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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 INTERIM RESULTS ANNOUNCEMENT

SUMMARY

1. The Group recorded a total operating revenue of RMB143,945,328.65 for the six months ended 30 June 2024 (the “**Period**”), representing a decrease of approximately 7.83% as compared with the corresponding period last year.
2. During the Period, total sales of optical fibers, optoelectronic products, cable, cable component and related products amounted to RMB122,499,740.59, representing a decrease of approximately 8.53% as compared with the corresponding period last year. Total sales of optical fibers by Chengdu SEI Optical Fiber Co., Ltd., a principal subsidiary of the Company, amounted to RMB73,188,849.36, representing a decrease of 30.04% as compared with the corresponding period last year.
3. During the Period, the Group’s profit attributable to equity holders of the Company was RMB2,264,382.85, while the Group’s profit attributable to equity holders of the Company for the corresponding period last year was RMB-2,453,057.48. Profit attributable to non-controlling shareholders was RMB-1,784,416.22, as compared with the profit of RMB3,092,233.40 for the corresponding period last year.
4. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

The board of directors (the “**Board**”) of Chengdu SIWI Science and Technology Company Limited (formerly known as Chengdu PUTIAN Telecommunications Cable Company Limited) (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the Period as follows:

CONSOLIDATED BALANCE SHEET

As at 30 June 2024

Chengdu SIWI Science and
Technology Company Limited

(Amounts in Renminbi,
unless otherwise stated)

Assets	<i>Section I</i>	Closing balance	Opening balance
Current Assets:			
Cash and bank balance		472,771,617.31	373,607,624.23
Financial assets held for trading			
Derivative financial asset			
Notes receivable	<i>Note 1</i>	49,803,161.31	95,179,226.19
Account receivable	<i>Note 2</i>	103,166,163.83	125,202,788.78
Receivable financing	<i>Note 3</i>	42,456,117.61	41,011,605.83
Advances paid		3,892,335.26	11,336,285.41
Other receivables		1,908,713.64	3,683,228.72
Inventories		90,240,671.48	99,779,109.17
Contract Assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets			645,250.75
		-----	-----
Total Current Assets		764,238,780.44	750,445,119.08

Assets	<i>Section I</i> Closing balance	Opening balance
Non-current Assets:		
Debt investments		
Other debt investments		
Long-term accounts receivable		
Long-term equity investments	28,490,316.27	29,661,449.35
Other equity instrument investments		
Other non-current financial assets		
Investment Property	63,604,802.93	66,012,849.35
Fixed assets	110,410,030.57	111,882,697.85
Construction in process	2,485,133.95	3,213,801.20
Productive biological assets		
Oil&gas assets		
Right-of-use assets		
Intangible assets	31,193,227.89	30,720,442.21
Capitalised R&D expenses		
Goodwill		
Long-term deferred expenses	2,649,660.15	1,972,185.95
Deferred income tax assets		
Other non-current assets	186,725.66	1,859,459.40
	-----	-----
Total Non-current Assets	<u>239,019,897.42</u>	<u>245,322,885.31</u>
Total Assets	<u>1,003,258,677.86</u>	<u>995,768,004.39</u>

(The notes to the financial statements attached hereto form an integral part of the consolidated financial statements)

LIABILITIES AND EQUITY	<i>Section I</i>	Closing balance	Opening balance
Current Liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	<i>Note 4</i>	45,523,072.16	28,233,898.59
Advances received		591,783.45	559,155.80
Contract liabilities		1,869,235.06	820,726.09
Employee benefits payable		11,476,113.06	11,521,445.23
Taxes and rates payable		3,456,384.74	4,415,396.76
Other payables		15,586,720.17	18,017,381.92
Liabilities held for sale			
Non-current liabilities due within one year		459,594.28	471,441.50
Other current liabilities		1,149,255.45	3,788,699.64
		-----	-----
Total Current Liabilities		80,112,158.37	67,828,145.53
		-----	-----
Non-current Liabilities:			
Long-term borrowings		3,828,545.82	4,162,957.17
Bonds payable			
Including: Preferred shares			
perpetual bonds			
Lease Liabilities			
Long-term accounts payable			
Long-term employee benefits payable		9,194,230.22	13,550,155.94
Provisions			
Deferred income		43,841,217.70	45,152,067.40
Deferred tax liabilities			
Other non-current liabilities			
		-----	-----
Total Non-current Liabilities		56,863,993.74	62,865,180.51
		-----	-----
Total Liabilities		136,976,152.11	130,693,326.04
		=====	=====

LIABILITIES AND EQUITY	<i>Section I</i>	Closing balance	Opening balance
Owners' Equity:			
Share capital		400,000,000.00	400,000,000.00
Other equity instruments			
Including: Preferred shares			
perpetual bonds			
Capital reserves		641,928,122.08	641,928,122.08
Less: Treasury stock			
Other Comprehensive Income			
Special reserves		685,034.13	54,983.07
Surplus reserves		8,726,923.61	8,726,923.61
Retained earnings		-271,798,320.16	-274,062,703.01
		-----	-----
Total equity attributable to the parent company		779,541,759.66	776,647,325.75
		-----	-----
Non-controlling interest		86,740,766.09	88,427,352.60
		-----	-----
Total Owners' Equity		866,282,525.75	865,074,678.35
		=====	=====
Total Liabilities and Owners' Equity		1,003,258,677.86	995,768,004.39
		=====	=====

(The notes to the financial statements attached hereto form an integral part of the consolidated financial statements)

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2024

Chengdu SIWI Science and
Technology Company Limited

(Amounts in Renminbi,
unless otherwise stated)

Items	Section I	Current period cumulative	Preceding period comparative
I. Total operating Revenue	Note 5	143,945,328.65	156,171,066.88
Less: Cost of sales	Note 5	115,584,432.92	117,657,655.83
Tax and surcharge	Note 6	3,859,764.57	4,303,125.19
Marketing expenses		2,608,259.24	2,273,531.19
Administration expenses		20,601,215.58	32,127,316.45
R&D expenses		6,797,216.90	4,752,554.74
Financial costs	Note 7	-3,547,075.06	-5,785,782.36
Including: Interest expenses		34,368.28	36,655.07
Interest income		3,493,378.70	6,121,439.23
Add: Other income		1,460,797.34	1,328,460.24
Investment income (or less: loss)		-1,171,133.08	-914,507.35
Including: Investments income			
from joint ventures			
and associates		-1,171,133.08	-914,507.35
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)		627,525.63	-623,308.08
Assets impairment loss (or less: loss)			
Gains on assets disposal (or less: loss)		1,516,660.83	
II. Operating Profit (or less: loss)		475,365.22	633,310.65
Add: Non-operating revenue		16,368.52	121,339.85
Less: Non-operating expenditures		11,767.11	115,474.58

Items	<i>Section I</i>	Current period cumulative	Preceding period comparative
III. Profit before tax (or less: loss)		479,966.63	639,175.92
Less: Income tax			
IV. Net profit (or less: net loss)		479,966.63	639,175.92
Including: Net profit realized by the merged party under common control before the merger			
(I) Categorized by continuity of operations			
Net profit from continuing operations (or less: loss)		479,966.63	639,175.92
Net profit from discontinued operations (or less: loss)			
(II) Categorized by the portion of equity ownership			
Net profit attributable to owners of parent company (or less: loss)		2,264,382.85	-2,453,057.48
Net profit attributed to non-controlling shareholders (or less: loss)		-1,784,416.22	3,092,233.40
V. Other comprehensive income after tax		2,506,371.00	2,506,371.00

