.70
		-----	-----
Cash payment for goods purchased and service received		307,996,184.21	174,894,132.27
Cash paid to and on behalf of employees		113,958,016.43	72,870,652.12
Cash payments for taxes and rates		14,747,156.87	8,979,958.82
Other cash payments related to operating activities		22,050,753.86	42,811,584.68
		-----	-----
Subtotal of cash outflows from operating activities		458,752,111.37	299,556,327.89
		-----	-----
Net cash flows from operating activities		-120,213,835.43	-22,658,424.19
		=====	=====

Items	Section 6	Current period cumulative	Preceding period comparative
II. Cash flows from investment activities:			
Cash receipts from withdrawal of investments		27,521,458.86	31,330,150.00
Cash receipts from investment income		27,736.50	59,003.10
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		520,508.53	
Net cash receipts from the disposal of subsidiaries & other business units			
Other cash receipts related to investing activities			
		-----	-----
Subtotal of cash inflows from investing activities		28,069,703.89	31,389,153.10
		-----	-----
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		13,038,765.59	1,542,201.34
Cash payments for investments			
Net cash payments for the acquisition of subsidiaries & other business units			
Other cash payment related to investing activities			
		-----	-----
Subtotal of cash outflows from investing activities		13,038,765.59	1,542,201.34
		-----	-----
Net cash flows from investing activities		15,030,938.30	29,846,951.76
		=====	=====

Items	Section 6	Current period cumulative	Preceding period comparative
III. Cash flows from financing activities:			
Cash receipts from absorbing investments			
Including: Cash received by subsidiaries from non-controlling shareholders as investments			
Cash receipts from borrowings			
Other cash receipts related to financing activities			
		-----	-----
Subtotal of cash inflows from financing activities		-----	-----
Cash payments for the repayment of borrowings		458,487.35	429,250.38
Cash payments for distribution of dividends or profits and for interest expenses		72,914.12	73,722.80
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit			
Other cash payments related to financing activities			
		-----	-----
Subtotal of cash outflows from financing activities		531,401.47	502,973.18
Net cash flows from financing activities		-531,401.47	-502,973.18
IV. Effect of foreign exchange rate changes on cash & cash equivalents			
		58,551.66	325,812.03
V. Net increase in cash and cash equivalents			
		-105,655,746.94	7,011,366.42
Add: Opening balance of cash and cash equivalents		479,183,690.14	472,172,323.72
VI. Closing balance of cash and cash equivalents			
		373,527,943.20	479,183,690.14

CONSOLIDATED CHANGE IN EQUITY

For the year ended 31 December 2023

Chengdu SIWI Science and Technology Company Limited

(Amounts in Renminbi, unless otherwise stated)

Items	Current period cumulative										Preceding period comparative												
	Share capital	Preferred shares	Other equity instruments Perpetual bonds	Others	Equity attributable to parent company Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interest	Total equity	Share capital	Preferred shares	Equity attributable to parent company Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Special reserve	Retained earnings	Non-controlling interest
I. Balance at the end of period	40,000,000.00				64,928,122.08		4,916,756.69	54,083.07	8,726,923.61	-297,724,682.19	87,733,331.82	843,598,481.01	40,000,000.00				68,700,122.08		4,896,623.69	8,726,923.61	-297,590,420.97	83,922,183.75	838,085,422.16
Add: Cumulative changes of accounting policies																							
Enter correction of prior period																							
Business combination under common control																							
Others																							
II. Balance at the beginning of current year	40,000,000.00				64,928,122.08		4,916,756.69	54,083.07	8,726,923.61	-297,724,682.19	87,733,331.82	843,598,481.01	40,000,000.00				68,700,122.08		4,896,623.69	8,726,923.61	-297,590,420.97	83,922,183.75	838,085,422.16
III. Current period increase (or less decrease)							-4,916,756.69			25,619,918	694,007.8	21,494,973.4					3,168,000.00		20,172.00		-2,224,201.22	3,811,838.07	4,775,000.00
(I) Total comprehensive income							17,973,470.86			2,717,112.63	694,007.8	21,494,973.47					3,168,000.00		20,172.00		-2,224,201.22	3,811,838.07	4,775,000.00
(II) Capital contributed or withdrawn by owners																							
1. Ordinary shares contributed by owners																							
2. Capital contributed by holders of other equity instruments																							
3. Amount of share-based payment included in equity																							
4. Others																							
(III) Profit distribution																							
1. Appropriation of surplus reserve																							
2. Appropriation of profit to owners																							
3. Others																							
(IV) Internal carry-over within equity																							
1. Transfer of capital reserve to capital																							
2. Transfer of surplus reserve to capital																							
3. Surplus reserve to cover losses																							
4. Changes in defined benefit plan carried over to related earnings																							
5. Other comprehensive income carried over to related earnings																							
6. Others																							
(V) Special reserve																							
1. Appropriation of current period																							
2. Application of current period																							
(VI) Others																							
IV. Balance at the end of current period	40,000,000.00				64,928,122.08		4,916,756.69	54,083.07	8,726,923.61	-297,462,763.01	88,427,332.60	863,747,678.35	40,000,000.00				64,928,122.08		4,916,756.69	8,726,923.61	-297,724,682.19	87,733,331.82	843,598,481.01

NOTES TO THE FINANCIAL STATEMENTS IN 2023

I. CORPORATE PROFILE

(I) Registered address, organization structure and office address of the company

Chengdu SIWI Science And Technology Company Limited (the “**Company**”) was incorporated and registered with the Chengdu Administration Bureau of Industry and Commerce on 1 October 1994 after its restructuring from Chengdu Cable Plant of the Posts and Telecommunications Ministry of China (now known as “**China PUTIAN Corporation**”), as independent promoter, under the approval of the relevant department of the State Council. The Company is headquartered in Chengdu, Sichuan Province. The Company currently holds a business license with unified social credit code of 9151010020193968XY, with registered capital of RMB400,000,000. There are a total of 400,000,000 shares in issue with the nominal value of RMB1 each of which: equity interest of China Potevio Company Limited amounts to RMB240,000,000, representing 60% of the total shares; equity interest of public holders of ordinary shares (H Shares) listed in Hong Kong amounts to RMB160,000,000, representing 40% of the total shares. The Company’s shares were listed at the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) respectively on 13 December 1994.

According to the Reply from China Electronics Technology Group Corporation on Matters Regarding the Transfer of the Shares of Chengdu PUTIAN Telecommunications Cable Company Limited at Nil Consideration (Dian Ke Zi [2021] No. 476) issued by China Electronics Technology Group Corporation Limited (“**China Electronics Technology**”) on 29 October 2021, China Electronics Technology agreed to transfer 240,000,000 shares of the Company held by China Potevio Company Limited to Chengdu SIWI Electronic Co., Ltd. (“**Chengdu SIWI Electronic**”), a wholly-owned subsidiary of the 29th Research Institute of China Electronics Technology Group Corporation, with 31 December 2020 as the base date. Upon completion of the equity transfer, Chengdu SIWI Electronic hold 240,000,000 shares, and the public holders of ordinary shares (H Shares) hold 160,000,000 shares.

According to the decision of the company’s 2021 annual general meeting on 30 June 2022, the Company was renamed from Chengdu PUTIAN Telecommunications Cable Company Limited to Chengdu SIWI Science and Technology Company Limited.

(II) Business scope and major operations

The Company is in the manufacturing industry, and its main products and services are permitted items: wire and cable manufacturing; entry-exit quarantine arrangement at borders. (Items subject to approval in accordance with the laws shall commence operation with approval obtained from the relevant authorities. Definitive operating items shall be subject to the approval documents or license documents granted by the relevant authorities.) General items: energy storage technology services; research and development of distribution switchgear and control equipment; research and development of emerging energy technologies; research and development of resource recycling technologies; research and development of online energy monitoring technologies; research and development of wind farms related systems; research and development of electric motors and control systems; manufacturing of new energy generating equipment; research and development of offshore wind power related systems; technical services for solar power generation; manufacturing of generators and generating units; manufacturing of transmission, distribution and control equipment; integration of intelligent control systems; information systems integration services; sale of intelligent transmission,

distribution and control equipment; contract energy management; sale of batteries; sale of battery swap facilities for new energy vehicles; sale of photovoltaic equipment and components; sale of electrical accessories of new energy vehicles; wire and cable business; manufacturing of optical fibers; sale of optical fibers; manufacturing of optical cables; sale of optical cables; manufacturing of communications equipment; sale of communications equipment; manufacturing of optical communications equipment; sale of optical communications equipment; manufacturing of equipment for electrical installations; sale of equipment for electrical installations; manufacturing of mechanical and electrical equipment; sale of mechanical and electrical equipment; manufacturing of special equipment for electrical machinery; manufacturing of electronic special materials; manufacturing of specialized equipment (excluding the manufacture of licensed professional equipment); technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion; import and export of goods; import and export of technology; leasing of non-residential real estates; house leasing; leasing services (excluding licensed leasing services); property management; parking lot services; business management consultation; entrepreneurial space services.

(Except for items that are subject to approval in accordance with the laws, the business activities shall be conducted independently with the business licenses in accordance with the laws.)

(III) Approval of financial statements

The financial statements were approved and authorized for issue by the Board of Directors dated 22 March 2024.

II. CONSOLIDATION SCOPE

The Company has brought 2 subsidiaries into the consolidation scope in the current period as detailed in VIII. Interest in other entities. Compared with the previous period, the number of entities included in the scope of consolidated financial statements in the current period has no change. It includes:

Subsidiaries	Subsidiary type	Level	Holding proportion (%)	Voting right proportion (%)
Chengdu SEI Optical Fiber Co., Ltd	Holding subsidiary	Second-tier	60	60
Chengdu PUTIAN New Material Co., Ltd	Owned subsidiary	Second-tier	100	100

III. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

(I) Preparation basis of the financial statements

The Company carried out recognition and measurement based on transactions and events that actually occurred and in accordance with the Accounting Standards for Business Enterprises — Basic Standards issued by the Ministry of Finance, and the specific accounting standards, application guidelines for Accounting Standards for Business Enterprises, interpretations of Accounting Standards for Business Enterprises and other relevant regulations (hereinafter collectively referred to as “**Accounting Standards for Business Enterprises**”), on the basis of which, the financial statements are prepared in conjunction with the rules of the “Rules Governing the Preparation of Information Disclosures by Companies Issuing Public Securities No. 15 — General Rules on Financial Reporting” (revised in 2023) issued by China Securities Regulatory Commission.

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

(III) Accounting methods and valuation principles

The financial statements have been prepared on an accrual basis. Except for certain financial instruments measured at fair value, the financial statements are measured on a historical cost basis. If an asset is impaired, a corresponding impairment provision is made in accordance with the relevant standards.

IV. CHANGES IN ACCOUNTING POLICIES

1. Changes in accounting policies

(1) The impact of the implementation of interpretation No. 16 of Accounting Standards for Business Enterprises

According to the Interpretation No. 16 of Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31, hereinafter referred to as “**Interpretation No. 16**”) published by the Ministry of Finance on 13 December 2022, among the accounting treatment for three items: “accounting treatment for deferred tax related to assets and liabilities arising from a single transaction that does not apply to the initial recognition exemption” came into effect on 1 January 2023, which allows enterprises to apply earlier from the year of publication and has been applied by the Company during the year;

Where deductible temporary differences and taxable temporary differences occur at the beginning of the earliest period for the presentation of the financial statements of Interpretation 16 (i.e., 1 January 2022) due to the application of a single transaction of Interpretation 16, as well as the provisions related to the recognized waiver obligations and the corresponding relevant assets, The Company adjusts the cumulative impact to retained earnings and other related financial statement items at the beginning of the earliest period for which the financial statements are presented (i.e. 1 January 2022) in accordance with Interpretation 16 and Accounting Standard for Business Enterprises No. 18 — Income Tax.

