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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)**

## 2024 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 results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 (the “**Year**”) together with comparative figures for the corresponding period in 2023 as follows:

### CONSOLIDATED BALANCE SHEET

*As at 31 December 2024*

Chengdu SIWI Science and  
Technology Company Limited

*(Amounts in Renminbi,  
unless otherwise stated)*

<b>Assets</b>	<i>Section VI</i>	<b>Closing balance</b>	<b>Opening balance</b>
Current Assets:			
Cash and bank balance		<b>440,790,899.45</b>	373,607,624.23
Financial assets held for trading			
Derivative financial asset			
Notes receivable	<i>Note 1</i>	<b>58,717,569.49</b>	95,179,226.19
Account receivable	<i>Note 2</i>	<b>120,157,148.01</b>	125,202,788.78
Receivable financing	<i>Note 3</i>	<b>47,730,010.46</b>	41,011,605.83
Advances paid		<b>3,610,696.10</b>	11,336,285.41
Other receivables		<b>2,152,865.05</b>	3,683,228.72
Inventories		<b>89,207,650.30</b>	99,779,109.17
Assets held for sale			
Non-current assets due within one year			
Other current assets		<b>84,116.66</b>	645,250.75
<b>Total Current Assets</b>		<b>762,450,955.52</b>	750,445,119.08

<b>Assets</b>	<i>Section VI</i>	<b>Closing balance</b>	Opening balance
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term accounts receivable			
Long-term equity investments		<b>27,779,669.92</b>	29,661,449.35
Other equity instrument investments			
Other non-current financial assets			
Investment Property		<b>61,989,892.43</b>	66,012,849.35
Fixed assets		<b>111,466,556.05</b>	111,882,697.85
Construction in process		<b>2,296,309.95</b>	3,213,801.20
Productive biological assets			
Oil&gas assets			
Right-of-use assets			
Intangible assets		<b>30,683,357.48</b>	30,720,442.21
Capitalised R&D expenses			
Goodwill			
Long-term deferred expenses		<b>6,805,744.01</b>	1,972,185.95
Deferred income tax assets			
Other non-current assets		<b>1,245,033.90</b>	1,859,459.40
		-----	-----
<b>Total Non-current Assets</b>		<b>242,266,563.74</b>	245,322,885.31
		-----	-----
<b>Total Assets</b>		<b>1,004,717,519.26</b>	995,768,004.39
		=====	=====

<b>LIABILITIES AND EQUITY</b>	<i>Section V</i>	<b>Closing balance</b>	<b>Opening balance</b>
Current Liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	<i>Note 4</i>	<b>44,177,929.28</b>	28,233,898.59
Advances received		<b>233,463.10</b>	559,155.80
Contract liabilities		<b>699,194.91</b>	820,726.09
Employee benefits payable		<b>10,447,963.95</b>	11,521,445.23
Taxes and rates payable		<b>6,507,160.51</b>	4,415,396.76
Other payables		<b>15,814,184.96</b>	18,017,381.92
Liabilities held for sale			
Non-current liabilities due within one year		<b>451,436.19</b>	471,441.50
Other current liabilities		<b>1,933,169.56</b>	3,788,699.64
<b>Total Current Liabilities</b>		<b>80,264,502.46</b>	67,828,145.53
Non-current Liabilities:			
Long-term borrowings		<b>3,534,868.63</b>	4,162,957.17
Bonds payable			
Including: Preferred shares			
perpetual bonds			
Lease Liabilities			
Long-term accounts payable			
Long-term employee benefits payable		<b>11,529,061.96</b>	13,550,155.94
Provisions			
Deferred income		<b>42,530,368.00</b>	45,152,067.40
Deferred tax liabilities			
Other non-current liabilities			
<b>Total Non-current Liabilities</b>		<b>57,594,298.59</b>	62,865,180.51
<b>Total Liabilities</b>		<b>137,858,801.05</b>	130,693,326.04

<b>LIABILITIES AND EQUITY</b>	<i>Section V</i>	<b>Closing balance</b>	Opening balance
Owners' Equity:			
Share capital		<b>400,000,000.00</b>	400,000,000.00
Other equity instruments			
Including: Preferred shares			
perpetual bonds			
Capital reserves		<b>641,928,122.08</b>	641,928,122.08
Less: Treasury stock			
Other Comprehensive Income			
Special reserves		<b>594,228.96</b>	54,983.07
Surplus reserves		<b>8,726,923.61</b>	8,726,923.61
Retained earnings		<b>-272,912,958.36</b>	-274,062,703.01
		-----	-----
Total equity attributable to the parent company		<b>778,336,316.29</b>	776,647,325.75
		-----	-----
Non-controlling interest		<b>88,522,401.92</b>	88,427,352.60
		-----	-----
<b>Total Owners' Equity</b>		<b>866,858,718.21</b>	865,074,678.35
		-----	-----
<b>Total Liabilities and Owners' Equity</b>		<b>1,004,717,519.26</b>	995,768,004.39
		=====	=====

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

Chengdu SIWI Science and  
Technology Company Limited

(Amounts in Renminbi,  
unless otherwise stated)

Items	Section V	Current period cumulative	Preceding period comparative
<b>I. Total operating Revenue</b>	<i>Note 5</i>	<b>302,066,668.88</b>	403,641,154.18
Less: Cost of sales	<i>Note 5</i>	<b>238,929,176.04</b>	319,584,656.92
Tax and surcharge	<i>Note 6</i>	<b>8,356,997.04</b>	7,938,686.53
Marketing expenses	<i>Note 7</i>	<b>6,369,106.82</b>	3,973,033.75
Administration expenses	<i>Note 8</i>	<b>44,618,379.45</b>	64,601,361.75
R&D expenses	<i>Note 9</i>	<b>15,077,845.62</b>	11,750,168.16
Financial costs	<i>Note 10</i>	<b>-9,285,332.62</b>	-9,991,586.86
Including: Interest expenses		<b>65,109.12</b>	72,914.12
Interest income		<b>9,207,605.36</b>	10,318,190.17
Add: Other income		<b>2,931,971.25</b>	2,967,517.91
Investment income			
(or less: loss)		<b>-1,929,102.69</b>	-4,146,553.25
Including: Investments			
income from joint ventures and associates		<b>-1,881,779.43</b>	-5,591,462.59
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)		<b>2,212,193.83</b>	-4,029,786.00
Assets impairment loss			
(or less: loss)		<b>-1,980,034.03</b>	-2,528,768.75
Gains on assets disposal			
(or less: loss)		<b>1,435,826.36</b>	-203,719.88

Items	Section V	Current period cumulative	Preceding period comparative
<b>II. Operating Profit (or less: loss)</b>		<b>671,351.25</b>	-2,156,476.04
Add: Non-operating revenue		<b>576,728.26</b>	5,622,219.45
Less: Non-operating expenditures		<b>6,621.62</b>	
<b>III. Profit before tax (or less: loss)</b>		<b>1,241,457.89</b>	3,465,743.41
Less: Income tax	Note 11		
<b>IV. Net profit (or less: net loss)</b>		<b>1,241,457.89</b>	3,465,743.41
(I) Categorized by continuity of operations			
1. Net profit from continuing operations (or less: loss)		<b>1,241,457.89</b>	3,465,743.41
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)		<b>1,149,744.65</b>	2,771,712.63
2. Net profit attributed to non-controlling shareholders (or less: loss)		<b>91,713.24</b>	694,030.78

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Items	Section V	Current period cumulative	Preceding period comparative
<b>(II) To be reclassified subsequently to profit and loss</b>			
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. Differences on translation of foreign currency financial statements			
<b>Items attributable to non-controlling shareholders</b>			
<b>VI. Total comprehensive income</b>		<b>1,241,457.89</b>	21,439,214.27
Items attributable to the owners of the parent company		<b>1,149,744.65</b>	20,745,183.49
Items attributable to non-controlling shareholders		<b>91,713.24</b>	694,030.78
<b>VII. Earning per share(EPS)</b>			
(I) Basic EPS (yuan per share)		<b>0.0029</b>	0.01
(II) Diluted EPS (yuan per share)		<b>0.0029</b>	0.01



## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

Chengdu SIWI Science and  
Technology Company Limited

(Amounts in Renminbi,  
unless otherwise stated)

Items	Section V	Current period cumulative	Preceding period comparative
<b>I. Cash flows from operating activities:</b>			
Cash receipts from sales of goods or rendering of services		356,607,753.39	318,023,289.92
Receipts of tax refund		51,090.25	
Other cash receipts related to operating activities		11,937,365.09	20,514,986.02
		<hr/>	<hr/>
Subtotal of cash inflows from operating activities		368,596,208.73	338,538,275.94
		<hr/>	<hr/>
Cash payment for goods purchased and service received		171,791,328.30	307,996,184.21
Cash paid to and on behalf of employees		72,539,667.80	113,958,016.43
Cash payments for taxes and rates		14,706,921.61	14,747,156.87
Other cash payments related to operating activities		23,432,814.86	22,050,753.86
		<hr/>	<hr/>
Subtotal of cash outflows from operating activities		282,470,732.57	458,752,111.37
		<hr/>	<hr/>
Net cash flows from operating activities		86,125,476.16	-120,213,835.43
		<hr/>	<hr/>

Items	Section V	Current period cumulative	Preceding period comparative
<b>II. Cash flows from investment activities:</b>			
Cash receipts from withdrawal of investments			27,521,458.86
Cash receipts from investment income			27,736.50
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term		<b>1,864,738.00</b>	520,508.53
Net cash receipts from the disposal of subsidiaries & other business unites			
Other cash receipts related to investing activities		-----	-----
Subtotal of cash inflows from investing activities		<u><b>1,864,738.00</b></u>	<u>28,069,703.89</u>
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		<b>20,220,861.06</b>	13,038,765.59
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		<u><b>20,220,861.06</b></u>	<u>13,038,765.59</u>
<b>Net cash flows from investing activities</b>		<u><b>-18,356,123.06</b></u>	<u>15,030,938.30</u>

Items	Section V	Current period cumulative	Preceding period comparative
<b>III. Cash flows from financing activities:</b>			
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		447,330.91	458,487.35
Cash payments for distribution of dividends or profits and for interest expenses		65,109.12	72,914.12
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		512,440.03	531,401.47
<b>Net cash flows from financing activities</b>		<u><u>-512,440.03</u></u>	<u><u>-531,401.47</u></u>

Items	Section V	Current period cumulative	Preceding period comparative
<b>IV. Effect of foreign exchange rate changes on cash &amp; cash equivalents</b>		<b>6,043.18</b>	58,551.66
<b>V. Net increase in cash and cash equivalents</b>		<b>67,262,956.25</b>	-105,655,746.94
Add: Opening balance of cash and cash equivalents		<b>373,527,943.20</b>	479,183,690.14
<b>VI. Closing balance of cash and cash equivalents</b>		<b>440,790,899.45</b>	373,527,943.20

*For the year ended 31 December 2024*

## Chengdu SIWI Science and Technology Company Limited

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# NOTES TO THE FINANCIAL STATEMENTS IN 2024

## 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 June 30, 2022, the company was renamed from Chengdu PUTIAN Telecommunications Cable Company Limited to Chengdu SIWI Science and Technology Company Limited.

At February 5, 2024, Chengdu SIWI Electronic Co., Ltd. and Chengdu SIWI High-Tech Industrial Co, Ltd. (“**Chengdu High-Tech**”) have signed an equity transfer agreement, in which Chengdu SIWI Electronics agrees to transfer 34% of the company’s equity held by it to Chengdu SIWI High-Tech for free, and Chengdu SIWI High-Tech will become the controlling shareholder of the company.

## **(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 21 March 2025.

## 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. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

##### 1. Changes in accounting policies

###### (1) 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 “Classification of Current Liabilities and Non-current Liabilities” and “Disclosure of Supplier Financing Arrangements” as of January 1, 2024.

The Company has implemented Interpretation No. 17 of “Classification of Current Liabilities and Non-current Liabilities” and “Disclosure of Supplier Financing Arrangements” since the effective date, and the Implementation Interpretation No. 17 has no significant impact on the financial statements for the current reporting period.

###### (2) Impact of the Implementation of the Interim Provisions on Accounting Treatment of Enterprise Data Resources on the Company

The Company has implemented the Interim Provisions on Accounting Treatment of Enterprise Data Resources (hereinafter referred to as the “**Interim Provisions**”) effective from January 1, 2024. The implementation of the Interim Provisions has no significant impact on the financial statements for the current reporting period.

###### (3) The impact of the implementation of interpretation No.18 of Accounting Standards for Business Enterprises

According to the Interpretation No. 18 of Accounting Standards for Business Enterprises (Cai Kuai [2024] No. 24, hereinafter referred to as “**Interpretation No. 18**”) published by the Ministry of Finance on 6 December 2024, the Company has implemented Interpretation No. 18 of since the effective date, and the Implementation Interpretation No. 18 has no significant impact on the financial statements for the current reporting period.

## V. TAXES

### (I) Main categories of tax and tax rates

Taxes	Tax basis	Tax rate
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 <sup>2</sup> , 8 yuan/m <sup>2</sup>
Resource tax	Water actually consumed	2.69/m <sup>3</sup>
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 2024.

### (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 closing balances are all as of December 31, 2024, the opening balances are all as of January 1, 2024, the end of previous year refers to December 31, 2023.)

### Note 1 Notes receivable

#### 1. Details of notes receivable on categories

Items	Closing balance	Opening balance
Bank acceptance	32,060,211.76	22,731,452.68
Trade acceptance	26,941,566.49	72,811,832.67
Subtotal	59,001,778.25	95,543,285.35
Less: Provision for bad debts	284,208.76	364,059.16
Total	58,717,569.49	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	59,001,778.25	100.00	284,208.76	0.48	58,717,569.49
Including: Trade acceptance	26,941,566.49	45.66	284,208.76	1.05	26,657,357.73
Including: Bank acceptance	32,060,211.76	54.34			32,060,211.76
Total	59,001,778.25	100.00	284,208.76	0.48	58,717,569.49

Categories	Book balance		Opening 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	22,731,452.68	23.79			22,731,452.68
Total	95,543,285.35	100.00	364,059.16	0.38	95,179,226.19

### 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	-79,850.40				284,208.76
Including: Trade acceptance	364,059.16	-79,850.40				284,208.76
Total	364,059.16	-79,850.40				284,208.76

### 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	5,526,306.44	1,845,380.42
Total	5,526,306.44	1,845,380.42

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**

<b>Ages</b>	<b>Closing balance</b>	<b>Opening balance</b>
Within 1 year	<b>117,431,517.03</b>	122,019,154.59
1-2 years	<b>784,603.81</b>	3,888,003.17
2-3 years	<b>2,650,590.54</b>	4,222,456.12
Over 3 years	<b>33,555,486.34</b>	31,967,253.05
Subtotal	<b>154,422,197.72</b>	162,096,866.93
Less: Provision for bad debts	<b>34,265,049.71</b>	36,894,078.15
Total	<b>120,157,148.01</b>	125,202,788.78

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

<b>Categories</b>	<b>Book balance</b>		<b>Closing balance</b>		<b>Carrying amount</b>
	<b>Amount</b>	<b>% to total</b>	<b>Provision for bad debts</b>	<b>Provision proportion</b>	
			<b>Amount</b>	<b>(%)</b>	
Receivable with provision made on an individual basis	<b>25,279,572.67</b>	<b>16.37</b>	<b>25,279,572.67</b>	<b>100.00</b>	
Receivable with provision Made on a collective basis	<b>129,142,625.05</b>	<b>83.63</b>	<b>8,985,477.04</b>	<b>6.96</b>	<b>120,157,148.01</b>
Including: Related party portfolio	<b>70,547,491.27</b>	<b>45.68</b>	<b>352,737.46</b>	<b>0.50</b>	<b>70,194,753.81</b>
Non-related party portfolio	<b>58,595,133.78</b>	<b>37.95</b>	<b>8,632,739.58</b>	<b>14.73</b>	<b>49,962,394.20</b>
Total	<b>154,422,197.72</b>	<b>100.00</b>	<b>34,265,049.71</b>	<b>22.19</b>	<b>120,157,148.01</b>