Items	<i>Section I</i>	Current period cumulative	Preceding period comparative
Items attributable to the owners of the parent company		_____	2,506,371.00 _____
(I) Not to be reclassified subsequently to profit and loss		_____	2,506,371.00 _____
1. Changes in remeasurement on the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit and loss			
3. Changes in fair value of other equity instrument investments			2,506,371.00
4. Changes in fair value of own credit risk			
5. Others		-----	-----
(II) To be reclassified subsequently to profit and loss			
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Differences on translation of foreign currency financial statements			
Items attributable to non-controlling shareholders		_____	_____

Items	<i>Section I</i>	Current period cumulative	Preceding period comparative
VI. Total comprehensive income		<u>479,966.63</u>	<u>3,145,546.92</u>
Items attributable to the owners of the parent company		2,264,382.85	53,313.52
Items attributable to non-controlling shareholders		-1,784,416.22	3,092,233.40
VII. Earning per share(EPS)			
(I) Basic EPS (yuan per share)		0.0057	-0.01
(II) Diluted EPS (yuan per share)		<u>0.0057</u>	<u>-0.01</u>

(The notes to the financial statements attached are an integral part of the consolidated financial statements)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2024

Chengdu SIWI Science and
Technology Company Limited

(Amounts in Renminbi,
unless otherwise stated)

Items	Section I	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:			
Cash receipts from sales of goods or rendering of services		216,991,154.18	118,926,051.28
Receipts of tax refund			3,656.63
Other cash receipts related to operating activities		11,543,663.06	38,910,830.27
		-----	-----
Subtotal of cash inflows from operating activities		228,534,817.24	157,840,538.18
		-----	-----
Cash payment for goods purchased and service received		69,883,512.25	124,109,420.60
Cash paid to and on behalf of employees		29,947,858.87	56,702,055.34
Cash payments for taxes and rates		6,588,758.65	7,821,286.86
Other cash payments related to operating activities		19,107,195.14	19,237,627.70
		-----	-----
Subtotal of cash outflows from operating activities		125,527,324.91	207,870,390.50
		-----	-----
Net cash flows from operating activities		103,007,492.33	-50,029,852.32
		=====	=====

Items	<i>Section I</i>	Current period cumulative	Preceding period comparative
II. Cash flows from investment activities:			
Cash receipts from withdrawal of investments			3,920,000.00
Cash receipts from investment income			
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		2,010,000.00	
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>2,010,000.00</u>	<u>3,920,000.00</u>
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		5,503,304.26	2,066,135.68
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>5,503,304.26</u>	<u>2,066,135.68</u>
Net cash flows from investing activities		<u><u>-3,493,304.26</u></u>	<u><u>1,853,864.32</u></u>

Items	<i>Section I</i>	Current period cumulative	Preceding period comparative
III. Cash flows from financing activities:			
Cash receipts from absorbing investments			
“Including: Cash received by subsidiaries from non-controlling shareholders as investments”			
Cash receipts from borrowings			
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities			
Cash payments for the repayment of borrowings		236,145.68	224,065.77
Cash payments for distribution of dividends or profits and for interest expenses		34,368.28	36,655.07
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		270,513.96	260,720.84
Net cash flows from financing activities		-270,513.96	-260,720.84

Items	<i>Section I</i>	Current period cumulative	Preceding period comparative
IV. Effect of foreign exchange rate changes on cash & cash equivalents		_____	_____
V. Net increase in cash and cash equivalents		<u>99,243,674.11</u>	<u>-48,436,708.84</u>
Add: Opening balance of cash and cash equivalents		<u>373,527,943.20</u>	<u>479,183,690.14</u>
VI. Closing balance of cash and cash equivalents		<u><u>472,771,617.31</u></u>	<u><u>430,746,981.30</u></u>

(The notes to the financial statements attached are an integral part of the consolidated financial statements)

CONSOLIDATED CHANGE IN EQUITY

For the year ended 30 June 2024

Chengdu SIWI Science and Technology Company Limited

(Amounts in Renminbi, unless otherwise stated)

Items	Current period cumulative											
	Equity attributable to parent company						Other equity instruments				Total equity	
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings		Non-controlling interest
I. Balance at the end of period	400,000,000.00				641,928,122.08			54,983.07	8,726,923.61	-274,062,703.01	88,427,352.60	865,074,678.35
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Business combination under common control												
Others												
II. Balance at the beginning of current year	400,000,000.00				641,928,122.08			54,983.07	8,726,923.61	-274,062,703.01	88,427,352.60	865,074,678.35
III. Current period increase (or less: decrease)								2,264,382.85			-1,686,586.51	1,207,847.40
(I) Total comprehensive income												
(II) Capital contributed or withdrawn by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others												
(III) Profit distribution												
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners												
3. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital												
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Balance at the end of current period	400,000,000.00				641,928,122.08			685,034.13	8,726,923.61	-271,798,320.16	86,740,766.09	866,282,525.75

(The notes to the financial statements attached are an integral part of the consolidated financial statements)

Items	Preceding period comparative											
	Equity attributable to parent company											
	Other equity instruments											
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interest	Total equity
I. Balance at the end of period	400,000,000.00				641,928,122.08		4,916,795.69		8,726,923.61	-299,724,682.19	87,733,321.82	843,580,481.01
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Business combination under common control												
Others												
II. Balance at the beginning of current year	400,000,000.00				641,928,122.08		4,916,795.69		8,726,923.61	-299,724,682.19	87,733,321.82	843,580,481.01
III. Current period increase (or less: decrease)							2,506,371.00			-2,453,057.48	3,092,233.40	3,145,546.92
(I) Total comprehensive income							2,506,371.00			-2,453,057.48	3,092,233.40	3,145,546.92
(II) Capital contributed or withdrawn by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others												
(III) Profit distribution												
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners												
3. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital												
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Balance at the end of current period	400,000,000.00				641,928,122.08		7,423,166.69		8,726,923.61	-302,177,739.67	90,825,555.22	846,726,027.93

(The notes to the financial statements attached are an integral part of the consolidated financial statements)

I. NOTES TO THE ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENT

Note 1. Notes receivable

1. Details of notes receivable on categories

Items	Closing balance	Opening balance
Bank acceptance	20,651,516.02	22,731,452.68
Trade acceptance	29,298,135.97	72,811,832.67
Subtotal	<u>49,949,651.99</u>	<u>95,543,285.35</u>
Less: Provision for bad debts	<u>146,490.68</u>	<u>364,059.16</u>
Total	<u><u>49,803,161.31</u></u>	<u><u>95,179,226.19</u></u>