The Company has implemented Interpretation No. 16 since the effective date, and the Implementation Interpretation No. 16 has no material impact on the financial statements during the reporting period.

(2) The impact of the implementation of interpretation No. 17 of Accounting Standards for Business Enterprises

According to the Interpretation No. 17 of Accounting Standards for Business Enterprises (Cai Kuai [2023] No. 21, hereinafter referred to as “**Interpretation No. 17**”) published by the Ministry of Finance on 25 October 2023, the Company implements the “Accounting Treatment of Sale and leaseback Transactions” as of 25 October 2023.

The Company has implemented Interpretation No. 17 since the effective date, and the Implementation Interpretation No. 17 has no material impact on the financial statements during the reporting period.

V. TAXES

(I) Main categories of tax and tax rates

Taxes	Tax basis	Tax rate	Notes
Value-added tax (VAT)	Domestic sales; Processing services	13%	
	Water rate; Gas fees; Rent	9%	
	Property management services	6%	
	Simple Tax Computation	5% or 3%	
Property tax	70% of the original value of the property (or rental income)	1.2%	(for property value)
		12%	(for rental income)
Urban land use tax	Land area actually occupied	6 yuan/m ² , 8 yuan/m ²	
Resource tax	Water actually consumed	2.69/m ³	
Business income tax	Taxable income	15%, 25%	
Urban maintenance and construction tax	Turnover tax actually paid	7%	
Education surcharge	Turnover tax actually paid	3%	
Local education surcharge	Turnover tax actually paid	2%	

Different enterprise income tax rates applicable to different taxpayers:

Taxpayer	Tax rate
Chengdu SIWI Science and Technology Company Limited	25%
Chengdu SEI Optical Fiber Co., Ltd	15%
Chengdu PUTIAN New Material Co., Ltd	25%

(II) The preferential tax policy and the basis

Chengdu SEI Optical Fiber Co., Ltd., a subsidiary of the Company, obtained the High- tech Enterprise Certificate on 16 October 2023, jointly issued by the Science & Technology Department of Sichuan Province, the Sichuan Provincial Finance Department and the Sichuan Provincial Tax Service, State Taxation Administration, with a validity period of 3 years. The certificate number is GR202351002814. The enterprise income tax will be paid at a reduced tax rate of 15% for 2023.

(III) Other notes

Employee's individual income tax is withheld and paid by the company.

VI. NOTES TO THE ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENT

(The following amounts are in RMB unless otherwise specified, the opening balances are all as of 1 January 2023)

Note 1 Notes receivable

1. Details of notes receivable on categories

Items	Closing balance	Opening balance
Bank acceptance	22,731,452.68	
Trade acceptance	72,811,832.67	
Subtotal	95,543,285.35	
Less: Provision for bad debts	364,059.16	
Total	95,179,226.19	

2. Details of notes receivable with provision for bad debts on categories

Categories	Book balance		Closing balance Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Notes receivable with provision made on an individual basis					
Notes receivable with provision made on a collective basis	95,543,285.35	100.00	364,059.16	0.38	95,179,226.19
Including: Trade acceptance	72,811,832.67	76.21	364,059.16	0.50	72,447,773.51
Including: Bank acceptance	<u>22,731,452.68</u>	<u>23.79</u>	<u> </u>	<u> </u>	<u>22,731,452.68</u>
Total	<u>95,543,285.35</u>	<u>100.00</u>	<u>364,059.16</u>	<u>0.38</u>	<u>95,179,226.19</u>

3. Changes in provision for bad debts in current period

Categories	Opening balance	Accrual	Changes			Closing balance
			Recovery or reversal	Write-off	Others	
Notes receivable with provision made on an individual basis						
Notes receivable with provision made on a collective basis		364,059.16				364,059.16
Including: Trade acceptance	<u> </u>	<u>364,059.16</u>	<u> </u>	<u> </u>	<u> </u>	<u>364,059.16</u>
Total	<u> </u>	<u>364,059.16</u>	<u> </u>	<u> </u>	<u> </u>	<u>364,059.16</u>

4. No notes receivable is written off during the period

5. No pledged notes at the balance sheet date

6. Endorsed or discounted but undue notes at the balance sheet date

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	<u>4,173,118.91</u>	<u>3,685,111.44</u>
Total	<u><u>4,173,118.91</u></u>	<u><u>3,685,111.44</u></u>

7. No notes transfer to accounts receivable due to non-performance of the drawer during the end of the period.

Note 2 Accounts receivable

1. Details of accounts receivable with age analysis method

Ages	Closing balance	Opening balance
Within 1 year	122,019,154.59	72,738,527.65
1–2 years	3,888,003.17	4,786,470.42
2–3 years	4,222,456.12	923,765.73
Over 3 years	<u>31,967,253.05</u>	<u>33,845,082.26</u>
Subtotal	<u>162,096,866.93</u>	<u>112,293,846.06</u>
Less: Provision for bad debts	<u>36,894,078.15</u>	<u>33,363,605.57</u>
Total	<u><u>125,202,788.78</u></u>	<u><u>78,930,240.49</u></u>

2. Details of accounts receivable with provision for bad debts on categories

Categories	Book balance		Closing balance		Carrying amount
	Amount	% to total	Amount	Provision for bad debts Provision proportion (%)	
Receivable with provision made on an individual basis	25,891,198.13	15.97	25,826,748.94	99.75	64,449.19
Receivable with provision					
Made on a collective basis	136,205,668.80	84.03	11,067,329.21	8.13	125,138,339.59
Including: Related party portfolio	50,141,293.35	30.93	250,706.47	0.50	49,890,586.88
Non-related party portfolio	86,064,375.45	53.10	10,816,622.74	12.57	75,247,752.71
Total	<u>162,096,866.93</u>	<u>100.00</u>	<u>36,894,078.15</u>	<u>22.76</u>	<u>125,202,788.78</u>

Continued:

Categories	Book balance		Opening balance		Carrying amount
	Amount	% to total	Amount	Provision for bad debts Provision proportion (%)	
Receivable with provision made on an individual basis	26,382,456.98	23.49	26,318,007.79	99.76	64,449.19
Receivable with provision					
made on a collective basis	85,911,389.08	76.51	7,045,597.78	8.20	78,865,791.30
Including: Related party portfolio	37,287,236.41	33.21	186,436.19	0.50	37,100,800.22
Non-related party portfolio	48,624,152.67	43.30	6,859,161.59	14.11	41,764,991.08
Total	<u>112,293,846.06</u>	<u>100.00</u>	<u>33,363,605.57</u>	<u>29.71</u>	<u>78,930,240.49</u>

3. Accounts receivable with provision made on an individual basis

Debtors	Closing balance	Closing balance		Reasons
		Provision for bad debts	Provision proportion (%)	
KAB/VOLEX KABKableprektion	2,058,597.74	2,058,597.74	100.00	Not expect to be recoverable
Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd	1,985,718.44	1,985,718.44	100.00	Not expect to be recoverable
Shenyang Hengyuanda Communication Equipment Co., Ltd	1,621,814.62	1,621,814.62	100.00	Not expect to be recoverable
Sichuan Chuandong Electromechanical Equipment Installation Company	1,606,692.41	1,606,692.41	100.00	Not expect to be recoverable
Chongqing Xiongying Communication Co., Ltd	1,414,724.47	1,414,724.47	100.00	Not expect to be recoverable
Yiwu Zhihaoda E-commerce Co., Ltd	1,344,969.65	1,344,969.65	100.00	Not expect to be recoverable
Hangzhou Hanyi Plastic Pipe Materials Co., Ltd.	1,156,614.94	1,156,614.94	100.00	Not expect to be recoverable
China National Postal & Telecommunications Appliance Middle & South CORP.	1,116,797.27	1,116,797.27	100.00	Not expect to be recoverable
Yantai Cable Factory	104,491.95	40,042.76	38.32	Bankruptcy reorganization (the amount of the provision determined according to the draft reorganization plan approved by the court order)
Other 155 companies	13,480,776.64	13,480,776.64	100.00	Not expect to be recoverable
Total	<u>25,891,198.13</u>	<u>25,826,748.94</u>	-	

4. Accounts receivable with provision made on a collective basis

(1) Related party portfolio

Age	Book balance	Closing balance	
		Provision for bad debts	Provision proportion (%)
Within 1 year	49,682,235.21	248,411.18	0.50
2-3 years	130,000.00	650.00	0.50
Over 3 years	329,058.14	1,645.29	0.50
Total	<u>50,141,293.35</u>	<u>250,706.47</u>	<u>0.50</u>

(2) *Non-related party portfolio*

Age	Book balance	Closing balance	Provision
		for bad debts	proportion (%)
Within 1 year	72,336,919.38	2,748,369.29	3.80
1–2 years	3,879,874.81	1,289,282.40	33.23
2–3 years	3,987,964.17	2,214,915.30	55.54
Over 3 years	5,859,617.09	4,564,055.75	77.89
Total	<u>86,064,375.45</u>	<u>10,816,622.74</u>	<u>12.57</u>

5. **Changes in provision for bad debts**

Categories	Opening balance	Accrual	Changes			Closing balance
			Recovery or reversal	Write-off	Others	
Receivable with provision made on an individual basis	26,318,007.79	8,128.36	499,387.21			25,826,748.94
Receivable with provision made on a collective basis	7,045,597.78	4,021,731.43				11,067,329.21
Including: Related party portfolio	186,436.19	64,270.28				250,706.47
Non-related party portfolio	<u>6,859,161.59</u>	<u>3,957,461.15</u>				<u>10,816,622.74</u>
Total	<u>33,363,605.57</u>	<u>4,029,859.79</u>	<u>499,387.21</u>			<u>36,894,078.15</u>

Including: The details of significant bad debt recovery or reversal are as follows:

Debtors	Recovery or reversal amount	Recovery or reversal reason	Recovery or reversal way	The basis and rationality for determining the proportion of provision for bad debts
China Potevio Company Limited	346,629.10	Recovered	Bank transfer	Not expect to be recoverable
Guangzhou Panyu Zhujiang Hualong Petroleum Steel Pipe Antisepsis Co., Ltd.	98,688.00	Recovered	Bank transfer	Not expect to be recoverable
CHENGDU CCS OPTICAL FIBER CABLE CO., LTD.	52,007.35	Recovered	Bank transfer	Not expect to be recoverable
ZiYang CRRC Electrical Technology Co., Ltd.	2,062.76	Recovered	Bank transfer	Not expect to be recoverable
Total	<u>499,387.21</u>	-	-	-

6. No write-off accounts receivable in current period

7. Details of the top 5 debtors with largest balances

Debtors	Closing balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Chengdu SIWI High-Tech Industrial Co, Ltd.	49,149,636.84	30.32	245,748.18
Chengdu FORCE Automotive Wire Co., LTD	33,327,183.79	20.56	1,576,375.79
Crrc Zhuzhou Locomotive CO., Ltd.	11,531,752.63	7.11	545,451.90
Zhuzhou CRRC Times Electric Co., Ltd.	5,941,457.94	3.67	281,030.96
Sichuan Huiyuan optical communications co., LTD	2,703,421.91	1.67	13,517.11
Total	<u>102,653,453.11</u>	<u>63.33</u>	<u>2,662,123.94</u>

Note 3 Receivables financing

Items	Closing balance	Opening balance
Bank acceptance	<u>41,011,605.83</u>	<u>76,003,141.78</u>
Total	<u>41,011,605.83</u>	<u>76,003,141.78</u>

(1) The company often endorses bank acceptances. Its business model is to collect cash flow from contract as well as sell the financial assets as the target, and it is listed as “receivables financing”. The final endorsement of bank acceptances before maturity is terminated.

