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成都四威科技股份有限公司

**CHENGDU SIWI SCIENCE AND TECHNOLOGY COMPANY LIMITED**

*(Formerly known as “Chengdu PUTIAN Telecommunications Cable Company Limited 成都普天電纜股份有限公司”)*

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

**(Stock Code: 1202)**

## **2023 INTERIM RESULTS ANNOUNCEMENT**

### **SUMMARY**

1. The Group recorded a total operating revenue of RMB156,171,066.88 for the six months ended 30 June 2023 (the “**Period**”), representing an increase of approximately 17.50% as compared with the corresponding period last year.
2. During the Period, total sales of copper cables, optical cables, optical fibers and related products amounted to RMB133,928,025.59, representing an increase of approximately 21.49% 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 RMB104,619,286.91, representing an increase of 20.63% as compared with the corresponding period last year.
3. During the Period, the Group’s loss attributable to equity holders of the Company was RMB2,453,057.48, while the Group’s profit attributable to equity holders of the Company for the corresponding period last year was RMB1,674,419.38. Profit attributable to non-controlling shareholders was RMB3,092,233.40, as compared with the profit of RMB2,569,930.26 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 2023.

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 2023

Chengdu SIWI Science and  
Technology Company Limited

(Amounts in Renminbi,  
unless otherwise stated)

Assets	Section 6	Closing balance	Opening balance
<b>Current Assets:</b>			
Cash and bank balance		430,826,581.39	485,368,181.46
Financial assets held for trading			
Derivative financial asset			
Notes receivable	Note 1	3,231,104.92	
Account receivable	Note 2	97,167,494.90	78,930,240.49
Receivable financing	Note 3	67,190,762.47	76,003,141.78
Advances paid		18,152,870.28	7,359,411.26
Other receivables		3,153,464.00	3,819,556.49
Inventories		125,479,187.07	94,630,633.76
Contract Assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		5,364,531.39	5,812,246.89
		-----	-----
<b>Total Current Assets</b>		<b>750,565,996.42</b>	<b>751,923,412.13</b>
		-----	-----

<b>Assets</b>	<i>Section 6</i>	<b>Closing balance</b>	Opening balance
<b>Non-current Assets:</b>			
Debt investments			
Other debt investments			
Long-term accounts receivable			
Long-term equity investments		<b>32,871,231.75</b>	37,705,739.10
Other equity instrument investments		<b>8,134,359.00</b>	5,627,988.00
Other non-current financial assets			
Investment Property		<b>68,412,872.40</b>	70,974,819.27
Fixed assets		<b>113,298,112.10</b>	116,410,967.30
Construction in process		<b>1,350,841.32</b>	813,523.02
Productive biological assets			
Oil&gas assets			
Right-of-use assets			
Intangible assets		<b>31,181,985.31</b>	31,643,528.41
Capitalised R&D expenses			
Goodwill			
Long-term deferred expenses		<b>2,274,581.73</b>	2,641,830.27
Deferred income tax assets			
Other non-current assets			253,600.00
		-----	-----
<b>Total Non-current Assets</b>		<b><u>257,523,983.61</u></b>	<u>266,071,995.37</u>
<b>Total Assets</b>		<b><u>1,008,089,980.03</u></b>	<u>1,017,995,407.50</u>

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

<b>LIABILITIES AND EQUITY</b>	<i>Section 6</i>	<b>Closing balance</b>	Opening balance
<b>Current Liabilities:</b>			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	<i>Note 4</i>	<b>47,188,241.04</b>	32,270,673.28
Advances received		<b>432,924.38</b>	1,156,921.07
Contract liabilities		<b>4,170,155.81</b>	3,833,449.99
Employee benefits payable		<b>19,503,079.07</b>	19,475,905.30
Taxes and rates payable		<b>415,242.80</b>	3,540,804.90
Other payables		<b>21,755,042.18</b>	22,951,708.02
Liabilities held for sale			
Non-current liabilities due within one year		<b>472,515.25</b>	445,269.63
Other current liabilities		<b>239,436.47</b>	249,893.18
		-----	-----
<b>Total Current Liabilities</b>		<b>94,176,637.00</b>	83,924,625.37
		-----	-----
<b>Non-current Liabilities:</b>			
Long-term borrowings		<b>4,408,696.29</b>	4,377,122.09
Bonds payable			
Including: Preferred shares			
perpetual bonds			
Lease Liabilities			
Long-term accounts payable			
Long-term employee benefits payable		<b>16,315,701.71</b>	38,339,412.23
Provisions			
Deferred income		<b>46,462,917.10</b>	47,773,766.80
Deferred tax liabilities			
Other non-current liabilities			
		-----	-----
<b>Total Non-current Liabilities</b>		<b>67,187,315.10</b>	90,490,301.12
		-----	-----
<b>Total Liabilities</b>		<b>161,363,952.10</b>	174,414,926.49
		=====	=====