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

Categories	Book balance		Closing balance		Carrying amount
	Amount	to total (%)	Amount	Provision for bad debts proportion (%)	
Notes receivable with provision made on an individual basis					
Notes receivable with provision made on a collective basis	49,949,651.99	100.00	146,490.68	0.29	49,803,161.31
Including: Trade acceptance	29,298,135.97	58.66	146,490.68	0.50	29,151,645.29
Bank acceptance	<u>20,651,516.02</u>	<u>41.34</u>			<u>20,651,516.02</u>
Total	<u><u>49,949,651.99</u></u>	<u><u>100.00</u></u>	<u><u>146,490.68</u></u>	<u><u>0.29</u></u>	<u><u>49,803,161.31</u></u>

Continued:

Categories	Book balance		Opening balance		
	Amount	to total (%)	Amount	Provision for bad debts Provision proportion (%)	Carrying amount
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
Bank acceptance	<u>22,731,452.68</u>	<u>23.79</u>			<u>22,731,452.68</u>
Total	<u>95,543,285.35</u>	<u>100.00</u>	<u>364,059.16</u>	<u>0.38</u>	<u>95,179,226.19</u>

3. Changes in provision for bad debts in current period

Categories	Opening balance	Changes				Closing balance
		Accrual	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	-217,568.48				146,490.68
Including: Trade acceptance	<u>364,059.16</u>	<u>-217,568.48</u>				<u>146,490.68</u>
Total	<u>364,059.16</u>	<u>-217,568.48</u>				<u>146,490.68</u>

4. *No notes receivable written off during the period*

5. *No pledged notes at the balance sheet date*

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

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	<u>2,097,376.50</u>	<u>906,254.90</u>
Total	<u><u>2,097,376.50</u></u>	<u><u>906,254.90</u></u>

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

Note 2. Accounts receivable

1. *Details of accounts receivable with age analysis method*

Ages	Closing balance	Opening balance
Within 1 year	99,204,336.11	122,019,154.59
1-2 years	2,154,213.90	3,888,003.17
2-3 years	3,835,436.41	4,222,456.12
Over 3 years	34,425,172.81	31,967,253.05
Subtotal	<u>139,619,159.23</u>	<u>162,096,866.93</u>
Less: Provision for bad debts	<u>36,452,995.40</u>	<u>36,894,078.15</u>
Total	<u><u>103,166,163.83</u></u>	<u><u>125,202,788.78</u></u>

2. *Details of accounts 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 (%)	
Receivable with provision made on an individual basis	25,778,577.82	18.46	25,778,577.82	100.00	
Receivable with provision Made on a collective basis	113,840,581.41	81.54	10,674,417.58	9.38	103,166,163.83
Including: Related party portfolio	52,329,548.56	37.48	261,647.74	0.50	52,067,900.82
Non-related party portfolio	61,511,032.85	44.06	10,412,769.84	16.93	51,098,263.01
Total	<u>139,619,159.23</u>	<u>100.00</u>	<u>36,452,995.40</u>	<u>26.11</u>	<u>103,166,163.83</u>

Continued:

Categories	Book balance		Closing 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	<u>162,096,866.93</u>	<u>100.00</u>	<u>36,894,078.15</u>	<u>22.76</u>	<u>125,202,788.78</u>

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

Debtors	Book balance	Closing balance		Reasons
		Provision for bad debts	Provision proportion (%)	
KAB/VOLEX KABKableprektion	2,058,597.74	2,058,597.74	100.00	Not expect to be recoverable
Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd	1,985,718.44	1,985,718.44	100.00	Not expect to be recoverable
Shenyang Hengyuanda Communication Equipment Co., Ltd	1,621,814.62	1,621,814.62	100.00	Not expect to be recoverable
Sichuan Chuandong Electromechanical Equipment Installation Company	1,606,692.41	1,606,692.41	100.00	Not expect to be recoverable
Chongqing Xiongying Communication Co., Ltd	1,414,724.47	1,414,724.47	100.00	Not expect to be recoverable
Yiwu Zhihaoda E-commerce Co., Ltd	1,344,969.65	1,344,969.65	100.00	Not expect to be recoverable
Hangzhou Hanyi Plastic Pipe Materials Co., Ltd.	1,156,614.94	1,156,614.94	100.00	Not expect to be recoverable
China National Postal & Telecommunications APPLIANCE Middle & SOUTH Corp.	1,116,797.27	1,116,797.27	100.00	Not expect to be recoverable
Chengdu Cable Factory Sales Branch	1,062,382.43	1,062,382.43	100.00	Not expect to be recoverable
Other 153 companies	12,410,265.85	12,410,265.85	100.00	Not expect to be recoverable
Total	<u>25,778,577.82</u>	<u>25,778,577.82</u>	<u>-</u>	<u>-</u>

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

(1) *Related party portfolio*

Age	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	51,870,490.42	259,352.45	0.50
Over 3 years	459,058.14	2,295.29	0.50
Total	<u>52,329,548.56</u>	<u>261,647.74</u>	<u>0.50</u>

(2) *Non-related party portfolio*

Age	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	47,333,845.69	1,189,450.72	2.51
1-2 years	2,154,213.90	715,845.28	33.23
2-3 years	3,835,436.41	2,130,201.38	55.54
Over 3 years	8,187,536.85	6,377,272.46	77.89
Total	<u>61,511,032.85</u>	<u>10,412,769.84</u>	<u>16.93</u>

5. *Changes in provision for bad debts*

Categories	Opening balance	Accrual	Changes			Closing balance
			Recovery or reversal	Write- off	Others	
Receivable with provision made on an individual basis	25,826,748.94		8,128.36	40,042.76		25,778,577.82
Receivable with provision made on a collective basis	11,067,329.21	-392,911.63				10,674,417.58
Including: Related party portfolio	250,706.47	10,941.27				261,647.74
Non-related party portfolio	<u>10,816,622.74</u>	<u>-403,852.90</u>				<u>10,412,769.84</u>
Total	<u>36,894,078.15</u>	<u>-392,911.63</u>	<u>8,128.36</u>	<u>40,042.76</u>		<u>36,452,995.40</u>

Including: The details of Recovery or reversal are as follows:

Debtors	Recovery or reversal amount	Reversal reason	Recovery or reversal method	The basis and rationality for determining the proportion of provision for bad debts
Chen Ming	8,128.36	Recovery	Bank Transfer	Could not be contacted
Total	<u>8,128.36</u>	–	–	–

6. Write-off accounts receivable in current period

Items	Write-off amount
Accounts receivable that are actually written off	<u>40,042.76</u>

7. Details of the top 5 debtors with largest balances

Debtors	Closing balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Chengdu SIWI High-Tech Industrial Co.,Ltd.	50,927,992.10	36.48	254,639.96
CRRC Zhuzhou Locomotive CO.,LTD	7,759,383.59	5.56	367,018.84
Zhuzhou CRRC Times Electric Co., Ltd.	7,359,901.92	5.27	348,123.36
Zhongtian Technology Fibre Optics Co., Ltd	4,639,630.90	3.32	23,198.15
CRRC Ziyang Co., Ltd.	2,382,831.89	1.71	1,643,718.54
Total	<u>73,069,740.40</u>	<u>52.34</u>	<u>2,636,698.85</u>

Note 3. Receivables financing

Items	Closing balance	Opening balance
Bank acceptance	<u>42,456,117.61</u>	<u>41,011,605.83</u>
Total	<u><u>42,456,117.61</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