(2) After evaluation, the Company believes that there is no significant credit risk in the bank acceptances held during the reporting period and no significant loss will occur due to the acceptor’s default.

Note 4 Accounts payable

1. Details of accounts payable on categories

Items	Closing balance	Opening balance
Material purchase	27,958,104.38	32,221,673.28
Equipment and engineering fund	248,794.21	
Payable operating expense	27,000.00	49,000.00
Total	<u>28,233,898.59</u>	<u>32,270,673.28</u>

Significant accounts payable over one year

Name of company	Closing balance	Outstanding or carryover reasons
Beijing Zhongpuda Technology Co., Ltd. Chengdu Cable Communication Equipment Factory	2,406,250.00	No settlement
Deyang Xinfangyuan Nonferrous Metals Co., LTD	682,874.85	No settlement
Sichuan Dongchen electric power equipment Co., LTD	270,961.37	No settlement
Sichuan Huafeng Enterprise Group Co., Ltd.	66,891.90	No settlement
	58,955.75	No settlement
Total	<u>3,485,933.87</u>	—

Note 5 Other comprehensive income (OCI)

Items	Opening balance	Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in current period	Less: OCI previously recognized but transferred to retained earnings in current period	Less: hedging reserves transfer to assets or liabilities	Current period cumulative				Closing balance
						Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	Less: OCI previously recognized but transferred to retained earnings in current period	
Items not to be reclassified subsequently to profit or loss	4,916,795.69	17,973,470.86					17,973,470.86			22,890,266.55
Changes in fair value of other equity										
Instrument investments	4,916,795.69	17,973,470.86					17,973,470.86			22,890,266.55
Items to be reclassified subsequently to profit or loss										
Total	<u>4,916,795.69</u>	<u>17,973,470.86</u>					<u>17,973,470.86</u>			<u>22,890,266.55</u>

Note 6 Operating income/Operating cost

1. Details of operating income and operating cost

Items	Current period cumulative		Preceding period cumulative	
	Income	Cost	Income	Cost
Main operations	336,279,858.84	281,837,293.06	250,459,268.02	207,870,808.20
Other operations	67,361,295.34	37,747,363.86	53,554,339.89	25,198,488.10
Total	<u>403,641,154.18</u>	<u>319,584,656.92</u>	<u>304,013,607.91</u>	<u>233,069,296.30</u>

2. Details of contract revenue

Categories	Copper cable and related products	Optical communication products	Park operation	Total
Product types				
Optical fibre products		197,046,435.16		197,046,435.16
Track cable	81,424,855.68			81,424,855.68
5G mobile intelligent terminal trade	1,565,843.38			1,565,843.38
Processing service	3,339,389.88			3,339,389.88
Optical cable assembly	77,573,265.24			77,573,265.24
Others	9,268,894.57		2,425,857.95	11,694,752.52
Subtotal	<u>173,172,248.75</u>	<u>197,046,435.16</u>	<u>2,425,857.95</u>	<u>372,644,541.86</u>
Recognition time				
Transferred at a point in time	<u>173,172,248.75</u>	<u>197,046,435.16</u>	<u>2,425,857.95</u>	<u>372,644,541.86</u>
Total	<u>173,172,248.75</u>	<u>197,046,435.16</u>	<u>2,425,857.95</u>	<u>372,644,541.86</u>

Note 7 Tax and surcharge

Items	Current period cumulative	Preceding period cumulative
Housing property tax	4,584,498.16	888,893.16
Land use tax	2,396,164.60	824,320.00
Urban maintenance and construction	406,169.40	413,684.53
Stamp duty	247,517.35	251,142.55
Education surcharge	174,076.88	202,476.53
Local education surcharge	116,044.13	92,809.91
Resource tax	9,283.19	19,851.57
Vehicle and vessel use tax	4,920.00	3,780.00
Environmental protection tax	12.82	
Total	<u>7,938,686.53</u>	<u>2,696,958.25</u>

Note 8 Marketing expenses

Items	Current period cumulative	Preceding period cumulative
Staff salaries	3,228,145.96	4,452,884.43
Operating expenses	305,811.01	159,467.47
Office and traveling expenses	262,468.04	226,254.67
Advertising promotion expenses	9,708.74	
Sales service expenses		497,005.62
Others	166,900.00	218,045.99
Total	<u>3,973,033.75</u>	<u>5,553,658.18</u>

Note 9 Administration costs

Items	Current period cumulative	Preceding period cumulative
Staff salaries	44,501,196.50	45,871,479.65
Depreciation and amortization	5,612,783.39	6,104,969.08
Agency fee	4,054,203.35	3,691,977.19
Property management fees	2,642,812.51	303,839.50
Repairs and maintenance	1,511,956.52	2,357,554.51
Office and traveling expenses	1,416,644.60	1,820,467.40
Disability Security	603,652.56	445,552.45
Utility bills	493,016.50	381,488.87
Business hospitality	68,599.79	76,340.42
Others	3,696,496.03	4,289,556.24
Total	<u>64,601,361.75</u>	<u>65,343,225.31</u>

Note 10 Research and development costs

Items	Current period cumulative	Preceding period cumulative
Staff salary	7,019,285.08	7,550,953.99
Depreciation of fixed assets	2,364,943.97	2,504,929.16
Materials	2,103,027.67	703,120.14
Others	262,911.44	227,673.92
Total	<u>11,750,168.16</u>	<u>10,986,677.21</u>

Note 11 Financial costs

Items	Current period cumulative	Preceding period cumulative
Interest expenditures	72,914.12	73,722.80
Less: Interest income	10,318,190.17	21,488,986.12
Gains & losses on foreign exchange	223,301.41	-211,716.75
Bank charges	30,387.78	25,899.79
Total	<u>-9,991,586.86</u>	<u>-21,601,080.28</u>

Note 12 Income tax expenses**1. Details**

Items	Current period cumulative	Preceding period cumulative
Current period income tax expense		-101,319.54
Deferred income tax expense		
Total		<u>-101,319.54</u>

2. Reconciliation of accounting profit to income tax expenses

Items	Current period cumulative
Profit before tax	3,465,743.41
Income tax expenses based on legal tax rate	866,435.85
Effect of different tax rate applicable to subsidiaries	-173,507.70
Effect of prior income tax reconciliation	
Effect of non-taxable income	1,397,865.65
Effect of non-deductible costs, expenses and losses	130,039.14
Utilization of deductible losses not previously recognized as deferred tax assets	-519,531.79
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets	-1,342,421.93
Others	-358,879.22
	<hr/>
Income tax expenses	<hr/> <hr/>

Note 13 Assets with title or use right restrictions

Items	Closing carrying amount	Reasons for restrictions
Cash and bank balance	<u>79,681.03</u>	Deposit for letter of credit and letter of guarantee
Total	<u><u>79,681.03</u></u>	–

VII. CHANGES IN THE SCOPE OF INCORPORATION

The subjects included in the scope of consolidated financial statements in the current period have not changed compared with the previous period.

VIII.INTEREST IN OTHER ENTITIES

(I) Interest in subsidiaries

1. Composition of the company

Subsidiaries	Share capital (Million)	Main operating place	Registered address	Business nature	Holding proportion (%)		Acquisition method
					Direct	Indirect	
Chengdu SEI Optical Fiber Co., Ltd	17 million USD	Chengdu	Chengdu	Manufacturing	60.00		Business combination not under common control
Chengdu PUTIAN New Material Co., Ltd	59.82 million RMB	Chengdu	Chengdu	Manufacturing	100.00		Business combination not under common control

2. Significant partially-owned subsidiaries

Subsidiaries	Holding proportion of minority shareholders (%)	Profit or loss attributable to minority shareholders	Dividends declared to minority shareholders in this period	Closing balance of non-controlling interests	Notes
Chengdu SEI Optical Fiber Co., Ltd	40.00	694,030.78		88,427,352.60	

3. Main financial information of significant partially-owned subsidiaries

The main financial information of these subsidiaries is the amount before each company offset each other, but the adjustment of fair value and unified accounting policy is made after the merger day:

Item	Chengdu SEI Optical Fiber Co., Ltd	
	Closing balance	Opening balance
Current assets	190,372,789.92	189,369,004.78
Non-current assets	40,551,242.10	43,658,751.31
Total assets	230,924,032.02	233,027,756.09
Current liabilities	8,739,150.46	12,386,551.49
Non-current liabilities	1,116,500.00	1,307,900.00
Total liabilities	9,855,650.46	13,694,451.49
Operating income	197,163,942.34	191,141,150.66
Net profit	1,735,076.96	9,527,845.17
Total comprehensive income	1,735,076.96	9,527,845.17
Cash Flow of Operational Activities	2,176,966.27	-21,665,567.46

(II) Interest in joint venture or associates

1. Significant associates

Joint ventures	Main operating place	Registered address	Business nature	Holding proportion (%)		Accounting treatment
				Direct	Indirect	
Putian Fasten Cable Telecommunication Co., Ltd.	Jiangyin	Jiangyin	Manufacturing	10.00		Equity method

2. Main financial information of significant associates

Item	Closing balance/ Current period cumulative Putian Fasten Cable Telecommunication Co., Ltd.
Current assets	968,565,124.09
Non-current assets	94,748,913.41
Total assets	1,063,314,037.50
Current liabilities	743,426,234.88
Non-current liabilities	37,454,402.75
Total liabilities	780,880,637.63
Non-controlling interests	
Equity attributable to owners of parent company	282,433,399.87
Proportionate share in net assets	28,243,339.99
Adjustments	
— Goodwill	1,418,109.36
— Unrealized profits from internal transactions	
— Other	
Carrying amount of investments in associates	29,661,449.35
Fair value of equity investments in associates in association with quoted price	
Operating income	302,391,455.84
Net profit	-51,957,483.42
Net profit of discontinued operations	
Other comprehensive income	
Total comprehensive income	-51,957,483.42
Dividend from associates received in current period	

Item	Opening balance/Last period cumulative	
	Chengdu Bada Connector Co., Ltd.	Putian Fasten Cable Telecommunication Co., Ltd.
Current assets	33,260,269.58	1,421,531,083.37
Non-current assets	4,084,586.08	120,502,397.35
Total assets	<u>37,344,855.66</u>	<u>1,542,033,480.72</u>
Current liabilities	28,318,363.08	909,991,619.88
Non-current liabilities	2,246,334.08	297,650,977.55
Total liabilities	<u>30,564,697.16</u>	<u>1,207,642,597.43</u>
Non-controlling interests	966,808.68	
Equity attributable to owners of parent company	5,813,349.82	334,390,883.29
Proportionate share in net assets	2,848,541.41	33,439,088.33
Adjustments		
— Goodwill		1,418,109.36
— Unrealized profits from internal transactions		
— Other		
Carrying amount of investments in associates	2,848,541.41	34,857,197.69
Fair value of equity investments		
in associates in association with quoted price		
Operating income	148,001,206.51	479,457,044.31
Net profit	-3,629,258.68	-60,954,985.93
Net profit of discontinued operations		
Other comprehensive income		
Total comprehensive income	-3,629,258.68	-60,954,985.93
Dividend from associates received		
in current period		

IX. RELATED PARTIES AND RELATED PARTIES' TRANSACTION

(I) Information of the parent company of the enterprise

Name of controlling shareholder	Registration place	Business nature	Registered capital (RMB ten thousand)	Percentage of shareholding in the company (%)	Percentage of voting right in this company (%)
Chengdu SIWI Electronic Co., Ltd	Chengdu	Professional Technique Services	40,000.00	60.00	60.00

The ultimate controlling party of the Company is China Electronics Technology Group Corporation.