Categories	Book balance		Opening balance Provision for bad debts		Carrying amount
	Amount	% to total	Amount	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	162,096,866.93	100.00	36,894,078.15	22.76	125,202,788.78

### 3. Accounts receivable with provision made on an individual basis

Debtors	Book balance	Closing balance Provision for bad debts		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
Other 149 companies	12,973,643.13	12,973,643.13	100.00	Not expect to be recoverable
Total	25,279,572.67	25,279,572.67	—	—

#### 4. Accounts receivable with provision made on a collective basis

##### (1) Related party portfolio

Age	Book balance	Closing balance	Provision proportion (%)
		Provision for bad debts	
Within 1 year	70,088,433.13	350,442.18	0.50
Over 3 years	459,058.14	2,295.28	0.50
Total	70,547,491.27	352,737.46	0.50

##### (2) Non-related party portfolio

Age	Book balance	Closing balance	Provision proportion (%)
		Provision for bad debts	
Within 1 year	47,343,083.90	1,255,681.97	2.65
1-2 years	784,603.81	278,445.39	35.49
2-3 years	2,650,590.54	1,497,053.54	56.48
Over 3 years	7,816,855.53	5,601,558.68	71.66
Total	58,595,133.78	8,632,739.58	14.73

#### 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	25,826,748.94	-0.01	8,128.36	539,047.90	-	25,279,572.67
Receivable with provision made on a collective basis	11,067,329.21	-2,081,852.17				8,985,477.04
Including: Related party portfolio	250,706.47	102,030.99				352,737.46
Non-related party portfolio	10,816,622.74	-2,183,883.16				8,632,739.58
Total	36,894,078.15	-2,081,852.18	8,128.36	539,047.90	-	34,265,049.71

**6. Write-off accounts receivable in current period**

<b>Categories</b>	<b>Write-off amounts</b>
Written off accounts receivable	539,047.90

The details of significant accounts receivable write-offs are as follows: :

<b>Debtors</b>	<b>Nature of payments</b>	<b>Write-off amount</b>	<b>Write-off reason</b>	<b>Write-off procedures</b>	<b>Whether is generated by a related party transaction</b>
Sichuan Forever Science and Technology Co., Ltd., and other 4 companies	Payment for goods	539,047.90	Cannot be recoverable	Board Resolution	No
Total		539,047.90			

**7. Details of the top 5 debtors with largest balances**

<b>Debtors</b>	<b>Closing balance</b>	<b>Proportion to the total balance of accounts receivable (%)</b>	<b>Provision for bad debts</b>
Chengdu SIWI High-Tech Industrial Co.,Ltd.	69,378,914.73	44.93	346,894.57
Zhuzhou CRRC Times Electric Co., Ltd.	3,807,414.96	2.47	194,558.90
Crrc Zhuzhou Locomotive Co., Ltd.	3,240,749.86	2.10	165,602.32
Zhongtian Technology Fibre Optics Co., Ltd.	3,199,890.00	2.07	15,999.45
Guangdong Kaishengtong Photoelectric Technology Co., Ltd.	2,357,014.70	1.53	11,785.07
Total	81,983,984.25	53.10	734,840.31



**Note 3 Receivables financing**

<b>Items</b>	<b>Closing balance</b>	<b>Opening balance</b>
Bank acceptance	<u>47,730,010.46</u>	<u>41,011,605.83</u>
Total	<u><u>47,730,010.46</u></u>	<u><u>41,011,605.83</u></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**

<b>Items</b>	<b>Closing balance</b>	<b>Opening balance</b>
Material purchase	42,165,624.41	27,958,104.38
Equipment and engineering fund	1,949,790.75	248,794.21
Payable operating expense	<u>62,514.12</u>	<u>27,000.00</u>
Total	<u><u>44,177,929.28</u></u>	<u><u>28,233,898.59</u></u>

**Significant accounts payable over one year**

<b>Name of company</b>	<b>Closing balance</b>	<b>Outstanding or carryover reasons</b>
Beijing Zhongpuda Technology Co., Ltd.	1,407,100.00	No settlement
Shanghai Yu'an Investment Development Co., Ltd.	444,008.85	No settlement
Sichuan Huafeng Technology Co., Ltd.	282,424.79	No settlement
Deyang Xinfangyuan Nonferrous Metals Co., LTD	270,961.37	No settlement
CSRayzer Optical Technology Co., Ltd.	<u>110,000.00</u>	No settlement
Total	<u><u>2,514,495.01</u></u>	—

## Note 5 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	259,596,918.71	227,410,791.75	336,279,858.84	281,837,293.06
Other operations	42,469,750.17	11,518,384.29	67,361,295.34	37,747,363.86
Total	302,066,668.88	238,929,176.04	403,641,154.18	319,584,656.92

### 2. Details of contract revenue

Categories	Copper cable and related products	Current period cumulative		Total
		Optical communication products	Park operation	
Product types				
Optical fibre products		157,102,685.75		157,102,685.75
Track cable	28,468,418.23			28,468,418.23
5G mobile intelligent terminal trade	1,354,799.91			1,354,799.91
Processing service	3,071,774.49			3,071,774.49
Optical cable assembly	69,866,745.44			69,866,745.44
Others	8,045,541.99		2,335,943.31	10,381,485.30
Subtotal	110,807,280.06	157,102,685.75	2,335,943.31	270,245,909.12
Recognition time				
Transferred at a point in time	110,807,280.06	157,102,685.75	2,335,943.31	270,245,909.12
Total	110,807,280.06	157,102,685.75	2,335,943.31	270,245,909.12

Categories	Copper cable and related products	Preceding period cumulative		Total
		Optical communication products	Park operation	
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	173,172,248.75	197,046,435.16	2,425,857.95	372,644,541.86
Recognition time				
Transferred at a point in time	173,172,248.75	197,046,435.16	2,425,857.95	372,644,541.86
Total	173,172,248.75	197,046,435.16	2,425,857.95	372,644,541.86

#### Note 6 Tax and surcharge

Items	Current period cumulative	Preceding period cumulative
Housing property tax	4,717,826.14	4,584,498.16
Land use tax	2,396,164.60	2,396,164.60
Urban maintenance and construction	608,926.59	406,169.40
Education surcharge	260,968.56	174,076.88
Stamp duty	194,143.47	247,517.35
Local education surcharge	173,979.02	116,044.13
Vehicle and vessel use tax	4,920.00	4,920.00
Environmental protection tax	68.66	12.82
Resource tax		9,283.19
Total	8,356,997.04	7,938,686.53

**Note 7 Marketing expenses**

<b>Items</b>	<b>Current period cumulative</b>	<b>Preceding period cumulative</b>
Staff salaries	<b>4,861,287.71</b>	3,228,145.96
Office and traveling expenses	<b>650,765.66</b>	262,468.04
Operating expenses	<b>325,356.09</b>	305,811.01
Depreciation expenses	<b>265,129.42</b>	13,170.53
Advertising promotion expenses		9,708.74
Others	<b>266,567.94</b>	153,729.47
Total	<b><u>6,369,106.82</u></b>	<b><u>3,973,033.75</u></b>

**Note 8 Administration costs**

<b>Items</b>	<b>Current period cumulative</b>	<b>Preceding period cumulative</b>
Staff salaries	<b>25,085,556.17</b>	44,501,196.50
Depreciation and amortization	<b>5,788,691.89</b>	5,612,783.39
Property management fees	<b>3,690,728.77</b>	2,642,812.51
Agency fee	<b>3,465,572.88</b>	4,054,203.35
Office and traveling expenses	<b>1,104,762.37</b>	1,416,644.60
Repairs and maintenance	<b>1,008,297.62</b>	1,511,956.52
Disability Security	<b>720,954.26</b>	603,652.56
Utility bills	<b>588,944.29</b>	493,016.50
Business hospitality	<b>45,858.58</b>	68,599.79
Others	<b>3,119,012.62</b>	3,696,496.03
Total	<b><u>44,618,379.45</u></b>	<b><u>64,601,361.75</u></b>