Items	Closing balance	Opening balance
Material purchase	44,969,072.16	27,958,104.38
Equipment and engineering fund	554,000.00	248,794.21
Payable operating expense		<u>27,000.00</u>
Total	<u><u>45,523,072.16</u></u>	<u><u>28,233,898.59</u></u>

Significant accounts payable aged over 1 year

Creditors	Closing balance	Unpaid or carried forward reasons
Beijing ZPD Technology Co., Ltd.	2,406,250.00	No Settlement
Chengdu Cable Communication Equipment Factory	682,874.85	No Settlement
Deyang Xinfangyuan Non-ferrous metal co., Ltd	270,961.37	No Settlement
Sichuan Dongchen Electric Power Equipment Co., Ltd	66,891.90	No Settlement
Sichuan Huafeng Enterprise Group Co., Ltd.	<u>58,955.75</u>	No Settlement
Total	<u><u>3,485,933.87</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	122,727,160.01	108,571,653.72	119,958,074.22	96,603,104.35
Other operations	21,218,168.64	7,012,779.20	36,212,992.66	21,054,551.48
Total	<u>143,945,328.65</u>	<u>115,584,432.92</u>	<u>156,171,066.88</u>	<u>117,657,655.83</u>

2. Details of contract revenue

Categories	Copper cable and related products	Optical communication products	Park operation	Total
1. Product types				
Optical fibre products		72,640,496.52		72,640,496.52
Track cable	15,479,817.76			15,479,817.76
5G mobile intelligent terminal trade	776,028.06			776,028.06
Processing service	2,291,827.40			2,291,827.40
Optical cable assembly	31,398,250.27			31,398,250.27
Others	<u>4,832,193.18</u>	<u>548,352.84</u>	<u>1,251,973.68</u>	<u>6,632,519.70</u>
Subtotal	<u>54,778,116.67</u>	<u>73,188,849.36</u>	<u>1,251,973.68</u>	<u>129,218,939.71</u>
2. Recognition time				
Transferred at a point in time	<u>54,778,116.67</u>	<u>73,188,849.36</u>	<u>1,251,973.68</u>	<u>129,218,939.71</u>
Total	<u>54,778,116.67</u>	<u>73,188,849.36</u>	<u>1,251,973.68</u>	<u>129,218,939.71</u>

Note 6. Tax and surcharge

Items	Current period cumulative	Preceding period cumulative
Housing property tax	2,352,043.96	2,632,167.71
Urban land use tax	1,198,082.30	1,411,492.35
Urban maintenance and construction tax	127,872.78	92,412.67
Stamp duty	86,858.95	91,028.04
Education surcharge	54,802.63	38,769.72
Local education surcharge	36,535.07	25,839.34
Resource tax		7,873.63
Vehicle and vessel use tax	3,540.00	3,540.00
Environmental protection tax	28.88	1.73
Total	<u>3,859,764.57</u>	<u>4,303,125.19</u>

Note 7. Financial costs

Items	Current period cumulative	Preceding period cumulative
Interest expenditures	34,368.28	36,655.07
Less: Interest income	3,493,378.70	6,121,439.23
Gains & losses on foreign exchange	-100,275.25	286,623.31
Bank charges	12,210.61	12,378.49
Total	<u>-3,547,075.06</u>	<u>-5,785,782.36</u>

II. INTEREST IN OTHER ENTITIES

(I) Interest in subsidiaries

1. Composition of the company

Subsidiaries	Main operating place	Registered address	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
				Chengdu SEI Optical Fiber Co., Ltd	Chengdu	
Chengdu PUTIAN New Material Co., Ltd	Chengdu	Chengdu	Manufacturing	100.00	Business combination not under common control	

2. Significant partially-owned subsidiaries

Subsidiaries	Holding proportion of minority shareholders (%)	Profit or loss attributable to minority shareholders	Dividends	Closing balance of	Notes
			declared to minority shareholders in this period	non-controlling interests	
Chengdu SEI Optical Fiber Co., Ltd	40.00	-1,784,416.22	86,740,766.09		

3. Main financial information of significant partially-owned subsidiaries

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

Item	Chengdu SEI Optical Fiber Co., Ltd	
	Closing balance	Opening balance
Current assets	204,941,724.86	190,372,789.92
Non-current assets	38,429,082.62	40,551,242.10
Total assets	243,370,807.48	230,924,032.02
Current liabilities	25,498,092.20	8,739,150.46
Non-current liabilities	1,020,800.00	1,116,500.00
Total liabilities	26,518,892.20	9,855,650.46
Operating income	73,188,849.36	104,619,286.91
Net profit	-4,461,040.56	7,730,583.51
Total comprehensive income	-4,461,040.56	7,730,583.51
Cash Flow of Operational Activities	29,145,939.65	966,134.22

(II) Interest in joint venture or associates

1. Significant joint ventures or 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

3. Item	Closing balance/ Current period cumulative Putian Fasten Cable Telecommunication Co., Ltd.
Current assets	893,738,259.10
Non-current assets	90,861,384.59
Total assets	984,599,643.69
Current liabilities	676,429,407.73
Non-current liabilities	37,448,166.75
Total liabilities	713,877,574.48
Non-controlling interests	
Equity attributable to owners of parent company	270,722,069.21
Proportionate share in net assets	27,072,206.92
Adjustments	
– Goodwill	1,418,109.36
– Unrealized profits from internal transactions	
– Other	
Carrying amount of investments in associates	28,490,316.28
Fair value of equity investments in associates in association with quoted price	
Operating income	69,348,778.47
Net profit	-11,711,330.66
Net profit of discontinued operations	
Other comprehensive income	
Total comprehensive income	-11,711,330.66
Dividend from associates received in current period	

III. OTHER SIGNIFICANT EVENTS

(I) 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 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.

Determined according to the above accounting policy report segment operating division of foreign trade total revenue accounted for the proportion of the total income of the merger does not reach 75%, increase the number of segment reporting, according to the following provisions will not report as Division operating segments into reportable range, until the proportion reached 75%:

- (1) The management department considers that the management division that discloses the management branch information to the users of the accounting information is determined to be the reporting branch;
- (2) Merge the business segment with one or more other business segments which have similar economic characteristics and meet the merger conditions of business segments 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 cables, cable components related products and park operations, optical communication products, park operation.

3. *Reporting segment*

Items	Closing balance/Current period amount				Total
	Copper cables, Wires and related products	Optical communication products	Park Operation	Elimination	
1. Operating Revenue	67,726,689.48	73,188,849.36	5,162,160.49	-2,132,370.68	143,945,328.65
Including: External transaction revenue	65,594,318.8	73,188,849.36	5,162,160.49		143,945,328.65
Revenue between segments	2,132,370.68			-2,132,370.68	
2. Operating Cost	65,838,350.19	77,834,678.62	4,363,156.02	-2,132,370.68	145,903,814.15
Including: Depreciation and Amortization	4,499,467.68	2,884,509.65	599,006.19		7,982,983.52
3. Investments income in associates and joint ventures	-1,171,133.08				-1,171,133.08
4. Credit loss	661,896.39	-32,384.78	-10,485.90	8,499.92	627,525.63
5. Asset impairment loss					
6. Total profits	2,933,622.12	-4,461,040.56	1,998,885.15	8,499.92	479,966.63
7. Cost of income tax					
8. Net profit	2,933,622.12	-4,461,040.56	1,998,885.15	8,499.92	479,966.63
9. Total asset	781,925,107.10	243,370,807.48	87,859,591.12	-109,896,827.84	1,003,258,677.86
10. Total liabilities	70,870,952.39	26,518,892.20	45,701,246.61	-6,114,939.09	136,976,152.11
11. Other important non cash items	5,028,612.26	474,692.00			5,503,304.26

(1) Leases

The Company is a lessor

1. Operating lease

(1) lease income

Items	Current period cumulative	Preceding period comparative
lease income	14,726,388.94	15,201,185.21
Including: Income relating to variable lease payments not included in the measurement of the lease liability		

(2) Operating leased assets as buildings.