(II) Subsidiaries of the Company: refer to the related content in the Section VIII (I) Interests in subsidiaries for the details of the subsidiaries.

(III) The Company's Joint Ventures and Associated Enterprises

Refer to the related content in the Section VIII (II) Significant joint ventures or associates for the details.

(IV) Other related parties

Other related parties	Relationship between the Company and related parties
China Electronic Technology Group Corporation Twenty-third Research Institute	Under common control
China Electronic Technology Group Corporation Fortieth Research Institute	Under common control
Beijing Tirt Certification Co., Ltd	Under common control
China Electronic Technology Group Corporation Eighth Research Institute	Under common control
China Electronic Technology Group Corporation Twenty-ninth Research Institute	Under common control
Chengdu SIWI High-Tech Industrial Co, Ltd.	Under common control
China Potevio Company Limited	Under common control
China Putian Corporation Co.,Ltd.	Under common control
Nanjing Putian Telega Intelligent Building Co., Ltd.	Under common control
Chengdu Seekon Microwave Communications Co.,Ltd.	Under common control
Chengdu Branch of China Potevio Company Limited	Under common control
Chengdu SIWI Power Electronic Technology Co.,Ltd.	Under common control
Hangzhou Hongyan Digital Marketing Co. LTD	Under common control
Cecb Microelectronics Technology Co., Ltd.	Under common control
Shanghai KECHEN Wire & Cable Machinery Co.,Ltd	Under common control
Sumiden Asia (Shenzhen) Co. Ltd	Entity controlled by ultimate controller of shareholder holding more than 5% of the subsidiary's shares
Sumitomo Electric Asia Ltd	Entity controlled by ultimate controller of shareholder holding more than 5% of the subsidiary's shares
Sumitomo Electric Industries Ltd.	Shareholder holding more than 5% of the subsidiary's shares

(V) Related parties' transaction

- The transactions between subsidiaries that have control relations and have been incorporated into the Company's consolidated financial statements and parent company have been offset.*
- Purchase and sale of goods, rendering and receiving of services*

Related parties' transaction	Content of transaction	Current period cumulative	Preceding period comparative
Sumiden Asia (Shenzhen) Co. Ltd	Purchase of raw material	109,742,692.74	86,314,515.67
China Electronic Technology Group Corporation Twenty-third Research Institute	Purchase of raw material	4,009,557.52	3,536,818.59
Sumitomo Electric Asia Ltd	Purchase of raw material	1,289,205.04	674,069.99
China Electronic Technology Group Corporation Fortieth Research Institute	Purchase of raw material	869,395.59	2,325,684.41
Chengdu SIWI High-Tech Industrial Co, Ltd.	Purchase of raw material	259,247.89	
Sumitomo Electric Industries Ltd	Receiving of service	180,768.54	203,459.65
Beijing Tirt Certification Co., Ltd	Training fee	32,216.98	77,426.42
China Electronic Technology Group Corporation Eighth Research Institute	Purchase of raw material	7,168.14	31,477.88
Chengdu Bada Connector Co., Ltd.	Purchase of raw material		14,497,801.25
China Electronic Technology Group Corporation Twenty-ninth Research Institute	Purchase of raw material		12,530.97
Total	–	<u>116,390,252.44</u>	<u>107,673,784.83</u>

- Sale of goods and rendering of services*

Related parties' transaction	Content of transaction	Current period cumulative	Preceding period comparative
Chengdu SIWI High-Tech Industrial Co, Ltd.	Sale of component	77,049,243.43	31,745,969.60
China Electronic Technology Group Corporation eighth Research Institute	Sale of optical fibre	4,227,613.10	2,700,712.22
Chengdu Bada Connector Co., Ltd.	Sale of water and electricity	588,587.07	476,319.13
Chengdu Seekon Microwave Communications Co., Ltd.	Sale of component	524,021.81	
Chengdu Bada Connector Co., Ltd.	Provide processing services	408,590.85	1,203.54
Chengdu SIWI Power Electronic Technology Co., Ltd.	Sale of water and electricity	44,383.95	
China Electronic Technology Group Corporation Twenty-ninth Research Institute	Sale of water and electricity	30,117.89	
Chengdu Bada Connector Co., Ltd.	Sale of copper wire	20,296.48	4,867.26
Sumiden Asia (Shenzhen) Co. Ltd	Sale of optical fibre	5,112.74	
Cecb Microelectronics Technology Co., Ltd.	Sale of water and electricity	4,081.64	
Chengdu SIWI High-Tech Industrial Co, Ltd.	Sale of water and electricity	57.34	
Total	–	<u>82,902,106.30</u>	<u>34,929,071.75</u>

4. *Related party leases*

The Company as lessor

Lessees	Types of assets leased	Lease income for current period	Lease income for the preceding period
China Electronic Technology Group Corporation Twenty-ninth Research Institute	Leasing buildings	2,048,335.52	339,690.80
Chengdu Bada Connector Co., Ltd.	Leasing buildings	1,897,061.27	1,733,419.56
Chengdu SIWI Power Electronic Technology Co., Ltd.	Leasing buildings	635,687.24	327,275.00
Chengdu SIWI High-Tech Industrial Co.,Ltd.	Leasing buildings	324,718.84	61,904.00
Chengdu Seekon Microwave Communications Co., Ltd.	Leasing buildings	154,495.00	14,045.00
Cecb Microelectronics Technology Co., Ltd.	Leasing buildings	136,978.50	
Total	-	<u>5,197,276.37</u>	<u>2,476,334.36</u>

5. *Related party guarantees*

The Company as guaranteed parties

Guarantors	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
China Putian Corporation Co.,ltd.	<u>4,634,398.67</u>	1997/2/21	2033/2/21	No
Total	<u>4,634,398.67</u>	-	-	-

6. *Key management's emoluments*

Items	Current period cumulative	Preceding period comparative
Emoluments	150,000.12	150,000.12
Wage, bonus, allowance and subsidy	2,502,653.00	3,106,394.11
Payment of pension plan	285,304.32	294,312.96
Housing provident fund	193,672.00	162,537.00
Other interest	191,879.76	206,250.91
Total	<u>3,323,509.20</u>	<u>3,919,495.10</u>

7. *Directors' and supervisors' emoluments*

Items	Emoluments	Current period cumulative				Benefit in kind	Total
		Wage, bonus, allowance and subsidy	Housing provident fund plan	Payment of pension plan	Other social insurance premiums		
Executive directors:							
Li Tao							
Wu Xiaodong							
Hu Jiangbing							
Zhu Rui							
Jin Tao							
Chen Wei							
Li Jianyong							
Independent non-executive directors:							
Fu Wenjie	50,000.04						50,000.04
Zhong Qishui	50,000.04						50,000.04
Xue Shujin	50,000.04						50,000.04
Supervisors:							
Wang Cheng							
Gao Bo		330,640.00	27,313.00	40,757.76	23,477.19		422,187.95
Liu Jun		269,793.00	17,582.00	40,757.76	22,165.44		350,298.20
Total	150,000.12	600,433.00	44,895.00	81,515.52	45,642.63		922,486.27

Items	Emoluments	Current period cumulative				Benefit in kind	Total
		Wage, bonus, allowance and subsidy	Housing provident fund plan	Payment of pension plan	Other social insurance premiums		
Executive directors:							
Li Tao							
Wu Changlin							
Hu Jiangbing							
Zhu Rui							
Jin Tao							
Chen Wei							
Li Jianyong							
Independent non-executive directors:							
Fu Wenjie	50,000.04						50,000.04
Zhong Qishui	50,000.04						50,000.04
Xue Shujin	16,666.68						16,666.68
Xiao Xiaozhou	33,333.36						33,333.36
Supervisors:							
Wang Cheng							
Gao Bo		14,000.00	2,224.00	3,256.80	1,884.88		21,365.68
Liu Jun		264,663.61	11,855.00	30,015.36	17,525.52		324,059.49
Xiong Ting		330,559.00	13,820.00	35,824.80	19,740.98		399,944.78
Total	<u>150,000.12</u>	<u>609,222.61</u>	<u>27,899.00</u>	<u>69,096.96</u>	<u>39,151.38</u>		<u>895,370.07</u>

8. *Five highest-paid employees*

The five employees whose emoluments were the highest for the year include 0 (0 in 2022) directors whose emoluments are reflected in the section XII (V)7. Directors' and supervisors' emoluments of Notes to the Financial Statements. The total emoluments payable to the remaining 5 (5 in 2022) non-director employees during the year are as follows:

Items	Current period cumulative	Preceding period comparative
Salaries, bonuses, allowances and subsidies	1,902,220.00	2,169,454.00
Payment of pension	203,788.80	186,134.40
Housing provident fund plan	148,777.00	117,906.00
Other social insurance	146,237.13	145,439.41
Total	<u>2,401,022.93</u>	<u>2,618,933.81</u>

9. The ranges of emoluments payable to 5 (5 in 2022) non-director employees during the year are as follows:

Items	Number of individuals (2023)	Number of individuals (2022)
HK\$nil–HK\$1,000,000	<u>5</u>	<u>5</u>