<b>LIABILITIES AND EQUITY</b>	<i>Section 6</i>	<b>Closing balance</b>	Opening balance
<b>Owners' Equity:</b>			
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	<i>Note 5</i>	<b>7,423,166.69</b>	4,916,795.69
Special reserves			
Surplus reserves		<b>8,726,923.61</b>	8,726,923.61
Retained earnings		<b>-302,177,739.67</b>	-299,724,682.19
		-----	-----
<b>Total equity attributable to the parent company</b>		<b><u>755,900,472.71</u></b>	<u>755,847,159.19</u>
<b>Non-controlling interest</b>		<b><u>90,825,555.22</u></b>	<u>87,733,321.82</u>
		-----	-----
<b>Total Owners' Equity</b>		<b><u><u>846,726,027.93</u></u></b>	<u><u>843,580,481.01</u></u>
<b>Total Liabilities and Owners' Equity</b>		<b><u><u>1,008,089,980.03</u></u></b>	<u><u>1,017,995,407.50</u></u>

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

## CONSOLIDATED INCOME STATEMENT

For January to June of year 2023

Chengdu SIWI Science and  
Technology Company Limited

(Amounts in Renminbi,  
unless otherwise stated)

Items	Section 6	Current period cumulative	Preceding period comparative
<b>I. Total operating Revenue</b>	<i>Note 6</i>	<b>156,171,066.88</b>	132,908,478.03
Less: Cost of sales	<i>Note 6</i>	<b>117,657,655.83</b>	102,871,266.05
Tax and surcharge	<i>Note 7</i>	<b>4,303,125.19</b>	2,993,135.89
Marketing expenses		<b>2,273,531.19</b>	1,666,545.30
Administration expenses		<b>32,127,316.45</b>	22,056,671.24
R&D expenses		<b>4,752,554.74</b>	4,440,941.85
Financial costs	<i>Note 8</i>	<b>-5,785,782.36</b>	-5,052,773.32
Including: Interest expenses		<b>36,655.07</b>	37,579.28
Interest income		<b>6,121,439.23</b>	4,763,976.20
Add: Other income		<b>1,328,460.24</b>	1,448,817.32
Investment income (or less: loss)		<b>-914,507.35</b>	-3,282,021.24
Including: Investments income			
from associates and			
joint ventures		<b>-914,507.35</b>	-3,341,024.34
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>-623,308.08</b>	1,836,987.02
Assets impairment loss			
(or less: loss)			
Gains on assets disposal			
(or less: loss)			
		-----	-----
<b>II. Operating Profit (or less: loss)</b>		<b>633,310.65</b>	3,936,474.12
Add: Non-operating revenue		<b>121,339.85</b>	308,092.21
Less: Non-operating expenditures		<b>115,474.58</b>	216.69
		-----	-----

Items	<i>Section 6</i>	Current period cumulative	Preceding period comparative
<b>III. Profit before tax (or less: loss)</b>		<b>639,175.92</b>	4,244,349.64
Less: Income tax			
<b>IV. Net profit (or less: net loss)</b>		<b>639,175.92</b>	4,244,349.64
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)		<b>639,175.92</b>	4,244,349.64
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)		<b>-2,453,057.48</b>	1,674,419.38
Net profit attributed to non-controlling shareholders (or less: loss)		<b>3,092,233.40</b>	2,569,930.26
<b>V. Other comprehensive income after tax</b>		<b>2,506,371.00</b>	3,192,219.00

Items	<i>Section 6</i>	<b>Current period cumulative</b>	Preceding period comparative
Items attributable to the owners of the parent company		<b>2,506,371.00</b>	3,192,219.00
(I) Not to be reclassified subsequently to profit and loss		<b>2,506,371.00</b>	3,192,219.00
1. Net change 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		<b>2,506,371.00</b>	3,192,219.00
4. Changes in fair value of own credit risk			
5. Others		-----	-----
(II) To be reclassified subsequently to profit and loss			
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve			
7. Investment income generated by a package disposal subsidiary prior to loss of control			
8. Conversion of other assets into investment real estate measured by fair value models			
9. Others			
Items attributable to non-controlling shareholders		-----	-----