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

Remaining years	Closing balance	Opening balance
Within 1 year	17,373,017.23	18,241,668.09
1-2years	9,709,170.90	10,359,685.35
2-3years	6,316,222.63	6,657,298.65
Over 3 years	3,234,434.35	3,425,265.98
Total	36,632,845.11	38,683,918.07

2. Other information

Categories of underlying assets	Amount	Lease term	Whether the lease contains renewal option or not
Plants; offices	97,227.29m ²	From 1/7/2024 to 9/11/2028	Yes

IV. OTHER SUPPLEMENTARY INFORMATION

RONA and EPS

1. Details

Profit of the reporting period	Weighted average RONA (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	0.29	0.0057	0.0057
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	0.09	0.0017	0.0017

2. Calculation process of weighted average RONA

Item	Symbol	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	2,264,382.85
Non-recurring profit or loss	B	1,586,195.38
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	678,187.47
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		
Number of months counting from the next month when other net assets were increased or decreased to the end of the reporting period		
Number of months in the reporting period	K	6
Weighted average net assets	$L = \frac{D+A/2+E \times F}{K-G \times H/K \pm I \times J/K}$	777,770,969.35
Weighted average RONA	M=A/L	0.29%
Weighted average RONA after deducting non-recurring profit or loss	N=C/L	0.09%

3. Calculation process of basic EPS and diluted EPS

(1) Calculation process of basic EPS

Item	Symbol	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	2,264,382.85
Non-recurring profit or loss	B	1,586,195.38
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	678,187.47
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	6
Weighted average of outstanding ordinary shares	$L=D+E+F \times G / K-H \times I / K-J$	400,000,000.00
Basic EPS	$M=A/L$	0.0057
Basic EPS after deducting non-recurring profit or loss	$N=C/L$	0.0017

(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

(I) RESULTS ANALYSIS

During the Period, the Company was principally engaged in optical fibers, cable, optoelectronic and cable component business.

During the Period, the Group recorded a total operating revenue of RMB143,945,328.65, representing a decrease of approximately 7.83% as compared with the corresponding period last year. During the Period, total operating revenue from the cable business amounted to RMB18,547,673.22, representing an increase of approximately 24.08% as compared with the corresponding period last year. Total operating revenue from the optical cable component business amounted to RMB31,538,990.27, representing an increase of approximately 107.98% as compared with the corresponding period last year. Total sales of optical fibers by Chengdu SEI Optical Fiber Co., Ltd. (“**Chengdu SEI**”), a principal subsidiary of the Company, amounted to RMB73,188,849.36, representing a decrease of 30.04% as compared with the corresponding period last year.

The increase in revenue from principal businesses was mainly due to the increase from sales of the cable components and cables by the Company during the period, resulting in an increase of approximately 108% in revenue from the optical cable component business, and an increase of approximately 24% in revenue from the cable business, and the control and reduction of costs and expenses by adopting effective measures.

(II) REVIEW OF PRINCIPAL BUSINESSES

To improve the performance of the Group, the Board proactively adjusted the production and operation strategies in response to the changes in internal and external environments of the Group and the market. The major business activities of the Group during the Period are summarised as follows:

I. Major operations

1. Cable fibers business

During the Period, the capacity of optical fibers has been oversupplied and its price remained at the lowest level. The Group adapted and responded to changes actively. First, the Group continuously followed customer needs, improved sales of high-value-added optical fibers such as new models and small-diameter optical fibers, and increased sales revenue. Second, the Group further explored the potential of cost control, conducted price negotiations with key suppliers, and reduced procurement costs of raw material; the Group strengthened lean management of production process, optimized production process, and took various measures to improve the efficiency of production operation and reduced production costs. Third, the Company strengthened its efforts in research and development to overcome the technical problems of producing new optical fibers with better performance and improved product competitiveness.

2. Cable business

During the Period, the Company strengthened the development capacity on products, implemented the “Three-Line Construction” technical transformation project to meet the needs of new product development, and has obtained third-party certification reports for existing research and development projects and completed the extrusion of insulation for identification samples. Meanwhile, the Company maintained its focus on operational safety, intensifying daily inspections, conducting on-sit examinations, and implementing thorough risk assessments to ensure the optimal functioning of production equipment. Furthermore, to enhance the skilled workforce, the Company introduced a dual-mentor system in 2024, delivered specialized cable technology training, and implemented cross-functional job rotations. These initiatives significantly enhanced employees’ technical skills and competency levels.

3. *Optoelectronic business*

To accelerate the development of optoelectronic products and expand into the optoelectronic interconnection market, the Company established a professional team and formed an optical communication products department during the Period, responsible for research, development, and production of optical products. In the first half of the year, the Company actively advanced its production capacity. The optical communication products department's facility was inaugurated in April 2024, with one production line established for each of fiber optic ring, wavelength division multiplexer and optical module. The Company has intensified its research and development efforts. For 2024, an investment of RMB1.50 million is expected for eight types of new products, encompassing 27 modules. At present, 13 models of new products have completed development and entered the stage of market sales and production delivery.

4. *Cable components business*

During the Period, the Company achieved significant technological improvements in its cable assembly business. The technical transformation of high-frequency induction welding equipment was completed, overcoming processing bottlenecks for semi-rigid cable assemblies in the target frequency band. The Company finalised the technical modification of high-power soldering station arm wires, achieving self-sufficiency in the corresponding production equipment and saving approximately RMB120,000 in production costs. The Company carried out the construction of the capacity of optical cable components, initially owned the processing capacity of optical cable components, and completed the delivery of multiple batches of products.

II. Internal management

1. Construction of the Party working group

In 2024, the Company resolutely implemented the decision and deployment made by higher-level party organizations, established a team to carry out annual special competition activities and party organization co-building, set the key task list and work plan for the annual party building work, and promoted the deep integration of party building with our core business activities. In the first half of the year, the Company solidly carried out study and education activities. The Company held democratic life meetings for the leadership team, comprehensive and strict party governance meeting, quarterly party committee central group study sessions and monthly ideological and political study sessions, ensuring the thorough implementation of ideological responsibility. The Company carried out integrity education activities and centralized disciplinary education, advancing in-depth and practical party discipline study and education.

During the Period, the Company completed the election process of the trade union member representatives meeting and employee representative meeting. The Company strengthened information disclosure, published topics of interest to employees through channels such as WeChat official account and factory affairs bulletin board, emphasizing the timeliness and authenticity of public content. This approach encouraged employees to participate in democratic management and supervision, effectively fostering a harmonious environment where the party, government and labour union work together, with active employee involvement in the management. The Company organised and carried out Chinese New Year hiking, table tennis friendly matches and other sports events and multiple welfare activities to continuously improve the happiness index of employees.