10. Balance due to or from related parties

(1) Balance due from related parties

Items	Related parties	Closing balance		Beginning balance	
		Book value	Bad debt allowance	Book value	Bad debt allowance
Financing of receivables				977,806.40	
	China Electronic Technology Group Corporation Eighth Research Institute			977,806.40	
Notes receivables		72,692,327.67	363,461.64		
	Chengdu SIWI High-Tech Industrial Co, Ltd.	70,764,793.43	353,823.97		
	China Electronic Technology Group Corporation Eighth Research Institute	1,537,701.60	7,688.51		
	Chengdu Seekon Microwave Communications Co., Ltd	389,832.64	1,949.16		
Accounts receivable		50,698,962.21	808,375.33	38,196,934.37	1,090,761.15
	Chengdu SIWI High-Tech Industrial Co, Ltd.	49,149,636.84	245,748.18	35,940,319.55	179,701.60
	China Potevio Company Limited	988,534.04	531,771.19	1,335,163.14	878,400.29
	Chengdu SIWI Power Electronic Technology Co., Ltd	511,731.67	2,558.66	152,852.00	764.26
	Nanjing Putian Telega Intelligent Building Co., Ltd	28,192.96	28,192.96	28,192.96	28,192.96
	Cecb Microelectronics Technology Co., Ltd.	16,191.47	80.96		
	China Electronic Technology Group Corporation twenty-ninth Research Institute	2,363.23	11.82		
	Chengdu Seekon Microwave Communications Co., Ltd	2,312.00	11.56	15,285.20	76.43
	Chengdu Bada Connector Co., Ltd.			642,318.24	3,211.59
	China Electronic Technology Group Corporation Eighth Research Institute			72,747.20	363.74
	Chengdu Yuexin Communication Material Co. Ltd			10,056.08	50.28
Advance payment		6,138,025.06		5,554,399.53	
	Sumiden Asia (Shenzhen) Co. Ltd	4,157,183.32		4,843,036.84	
	Sumitomo Electric Asia Ltd	1,479,841.74		711,362.69	
	Shanghai KECHEN Wire & Cable Machinery Co., Ltd	501,000.00			
Other receivables		1,906,230.43	9,531.15	1,959,272.09	9,796.36
	China Potevio Company Limited	1,786,828.82	8,934.14	1,786,828.82	8,934.14
	Chengdu SIWI High-Tech Industrial Co.,Ltd.	119,401.61	597.01	74,922.44	374.61
	Chengdu Bada Connector Co., Ltd.			76,353.67	381.77
	Chengdu Yuexin Telecommunications Materials Co., Ltd.			21,167.16	105.84

(2) Balance due to related parties

Items	Related parties	Closing balance	Beginning balance
Advance account		174,940.76	169,845.40
	China Electronic Technology Group Corporation Twenty-ninth Research Institute	174,940.76	169,845.40
Account payable		249,257.84	5,113,017.76
	China Electronic Technology Group Corporation Twenty-ninth Research Institute	165,761.80	
	Chengdu Yuexin Telecommunications Materials Co., Ltd.	50,967.20	993,304.33
	Hangzhou Hongyan Digital Marketing Co. Ltd	26,967.07	26,967.07
	China Electronic Technology Group Corporation fortieth Research Institute	4,995.40	2,325,684.41
	China Electronic Technology Group Corporation Twenty-third Research Institute	566.37	1,767,061.95
Other payables		1,880,918.83	1,777,230.06
	China Potevio Company Limited	1,440,800.00	1,440,800.00
	Chengdu SIWI High-Tech Industrial Co, Ltd.	250,500.86	
	Sumitomo Electric Industries Ltd.	65,290.47	88,566.40
	Chengdu Seekon Microwave Communications Co., Ltd.	43,327.50	
	Chengdu SIWI Power Electronic Technology Co., Ltd.	1,000.00	
	Chengdu Bada Connector Co., Ltd.		167,863.66
	Chengdu Yuexin Telecommunications Materials Co., Ltd.	80,000.00	80,000.00

X. EVENTS AFTER THE BALANCE SHEET DATE

On February 5, 2024, Chengdu SIWI Electronic Co., Ltd. and Chengdu SIWI High-Tech Industrial Co.,Ltd. (hereinafter referred to as Chengdu SIWI High-tech) have signed an equity transfer agreement, according to which SIWI Electronics agrees to transfer 34% of its equity in the Company to Chengdu SIWI High-tech without compensation. After the completion of the relevant record, Chengdu SIWI High-Tech will become the controlling shareholder of the company. China Electronic Technology Group Corporation twenty-ninth Research Institute and China Electronics Technology Group Corporation remain the indirect controlling shareholders and the actual controlling shareholders of the company respectively.

As of the approval date of the financial report, the Company has no other major events after the balance sheet date that should be disclosed but not disclosed.

XI. OTHER SIGNIFICANT EVENTS

(I) Correction of early accounting errors

No early accounting errors in the use of prospective approach are found in this reporting period.

(II) Segment information

1. The basis for the determination of the segment report and the accounting policy

Our corporate is based on internal organizational structure, management requirements, and internal reporting system as the basis for determining the operating segment. The business branch of the Company refers to a component that meets the following conditions at the same time:

- (1) This component can generate income and cost in daily activities;
- (2) The management can regularly evaluate the operating results of the component in order to determine the allocation of resources to it and evaluate its performance;
- (3) The accounting information, such as the financial situation, the operating results and the cash flow of the component, can be obtained.

The Company determines the segment report on the basis of the operating segments, and the operating segments, which meets the following conditions, is determined to be a segment report:

- (1) The operating segments accounts for 10% or more of the total income of the division.
- (2) The absolute profit (loss) of the segment profit of the segment accounts for 10% or more of the total amount of the total profits of all profit segments or the total amount of all deficit segment losses.

When the total amount of revenue from external transactions of the operating segment under the reporting segment determined according to the above accounting policies does not account for 75% of the total consolidated revenue, the number of reporting segments will be increased by including other operating segments not as reporting segments into the scope of reporting segments according to the following provisions until the proportion reaches 75%:

- (1) Determine the operating segment that the management believes the disclosure of the operating segment information is useful to the users of accounting information as the reporting segment;
- (2) The operating segment is merged with one or more other operating segments with similar economic characteristics and meeting the conditions for business segment merger as a reporting segment.

Interdivisional transfer price is determined by market price, and the assets and related expenses shared by different branches are distributed among different segments according to the proportion of income.

2. *The factors for segments' classification and the types of products and services of a segment*

Each segment is a business unit that provides different products and services. Because various business needs different technology and market strategy, the Company independently manages the production and operation activities of each report branch, evaluates its operation result separately, decides to allocate resources to it, evaluates its performance.

The company has three reporting divisions: Copper cable, cable component related products, optical communication products, park operation.

3. *Reporting segment*

Items	Closing balance/Current period amount				Total
	Copper cables, Wires and related products	Optical communication products	Park Operation	Elimination	
1. Operating Revenue	204,332,367.48	197,163,942.34	10,529,301.75	-8,384,457.39	403,641,154.18
Including: External transaction revenue	196,065,417.27	197,046,435.16	10,529,301.75		403,641,154.18
Revenue between segments	8,266,950.21	117,507.18		-8,384,457.39	
2. Operating Cost	203,126,535.71	193,954,156.91	9,160,085.02	-8,384,457.39	397,856,320.25
Including: Depreciation and Amortization	9,764,962.71	7,575,815.92	2,879,349.57		20,220,128.2
3. Investments income in associates and joint ventures	-4,124,289.75				-4,124,289.75
4. Credit loss	-4,141,928.74	1,268.33	116,646.61	-5,772.20	-4,029,786.00
5. Asset impairment loss	-780,988.19	-1,729,876.56	-17,904.00		-2,528,768.75
6. Total profits	-2,236,111.07	1,735,076.96	3,972,549.72	-5,772.20	3,465,743.41
7. Cost of income tax					
8. Net profit	-2,236,111.07	1,735,076.96	3,972,549.72	-5,772.20	3,465,743.41
9. Total assets	786,192,143.71	230,924,032.02	86,948,763.17	-108,296,934.51	995,768,004.39
10. Total liabilities	78,554,917.61	9,855,650.46	46,789,303.81	-4,506,545.84	130,693,326.04
11. Other important non cash items	9,256,246.21	3,782,519.38			13,038,765.59

(III) Lease

As a lessor

1. Operating lease

(1) Rental income

Items	Current period cumulative	Preceding period cumulative
Rental income	30,996,612.32	27,562,466.52
Includes: Income related to variable lease payments that not included in the measurement of lease receipts		

(2) Please refer to section V 12 of Notes to the Financial Statements for details on buildings leased out under operating leases

(3) Undiscounted lease payments to be received arising from non-cancellable leases based on the lease contract signed with lessee

Remaining years	Closing balance	Opening balance
Within 1 year	27,078,949.24	19,411,889.61
1–2years	13,626,552.67	13,370,787.51
2–3years	5,618,115.36	6,846,248.92
Over 3 years	4,765,033.37	3,934,203.88
Total	51,088,650.64	43,563,129.92

2. Other information

Categories of underlying assets	Amount	Lease term	Whether the lease contains renewal option or not
Plants; offices	97,227.29 m ²	From 1/1/2023 to 9/11/2028	Yes

XII. OTHER SUPPLEMENTARY INFORMATION

(I) *Non-recurring profit or loss in current period*

Item	Amount	Remark
Gains on disposal of non-current assets	1,263,452.96	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity/quota based on certain standards)	2,941,544.06	
In addition to the effective hedging business related to the normal operation of the company, the fair value changes in profits and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises and the profits and losses arising from the disposal of financial assets and financial liabilities	27,736.50	
The reversals of accounts receivables impairment provision subject to separate impairment testing	499,387.21	
Gains and losses on debt restructuring	-50,000.00	
Other non-operating revenue or expenditures	5,622,219.45	
Other profit or loss satisfying the definition of non-recurring profit or loss	-6,775,245.19	Tax and fee reduction and one-off provision of retiring benefits
Less: Business income tax effects		
Non-controlling interest affected (after tax)	<u>99,976.42</u>	
Total	<u><u>3,429,118.57</u></u>	

(II) RONA and EPS

1. Details

Profit of the reporting period	Weighted average RONA (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	0.37	0.01	0.01
Net profit attributable to shareholders of ordinary shares after deducting non- recurring profit or loss	-0.09	-0.0016	-0.0016

2. Calculation process of weighted average RONA

Item	Symbol	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	2,771,712.63
Non-recurring profit or loss	B	3,429,118.57
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	-657,405.94
Opening balance of net assets attributable to shareholders of ordinary shares	D	755,847,159.19
Net assets attributable to shareholders of ordinary shares increased due to offering of new shares or conversion of debts into shares	E	
Number of months counting from the next month when the net assets were increased to the end of the reporting period	F	
Net assets attributable to shareholders of ordinary shares decreased due to share repurchase or cash dividends appropriation	G	
Number of months counting from the next month when the net assets were decreased to the end of the reporting period	H	
Others		
Increase in net assets caused by changes in fair value of other equity instruments	I	
Number of months counting from the next month when other net assets were increased or decreased to the end of the reporting period	J	
Number of months in the reporting period	K	12
Weighted average net assets	$L=D+A/2+E \times F /$ $K-G \times H / K \pm I \times J / K$	757,233,015.51
Weighted average RONA	$M=A / L$	0.37%
Weighted average RONA after deducting non-recurring profit or loss	$N=C / L$	-0.09%

3. Calculation process of basic EPS and diluted EPS

(1) Calculation process of basic EPS

Item	Symbol	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	2,771,712.63
Non-recurring profit or loss	B	3,429,118.57
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	-657,405.94
Opening balance of total shares	D	400,000,000.00
Number of shares increased due to conversion of reserve to share capital or share dividend appropriation	E	
Number of shares increased due to offering of new shares or conversion of debts into shares	F	
Number of months counting from the next month when the share was increased to the end of the reporting period	G	
Number of shares decreased due to share repurchase	H	
Number of months counting from the next month when the share was decreased to the end of the reporting period	I	
Number of shares decreased in the reporting period	J	
Number of months in the reporting period	K	12.00
Weighted average of outstanding ordinary shares	$L = \frac{D + E + F \times G}{K - H \times I / K - J}$	400,000,000.00
Basic EPS	$M = A / L$	0.01
Basic EPS after deducting non-recurring profit or loss	$N = C / L$	-0.0016

(2) Calculation process of diluted EPS

The process of calculating the diluted earnings per share is same as the calculation of the basic earnings per share.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

2023 was a crucial year for the Company to meet new challenges, shoulder new missions, and break new ground. The Company adhered to the leadership of party building, continued to implement the development philosophy of “breaking the situation, seeking change, and pursuing strength”, enhanced top-level design and strategic planning, determined the business development direction of photoelectric interconnection products, formulated a three-year business plan, and set clear technological development goals. The Company has enhanced its capabilities in marketing, R&D, and production. Guided by planned management, the Company focused on improving basic capabilities, continued the reform in terms of organizational optimization, process establishment, and risk management and control, and gradually resolving historical issues in the course of development.