**Note 9 RESEARCH AND DEVELOPMENT COSTS**

<b>Items</b>	<b>Current period cumulative</b>	<b>Preceding period cumulative</b>
Staff salary	8,826,096.43	7,019,285.08
Materials	2,248,238.59	2,103,027.67
Depreciation of fixed assets	2,033,386.36	2,364,943.97
Lease expenses	937,718.20	
Testing and processing expenses	225,701.89	10,532.08
Power expenses	168,106.14	
Service expenses	169,453.89	
Traveling expenses	166,336.26	13,581.91
Others	302,807.86	238,797.45
Total	<u>15,077,845.62</u>	<u>11,750,168.16</u>

**Note 10 Financial costs**

<b>Items</b>	<b>Current period cumulative</b>	<b>Preceding period cumulative</b>
Interest expenditures	65,109.12	72,914.12
Less: Interest income	9,207,605.36	10,318,190.17
Gains & losses on foreign exchange	-163,386.28	223,301.41
Bank charges	20,549.90	30,387.78
Total	<u>-9,285,332.62</u>	<u>-9,991,586.86</u>

**Note 11 Income tax expenses****1. Details**

<b>Items</b>	<b>Current period cumulative</b>	<b>Preceding period cumulative</b>
Current period income tax expense		
Deferred income tax expense		
Total		

## 2. Reconciliation of accounting profit to income tax expenses

Items	Current period cumulative
Profit before tax	1,241,457.89
Income tax expenses based on legal/appropriated tax rate	310,364.48
Effect of different tax rate applicable to subsidiaries	-22,928.31
Effect of prior income tax reconciliation	
Effect of non-taxable income	470,444.86
Effect of non-deductible costs, expenses and losses	185,366.54
Utilization of deductible losses not previously recognized as deferred tax assets	-163,674.54
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets	685,372.30
Additional deductible expenses as stipulated by Tax Laws (Additional deductions for Research and Development Expenses etc)	-1,464,945.33
Income tax expenses	

## 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	Main operating place	Registered address	Business nature	Holding proportion (%)		Acquisition
					Direct	Indirect	method
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*

<b>Subsidiaries</b>	<b>Holding proportion of minority shareholders (%)</b>	<b>Profit or loss attributable to minority shareholders</b>	<b>Dividends declared to minority shareholders in this period</b>	<b>Closing balance of non- controlling interests</b>	<b>Notes</b>
Chengdu SEI Optical Fiber Co., Ltd	40.00	91,713.24		88,522,401.92	

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 :

<b>Item</b>	<b>Chengdu SEI Optical Fiber Co., Ltd</b>	
	<b>Closing balance</b>	<b>Opening balance</b>
Current assets	<b>207,471,618.83</b>	190,372,789.92
Non-current assets	<b>38,923,996.71</b>	40,551,242.10
Total assets	<b>246,395,615.54</b>	230,924,032.02
Current liabilities	<b>24,164,510.66</b>	8,739,150.46
Non-current liabilities	<b>925,100.00</b>	1,116,500.00
Total liabilities	<b>25,089,610.66</b>	9,855,650.46
Operating income	<b>158,459,535.71</b>	197,163,942.34
Net profit	<b>229,283.11</b>	1,735,076.96
Total comprehensive income	<b>229,283.11</b>	1,735,076.96
Cash Flow of Operational Activities	<b>11,148,194.60</b>	2,176,966.27

## (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	Putian Fasten Cable Telecommunication Co., Ltd.	
	Closing balance/ Current period cumulative	Opening balance/ Preceding period cumulative
Current assets	<b>904,923,428.71</b>	968,565,124.09
Non-current assets	<b>87,606,960.02</b>	94,748,913.41
Total assets	<b>992,530,388.73</b>	1,063,314,037.50
Current liabilities	<b>696,580,398.16</b>	743,426,234.88
Non-current liabilities	<b>32,334,385.02</b>	37,454,402.75
Total liabilities	<b>728,914,783.18</b>	780,880,637.63
Non-controlling interests		
Equity attributable to owners of parent company	<b>263,615,605.55</b>	282,433,399.87
Proportionate share in net assets	<b>26,361,560.56</b>	28,243,339.99
Adjustments		
— Goodwill	<b>1,418,109.36</b>	1,418,109.36
— Unrealized profits from internal transactions		
— Other		
Carrying amounts of investments in associates	<b>27,779,669.92</b>	29,661,449.35
Fair value of equity investments in associates in association with quoted price		
Operating income	<b>266,682,769.06</b>	302,391,455.84
Net profit	<b>-18,817,794.32</b>	-51,957,483.42
Net profit of discontinued operations		
Other comprehensive income		
Total comprehensive income	<b>-18,817,794.32</b>	-51,957,483.42
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 thousand)	Percentage of shareholding in the company (%)	Percentage of voting right in this company (%)
Chengdu SIWI Electronic Co., Ltd	Chengdu	Professional Technique Services	30,000.00	34.00	34.00

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
Ceyear Technologies Co., Ltd.	Under common control
China Electronic Technology Group Corporation Twenty-sixth Research Institute	Under common control

<b>Other related parties</b>	<b>Relationship between the Company and related parties</b>
China Electronics Technology Measurement and Testing Certification (Beijing) 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
Hangzhou SEI-FUTONG Optical FIBER Co., 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*

<b>Related parties' transaction</b>	<b>Content of transaction</b>	<b>Current period cumulative</b>	<b>Preceding period comparative</b>
Sumiden Asia (Shenzhen) Co. Ltd	Purchase of raw material	83,251,526.30	109,742,692.74
Sumitomo Electric Asia Ltd	Purchase of raw material	2,044,183.84	1,289,205.04
China Electronic Technology Group Corporation Twenty-ninth Research Institute	Purchase of raw material	1,472,764.03	
Chengdu SIWI High-Tech Industrial Co.,Ltd.	Purchase of raw material	1,255,193.96	259,247.89
China Electronic Technology Group Corporation Twenty-third Research Institute	Purchase of raw material	1,121,988.51	4,009,557.52
China Electronic Technology Group Corporation Fortieth Research Institute	Purchase of raw material	563,667.07	869,395.59
Shanghai KECHEN Wire & Cable Machinery Co.,Ltd	Purchase of raw material	152,212.40	
China Electronic Technology Group Corporation Eighth Research Institute	Purchase of raw material	7,168.14	7,168.14
Hangzhou SEI-FUTONG Optical FIBER Co., Ltd.	Receive services	2,819,576.41	
Shanghai KECHEN Wire & Cable Machinery Co.,Ltd	Purchase of fixed assets	1,518,584.07	
Ceyear Technologies Co., Ltd.	Purchase of fixed assets	1,331,607.96	
Sumitomo Electric Industries Ltd.	Technology usage fee	133,172.51	180,768.54
Beijing Tirt Certification Co., Ltd	Training fee	3,207.55	32,216.98
Total	-	95,674,852.75	116,390,252.44

3. *Sale of goods and rendering of services*

<b>Related parties' transaction</b>	<b>Content of transaction</b>	<b>Current period cumulative</b>	<b>Preceding period comparative</b>
Chengdu SIWI High-Tech Industrial Co.,Ltd.	Sale of component	<b>69,075,725.48</b>	77,049,243.43
China Electronic Technology Group Corporation eighth Research Institute	Sale of optical fibre	<b>631,808.85</b>	4,227,613.10
China Potevio Company Limited	Sale of copper wire	<b>183,996.43</b>	
Chengdu Seekon Microwave Communications Co.,Ltd.	Sale of component	<b>141,661.95</b>	524,021.81
China Electronic Technology Group Corporation Twenty-sixth Research Institute	Sale of optical fibre	<b>17,699.11</b>	
Sumiden Asia (Shenzhen) Co. Ltd	Sale of optical fibre	<b>799.12</b>	5,112.74
China Electronics Technology Measurement and Testing Certification (Beijing) Co. Ltd	Sale of copper wire		20,296.48
Chengdu Bada Connector Co., Ltd.	Sale of water and electricity		588,587.07
Chengdu SIWI High-Tech Industrial Co.,Ltd.	Sale of water and electricity	<b>144,058.32</b>	57.34
Chengdu SIWI Power Electronic Technology Co.,Ltd.	Sale of water and electricity	<b>142,134.92</b>	44,383.95
China Electronic Technology Group Corporation Twenty-ninth Research Institute	Sale of water and electricity	<b>141,300.74</b>	30,117.89
Cecb Microelectronics Technology Co., Ltd.	Sale of water and electricity	<b>3,539.67</b>	4,081.64
Chengdu Bada Connector Co., Ltd.	Provide processing services		408,590.85
Total	–	<b><u>70,482,724.59</u></b>	<b><u>82,902,106.30</u></b>