2. Human resource management

During the Period, the Company continued to promote its personnel restructuring, completed the adjustment of personnel structure and improved the vitality of the organization by promoting the early retirement of special types of work, the outsourcing of doorman security services, and the replacement of management positions, etc. The Company strengthened the implementation of the salary management system. According to the “Detailed Rules for the Position Promotion and Demotion”, the Company adjusted the salaries for personnel meeting the qualification criteria for position changes. The Company improved its efforts in talent training. The Company also formulated a company-wide talent pipeline development plan and devised and implemented key talent cultivation program.

3. *Financial management*

During the Period, the Company continued to strengthen the efforts in finance management, refreshed its product quotation system, optimized product quotation details, and ensured the efficiency of contract signing. The Company enhanced the financial data analysis and statistics, compiling monthly reports on areas such as signed contracts, the execution of large-scale fund utilization, and budget implementation, providing the data support for the Company to promptly, accurately, and comprehensively grasp the execution status of economic operational target across various business units, effectively leveraging the role of our financial monitoring system. To improve financial information management methods, the Company accelerated the development of an integrated financial sharing platform and completed the initial phase of data management governance.

4. *Assets management*

During the Period, the Company continued to regulate and strengthened assets management, formulated investment and execution plan of fixed assets on a monthly basis, effectively improved the efficiency of the investment and execution of fixed assets, and ensured the smooth completion of annual investment task. The Company initiated disposal procedures for unclaimed assets and those without utilisation value that were physically present but not recorded in the accounts, effectively reducing the Company's asset management costs and mitigating management risks.

5. *Supply chain management*

During the Period, the Company strengthened its supply chain management, improved resilience to market. In line with the Company's business development plans, the Company implemented penetrative task management in collaboration with affiliated units. To accommodate the growth of the cable assembly business, the Company optimised the layout of new regional warehouses. The Company promoted refined warehouse by strengthening batch management principles and implementing material card management. The Company strengthened project plan management, formulated annual plans for research and development projects, monitored and coordinated project development based on planned milestones, and improved the accuracy of project plan execution. The Company refined the assessment scheme for project completion rate, rationally applied the assessment results, further improving the effectiveness of plan execution.

6. *Quality management*

During the Period, the Company continued to improve the quality management system, completed process review, analysis and optimization, completed the formulation and revision of QEOHS Management Manual and 69 procedure documents and management measures. The Company achieved the integration of product planning and design development across three quality management system standards: GB, GJB, and IRIS. The Company strengthened qualification management by successfully passing on-site audits for the environmental and occupational health and safety system, GJB quality system (including expansion), IRIS management system (phase 1) and CRCC, 3C, TUV product certifications, further expanding the coverage of the management system. In the first half of the year, the Company improved its inspection capabilities effectively, and safeguarded the transmission of data of product quality and early warning to relevant parties timely and accurately by integrating existing inspection personnel resources, formulating and implementing the plans for developing composite skills in personnel, optimizing and improving inspection management control procedures.

7. *Construction of informatisation work*

During the Period, the Company integrated the Enterprise Resource Planning of each business unit, optimised the application module of production process management, further enhancing the overall operation efficiency of the Company's production plan. The Company continued to improve the industrial park's security system by redesigning and implementing the weak current wiring for the surveillance system and repositioning the monitoring points, laying the foundation for further enhancing the park's security capabilities.

8. *Safety management*

During the Period, the Company improved the control of safety production management objectives and indicators, formulated and implemented the "Three-Year Action Plan for Conducting Safety Production", strengthened the implementation of the safety production responsibility system. The Company regularly carried out safety inspections and hidden dangers investigation, supervised the implementation of hidden dangers rectification, strengthened safety production education and training. The Company organised specialised safety production training sessions, a dual-promotion month for safety and environmental protection, and training for "Three Categories of Key Personnel". During the Period, there was no safety and environmental protection accidents, and the overall operation of the Company's safety production situation was under control.

9. Risk control

During the Period, the Company continuously strengthened risk management prevention and control. The Company conducted comprehensive risk assessments at all levels, identifying 5 key corporate risks for focused control in 2024 and establishing 7 priority control risks with 25 monitoring thresholds. Meanwhile, the Company strictly implemented the monthly and quarterly monitoring requirements for the established priority control risks, tracking and providing early warnings while ensuring proper reporting of risk events. The Company continued to improve internal control management, strengthen internal supervision, and completed the rectification of 5 internal control defects identified in the internal control self-evaluation in 2023.

(III) FINANCIAL ANALYSIS

As at 30 June 2024, the Group's total assets amounted to RMB1,003,258,677.86 representing an increase of 0.75% from RMB995,768,004.39 as at the end of last year, of which the total non-current assets amounted to RMB239,019,897.42, accounting for 23.82% of the total assets and representing a decrease of 2.57% from RMB245,322,885.31 as at the end of last year.

As at 30 June 2024, the Group's total current assets amounted to approximately RMB764,238,780.44, accounting for 76.18% of total assets and representing an increase of 1.84% from RMB750,445,119.08 as at the end of last year. The net cash flows from operating activities of the Group for the Period amounted to RMB103,007,492.33, while the net cash flows from operating activities for the corresponding period last year amounted to RMB-50,029,852.32, representing an increase of 305.89%.

As at 30 June 2024, the Group's bank balances and cash (including deposits with encumbrance) amounted to RMB472,771,617.31, representing an increase of 26.54% from RMB373,607,624.23 as at the end of last year.

As at 30 June 2024, the Group's total liabilities amounted to RMB136,976,152.11 (as at 31 December 2023: RMB130,693,326.04). The liability-to-total-asset ratio was 13.65%, representing an increase of 0.53% as compared with 13.12% as at the end of last year. Bank and other loans due within one year amounted to RMB459,594.28.

During the Period, the Group did not have other fund-raising activities.

During the Period, the Group's selling expenses, administrative expenses, research and development costs and finance costs amounted to RMB2,608,259.24, RMB20,601,215.58, RMB6,797,216.90 and RMB-3,547,075.06, respectively, representing an increase of 14.72%, a decrease of 35.88%, an increase of 43.02% and a decrease in interest income of RMB2,628,060.53 from RMB2,273,531.19 RMB32,127,316.45, RMB4,752,554.74 and RMB-5,785,782.36 for the corresponding period last year, respectively.

During the Period, the average gross profit margin of the Group was 19.70%, representing a decrease of 4.96% from 24.66% for the corresponding period last year.

1. Analysis of liquidity

As at 30 June 2024, the Group's current ratio and quick ratio were approximately 9.54 and approximately 8.36, respectively.

2. Analysis of financial resources

As at 30 June 2024, the Group's long-term borrowings amounted to RMB4,288,140.10. As the Group's bank deposits and cash amounted to RMB472,771,617.31, the Group had low exposure to short term solvency risk.

3. Capital structure of the Group

The Group's capital resources are derived from bank loans and proceeds from the issuance of shares by the Company. To ensure reasonable utilisation of its capital, the Group has established a stringent and sound financial management system. During the Period, no inappropriate conduct, such as default in repayment of due debts and failure of performance of due obligations, was noted.