1. Party building leads efforts in the chain to activate the momentum of industrial development

During the Year, the Company conscientiously implemented the spirit of the 20th National Congress of the Communist Party of China, comprehensively strengthened party building in the new era, continued to deepen the leading role of party building, strictly implemented the “First Topic” learning system, built a “1124” long-term mechanism for Party building work, and created a brand of party building, tightened and consolidated the responsibilities of party organizations at all levels, enhanced the prevention and control of integrity risks, and steadily improved the quality of party building.

2. Focus on the target and gradually improve the comprehensive capabilities of our products

In order to achieve sustained and leap-forward development for profits, the Group strengthened strategic planning, formulated a three-year business development plan, clarified the direction of technological development, established the “1-5-4-3” business development model, focused on the photoelectric interconnection industry, and built the four core product lines including optical fibers, optoelectronic, cable and cable assembly, promoted market development and ensured the achievement of business goals.

Optical fibers products: Faced with the continued decline in the prices of optical fiber products and the sudden drop in market demands, the Group strengthened efforts to explore the potential of existing customers and the development of new customers, and achieved better sales targets. Among which, new optical fibers products were introduced and mass production achieved, and the export of optical fibers increased significantly compared with the same period last year. At the same time, the Company strengthened the research and development of new products. A number of high value-added optical fiber products developed have successfully passed tests and obtained patents.

Optoelectronic products: Based on the development direction of optical fibers communication technology and the rapid growth of market demands, the Company vigorously expanded the optoelectronic products market, established a R&D and production team, established production processes for optical devices, completed the construction of production capabilities, obtained several patents, and signed orders for optical components and achieved new breakthroughs from scratch.

Cable products: Despite the decrease in market demands, the Company developed 22 new customers throughout the year through customer retention and market expansion. At the same time, the Company strived to enhance the product portfolio of rail cable certification products, implemented imported raw material replacement projects, and completed prototype production and internal testing for new cable products.

Cable component business: During the Year, the Company ensured task delivery by combining capabilities co-building, production model optimization, tooling improvement and other means. Business revenue increased by approximately 144% year-on-year, and gross profit increased by approximately 272% year-on-year. In addition, based on the ideas of collaborative development and market expansion, the Company strengthened the construction of research and development capabilities, completed the development and delivery of multiple component projects, and finished the trial production and third-party testing of cable samples according to customer needs.

3. Serve the development of main business and build multi-level support

During the Year, based on the overall principles of “stabilizing growth, optimizing structure, and promoting development”, multiple measures were taken to build business guarantee system with multi-point support, and effectively promote the Company’s transformation and upgrade to a new level by focusing on organizational optimization, team building, system improvement, problems solving and other dimensions.

I. Focus on strengthening the foundation and improving organizational effectiveness

In order to strengthen the unified management of business operations and improve management efficiency, the Company has carried out three rounds of organizational restructuring and optimization of responsibilities, focused on strengthening market coordination and prioritizing business initiatives to effectively address issues of fragmented functions and low efficiency. In order to match the needs of business development, , the Company have established and improved the salary and benefits, job levels, and performance distribution systems, and improved the talent incentive mechanism based on the five-level salary system; through the establishment of chief studios, key talent training, school-enterprise cooperation and exchanges, the Company restarted postdoctoral workstations and other methods to promote the construction of talent echelon.

II. Focus on system capacity and strive to improve operational quality and efficiency

First, the Company improved an institutional process system, carried out special projects for the informatization of systems and processes. Guided by the goal of “managing people through systems and managing things through processes”, we would strengthen the capacity of refinement management and improve the efficiency of internal management. Second, the Company built a planning management system, completed the combing of the main business processes, filled the gaps in business processes, achieved full-process control from design and development to mass production of products, and built overall management capabilities. Third, the Company improved the supply chain management system, standardized the procurement process, shortened the material assembly cycle, and improved material support capabilities. Fourth, the Company optimized the quality management system, completed the integration of quality, environment, and occupational health and safety systems, aligned with 3C, CRCC and other certified product requirements, refined the quality management process performance indicators one by one, reconstructed the supplier management framework, and strengthened supplier quality accountability. The

Company has maintained nine valid qualifications throughout the Year (with two newly obtained), bolstering its quality control capacity. Fifth, the Company strengthened the asset management system, starting with enhancing the operational efficiency and protection capabilities of assets, completed stocktaking of fixed assets at all levels, and laid down the sound foundations for the industrial operations. Sixth, the Company strengthened the risk prevention and control system, established a compliance and risk management committee, revised the Internal Control Manual, carried out annual full-level risk identification, and built a strong defense line for compliance operations.

III. Focus on solving problems and strive to improve business quality

First, the Company coordinated the special management of the two funds, formulated a special management work plan, consolidated the cleanup responsibilities at different levels, and improved the efficiency of capital turnover. During the Year, a total of approximately RMB45 million has been recovered from existing accounts receivable. Second, the Company deepened lean production management and significantly improved production efficiency through parameter adjustment, tooling optimization, technological innovation and other methods, and achieved remarkable results in energy saving and consumption reduction. Among which, the new helium recovery tooling designed and put into use by ourselves has saved approximately RMB12 million in helium costs throughout the Year; the localization project of tin plating liquid has reduced the slotting cost by approximately 47% and the consumption cost by approximately 34.5%; and optimizing supporting processes has reduced equipment energy consumption by approximately 12.5%. Third, the Company steadily promoted equity disposal and continued to enhance the resilience of the development of the main business. During the Year, the transaction for the transfer of the 49% equity interest in Chengdu Bada Socket Connector Co., Ltd. (成都八達接插件有限公司) was completed, realizing investment income of RMB1.07 million.

FINANCIAL ANALYSIS

Turnover

During the Year, the turnover of the Group amounted to RMB403,641,154.18, representing an increase of 32.77% as compared with RMB304,013,607.91 for the year ended 31 December 2022 (the “**Previous Year**”). The increase in turnover was attributable to the increase in revenues of approximately 144% and 126% respectively from the increase of sales of optical cable component products and cable products, and various costs control measures taken by the Company during the Year.

During the Year, the turnover of the Company was RMB204,332,367.48, representing an increase of 86.82% as compared to the corresponding period of the Previous Year. The turnover of the optical fiber and optical device business was RMB197,163,942.34, representing an increase of 3.15% as compared with the Previous Year; the turnover of the cable components business was RMB77,573,265.24; representing an increase of 144.36% as compared with the Previous Year; the turnover of the cable manufacturing business was RMB85,399,794.37, representing an increase of 126.12% as compared with the Previous Year; In addition, the turnover of the park operation business was RMB41,559,929.50, representing a decrease of 0.97% as compared with the Previous Year.

Net profit/loss attributable to equity holders of the Company for the Year

The net profit attributable to equity holders of the Company for the Year amounted to RMB2,771,712.63, while a net loss attributable to equity holders of the Company of RMB2,224,261.22 was recorded for the Previous Year.

Asset Structure Analysis

As at 31 December 2023, the Group’s total assets amounted to RMB995,768,004.39, decreased by 2.18% from RMB1,017,995,407.50 as at 31 December 2022, of which total current assets amounted to RMB750,445,119.08, accounting for 75.36% of the total assets and representing a decrease of 0.20% as compared with RMB751,923,412.13 as at 31 December 2022. Property, plant and equipment amounted to RMB181,109,348.40, accounting for 18.19% of the total assets and representing a decrease of 3.77% as compared with RMB188,199,309.59 as at 31 December 2022.

As at 31 December 2023, the Group’s bank deposits and cash totaled RMB373,607,624.23, representing a decrease of 23.03% as compared with RMB485,368,181.46 as at 31 December 2022.

Debt Structure Analysis

As at 31 December 2023, the Group's total liabilities amounted to RMB130,693,326.04, representing a decrease of 25.07% as compared with RMB174,414,926.49 as at 31 December 2022, of which the current liabilities amounted to RMB67,828,145.53, accounting for 51.90% of the total liabilities and representing a decrease of 19.18% as compared with RMB83,924,625.37 as at 31 December 2022; non-current liabilities were RMB62,865,180.51, accounting for 48.10% of the total liabilities and representing a decrease of 30.53% as compared with RMB90,490,301.12 as at 31 December 2022.

Non-current Liabilities or Loans

As at 31 December 2023, the outstanding amount of the Group's long-term loan incurred as a result of the purchase of a French accelerator (inclusive of loans due within one year) was RMB4,634,398.67 (equivalent to EUR589,700). The loan is a French government loan at an interest rate of 0.5% per annum. The loan denominated in Euro is subject to exchange rate risks resulting from fluctuations of the exchange rate in the international foreign exchange market. This long-term loan is an instalment loan in respect of which the maximum repayment period is thirty-six years. As the outstanding amount of the long-term loan is relatively small, there is no material impact on the operations of the Group.

Gearing ratio

As at 31 December 2023, the Group's gearing ratio (total liabilities divided by total assets) was 13.12%, representing a decrease of 4.01 percentage points as compared with the gearing ratio of 17.13% as at 31 December 2022. The Group's gearing ratio is currently at a reasonable level and the long-term repayment risk is within manageable limits.

Operating expenses

During the Year, the Group's selling expenses, administration expenses, research and development expenses and finance expenses amounted to RMB3,973,033.75, RMB64,601,361.75, RMB11,750,168.16 and RMB -9,991,586.86, respectively, representing a decrease of 28.46%, a decrease of 1.14%, an increase of 6.95% and a decrease of 53.74% respectively as compared with RMB5,553,658.18, RMB65,343,225.31, RMB10,986,677.21 and RMB -21,601,080.28 respectively in the Previous Year.

Analysis of Financial Resources

As at 31 December 2023, the Group's bank and other short-term loans (inclusive of loans due within one year) were RMB4,634,398.67, representing a decrease of 3.9% as compared with RMB4,822,391.72 as at 31 December 2022. As the Group had comparatively sufficient bank deposits and cash of RMB373,607,624.23, the Group does not have short-term insolvency risk.

During the Year, the Group did not conduct other capital raising activities.

Analysis of Capital Liquidity

As at 31 December 2023, the Group's account receivables and bill receivables amounted to RMB125,202,788.78 and RMB95,179,226.19 respectively, representing an increase of 58.62% and an increase of RMB95,179,226.19 respectively as compared with RMB78,930,240.49 and RMB0 respectively as at 31 December 2022.

As at 31 December 2023, the Group's current assets amounted to RMB750,445,119.08 (as at 31 December 2022: RMB751,923,412.13), current liabilities were RMB67,828,145.53 (as at 31 December 2022: RMB83,924,625.37), the annual receivables turnover period was 109 days and the annual inventory turnover period was 124 days. The above data indicates that the Company has strong solvency but its liquidity ability and management are yet to be improved.