4. *Related party leases*

The Company as lessor

<b>Lessees</b>	<b>Types of assets leased</b>	<b>Lease income for current period</b>	<b>Lease income for the preceding period</b>
China Electronic Technology Group Corporation Twenty-ninth Research Institute	Leasing buildings	<b>1,984,947.88</b>	2,048,335.52
Chengdu SIWI High-Tech Industrial Co.,Ltd.	Leasing buildings	<b>871,980.26</b>	324,718.84
Chengdu SIWI Power Electronic Technology Co.,Ltd.	Leasing buildings	<b>736,074.06</b>	635,687.24
Chengdu Seekon Microwave Communications Co.,Ltd.	Leasing buildings	<b>188,531.65</b>	154,495.00
Cecb Microelectronics Technology Co., Ltd.	Leasing buildings	<b>168,710.30</b>	136,978.50
China Electronics Technology Measurement and Testing Certification (Beijing) Co., Ltd	Leasing buildings	<b>51,602.58</b>	
Chengdu Bada Connector Co., Ltd.	Leasing buildings		1,897,061.27
Total	–	<b><u>4,001,846.73</u></b>	<b><u>5,197,276.37</u></b>

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>3,986,304.82</u>	1997/2/21	2033/2/21	No
Total	<u><u>3,986,304.82</u></u>	–	–	–

6. *Key management's emoluments*

Items	Current period cumulative	Preceding period comparative
Emoluments	<b>150,095.86</b>	150,000.12
Wage, bonus, allowance and subsidy	<b>2,469,568.00</b>	2,502,653.00
Payment of pension plan	<b>303,139.20</b>	285,304.32
Housing provident fund	<b>211,788.00</b>	193,672.00
Other interest	<u><b>206,548.36</b></u>	<u>191,879.76</u>
Total	<u><u><b>3,341,139.42</b></u></u>	<u><u>3,323,509.20</u></u>

7. *Directors' and supervisors' emoluments*

Items	Emoluments	Wage, bonus, allowance	Current period cumulative				Benefit in kind	Total
			Housing provident fund plan	Payment of pension plan	Other social insurance			
Independent non- executive directors:								
Fu Wenjie	50,000.04							50,000.04
Zhong Qishui	43,199.26							43,199.26
Xue Shujin	43,199.26							43,199.26
Kang Yiguo	6,848.65							6,848.65
Li Shaorong	6,848.65							6,848.65
Supervisors:								
Wang Cheng								
Gao Bo		343,180.00	29,148.00	43,305.60	24,986.86			440,620.46
Liu Jun		209,583.00	23,046.00	43,305.60	24,980.98			300,915.58
Total	150,095.86	552,763.00	52,194.00	86,611.20	49,967.84			891,631.90

Items	Emoluments	Wage, bonus, allowance	Current period cumulative				Total
			Housing provident fund plan	Payment of pension plan	Other social insurance	Benefit in kind	
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

8. *Five highest-paid employees*

The five employees whose emoluments were the highest for the year include 0 (0 in 2023) 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 2023) non-director employees during the year are as follows:

<b>Items</b>	<b>Current period cumulative</b>	<b>Preceding period comparative</b>
Salaries, bonuses, allowances and subsidies	<b>1,916,805.00</b>	1,902,220.00
Payment of pension	<b>216,528.00</b>	203,788.80
Housing provident fund plan	<b>159,594.00</b>	148,777.00
Other social insurance	<b>156,580.52</b>	146,237.13
	<hr/>	<hr/>
Total	<b>2,449,507.52</b>	2,401,022.93
	<hr/>	<hr/>

9. *The ranges of emoluments payable to 5 (5 in 2023) non-director employees during the year are as follows:*

<b>Items</b>	<b>Number of individuals</b>	<b>Number of individuals</b>
HK\$ nil — HK\$1,000,000	<b>5</b>	5
	<hr/>	<hr/>

10. Balance due to or from related parties

(1) Balance due from related parties of receivables

Items	Related parties	Closing balance		Beginning balance	
		Book value	Bad debt allowance	Book value	Bad debt allowance
Notes receivables		25,251,288.09	126,256.44	72,692,327.67	363,461.64
	Chengdu SIWI High-Tech Industrial Co.,Ltd.	24,115,365.53	120,576.83	70,764,793.43	353,823.97
	Chengdu Siwi Power Electronic Technology Co., Ltd.	509,216.16	2,546.08		
	China Electronic Technology Group Corporation Eighth Research Institute	465,454.40	2,327.27	1,537,701.60	7,688.51
	Chengdu Seekon Microwave Communications Co.,Ltd.	161,252.00	806.26	389,832.64	1,949.16
Accounts receivable		71,105,160.13	910,406.31	50,698,962.21	808,375.33
	Chengdu SIWI High-Tech Industrial Co, Ltd.	69,378,914.73	346,894.57	49,149,636.84	245,748.18
	China Potevio Company Limited	1,196,450.00	532,810.77	988,534.04	531,771.19
	Chengdu SIWI Power Electronic Technology Co., Ltd.	453,340.36	2,266.70	511,731.67	2,558.66
	Nanjing Putian Telega Intelligent Building Co., Ltd.	28,192.96	28,192.96	28,192.96	28,192.96
	Chengdu Seekon Microwave Communications Co., Ltd.	17,357.48	86.79	2,312.00	11.56
	Cecb Microelectronics Technology Co., Ltd.	16,445.80	82.23	16,191.47	80.96
	China Electronic Technology Group Corporation twenty-sixth Research Institute	9,600.00	48.00		
	China Electronic Technology Group Corporation twenty-ninth Research Institute	3,684.40	18.42	2,363.23	11.82
	China Electronics Technology Measurement and Testing Certification (Beijing) Co., Ltd.	1,174.40	5.87		
Advance payment		103,467.47		6,138,025.06	
	Sumitomo Electric Asia Ltd	97,867.47		1,479,841.74	
	Beijing Tirt Certification Co., Ltd	5,600.00			
	Sumiden Asia (Shenzhen) Co. Ltd			4,157,183.32	
	Shanghai KECHEN Wire & Cable Machinery Co.,Ltd			501,000.00	
Other receivables		115,615.82	578.08	1,906,230.43	9,531.15
	Chengdu SIWI High-Tech Industrial Co.,Ltd.	115,615.82	578.08	119,401.61	597.01
	China Potevio Company Limited			1,786,828.82	8,934.14

(2) Balance due to related parties for payments

Items	Related parties	Closing balance	Beginning balance
Advance account			174,940.76
	China Electronic Technology Group Corporation Twenty-ninth Research Institute		174,940.76
Account payable		<b>17,879,466.83</b>	249,257.84
	Sumiden Asia (Shenzhen) Co. Ltd	<b>16,214,942.32</b>	
	China Electronic Technology Group Corporation Twenty-third Research Institute	<b>1,268,413.37</b>	566.37
	China Electronic Technology Group Corporation fortieth Research Institute	<b>369,144.07</b>	4,995.40
	Hangzhou Hongyan Digital Marketing Co. Ltd	<b>26,967.07</b>	26,967.07
	China Electronic Technology Group Corporation Twenty-ninth Research Institute		165,761.80
	Chengdu Yuexin Telecommunications Materials Co., Ltd.		50,967.20
Other payables		<b>1,793,156.97</b>	1,880,918.83
	China Potevio Company Limited	<b>1,440,800.00</b>	1,440,800.00
	Chengdu SIWI High-Tech Industrial Co,Ltd.	<b>250,500.86</b>	250,500.86
	Sumitomo Electric Industries Ltd.	<b>57,528.61</b>	65,290.47
	Chengdu Seekon Microwave Communications Co.,Ltd.	<b>43,327.50</b>	43,327.50
	Chengdu SIWI Power Electronic Technology Co.,Ltd.	<b>1,000.00</b>	1,000.00
	Chengdu Yuexin Telecommunications Materials Co., Ltd.		80,000.00



## **X. EVENTS AFTER THE BALANCE SHEET DATE**

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

## **XI. OTHER SIGNIFICANTS 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 and park operation, optical communication products, park operation.