In the future, the Group will strengthen the control and management of funds so that they can be fully utilised under normal production and operation.

4. Contingent liabilities

As at 30 June 2024, the Group had no contingent liabilities (31 December 2023: Nil).

(IV) BUSINESS OUTLOOK

In the second half of 2024, the Company will seize the opportunity under the guidance of the Board to invest most of its resources in attaining business growth by reducing costs while increasing efficiency as well as optimising and improving internal control, thereby striving for the accomplishment of various business goals.

I. Operating situation and measures taken

1. Cable fibers business

In the face of a challenging market environment characterised by the oversupply in the optical fibre market and declining fibre prices, the Company has implemented several strategies. First, the Company has focused on improving production management and equipment maintenance to ensure normal operation of production lines in the second half of the year, minimising downtime and production stoppages. Second, the Company will maintain relationships with traditional customers, exploring their new needs, developing new clients, and selectively participating in market competition. Third, the Company will increase its effort to promote high value-added products and actively expanding into overseas markets. Fourth, the Company will optimise production processes for new products, improve yield rate, and strive to secure signed orders.

2. Cable business

The Company accelerated the research and development progress of new products, integrated the new products of optoelectronic business and cable component business to expand the cable product portfolio and establish batch production capabilities for these new items. The Company continuously strengthened process innovation, strengthened quality control, and ensured the smooth delivery of products. The Company actively expands its market presence and increases its market share, while persistently working towards the inclusion in the list of qualified suppliers of target rail transit cable supporting units.

3. *Optoelectronic business*

The Company actively followed up on customer needs, carried out new product promotion, with a focus on advancing product replacements and upgrades for multiple items to secure orders. The Company accelerated the progress of the research & development of products such as fiber optic rings, wavelength division multiplexers, optical module. The Company conducts product trials and tests, continuously adjusting and improving based on test results to achieve iterative optimization and enhance the core competitiveness of products based on the results of product test.

4. *Cable component business*

The Company strengthened the efforts in market expansion, centering on securing new orders from existing customers while actively developing new customer base. The Company increased the research and development efforts of new products and carried out higher-frequency semi-rigid cable assembly technology research. The Company implemented quality improvement and efficiency enhancement initiatives, and completed the design, production and application of testing tooling.

II. Management improvement

1. *Construction of the Party working group*

The Company adhered to the leadership of party building, promoted the integration of party building and business operations, continued to carry out distinctive projects at various level, and fully completed the annual key goals and tasks. The Company continued to deepen the party building brand, innovating methods and approaches in party work. In implementing party building responsibilities, the Company continues to focus on solidifying accountability. Leadership team members strictly fulfill their “dual responsibilities in one post”, conducting in-depth research at each liaison point to ensure party-building work and business operations are planned, deployed, and implemented in tandem.

The Company continuously strengthened the construction of trade union, and carried out the application for the star rating of grass-roots trade union. The Company organised reading activities, special lectures, psychological lectures and other activities to enhance the cultural identity and sense of belonging of employees; The Company conducted various welfare activities on a regular basis to improve the welfare and well-being of employees. The Company carried out on-the-job training, improved the delivery ability of products, and enhanced the overall quality and business skills of employees.

2. *Human resource management*

The Company solidly carried out management services of human resource oriented towards “Attracting Talents, Strengthening Training, and Providing good services”. The Company continued to optimise the salary system, adjusting the salary structures and enhancing the application of performance appraisal. The Company develops reasonable plans for total salary allocation and performance-based reward distribution. The Company strengthened the talent pipeline and increased the intensity of talent training. The Company actively launched training of business skills and corporate culture to support employees in achieving self-growth.

3. *Financial management*

The Company strengthened internal management, continued to promote the construction of a financial shared service platform, and improved the overall efficiency of financial operations. The Company consolidated contract foundation management, implementing effective monitoring of contract fulfillment to improve contract management efficiency. The Company continued to promote the reduction of the accounts receivable and inventory to improve asset quality.

4. *Assets management*

The Company strengthened the management of fixed assets, promoted the investment, inventory and disposal of fixed assets in an orderly manner. The Company strictly implemented the fixed asset investment plan according to schedule. The Company is conducting annual fixed asset inventory checks and completing the application for the 2024 asset retirement plan.

5. *Supply chain management*

The Company continued to improve the supply chain management system, enhancing the integrated supply chain support capabilities. The Company focuses on leveraging planning management as a key tool for core business output, strengthening the rigidity of planning management to fully ensure the completion of scientific research and production tasks. Through the comprehensive coordination, monitoring, and support of supply chain management, the Company will consolidate the material support foundation for the delivery of tasks throughout the year and strive to ensure the smooth delivery of orders.

6. *Quality management*

Based on the annual quality work planning, the Company promoted the implementation of quality control standards and quantitative assessment, improved the execution capacity oriented towards problem, development and result, supported and safeguarded the industry and scientific research work. The Company completed the internal audit of management system, management review, special project supervision and inspection (including outsourced suppliers). Based on product planning and market demand, the Company will plan and organise the acquisition of new qualifications. The Company will ensure successful passage of GB quality system and 3C product certification supervisory audits.

7. *Construction of informatisation work*

The Company conducts comprehensive user research and collaborates with affiliated unites to complete the development of project management software. In coordination with the ERP system construction, the Company improves the quality of basic data and finalising the construction plan. The Company actively promotes the implementation phase of the digital application “cockpit”. The Company is initiating the trial operation of the ERP system, and is facilitating its smooth transition from trial operation to formal operation.

8. *Safety management*

The Company strengthened safety training to enhance safety quality, completed the dangerous work position directory and practical training as part of the three-year action plan for fundamental safety production improvement. The Company strengthened supervision and inspection, maintained regular control measures, and completed the special rectification of the ageing of electrical circuits of the old equipment in use. The Company launched special activities during the Fire Safety Month and completed the self-assessment for achieving the three-level work safety standardisation certification.

9. *Risk control*

The Company cultivated risk prevention awareness and compliance-based management capabilities among cadres and employees, maintaining a bottom line of preventing major risks. The Company continued to carry out the risk assessment, risk monitoring and alerting, risk event handling and follow-up monitoring, and strengthened the construction of risk information system. The Company established a “Big Supervision and Big Risk Control” system, coordinating the integration and efficient operation of various supervisory systems. The Company improved the sharing system and mechanism of information, resources, manpower, and means to enhance supervisory effectiveness and preventive capabilities, fully leveraging the role of the “three lines of defense”.

OVERDUE TIME DEPOSITS

As at 30 June 2024, the Group did not have any other deposit and trust deposit with non-banking financial institutions nor time deposits that cannot be recovered on maturity.

INCOME TAX

Chengdu SEI Optical Fiber Co., Ltd. (“Chengdu SEI”), a subsidiary of the Company, obtained the High-tech Enterprise Certificate again 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

As at 30 June 2024, no asset has been pledged by the Group as security for bank loans (31 December 2023: Nil).

RISK MANAGEMENT

The Group adheres to the principle that risk management must be in line with its overall business strategies and serve the Group's strategic concept while strengthening the risk classification and identification management and taking risk management as its daily routine. The Group's risk management targets to seek appropriate balance between the risks and benefits and minimise the effects of the risks on the Group's financial performance and maximise the interests of the shareholders and other equity investors. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor and control risks within a stipulated range in a timely and reliable manner.