Items	<i>Section 6</i>	<b>Current period cumulative</b>	Preceding period comparative
<b>VI. Total comprehensive income</b>		<b><u>3,145,546.92</u></b>	<b><u>7,436,568.64</u></b>
Items attributable to the owners of the parent company		<b>53,313.52</b>	4,866,638.38
Items attributable to non-controlling shareholders		<b>3,092,233.40</b>	2,569,930.26
<b>VII. Earning per share(EPS)</b>			
(I) Basic EPS (yuan per share)		<b>-0.01</b>	0.0042
(II) Diluted EPS (yuan per share)		<b><u>-0.01</u></b>	<b><u>0.0042</u></b>

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

## CONSOLIDATED CASH FLOW STATEMENT

For January to June of year 2023

Chengdu SIWI Science and  
Technology Company Limited

(Amounts in Renminbi,  
unless otherwise stated)

Items	Section 6	Current period cumulative	Preceding period comparative
<b>I. Cash flows from operating activities:</b>			
Cash receipts from sales of goods or rendering of services		<b>118,926,051.28</b>	102,615,388.17
Receipts of tax refund		<b>3,656.63</b>	
Other cash receipts related to operating activities		<b>38,910,830.27</b>	62,632,833.01
		<hr/>	<hr/>
Subtotal of cash inflows from operating activities		<b>157,840,538.18</b>	165,248,221.18
		<hr/>	<hr/>
Cash payment for goods purchased and service received		<b>124,109,420.60</b>	87,793,455.97
Cash paid to and on behalf of employees		<b>56,702,055.34</b>	26,628,695.91
Cash payments for taxes and rates		<b>7,821,286.86</b>	4,592,814.39
Other cash payments related to operating activities		<b>19,237,627.70</b>	16,838,461.39
		<hr/>	<hr/>
Subtotal of cash outflows from operating activities		<b>207,870,390.50</b>	135,853,427.66
		<hr/>	<hr/>
<b>Net cash flows from operating activities</b>		<b>-50,029,852.32</b>	29,394,793.52
		<hr/>	<hr/>

Items	<i>Section 6</i>	<b>Current period cumulative</b>	Preceding period comparative
<b>II. Cash flows from investment activities:</b>			
Cash receipts from withdrawal of investments		<b>3,920,000.00</b>	31,330,150.00
Cash receipts from investment income			59,003.10
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets			
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		<b><u>3,920,000.00</u></b>	<u>31,389,153.10</u>
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		<b>2,066,135.68</b>	649,657.85
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		<b><u>2,066,135.68</u></b>	<u>649,657.85</u>
<b>Net cash flows from investing activities</b>		<b><u><u>1,853,864.32</u></u></b>	<u><u>30,739,495.25</u></u>

Items	<i>Section 6</i>	<b>Current period cumulative</b>	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		<b>224,065.77</b>	210,378.93
Cash payments for distribution of dividends or profits and for interest expenses		<b>36,655.07</b>	37,579.28
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		<b>260,720.84</b>	247,958.21
<b>Net cash flows from financing activities</b>		<b>-260,720.84</b>	-247,958.21



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## For January to June of year 2023

*Chengdu SIWI Science and Technology Company Limited*

*(Amounts in Renminbi, unless otherwise stated)*

Items	Current period cumulative											
	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 previous 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
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 year increase (or less: decrease)							2,506,371.00			-2,453,057.48	3,092,233.40	3,145,546.92
(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 year	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 hereto are an integral part of the financial statements)

Items	Preceding period comparative							Total equity			
	Equity attributable to parent company										
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income				
							Special reserve	Surplus reserve	Retained earnings	Non-controlling interest	
<b>I. Balance at the end of previous year</b>	400,000,000.00				638,760,122.08		4,896,623.69	8,726,923.61	-297,500,420.97	83,922,183.75	838,805,432.16
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Business combination under common control											
Others											
<b>II. Balance at the beginning of current year</b>	400,000,000.00				638,760,122.08		4,896,623.69	8,726,923.61	-297,500,420.97	83,922,183.75	838,805,432.16
<b>III. Current year increase (or less: decrease)</b>					3,168,000.00		3,192,219.00		1,674,419.38	2,569,930.26	10,604,568.64
(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											
<b>IV. Balance at the end of current year</b>	400,000,000.00				641,928,122.08		8,088,842.69	8,726,923.61	-295,826,001.59	86,492,114.01	849,410,000.80