### 3. Reporting segment

		Closing balance/Current period amount				
Items		Copper cables, Wires and related products	Optical communication products	Park Operation	Elimination	Total
1.	Operating Revenue	137,261,335.50	158,459,535.71	9,828,387.45	-3,482,589.78	302,066,668.88
	Including: External transaction revenue	135,135,595.68	157,102,685.75	9,828,387.45		302,066,668.88
	Revenue between segments	2,125,739.82	1,356,849.96		-3,482,589.78	
2.	Operating Cost	140,218,947.53	158,468,782.57	8,861,032.03	-3,482,589.78	304,066,172.35
	Including: Depreciation and Amortization	10,913,652.82	6,353,953.03	2,816,707.11		20,084,312.96
3.	Investments income in associates and joint ventures	-1,881,779.43				-1,881,779.43
4.	Credit loss	2,407,635.64	-68,831.78	-155,575.10	28,965.07	2,212,193.83
5.	Asset impairment loss	-1,814,535.84	-165,498.19			-1,980,034.03
6.	Total profits	-2,788,609.19	229,283.11	3,771,818.90	28,965.07	1,241,457.89
7.	Income tax expenses					
8.	Net profit	-2,788,609.19	229,283.11	3,771,818.90	28,965.07	1,241,457.89
9.	Total assets	784,603,494.49	246,395,615.54	87,605,686.48	-113,887,277.25	1,004,717,519.26
10.	Total liabilities	79,220,635.82	25,089,610.66	43,674,408.22	-10,125,853.65	137,858,801.05
11.	Other important non cash items	16,384,955.38	3,835,905.68			20,220,861.06

### (III) Lease

#### Disclosure as a lessor

#### Information related to operating lease

#### Income related to operating lease:

Items	Rental Income	Including: Income related to variable lease payments that not included in lease receivables
Buildings and structures	31,820,759.76	
Total	31,820,759.76	

## XII. OTHER SUPPLEMENTARY INFORMATION

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

Item	Amount	Remark
Gains on disposal of non-current assets	1,435,826.36	
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)	2,872,030.82	
The reversals of accounts receivables impairment provision subject to separate impairment testing	41,506.45	
Gains and losses on debt restructuring	-47,323.26	
Other non-operating revenue or expenditures	570,106.64	
Other profit or loss satisfying the definition of non-recurring profit or loss	-2,405,011.86	Lump-sum termination benefits and unpayable payments
Less: Business income tax effects		
Non-controlling interest affected (after tax)	174,094.76	
Total	2,293,040.39	

### (II) RONA and EPS

Profit of the reporting period	Weighted average	EPS	
	RONA (%)	Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	0.15	0.0029	0.0029
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	-0.15	-0.0029	-0.0029

1. Details

Item	Symbol	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	1,149,744.65
Non-recurring profit or loss	B	2,293,040.39
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	-1,143,295.74
Opening balance of net assets attributable to shareholders of ordinary shares	D	776,647,325.75
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	12.00
Weighted average net assets	$L = D + A/2 + E \times F /$ $K - G \times H / K \pm I \times J / K$	777,222,198.08
Weighted average RONA	$M = A/L$	0.15%
Weighted average RONA after deducting non- recurring profit or loss	$N = C/L$	-0.15%

## 2. 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	1,149,744.65
Non-recurring profit or loss	B	2,293,040.39
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	-1,143,295.74
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	$L = D + E + F \times G / K - H \times I / K - J$	400,000,000.00
Basic EPS	$M = A / L$	0.0029
Basic EPS after deducting non-recurring profit or loss	$N = C / L$	-0.0029

### (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

In 2024, amid the transformational journey of the Company, we confronted multifaceted challenges including constrained market penetration, underdeveloped R&D competencies, production bottlenecks, and persistent legacy issues. United in purpose, the entire workforce of the Company maintained unwavering commitment to our founding mission while executing rigorous implementation. Anchored by the strategic framework of “consolidating fundamentals, cultivating core competencies, and architecting future growth”, we systematically advanced all operational initiatives across the fiscal year.

#### 1. Profit-driven market expansion

During the Year, the Company has established a development strategy centered on building an “excellent brand with state-owned enterprise commitment,” aiming to a quality-driven approach to survival, and striving to carve out a path in the fiercely competitive market. We have successively joined the National Council for Electric Locomotives and Urban Rail Vehicles (as a standing council member) and the “Chengdu High-Quality Product Supply and Demand Enterprise Alliance” (as a supervisory unit). We have successfully secured qualification as a Tier 1 supplier for China National Petroleum Corporation, entered the eighth batch of innovative SMEs in Sichuan Province, and was listed in the first batch of high-quality rail transit products for supply certification by the Chengdu Municipal Bureau of Economy and Information Technology. Additionally, we participated in a series of exhibitions, including the 2024 4<sup>th</sup> Rail Transit Operation and Maintenance Technology Conference, the 2024 China International Western Optoelectronics Expo, and the “Chengdu-Chongqing Collaboration for a New Future” supply-demand matching event for rail transit enterprises in the Chengdu-Chongqing region. These efforts have helped promote our brand and gain industry recognition.

Based on our brand positioning and in alignment with our development realities and market conditions, the Company has formulated a market strategy focused on “actively maintaining existing markets, deeply exploring traditional demands, and innovatively expanding new product applications.” In traditional markets, the Company have expanded our product offerings while solidifying our existing product base. Key cable customers have seen a contract growth of approximately 50%, with 15 new clients. For cable component and optical fibers products, we have gained 4 and 26 new customers, respectively. Market breakthroughs have been achieved in new products such as thin-walled cables, optical cables, semi-rigid cable assemblies, fiber optic loops, and small-diameter fibers, involving more than ten contracted customers.

## **2. New R&D drives momentum**

The Group adheres to the philosophy of “innovation-driven development” and has established a new development framework centered on “transformation through innovation”. The Company has focused its R&D efforts on key and high-demand market needs, increased R&D investment, improved the R&D system, enhanced R&D capabilities, and boosted the output of new products. During the Year, a total of 21 R&D projects were initiated (11 of which have been completed), with R&D investment increasing by 28.32% year-on-year. A comprehensive “innovation ecosystem map” was developed, and the core product realization process was compiled and released. Additionally, the Company expanded qualifications for 5 products. Through the construction of new product production lines and dedicated R&D efforts, a total of 24 new products were introduced throughout the Year, including 7 types of cables, 4 types of components, 3 types of optoelectronic products, and 10 types of fiber optics. By improving qualification rates, increasing production capacity, and reducing procurement costs, the Company comprehensively implemented cost reduction and efficiency enhancement measures, laying the foundation for turning losses into profits for the Year.

## **3. Enhancing production efficiency and support**

During the Year, guided by the overarching principle of “stabilizing growth, optimizing structure, and promoting development”, the Company has implemented multiple measures across various dimensions, including organizational optimization, team building, system improvement, and problem-solving. These efforts have focused on building a robust business support system with multiple pillars, effectively driving the transformation and upgrading of the Company to a new level.

Driven by customer needs, the Company has integrated planning management into core business processes such as R&D, procurement, production, and delivery to ensure that plans are executed on schedule and products are delivered efficiently. As a result, the completion rate of electrical assembly business plans has increased by 30.86%, and the on-time delivery rate of products during the Year has reached 99.41%.