1. “Two Funds” management risk

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

2. Health, safety and environmental risks

Health and safety risks faced by the Group refer to the occurrence of major casualties and safety accidents, and the occurrence of new occupational diseases; environmental pollution risk accidents; dedicated safety management personnel are not in place. The Group will strengthen production safety management and establish a production safety standardisation system; carry out standardisation and compliance construction; implement hidden danger investigation and rectification; assign sufficient safety management personnel in accordance with relevant requirements.

3. Quality risk

The Group is exposed to quality risks arising from product quality fines and claims from customers due to quality issues. The Group will strengthen the business knowledge training for operational positions to continuously improve the professional quality and ability of employees; strengthen the communication with customers' quality and process field on-site personnel and gather feedback on actual application environment to fully understand customer needs; analyse and deal with quality issues in a timely manner and take corrective and improvement measures; strengthen process discipline inspection and quality target assessment; enhance customer relationship, resolving quality issues through after-sales services, with the goal of reducing product returns.

4. Human resources risk

The human resources risk faced by the Group refers to the weakness of the research and development technology team and the lack of technology leaders. The Group will formulate the annual recruitment plan based on the overall strategic planning of the Company and the actual needs of business. The Company will increase its efforts to attract talents and supplement the missing personnel through campus recruitment and social recruitment channels.

5. Production management risk

The production management risk faced by the Group refers to the high production cost with incomplete product specifications. The Group will enhance its product qualification ratio while increasing its production. The Group will precisely align its products with target users and understand their needs in order to expand the market share.

STAFF AND REMUNERATION POLICY OF THE GROUP

As at 30 June 2024, the Group had 415 (as at 31 December 2023: 442) employees. For the six months ended 30 June 2024, the remuneration for employees was RMB30,607,471.88 (the corresponding period of 2023: RMB25,893,484.70).

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.

SHAREHOLDINGS OF SHAREHOLDERS AND CHANGE OF SHARE CAPITAL STRUCTURE

- **Share capital structure**

During the Period, the Company did not make any arrangements for bonus issue, placing or increase of shares or offering of any new shares of the Company. On 5 February 2024, Chengdu Siwi Electronic Co., Ltd.(成都四威電子有限公司) has entered into an equity transfer agreement with Chengdu Siwi High-Tech Industrial Co, Ltd.(成都四威高科技產業園有限公司), pursuant to which Chengdu Siwi Electronic Co., Ltd. has agreed to transfer 136,000,000 shares of the Company (i.e. 34% of equity interest in the Company) to Chengdu Siwi High-Tech Industrial Co, Ltd. at nil consideration. The total issued share capital of the Company remained at RMB400,000,000 divided into 400,000,000 shares with a nominal value of RMB1.00 each, comprising 240,000,000 domestic state-owned legal person shares and 160,000,000 overseas issued shares (“**H Shares**”), representing 60% and 40% of the issued share capital of the Company, respectively.

- **Shareholdings of substantial shareholders**

As at 30 June 2024, Chengdu SIWI High-Tech Industrial Co, Ltd. (成都四威高科技產業園有限公司) held 136,000,000 state-owned legal person shares, representing 34% of the issued share capital of the Company; Chengdu Siwi Electronic Co., Ltd. (成都四威電子有限公司) held 104,000,000 state-owned legal person shares, representing 26% of the issued share capital of the Company. As at 30 June 2024, HKSCC Nominees Limited (“**HKSCC**”, holding shares of the Company on behalf of various clients) held 157,806,999H Shares, representing 39.45% of the issued share capital of the Company.

During the Period, the Board was not aware of any person holding any interests or short positions in shares and underlying shares of the Company which are required to be disclosed pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”). As shown in the register of substantial shareholders of the Company maintained under Section 336 of the SFO, the Company has been notified by shareholders holding 5% or more of the interests in the Company’s issued H Shares, that these are interests other than those held by the directors (the “**Directors**”), supervisors (the “**Supervisors**”) or the chief executive of the Company which have already been disclosed.

As indicated by HKSCC, as at 30 June 2024, the Central Clearing and Settlement System (“CCASS”) participants holding 5% or more of the H Shares of the Company are shown as follows:

	As at 30 June 2024		
	Number of Shares held	Percentage of H Shares	Percentage of total issued share capital
CCASS participants			
The Hongkong and Shanghai			
Banking Corporation Limited	24,661,000	15.41%	6.17%
BOCI Securities Limited	12,380,000	7.73%	3.10%
Essence International Securities			
(Hong Kong) Limited	9,558,000	5.97%	2.39%
Interactive Brokers Hong Kong			
Limited	8,110,000	5.06%	2.03%

Save as disclosed above, as at 30 June 2024, the Company was not aware of any other equity interests which are required to be disclosed pursuant to the SFO. The Board was not aware of any person holding, directly or indirectly, 5% or more of the interests in the H Shares of the Company.

- **Shareholdings of Directors and Supervisors**

As at 30 June 2024, none of the Directors, Supervisors or the chief executive 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 the SFO) recorded in the register as required under Section 352 of the SFO or which were otherwise required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

- **Sufficient public float**

According to public information available to the Company and to the best knowledge of each Director, the Company confirmed that a sufficient public float was maintained during the Period and as at the date of this announcement.

- **Purchase, sale or redemption of listed securities of the Company**

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

- **Convertible securities, share options, warrants or relevant entitlements**

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

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (no interim dividend was paid for the six months ended 30 June 2023).

AUDIT COMMITTEE

At present, the members of the audit committee of the Board of the Company (the “**Audit Committee**”) are Ms. Fu Wenjie (Chairman), Mr. Zhong Qishui and Mr. Xue Shujin, and all of them are independent non-executive Directors.

The Audit Committee is primarily responsible for the internal control and financial review and reporting matters of the Company and making recommendation to the Board on the appointment and/or removal of external auditors. The Audit Committee has reviewed the Group's unaudited interim consolidated financial statements and interim results for the six months ended 30 June 2024. The Audit Committee considers that the unaudited interim consolidated financial statements and interim results for the six months ended 30 June 2024 have complied with the requirements of applicable accounting standards and laws and adequate disclosures have been made.

EVENT AFTER THE REPORTING PERIOD

The Board is not aware of any other significant events requiring disclosure that have taken place subsequent to 30 June 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE CODE

The Company concurs that the value and importance of good corporate governance will help enhance its corporate performance and accountability. The Company regularly reviews its corporate governance to ensure its continuous compliance with the Corporate Governance Code.

The Board considers that the Company has complied with the code provisions set out in the Corporate Governance Code during the period from 1 January 2024 to 30 June 2024 as stated in Appendix C1 to the Listing Rules of the Stock Exchange during the Period.

COMPLIANCE WITH THE MODEL CODE

During the Period, the Company had adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and Supervisors.

Having made specific enquiries, the Board is pleased to report that all Directors and Supervisors have confirmed that they have complied with the Model Code during the Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cdc.com.cn>). The 2024 interim report of the Company will be sent to the shareholders of the Company and will be available for inspection at the above websites in due course.

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

Chengdu, the PRC, 27 August 2024

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

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

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