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

**I. NOTES TO THE PRINCIPAL ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENT**

**Note 1. Notes receivable**

*1. Details of notes receivable categories*

Items	Closing balance	Opening balance
Bank acceptance		
Trade acceptance	3,247,540.39	
Subtotal	<u>3,247,540.39</u>	<u>                    </u>
Less: Provision for bad debts	<u>16,435.47</u>	<u>                    </u>
Total	<u><u>3,231,104.92</u></u>	<u><u>                    </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 proportion (%)	
Notes receivable with provision made on an individual basis					
Notes receivable with provision made on a collective basis	3,247,540.39	100.00	16,435.47	0.51	3,231,104.92
Including: Bank acceptance					
Trade acceptance	<u>3,247,540.39</u>	<u>100.00</u>	<u>16,435.47</u>	<u>0.51</u>	<u>3,231,104.92</u>
Total	<u><u>3,247,540.39</u></u>	<u><u>100.00</u></u>	<u><u>16,435.47</u></u>	<u><u>0.51</u></u>	<u><u>3,231,104.92</u></u>

Continued:

Categories	Book balance		Opening balance		Carrying amount
	Amount	to total (%)	Amount	Provision for bad debts Provision proportion (%)	
Notes receivable with provision made on an individual basis					
Notes receivable with provision made on a collective basis					
Including: Bank acceptance					
Trade acceptance					
Total					

**3. Notes receivable with provision made on a collective basis**

Items	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Trade acceptance portfolio	<b>3,247,540.39</b>	<b>16,435.47</b>	<b>0.51</b>
Total	<b>3,247,540.39</b>	<b>16,435.47</b>	<b>0.51</b>

**4. Changes in provision for, recovery or reversal of 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		16,435.47			16,435.47
Including: Bank acceptance					
Trade acceptance		16,435.47			16,435.47
Total		16,435.47			16,435.47



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 (%)	
Amounts receivable with provision made for expected credit loss on an individual basis	26,281,706.22	20.04	26,217,257.03	99.75	64,449.19
Amounts receivable with provision made for expected credit loss on a collective basis	104,859,614.06	79.96	7,756,568.35	7.40	97,103,045.71
Including: Related party portfolio	54,118,884.65	41.27	270,594.42	0.50	53,848,290.23
Non-related party portfolio	50,740,729.41	38.69	7,485,973.93	14.75	43,254,755.48
<b>Total</b>	<b>131,141,320.28</b>	<b>100.00</b>	<b>33,973,825.38</b>	<b>25.91</b>	<b>97,167,494.90</b>

Continued:

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

3. *Accounts receivable with provision made for expected credit loss 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 expected to be recoverable
Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd	1,985,718.44	1,985,718.44	100.00	Not expected to be recoverable
Shenyang Hengyanda Communication Equipment Co., Ltd	1,621,814.62	1,621,814.62	100.00	Not expected to be recoverable
Sichuan Chuandong Electromechanical Equipment Installation Company	1,606,692.41	1,606,692.41	100.00	Not expected to be recoverable
Chongqing Xiongying Communication Co., Ltd	1,414,724.47	1,414,724.47	100.00	Not expected to be recoverable
Yiwu Zhihaoda e-commerce Co., Ltd	1,344,969.65	1,344,969.65	100.00	Not expected to be recoverable
Hangzhou Hanyi Plastic Pipe Materials Co., Ltd.	1,156,614.94	1,156,614.94	100.00	Not expected to be recoverable
Zhongnan Company, China Postal and Electrical Material Company	1,116,797.27	1,116,797.27	100.00	Not expected to be recoverable
Yantai Cable Plant	104,491.95	40,042.76	38.32	Reorganisation of the counterparty in bankruptcy (the accrual amount is determined based on the draft reorganisation plan adopted by court decision)
Other 154 Debtors	13,871,284.73	13,871,284.73	100.00	Not expected to be recoverable
Total	<u>26,281,706.22</u>	<u>26,217,257.03</u>		

4. *Accounts receivable with provision made for expected credit loss on a collective basis*

(1) *Related party portfolio*

Age	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	53,659,826.51	268,299.13	0.50
1 – 2 years			
2 – 3 years	344,800.60	1,724.00	0.50
Over 3 years	114,257.54	571.29	0.50
Total	<u>54,118,884.65</u>	<u>270,594.42</u>	<u>0.50</u>

(2) *Non-related party portfolio*

Age	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	35,425,996.86	519,223.15	1.47
1-2 years	5,795,675.80	1,202,602.73	20.75
2-3 years	2,474,792.35	1,079,999.38	43.64
Over 3 years	7,044,264.40	4,684,148.67	66.50
Total	<u>50,740,729.41</u>	<u>7,485,973.93</u>	<u>14.76</u>