Capital Structure of the Group

The Group's capital is derived from its profit, proceeds raised, bank and other loans and proceeds from the disposal of the land use rights of the old site of the Company. The use of raised proceeds has strictly complied with the relevant legal requirements. In addition, in order to ensure the proper utilization of capital, the Group has strengthened its existing financial management system. The Group has also paid attention to avoiding high risks and to improving its return on investments. During the Year, debts and obligations were repaid and performed when due in accordance with the relevant contractual terms.

Liquidity and Source of Funds

During the Year, the Group's net cash flow from operating activities amounted to RMB-120,213,835.43, representing a decrease of RMB97,555,411.24 as compared with RMB-22,658,424.19 in the Previous Year.

During the Year, the Group spent RMB13,038,765.59, representing an increase of RMB11,496,564.25 as compared with RMB1,542,201.34 in the Previous Year, for the purchase of property, plant and equipment and expenses on the construction in progress.

As at 31 December 2023, the Group's liabilities and shareholders' equity amounted to RMB995,768,004.39 (as at 31 December 2022: RMB1,017,995,407.50). The Group's interest expenses amounted to RMB72,914.12 for the Year (for Previous Year: RMB73,722.80).

Contingent Liabilities

As at 31 December 2023, the Group did not have any contingent liabilities (as at 31 December 2022: Nil).

Income Tax

Chengdu SEI Optical Fiber Co., Ltd., a subsidiary of the Company, obtained the High-tech Enterprise Certificate on 16 October 2023, jointly issued by the Science & Technology Department of Sichuan Province, the Sichuan Provincial Finance Department and the Sichuan Provincial Tax Service, State Taxation Administration, with a validity period of three years. The certificate number is GR202351002814. The enterprise income tax will be paid at a reduced tax rate of 15% from 2023 to 2025.

PLEDGE OF ASSETS

During the Year, due to sufficient working capital for production and operation, the Group did not take out any loan from banks which was secured by the Group's assets (Previous Year: the Group did not obtain any loan from banks which was secured by the Group's assets).

Staff and Remuneration Policy of the Group

As at 31 December 2023, the Group had 442 staff members (486 members: including labour dispatch).

The Group determines the remuneration of its employees based on their performance, experience and prevailing industry practices. Other benefits offered to the employees include retirement benefits plans, medical benefits plans and housing fund plans. The Group also provides technical trainings to its employees.

Basic Medical Insurance Scheme for Employees

The Company has participated in the basic medical insurance scheme for employees in Chengdu since October 2002. The Company made a total contribution amounting to approximately RMB3,033,200 in the Year (Previous Year: approximately RMB2,590,700). The Board believes that the participation in the basic medical insurance scheme for employees did not have any significant impact on the financial position of the Company.

BUSINESS OUTLOOK

2024 is the time to secure a decisive success in completion of the three-year development plan of the Company. The Group will act on the general principle of seeking progress while maintaining stability, promoting stability through progress, and establishing the new before abolishing the old”, closely focus on strategic deployment and business planning, and grounded on the direction of the “market leading, innovation-driven and management efficiency improvement”, and continue to carry out work around the three aspects of “party building, business, management”. With a focus on the military industry support service market, the Company will expedite the expansion into the optoelectronic product market, continue to improve research and development efficiency, thereby enhancing its own market competitiveness, and building a new pattern of high-quality development.

I. Construct a characteristic matrix for Party building work and promote the deep integration and mutual integration of party building and business

In 2024, the Company will focus on Party building leadership, strive to build a characteristic matrix for Party building work, continue to thoroughly study and implement the spirit of the 20th National Congress of the Party and all 20th plenary sessions, and thoroughly learn from General Secretary Xi Jinping’s important speeches and instructions pertinent to our unit and field, implement the “first issue” system, consolidate and improve the “1124” party building working mechanism. The Company will strengthen, deepen and improve the party building brand, strictly implement “dual responsibilities for one post”, and grasp the work of Party building with business development and team building, continue to strengthen publicity efforts and create a new pattern of dual promotion of party building and business integration.

II. Integrated combination of sales, research and production to promote the dynamic and balanced development of the Company

1. Focus on market challenges and expand business territory

Optical fibers products: It is expected that the optical fibers market will continue to decline in 2024. The Group will strengthen to explore the potential of existing customers, utilize technological advantages, develop application scenarios, and actively expand external market segments and high value-added military products markets, focusing on the sales of new products and high-profit optical fibers. At the same time, the Company will rely on the establishment of overseas independent website to continue to track customer needs and further expand into overseas markets.

Optoelectronic products: The Company will take market demand as the core traction, vigorously expand the needs of key customers in optoelectronics, acoustic-optic-electronic and other aspects and achieve contract signings. The Company will focus on strategically positioning the optical module products, aiming to establish a strong market reputation and striving to secure orders.

Cable products: The Company will coordinate the needs of the new customer market and the traditional customer market, focus on exploring new needs of existing customers, develop the market for specialized fields, implement targeted strategies, and stabilize the market.

Cable component business: The Company will focus on new customer needs and new product applications to develop corresponding component products and provide excellent customer service.

2. *Adhere to innovation-driven principle and continue to improve product layout*

Based on the business development plan and technology development plan, combined with the actual development, the Company will identify the key initiatives for developing new products and new processes in 2024, conduct research into key core technologies, continuously enhance process capabilities, optimize and evolve product features, and launch new products. The Company will focus on the research and development of high value-added products, customer-customized products and new optical fiber products. Efforts will be made in developing and enhancing the research and development capabilities for products such as optical devices and optical modules. The Company will also continue to refine and improve mature cable products through cost-reduction and process optimization, achieving the development and solidification of new processes.

3. *Strengthen production capacity building and lay a solid foundation for production*

Combining the requirements of business development planning and new product research and development tasks, the Company will accelerate the construction of key projects, expand the production capacity for new optical fibers and the production and testing capabilities for optoelectronic products, enhance the research and development and production capabilities for new types of cable, improve the production capacity and product quality of cable assembly production lines, and establish a comprehensive capability system encompassing component research and development, process design and assembly.

III. Streamlining management, enhancing quality and efficiency and upgrading support capabilities

1. Deepen the reform of internal mechanisms and stimulate the endogenous motivation of the organization

Focusing on the needs of the market, R&D, and production, the Company will continue to adjust the organizational structure and functional allocation to resolve problems such as substantial management burden and low management efficiency, and thereby laying a more robust organizational foundation for the Company's pursuit of high-quality development.

The Company will adhere to the principle driven by talent leadership, with the goal of "establishing a modern and standardized human resources management system", stimulate the motivation and vitality of the team by adjusting the performance incentive cycle, adjust the on-the-job personnel structure, optimize the allocation of human resources, and strengthen the development of high-caliber talent teams, thereby gathering a more formidable talent force for the sustained growth of the core business of the Company.

2. Strengthen all-round management and improve business support capabilities

The Company will focus on "efficient operation to serve the main business", and based on the principle of "full business coverage, no omissions in management, and controllable risks", the system and processes are optimized and adjusted to form a scientifically standardized, business-driven, and efficient process system.

Based on project promotion and R&D implementation, the Company will optimize business management processes, strengthen R&D project management, and build an agile and efficient R&D process to promote R&D process standardization, and help the development and efficiency growth of the Company.

The Company will continue to improve basic quality management capabilities, focusing on obtaining certification qualifications for new products, new businesses, and new markets.

The Company will focus on new products and new business needs, formulate asset management plans, ensure the implementation of fixed investment in key equipment, operation and maintenance of critical equipment, and upgrade of production sites, serving and ensuring the developmental needs of the business.

The Company will strengthen the construction of the financial and accounting supervision system, deepen the integration of industry and finance, focus on promoting risk management and control in strategic planning, investment activities, procurement business, sales business, asset management, contract management and other dimensions, thereby enhancing the effectiveness of financial and accounting oversight.

The Company will improve the level of information management, strengthen data empowerment, use data to drive decision-making, provide timely feedback on the Company's situation, and achieve information transparency.

RISK MANAGEMENT

The Group is committed to the principle that risk management should be subordinate to the overall strategy of the Group and serve its strategic concept while strengthening the risk classification and identification management and implementing the routine practice of risk management. The Group's risk management targets to seek the appropriate balance between the risks and benefits and minimize the effects of the risks on the Group's financial performance and maximize the interests of the shareholders and other equity investors. In 2024, the Group will closely combine the actual situation and industry characteristics, and carry out an annual risk assessment based on the risk classification table, conduct an in-depth analysis of the causes of risk occurrence, comprehensively assess the internal and external risks of the enterprise, study and judge the possible impact of risk occurrence, and determine five risks required to be managed and controlled. Combined with the operating status and operating environment of the In conjunction with the Company's operating status and operating environment, the Company set up three monitoring indicators for each key controlled risk, and established early warning thresholds and indicator weights.

1. "Two Funds" management risk

The Group's management risk of "Two Funds" refers to the risk of bad debts due to the long ageing of accounts receivable and unreasonable inventory reserves, resulting in excessive inventory. The Group will regularly settle accounts receivable; collect accounts receivable through various means and recover accounts receivable by legal means when necessary. The Group will maintain regular reconciliation traceability, promote accelerated recovery, revitalize existing assets, accelerate capital flow, and reduce the risk of bad debt losses. The Group will set up safety inventory reasonably, closely monitor the actual inventory quantity and production planning arrangement, and avoid excessive inventory through timely procurement and appropriately increasing the frequency of procurement.

2. Market risk

The market risk faced by the Group refers to the low market share of our products that weakens the Company's bargaining power, the low punctuality of the accounts receivables from customers affecting the recovery of funds, and the risk of collection due to delayed payment by customers. The Group will seek to understand the needs of users in some depth, launch products close to user needs, and gradually increase market share. The Group will cooperate with industry-leading resources to accelerate the pace of entry, extensively participate in industry activities to increase industry recognition and adopt different contracting methods with different customers based on customer credit ratings. The Group will continue to track customer credit dynamics, continuously follow up and monitor customer payment status, set up an early warning mechanism for customers with excessive credit, and would withhold deliveries or implement strict approval procedures.

3. Quality risk

The quality risks faced by the Group include fines and claims from customers caused by product quality problems. The Group will enhance employees' awareness of quality and clarify quality responsibilities through quality duty announcements, quality case analysis, quality awareness education, etc. The Group will strengthen job knowledge and operational skills training to improve employees' business quality and capabilities and establish the system to achieve full-process quality control and the handling of product quality issues. During implementation, the Group will strictly implement process, technical and management requirements, report quality problems in a timely manner, and control the process according to problem reporting, problem identification, control of non-conforming products, and, when necessary, take corrective measures (including zeroing out quality problems)) and other process controls to analyze, handle, and confirm quality problems to prevent their unintended use. The Group will summarize experience to prevent recurrence of similar issues. The Group will strictly follow the "Quality Responsibility and Incentive Management Measures" to investigate quality responsibilities and dishonest behaviors, and provide incentives to those who contribute to product quality assurance, improvement and quality management. The Company will strengthen communication with customers, understand the actual use environment of products, and fully understand customer needs; respond to customer feedback in a timely manner, provide excellent customer service and satisfy customers.