In line with the needs of business expansion, we optimized the setup of procurement management and shipping positions, enhanced the timeliness of procurement and delivery rates, adopted card-based management for storage locations, and improved distribution efficiency.



We have enhanced information capabilities by upgrading the ERP system, optimizing the MES system, and launching the financial NCC system to improve business efficiency. We have developed an operational data dashboard, strengthened the centralized office functions of the OA system, and achieved integrated “one-network” production and office operations. We have improved visitor management, access control, and electronic fence systems, launched a printing and burning system, and established a robust technical line of defense for security and confidentiality.

#### **4. Management improvement drives development**

In line with the needs of business development, we have further strengthened the leading role of Party building, and focused on management improvement, talent team building, resolution of historical issues, and risk compliance control to carry out a series of initiatives.

In terms of Party building leadership, the Company have revised the authority and responsibility list, fully leveraged the Party Committee’s role in “guiding, managing, and ensuring” operations. 53 Party committee meetings were held, discussing 143 key agenda items and conducting preliminary reviews on 43 items. Focusing on tasks such as the “One-page Summary” and key task lists, efforts have been made through distinctive initiatives, joint learning and co-building, special actions, and inspection rectifications. These efforts have deepened the 1124 Party building work mechanism and optimized Party building brands like “Excellence in Innovation and Fiber Pioneering”, promoting the integration of Party building with business operations.

In terms of talent team building, human resources have been tilted toward the front line. During the Year, more than 90 people were recruited, while 29 managerial positions were streamlined, reducing management costs. The construction of the R&D team has been strengthened, with a 39% year-on-year increase in technical personnel. Chief engineers have been appointed for specialized fields, and dedicated R&D teams have been established for different product lines.

In terms of risk control and compliance, seven systems including the Compliance Management System have been formulated or revised to improve the compliance risk management framework. The Essential Knowledge Handbook for Compliance Operations and the Position Risk Management Handbook have been compiled, ensuring that “risks are always top-of-mind, and regulations are always at hand”.

In terms of asset management, the disposal of scrapped assets was completed at a premium, recovering approximately RMB7 million in funds. Increased efforts to collect long-overdue payments effectively reduced bad debt losses by about RMB2.8 million.

## FINANCIAL ANALYSIS

### Turnover

During the Year, the turnover of the Group amounted to RMB302,066,668.88, representing a decrease of 25.16% as compared with RMB403,641,154.18 for the year ended 31 December 2023 (the “**Previous Year**”). The decrease in turnover was attributable to the impact of market conditions, with the unit price of optical fibers continuing to decrease and demand orders for cables diminishing, leading to the respective reductions of 19.63% and 61.95% in operating income.

During the Year, the turnover of the Company was RMB137,261,335.50, representing a decrease of 32.82% as compared to the corresponding period of the Previous Year. The turnover of the optical fiber and optical device business was RMB158,459,535.71, representing a decrease of 19.63% as compared with the Previous Year; the turnover of the cable components business was RMB69,588,840.88, representing a decrease of 10.29% as compared with the Previous Year; the turnover of the cable manufacturing business was RMB32,493,610.34, representing a decrease of 61.95% as compared with the Previous Year; in addition, the turnover of the park operation business was RMB41,077,139.72, representing a decrease of 1.16% 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 RMB1,149,744.65, while a net profit attributable to equity holders of the Company of RMB2,771,712.63 was recorded for the Previous Year.

### Asset structure analysis

As at 31 December 2024, the Group’s total assets amounted to RMB1,004,717,519.26, increased by 0.89% from RMB995,768,004.39 as at 31 December 2023, of which total current assets amounted to RMB762,450,955.52, accounting for 75.89% of the total assets and representing an increase of 1.57% as compared with RMB750,445,119.08 as at 31 December 2023. Property, plant and equipment amounted to RMB175,752,758.43, accounting for 17.49% of the total assets and representing a decrease of 2.96% as compared with RMB181,109,348.40 as at 31 December 2023.

As at 31 December 2024, the Group’s bank deposits and cash totaled RMB440,790,899.45, representing an increase of 17.98% as compared with RMB373,607,624.23 as at 31 December 2023.

## **Debt structure analysis**

As at 31 December 2024, the Group's total liabilities amounted to RMB137,858,801.05, representing an increase of 5.48% as compared with RMB130,693,326.04 as at 31 December 2023, of which the current liabilities amounted to RMB80,264,502.46, accounting for 58.22% of the total liabilities and representing an increase of 18.34% as compared with RMB67,828,145.53 as at 31 December 2023; non-current liabilities were RMB57,594,298.59, accounting for 41.78% of the total liabilities and representing a decrease of 8.38% as compared with RMB62,865,180.51 as at 31 December 2023.

## **Non-current liabilities or loans**

As at 31 December 2024, 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 RMB3,986,304.82 (equivalent to EUR529,700). 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 2024, the Group's gearing ratio (total liabilities divided by total assets) was 13.72%, representing an increase of 0.60 percentage point as compared with the gearing ratio of 13.12% as at 31 December 2023. 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 RMB6,369,106.82, RMB44,618,379.45, RMB15,077,845.62, and RMB-9,285,332.62 respectively, representing an increase of 60.31%, a decrease of 30.93%, an increase of 28.32% and a decrease of 7.07% as compared with RMB3,973,033.75, RMB64,601,361.75, RMB11,750,168.16 and RMB-9,991,586.86 respectively in the Previous Year.

## **Analysis of Financial Resources**

As at 31 December 2024, the Group's bank and other short-term loans (inclusive of loans due within one year) were RMB3,986,304.82, representing a decrease of 13.98% as compared with RMB4,634,398.67 as at 31 December 2023. As the Group had comparatively sufficient bank deposits and cash of RMB440,790,899.45, 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 2024, the Group's accounts receivables and notes receivables amounted to RMB120,157,148.01 and RMB58,717,569.49 respectively, representing a decrease of 4.03% and a decrease of 38.31% respectively as compared with RMB125,202,788.78 and RMB95,179,226.19 respectively as at 31 December 2023.

As at 31 December 2024, the Group's current assets amounted to RMB762,450,955.52 (as at 31 December 2023: RMB750,445,119.08), current liabilities were RMB80,264,502.46 (as at 31 December 2023: RMB67,828,145.53), the annual receivables turnover period was 170 days and the annual inventory turnover period was 150 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 RMB86,125,476.16, representing an increase of RMB206,339,311.59 as compared with RMB-120,213,835.43 in the Previous Year.

During the Year, the Group spent RMB20,220,861.06, representing an increase of RMB7,182,095.47 as compared with RMB13,038,765.59 in the Previous Year, for the purchase of property, plant and equipment and expenses on the construction in progress.

As at 31 December 2024, the Group's liabilities and shareholders' equity amounted to RMB1,004,717,519.26 (as at 31 December 2023: RMB995,768,004.39). The Group's interest expenses amounted to RMB65,109.12 for the Year (for Previous Year: RMB72,914.12).

## **Contingent Liabilities**

As at 31 December 2024, the Group did not have any contingent liabilities (as at 31 December 2023: 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 2024, the Group had 436 staff members (476 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 RMB3,609,500 in the Year (Previous Year: approximately RMB3,033,200). 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**

In 2025, under the leadership of the Party Committee, our Group will fully leverage the Party Committee's role in "guiding, managing, and ensuring", deeply integrate Party building with business operations, adhere to the principle of compliant operations, mitigate operational risks, and continue to advance market development, research and development, production, and management activities.

## **1. Market expansion**

In 2025, the Company will continue to strengthen its brand building with “Excellent Brand, State-owned Enterprise Commitment” as its core. The Company will design unique trademark to build customer trust and enhance brand recognition and loyalty. The Company will establish a brand culture of “quality as the core and innovation as the driving force”. The Company will strengthen internal cohesion and lead the brand to long-term and steady development. The Company will strengthen communication between industries, governments and enterprises, increase publicity efforts on various platforms, and strive for various awards and honors. The Company will iterate and update the product manual of the Company to better serve our customers.