5. *Provision, recovery or reversal of bad debt provision for the period*

Categories	Opening balance	Changes			Others	Closing balance
		Accrual	Recovery or reversal	Write-off		
Receivable with provision made on an individual basis	26,318,007.79		100,750.76			26,217,257.03
Receivable with provision made on a collective basis	7,045,597.78	710,970.57				7,756,568.35
Including: Related party portfolio	186,436.19	84,223.51				270,659.70
Non-related party portfolio	6,859,161.59	626,747.06				7,485,908.65
Total	<u>33,363,605.57</u>	<u>710,970.57</u>	<u>100,750.76</u>			<u>33,973,825.38</u>

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

Debtors	Recovery or reversal amount	Recovery or reversal method
Guangzhou Panyu Zhujiang Hualong Petroleum Steel Pipe Antisepsis Co., Ltd. (廣州市番禺珠江華龍石油鋼管防腐有限公司)	98,688.00	Collection
Ziyang CRRC Electrical Technology Co., Ltd.	<u>2,062.76</u>	Collection
Total	<u><u>100,750.76</u></u>	

6. *No accounts receivable write-off in current period*

7. *Top five accounts receivable by debtors based on closing balance*

Debtors	Closing balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Chengdu Siwei Hi-Tech Industrial Park Co. Ltd (成都四威高科技產業園有限公司)	50,320,452.40	38.37	251,602.26
Zhongtian Technology Optical Fiber Co. Ltd (中天科技光纖有限公司)	4,680,221.00	3.57	23,401.11
Zhuzhou CRRC Times Electric Co., Ltd.	3,863,944.28	2.95	114,372.75
CRRC Zhuzhou Locomotive Co., Ltd.	3,652,334.36	2.79	108,109.10
CRRC Ziyang Co., Ltd.	<u>2,981,432.54</u>	<u>2.27</u>	<u>1,387,948.28</u>
Total	<u><u>65,498,384.58</u></u>	<u><u>49.95</u></u>	<u><u>1,885,433.50</u></u>

**Note 3. Receivables financing**

<b>Items</b>	<b>Closing balance</b>	Opening balance
Bank acceptance	<u>67,190,762.47</u>	<u>76,003,141.78</u>
Total	<u><u>67,190,762.47</u></u>	<u><u>76,003,141.78</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 with age analysis method**

<b>Age</b>	<b>Closing balance</b>	Opening balance
Within 1 year	<b>43,063,730.98</b>	27,709,518.63
1-2 years	<b>3,116,091.92</b>	3,089,124.85
2-3 years		
Over 3 years	<u>1,008,418.14</u>	<u>1,472,029.80</u>
Total	<u><u>47,188,241.04</u></u>	<u><u>32,270,673.28</u></u>

**2. Details of accounts payable on categories**

<b>Items</b>	<b>Closing balance</b>	Opening balance
Material purchase	<b>47,152,341.04</b>	32,221,673.28
Equipment and engineering fund	<b>35,900.00</b>	
Payable operating expense		<u>49,000.00</u>
Total	<u><u>47,188,241.04</u></u>	<u><u>32,270,673.28</u></u>

## Note 5. Other comprehensive income (OCI)

Items	Opening balance	Current period cumulative								Closing balance
		Current period cumulative before profit or loss in current period	Less: OCI previously recognized but transferred to profit or loss in current period	Less: OCI previously recognized but transferred to retained earnings in current period	Less: hedging reserves transfer to assets or liabilities	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	Transfer to remeasurement of the set benefit plan variation	
<b>1. Items not to be reclassified subsequently to profit or loss</b>										
subsequently to profit or loss	4,916,795.69	2,506,371.00				2,506,371.00				7,423,166.69
Changes in fair value of other equity										
Instrument investments	4,916,795.69	2,506,371.00				2,506,371.00				7,423,166.69
<b>2. Items to be reclassified subsequently to profit or loss</b>										
Total OCI	4,916,795.69	2,506,371.00				2,506,371.00				7,423,166.69

## Note 6. Operating income/Operating cost

### 1. Details of operating income and operating cost

Items	Current period cumulative		Preceding period cumulative	
	Income	Cost	Income	Cost
Main operations	119,958,074.22	96,603,104.35	110,236,726.89	92,589,570.93
Other operations	36,212,992.66	21,054,551.48	22,671,751.14	10,281,695.12
Total	156,171,066.88	117,657,655.83	132,908,478.03	102,871,266.05