4. Technological risk

The technical risk confronted by the Group refer to the risk that product technology is lagging behind or cannot meet customer needs. The Group will strengthen demand research, respond to customer needs in a timely manner, and implement and manage R&D projects according to R&D project plans. The Group will confirm key new product R&D plans and increase new product categories based on business planning every year and ensure that a specified number of intellectual property applications are approved each year.

5. Human resources risk

The human resources risk faced by the Group refers to the existing employees of the Company pending for duties, and a weak research and development technical team that is not fully aligned with market capabilities. The Group will control the increase in the number of employees pending for duties, process retirement of employees on time for those due to retire, and actively promote the return to work for qualified personnel. The Group shall formulate annual recruitment plans and supplement personnel for vacant positions through campus recruitment and social recruitment channels.

SHAREHOLDINGS OF SHAREHOLDERS AND CHANGE OF SHARE CAPITAL STRUCTURE

1. Share capital structure

During the Year, the Company had not made any arrangements for bonus issue, share placing and issuance of new shares. There was no change in the Company's share capital structure. The total number of shares issued by the Company was 400,000,000 shares, of which Chengdu Siwi Electronic Co., Ltd. (成都四威電子有限公司) held 240,000,000 state-owned legal person shares, representing 60% of the issued share capital of the Company, and the overseas shareholders of H shares held 160,000,000 shares, representing 40% of the issued share capital of the Company.

On 5 February 2024, the Board was informed by 29th Research Institute of China Electronics Technology Group Corporation* (中國電子科技集團公司第二十九研究所) (“**29th Research Institute**”), the indirect controlling shareholder of the Company, that Chengdu Siwi Electronic Co., Ltd. (“**Chengdu Siwi Electronic**”) has entered into an equity transfer agreement with Chengdu Siwi High-Tech Industrial Co., Limited* (成都四威高科技產業園有限公司) (“**Chengdu Siwi High-Tech**”) on 5 February 2024, pursuant to which Chengdu Siwi Electronic has agreed to transfer 34% of its equity interest in the Company to Chengdu Siwi High-Tech at nil consideration. As at the date of this announcement, Chengdu Siwi Electronic, Chengdu Siwi High-Tech and the public held 26%, 34% and 40% of the equity interests of the Company respectively. For details, please refer to the Company’s announcements dated 8 January 2024 and 5 February 2024.

2. Shareholding of directors and supervisors

As at 31 December 2023, none of the directors, supervisors and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities & Futures Ordinance (“**SFO**”) (Chapter 571 of the Laws of Hong Kong)) as recorded in the register required to be kept by the Company under Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

3. Purchase, sale or redemption of listed securities of the Company

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

4. Convertible securities, share options, warrants or relevant entitlements

During the Year, the Group did not issue any convertible securities, share options, warrants or relevant entitlements.

5. Sufficient public float

According to public information available to the Company and to the best knowledge of each of the Directors, the Company has confirmed that the public have held sufficient shares during the Year and up to the date of this announcement.

* *for identification purpose only*

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the Year (Previous Year: nil).

SIGNIFICANT EVENTS

Transfer of 49% equity interests of Chengdu Bada

On 28 February 2023, the Company decided to transfer its 49% equity interest (“**Disposal A**”) in Chengdu Bada Socket Connector Co., Ltd. (“**Chengdu Bada**”) through public tender on the Chongqing United Assets and Equity Exchange (“**Assets and Equity Exchange**”) for a period of 20 business days (the “**Announcement Period**”), i.e. from 28 February 2023 to 27 March 2023, with an initial bidding price of approximately RMB4,321,600. Upon completion of the Disposal A, the Company will no longer hold any equity interest in Chengdu Bada. After the expiration of the Announcement Period on 27 March 2023, no intended transferee was solicited for the Disposal A. In accordance with the Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (企業國有資產交易監督管理辦法) (Order No. 32 of the State-Owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance), the Board resolved to approve the reduction of the minimum bidding price to RMB3.92 million and to re-list Chengdu Bada for a period of 10 working days, (the “**Second Announcement Period**”), commencing from 29 March 2023 and ending on 12 April 2023. After the expiration of the Second Announcement Period on 12 April 2023, Chengdu Puhui Communication Technology Co., Ltd. (成都高新區普惠通信技術有限公司) (“**Chengdu Puhui**”), the current shareholder holding 51% equity of Chengdu Bada, was confirmed as the intended transferee and will acquire 49% equity of Chengdu Bada from the Company at a consideration of RMB3.92 million. On 28 April 2023, Chengdu Puhui and the Company entered into a formal agreement, and Chengdu Puhui paid the entire consideration of RMB3.92 million on 15 May 2023.

Transfer of 10% Equity Interest in Putian Fasten

On 29 December 2022, the Company proposed to transfer the 10% equity interest in 普天法爾勝光通信有限公司 (Putian Fasten Cable Telecommunication Co. Ltd.*) (“**Putian Fasten**”) held by the Company through public tender on Assets and Equity Exchange* (重慶聯合產權交易所) for a period of 20 working days (the “**Publication Period**”) (i.e. from 29 December 2022 to 31 January 2023) at an initial bidding price of approximately RMB47,077,390 (the “**Disposal B**”). Upon completion of the Disposal B, the Company will cease to hold any equity interest in Putian Fasten.

* *for identification purpose only*

As no intended bidder has been solicited during the Publication Period, the Disposal B has been extended for each subsequent period of 5 working days from 1 February 2023, until an intended bidder is solicited (the “**Extension Period**”). During the Extension Period, as no intended bidders has been solicited. On 22 September 2023, the Board has resolved to approve the reduction of the minimum bidding price in respect of the Potential Disposal B from RMB47,077,390 to RMB42,369,651, representing approximately 10% decrease from the initial bidding price, in accordance with the relevant laws and regulations of the PRC concerning the disposal of state-owned assets. The Disposal at reduced price through public tender would still be carried out on the Assets and Equity Exchange and should commence on 26 September 2023 for a period of 20 working days. If no intended bidder is solicited, the Potential Disposal B will be extended to 31 December 31 2023 for each subsequent period of five (5) working days until an intended bidders is solicited. The Extension Period expired on 28 December 2023, and the Company canceled the public tender as no intended transferee has been solicited.

SUBSEQUENT MATTERS

Change in controlling shareholders

On 3 January 2024, the Company was informed by 29th Research Institute of China Electronics Technology Group Corporation* (中國電子科技集團公司第二十九研究所), the indirect controlling shareholder of the Company, that China Electronics Technology Group Corporation* (中國電子科技集團有限公司) (“**China Electronics Technology**”), the de facto controlling shareholder of the Company has, on 29 December 2023, consented to the proposals regarding the Proposed Reorganisation (as defined below), pursuant to which Chengdu Siwi Electronic shall transfer 34% of its equity interest in the Company to an indirect wholly-owned subsidiary of China Electronics Technology, Chengdu Siwi High-Tech (the “**Proposed Reorganisation**”).

On 5 February 2024, the Board was informed by 29th Research Institute, the indirect controlling shareholder of the Company, that Chengdu Siwi Electronic has entered into an equity transfer agreement with Chengdu Siwi High-Tech on 5 February 2024, pursuant to which Chengdu Siwi Electronic has agreed to transfer 34% of its equity interest in the Company to Chengdu Siwi High-Tech at nil consideration.

Upon completion of the relevant filings, the Proposed Reorganisation shall be completed, upon which the Company will be owned as to 26%, 34% and 40% by Chengdu Siwi Electronic, Chengdu Siwi High-Tech and the public, respectively. Chengdu Siwi High-Tech will become the controlling shareholder of the Company. 29th Research Institute and China Electronics Technology will remain as the indirect controlling shareholder and de facto controlling shareholder of the Company, respectively.

* *for identification purpose only*

The Proposed Reorganisation may trigger the requirement to make a mandatory general offer for all of the shares of the Company pursuant to Rule 26.1 of the Codes on Takeovers and Mergers and Share Buy-backs. The Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegate(s) has granted a waiver of the obligation of Chengdu Siwi High-Tech to make a general offer for the Shares arising as a result of the Proposed Reorganisation.

CORPORATE GOVERNANCE CODE

The Company will strive to maintain a high standard of corporate governance and transparency of the Company and to safeguard the interest of shareholders and the Company as a whole. For the Year, the Company had applied the principles and complied with the applicable code provisions, and also complied with certain recommended best practices, of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. The Group’s corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to shareholders.

The Company will, from time to time, review and enhance its corporate governance practices to ensure that these practices continue to meet the requirements of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the directors and supervisors of the Company.

After specific enquiries to the directors and supervisors of the Company, the Board confirmed that all directors and supervisors had fully complied with the codes as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules during the Year.

AUDIT COMMITTEE OF THE BOARD (“AUDIT COMMITTEE”) AND REVIEW OF THE ANNUAL RESULTS

The Company established the Audit Committee in accordance with the Listing Rules. The members of the Audit Committee are Ms. Fu Wenjie, Mr. Zhong Qishui and Mr. Xue Shujin, three being the independent non-executive directors of the Company. The Audit Committee is responsible for matters such as conducting reviews of risk management, internal control and financial reports and has reviewed the Company’s audited financial statements and annual results for the Year.

The Audit Committee has reviewed the accounting principles and the audited financial statements for the Year adopted by the Group. The Audit Committee considered that the audited financial statements and the annual results of the Company for the Year were in full compliance with the requirements of the applicable accounting standards, laws and regulations and appropriate disclosure was made.

ANNUAL REPORT AND ANNUAL GENERAL MEETING

The annual general meeting (“AGM”) for the Year will be held on Friday, 10 May 2024 at No. 18, Xinhang Road, the West Park of Hi-tech Development Zone, Chengdu, Sichuan Province, the PRC. Notice of the AGM will be announced separately. The Group’s annual report for the financial year ended 31 December 2023 and the notice of the AGM will be dispatched to its shareholders as soon as possible and will also be published on the Stock Exchange’s website (<http://www.hkexnews.hk>) and the Company’s website (<http://www.cdc.com.cn>).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 May 2024 to 10 May 2024 (both days inclusive), during which period no transfer of shares will be registered.

In order to be qualified for attending and voting at the 2023 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H share registrar, Hong Kong Registrars Limited at Rooms 1712-16, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for the holders of H shares; or the registered office of the Company at No. 18, Xinhang Road, the West Park of Hi-tech Development Zone, Chengdu, Sichuan Province, the PRC (postal code: 611731) for the holders of domestic shares for registration by 4:30 p.m. on 2 May 2024.

ACKNOWLEDGEMENT

I would like to thank the Board, the Supervisory Committee, the management and all of our staff for their hard work and dedication, as well as our shareholders and customers for their continuous support to the Group.

Notes:

1. This results announcement is prepared in both Chinese and English. Should there be any discrepancies between the two versions, the Chinese version shall prevail.
2. This results announcement will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.cdc.com.cn>) in due course.

By order of the Board
Chengdu SIWI Science and Technology Company Limited
Li Tao
Chairman

Chengdu, the PRC, 22 March 2024

As of the date of this announcement, the Board comprises:

Executive Directors: Ms. Li Tao (Chairman), Mr. Wu Xiaodong,
Mr. Hu Jiangbing, Mr. Zhu Rui, Mr. Jin Tao
and Mr. Chen Wei

Independent Non-executive Directors: Ms. Fu Wenjie, Mr. Zhong Qishui and Mr. Xue Shujin