The Company will persistently adhere to the market strategy of “actively maintaining existing markets, deeply exploring traditional demands, and innovatively expanding new product applications,” focusing on meticulous efforts to enhance profitability. On one hand, the Company will actively maintain existing markets, deepen relationships with high-quality customers, and accelerate the application and promotion of new cable products. The Company will promote the adoption of optoelectronic products among key customers and pay close attention to the needs of potential clients. Emphasis will be placed on building digital production lines to improve efficiency and reduce costs through automation/semi-automation capabilities, creating value for users with high-quality products. The Company will continue to reduce costs and increase efficiency, maintain communication with customers, and intensify sales efforts for high-margin products such as small-diameter optical fibers, while consistently promoting specialty fibers. On the other hand, the Company will deeply explore traditional demands by continuing to promote aviation cable products, striving to enter the civil aircraft market and other major host units, and developing and promoting specialty optical and electrical cables. The Company will seize new customer demands, expand the market space for optoelectronic products, and build comprehensive optical link capabilities to provide customers with complete optical transmission solutions, forming new business growth points. The Company will establish cable assembly and installation capabilities, gradually transitioning from cable processing to the assembly and production of subsystem products, and develop flexible digital production line manufacturing capabilities. Additionally, The Company will accelerate the development, trial production, and promotion of new optical fibers, actively participate in the four major markets of telecommunications operators, power, data centers, and exports, and strategically position ourselves in the radiation-resistant fiber optics market. With high-quality optical fibers, The Company will strive to expand overseas markets and capture greater market share.



## **2. Research and development of new products**

Closely focusing on “photoelectric interconnection,” the Company is advancing the research and development of new products, gradually constructing a comprehensive product system for the entire photoelectric transmission chain. The Company is accelerating the development of specialty optical fibers and optical modules, enhancing the production capacity and efficiency of component products, and concentrating on specialty cables to provide new momentum for our own growth. By closely following customer needs, the Company is expanding the range of cable products; developing 67G and 110G semi-rigid and flexible cable assemblies, collaborating with external resources to develop connectors, and building mechanical assembly capabilities, transitioning from cable processing to the assembly production of sub-unit products. The Company is prioritizing the cultivation of photoelectric product businesses, with a focus on key R&D efforts for electro-optical integration modules, 25G optical modules, and 16-channel MINI wavelength division multiplexers, while continuously developing fiber optic cables and fiber optic rings. Additionally, the Company is introducing the world’s most advanced optical rods, researching and developing online fiber Bragg grating inscription, and creating an entirely new series of products.

## **3. Enhancement of management**

Centering on market expansion and new product development, the Company will continue to enhance supply chain capabilities, promote cost reduction and efficiency improvement, strengthen planning and quality assurance capabilities, and upgrade information management levels, while strictly adhering to the red lines of confidentiality, quality, and safety.

The Company will strengthen the construction of supply chain capabilities by establishing specialized teams to enhance supply chain development. The Company will focus on improving management capabilities in sourcing, planning, and cost control to build competitive advantages for the enterprise.

The Company will strengthen planning and quality assurance by enhancing plan management, scientifically setting assessment weights, and improving plan execution. The Company will increase monitoring of the first batch production of R&D projects to promote their marketization. The Company will focus on improving the R&D quality of design personnel to ensure that the error rate of design documents remains at a low level. The Company will address issues related to appearance, labeling, and dimensions to effectively prevent the recurrence of basic quality problems.

The Company will continuously implement cost reduction and efficiency improvement by further reducing procurement costs and optimizing production processes, achieving cost reductions across the entire lifecycle and all processes from market to production.

The Company will improve information management by building a project management system to enhance the efficiency of R&D project management. The Company will use data cleansing, transformation, and integration of various information systems into the operational data dashboard to improve decision-making efficiency.

## **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 2025, 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 enterprise, 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 excessively high proportions of accounts receivable and inventory in current assets. The Group will continue to settle long-aged 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. The Group will continue to reduce long-aged inventory.



## **2. Quality risk**

The quality risks faced by the Group include the potential delivery of non-compliant products without proper risk assessment and corresponding handling, as well as without user approval; the risk of failing to address severe product quality issues effectively; and the risk of encountering major quality problems. 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 quality 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 usage environment of products, and fully understand customer needs; respond to customer feedback in a timely manner, provide excellent customer service and satisfy customers.

## **3. 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 actively and effectively maintain close ties with existing long-term customers, ensuring that existing products secure as many orders as possible, while keeping pace with customer needs to develop new products tailored to their requirements. Building on the foundation of current products, the Group will also focus on acquiring new customers. Additionally, efforts will be intensified in market development to continuously increase market share.

#### **4. Technological risk**

The technological 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 increase self-raised investments to drive steady growth in research and development expenditures.

#### **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 or increase of shares, nor offered any new shares of the Company. 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) and Chengdu Siwi High-Tech Industrial Co., Limited\* (成都四威高科技產業園有限公司) held 104,000,000 and 136,000,000 state-owned legal person shares, respectively, 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.

## **2. Shareholding of directors and chief executives**

As at 31 December 2024, none of the directors and chief executives of the Company 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.

## FINAL DIVIDEND

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

## SIGNIFICANT EVENTS

### Change in controlling shareholder

On 5 February 2024, the Board was informed by 29<sup>th</sup> 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) (“**29<sup>th</sup> 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.

### Abolishment of the Supervisory Committee

In accordance with the Company Law effective from 1 July 2024, and in compliance with the requirements of the State-owned Assets Supervision and Administration Commission of the State Council’s Implementation Plan for Deepening the Reform of Supervisory Committees in State-Owned Enterprises, the Company revised its articles of association on 30 September 2024, following approval at the first extraordinary general meeting of 2024. Pursuant to the revised articles of association, the Company has adjusted its governance structure by abolishing the Supervisory Committee, with the relevant powers and responsibilities of the former Supervisory Committee now being exercised by the Audit Committee. For further details, please refer to the circular of the Company dated 12 September 2024 and the announcement dated 30 September 2024.

## **Election of new session of the board of directors**

According to the provisions of the Articles of Association of the Company: the term of office for each session of the board of directors is three years, and the directors may be re-elected for consecutive terms. The directors are elected by the general meeting of shareholders from among the current directors or candidates nominated by shareholders holding more than three percent of the Company's issued shares. The Company's tenth session of the board of directors, established in 2021, has completed its three-year term. On 12 November 2024, the Company held its second extraordinary general meeting of 2024 to elect the eleventh board of directors. Following the election, Ms. Li Tao and Mr. Wu Xiaodong were elected as executive directors of the Company's eleventh session of the Board of Directors, while Mr. Chen Wei, Mr. Xu Jiaxin, and Mr. Xu Ningbo were elected as non-executive directors. Additionally, Ms. Fu Wenjie, Mr. Kang Yiguo, and Mr. Li Shaorong were elected as independent non-executive directors. Furthermore, Mr. Zeng Li, a representative of the Company's employees, was democratically elected by the employees on 14 October 2024, to serve as the employee representative on the Board. For further details, please refer to the announcement of the Company dated 12 November 2024.

## **SUBSEQUENT MATTERS**

There are no subsequent events for the Year.

## **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. Kang Yiguo and Mr. Li Shaorong, 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, 20 June 2025 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 2024 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

For the purpose of ascertaining shareholders' entitlement to attend and vote at the Company's AGM, the register of members of the Company will be closed from 14 June 2025 to 20 June 2025 (both days inclusive), during which period no transfer of shares will be registered.

In order to be qualified for attending and voting at the 2024 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 13 June 2025.

## ACKNOWLEDGEMENT

I would like to thank the Board, 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, 21 March 2025

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

*Executive Directors:* Ms. Li Tao (Chairman), Mr. Wu Xiaodong

*Non-executive Directors:* Mr. Chen Wei, Mr. Xu Jiaxin, Mr. Xu Ningbo and Mr. Zeng Li

*Independent Non-executive Directors:* Ms. Fu Wenjie, Mr. Kang Yiguo and Mr. Li Shaorong