### 2. Details of contract revenue

Categories	Copper cables and related products	Optical communication products	Total
<b>1. Product types</b>			
Optical fiber products		104,619,286.91	104,619,286.91
Track cables	14,144,219.06		14,144,219.06
5G mobile intelligent terminal trade	414,275.53		414,275.53
Processing services			
Optical cable components	15,164,519.62		15,164,519.62
Others	389,651.65		389,651.65
Subtotal	30,112,665.86	104,619,286.91	134,731,952.77
<b>2. By time of goods transfer</b>			
Transferred at a point in time	30,112,665.86	104,619,286.91	134,731,952.77
Total	30,112,665.86	104,619,286.91	134,731,952.77

Note: The difference between operating income and contract revenue is the income from leasing business

**Note 7. Tax and surcharge**

<b>Items</b>	<b>Current period cumulative</b>	Preceding period cumulative
Land use tax	<b>1,411,492.35</b>	1,241,590.19
Property tax	<b>2,632,167.71</b>	1,212,681.38
Urban maintenance and construction	<b>92,412.67</b>	222,910.07
Stamp duty	<b>91,028.04</b>	140,469.16
Education surcharge	<b>38,769.72</b>	95,532.87
Local education surcharge	<b>25,839.34</b>	63,688.59
Resource tax	<b>7,873.63</b>	13,863.63
Vehicle and vessel use tax	<b>3,540.00</b>	2,400.00
Environmental protection tax	<b>1.73</b>	
Total	<b><u>4,303,125.19</u></b>	<u>2,993,135.89</u>

**Note 8. Financial costs**

<b>Items</b>	<b>Current period cumulative</b>	Preceding period cumulative
Interest expenditures	<b>36,655.07</b>	37,579.28
Less: Interest income	<b>6,121,439.23</b>	4,763,976.20
Gains & losses on foreign exchange	<b>286,623.31</b>	-339,116.79
Bank charges	<b>12,378.49</b>	12,740.39
Total	<b><u>-5,785,782.36</u></b>	<u>-5,052,773.32</u>

## II. INTEREST IN OTHER ENTITIES

### (1) Interest in subsidiaries

#### 1. Composition of the Group

Subsidiaries	Main operating place	Registered address	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
Chengdu SEI Optical Fiber Co., Ltd	Chengdu	Chengdu	Manufacturing	60.00		Business combination not under common control
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 non-controlling shareholders (%)	Profit or loss attributable to non-controlling shareholders in the current period	Dividends declared to non-controlling shareholders in the current period	Closing balance of non-controlling interests	Notes

#### 3. Main financial information of significant partially-owned subsidiaries

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

Items	Chengdu SEI Optical Fiber Co., Ltd	
	Closing balance	Opening balance
Current assets	<b>200,885,940.33</b>	189,369,004.78
Non-current assets	<b>41,944,356.44</b>	43,658,751.31
Total assets	<b>242,830,296.77</b>	233,027,756.09
Current liabilities	<b>14,554,208.66</b>	12,386,551.49
Non-current liabilities	<b>1,212,200.00</b>	1,307,900.00
Total liabilities	<b>15,766,408.66</b>	13,694,451.49
Operating income	<b>104,619,286.91</b>	86,728,819.33
Net profit	<b>7,730,583.51</b>	6,424,825.66
Total comprehensive income	<b>7,730,583.51</b>	6,424,825.66
Cash Flow of Operational Activities	<b>966,134.22</b>	-1,609,925.32

(2) Interest in associates

1. Significant associates

Associates	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

Items	Closing balance/ Current period cumulative	
	Chengdu Bada Connector Co., Ltd.	Putian Fasten Cable Telecommunication Co., Ltd.
Current assets		1,011,798,561.41
Non-current assets		109,630,249.94
Total assets		1,121,428,811.35
Current liabilities		789,188,356.38
Non-current liabilities		17,709,231.07
Total liabilities		806,897,587.45
Non-controlling interests		
Equity attributable to owners of parent company		314,531,223.90
Proportionate share in net assets		31,453,122.39
Adjustments		
– Goodwill		3,190,746.07
– Unrealized profits from internal transactions		
– Other		-1,772,636.71
Carrying amount of investments in associates		32,871,231.75
Fair value of equity investments in associates with quoted price		
Operating income		167,641,883.73
Net profit		-19,859,659.39
Net profit of discontinued operations		
Other comprehensive income		
Total comprehensive income		-19,859,659.39
Dividend from associates received in current period		

Continued:

Items	Opening balance/ Last period cumulative	
	Chengdu Bada Connector Co., Ltd.	Putian Fasten Cable Telecommunication Co., Ltd.
Current assets	33,260,269.58	1,421,531,083.37
Non-current assets	4,084,586.08	120,502,397.35
Total assets	<u>37,344,855.66</u>	<u>1,542,033,480.72</u>
Current liabilities	28,318,363.08	909,991,619.88
Non-current liabilities	2,246,334.08	297,650,977.55
Total liabilities	<u>30,564,697.16</u>	<u>1,207,642,597.43</u>
Non-controlling interests	966,808.68	
Equity attributable to owners of parent company	5,813,349.82	334,390,883.29
Proportionate share in net assets	2,848,541.41	33,439,088.33
Adjustments		
– Goodwill		1,418,109.36
– Unrealized profits from internal transactions		
– Other		
Carrying amount of investments in associates	2,848,541.41	34,857,197.69
Fair value of equity investments in associates with quoted price		
Operating income	97,461,623.21	185,386,929.41
Net profit	-1,597,993.37	-25,582,748.46
Net profit of discontinued operations		
Other comprehensive income		
Total comprehensive income	-1,597,993.37	-25,582,748.46
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*

The Company is based on internal organisational 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 reporting segment on the basis of the operating segments, and the operating segments, which meets the following conditions, is determined to be a reporting segment:

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

When the total external transaction revenue of the operating segment of the reporting segment determined according to the above accounting policy does not reach 75% of the consolidated total income, increase the number of reporting segment, and include other operating segments that are not recognized as reporting segments in the scope of the reporting segments according to the following provisions, until the proportion reaches 75%:

- (1) Identify the operating segment for which management believes that disclosure of information about the operating segment would be useful to users of accounting information as a reporting segment;
- (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 operation, optical communication products and park operation.

3. *Reporting segment*

Items	Closing balance/Current period amount				
	Copper cables, cable components, and related products and park operation	Optical communication products	Park operation	Elimination	Total
1. Operating Revenue	51,341,286.93	104,619,286.91	5,487,915.44	-5,277,422.40	156,171,066.88
Including: External transaction revenue	46,063,864.53				46,063,864.53
Revenue between segments	5,277,422.40			-5,277,422.40	
2. Operating Cost	1,364,860.40	908,670.79			2,273,531.19
Including: Depreciation and Amortization					
3. Investments income in associates and joint ventures	-914,507.35				-914,507.35
4. Credit loss	-670,340.87	-36,635.62	84,352.28	-683.87	-623,308.08
5. Asset impairment loss					
6. Total profits	-9,445,267.09	7,730,583.51	2,354,543.37	-683.87	639,175.92
7. Cost of income tax					
8. Net profit	-9,445,267.09	7,730,583.51	2,354,543.37	-683.87	639,175.92
9. Total asset	787,673,386.97	242,830,296.77	86,804,215.12	-109,217,918.83	1,008,089,980.03
10. Total liabilities	102,767,399.82	15,766,408.66	48,262,762.11	-5,432,618.49	161,363,952.10
11. Other important non cash items	475,793.24	1,590,342.44			2,066,135.68

## (II) Leases

### *The Company is a lessor*

#### 1. Operating lease

- (1) lease income

Items	Amount for the current period	Amount for the preceding period
Lease income	15,201,185.21	14,746,329.53
Including: Income relating to variable lease payments not included in the measurement of the lease liability		

- (2) Please refer to the section headed “Investment Property” of the Financial Statements for details on buildings leased out under operating leases

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

Remaining years	Closing balance	Opening balance
Within 1 year	18,241,668.09	17,796,330.31
1–2 years	10,359,685.35	9,520,530.56
2–3 years	6,657,298.65	7,045,301.25
Over 3 years	3,425,265.98	2,458,004.26
Total	38,683,918.07	36,820,166.38

#### 2. Other information

Categories of underlying assets	Amount	Lease term	Whether the lease contains renewal option or not
Plants, offices and etc.	102,132.50 m <sup>2</sup>	From 1/7/2023 to 30/4/2027	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	-0.32	-0.01	-0.01
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	0.84	0.02	0.02

###### 2. Calculation process of weighted average RONA

Items	Symbol	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	-2,453,057.48
Non-recurring profit or loss	B	-8,773,455.09
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	6,320,397.61
Opening balance of net assets attributable to shareholders of ordinary shares	D	755,847,159.19
Net assets attributable to shareholders of ordinary shares increased due to offering of new shares or conversion of debts into shares	E	
Number of months counting from the next month when the net assets were increased to the end of the reporting period	F	
Net assets attributable to shareholders of ordinary shares decreased due to share repurchase or cash dividends appropriation	G	
Number of months counting from the next month when the net assets were decreased to the end of the reporting period	H	
Others Increase in net assets caused by changes in fair value of other equity instruments	I	2,506,371.00
Number of months counting from the next month when other net assets were increased or decreased to the end of the reporting period	J	6
Number of months in the reporting period	K	6
Weighted average net assets	$L = \frac{D+A/2+E \times F}{K-G \times H/K \pm I \times J/K}$	757,127,001.45
Weighted average RONA	$M = A/L$	-0.32%
Weighted average RONA after deducting non-recurring profit or loss	$N = C/L$	0.84%

### 3. Calculation process of basic EPS and diluted EPS

#### (1) Calculation process of basic EPS

Items	Symbol	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	-2,453,057.48
Non-recurring profit or loss	B	-8,773,455.09
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	6,320,397.61
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	$L = \frac{D+E+F \times G}{K-H \times I / K - J}$	
Basic EPS	$M = A / L$	-0.01
Basic EPS after deducting non-recurring profit or loss	$N = C / L$	0.02

#### (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, Chengdu SIWI Science and Technology Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was principally engaged in optical cable component business, cable manufacturing business, optical fiber and optical device business and park operation business.

During the Period, the Group recorded a total operating revenue of RMB156,171,066.88, representing an increase of approximately 17.50% as compared with the corresponding period last year. During the Period, total operating revenue from the optical cable component business amounted to RMB15,164,519.62. Total operating revenue from the cable manufacturing business amounted to RMB14,948,146.24, representing a decrease of approximately 44.11% as compared with the corresponding period last year. Total operating revenue from the park operation business amounted to RMB21,439,114.11, representing an increase of approximately 10.33% 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 RMB104,619,286.91, representing an increase of 20.63% as compared with the corresponding period last year.

The increase in revenue from principal businesses was mainly due to the increase in revenue from sales of optical fiber driven by the market in the first half of 2023, and the increase in revenue resulting from the commercial production of optical cable components in July 2022.

## **(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. Optical cable component business*

During the Period, although the business volume of the optical cable component business was not as high as expected due to the business model, the capacity building achieved significant results. In terms of high and low frequency components, capacity utilisation improved significantly as compared with the same period last year and remained stable due to various measures we adopted, such as improving the on-site production management, optimising the storage and tooling, developing tooling suitable for on-site use on production line, as well as adopting assembly line mode and adjusting production line layout. We also achieved processing capability of millimeter wave products through specific trainings. In respect of optical fiber cable components, the establishment of a production site and installation of equipment were completed and a trial production was planned to be initiated. At the same time, an embedment site with embedment capability was established.

#### *2. Cable manufacturing business*

Currently, the demand of customers in the rail transit cable market has shifted from track cable to special cable, new energy, power cable and submarine cable and other areas. As one of the first batch of domestic track cable suppliers with incomplete product mix, the Company's market expansion has been affected to a certain extent. During the Period, the Company focused on promoting research and development of new products. Three samples production and testing, simulated acceleration life test and third party verification results for thin-walled rail transit cables were completed, and the direction of insulation technology was determined. The fluoroplastic cables project was approved and investigation on suppliers of XETFE materials, silver-plated conductor and extrusion equipment was completed.

### 3. *Optical fiber and optical device business*

In the first half of 2023, the repeated postponement of China Mobile's centralised procurement of optical fiber, coupled with an unforeseen reduction in tender volume and the anti-dumping campaigns initiated by various countries against domestic optical fiber and cable, has led to a decrease in domestic and international demand, resulting in high inventories of fiber optic enterprises and downward movement of fiber optic prices. The Group exceeded its half-year business target through various measures including maintaining its market sensitivity, formulating a pricing system in line with the market development, adopting a multi-directional and multi-channel marketing strategy, increasing the sales of high value-added products, keeping abreast of customers' needs and actively exploring new customer resources. In addition, the Group actively expanded its optical device products, completed the verification process of "alternative replacement validation" for optical fiber rings and organized production of batch orders. The Group had manufactured and delivered wavelength division multiplexing products, and had been actively attempting the research and development of new models for de-multiplexing, detection and modulation of transmitting optical sub-assembly.

### 4. *Park operation business*

The Group continued to build the park of military electronic supply chain base, which has currently recruited 16 military-civilian integration enterprises. The occupancy rate of the leasable area in the main park reached 97%, and the occupancy rate of the leasable area in the new material park reached 82%. Therefore, the revenue target of parks has been achieved.

## **II. Internal management**

### 1. *Construction of the Party working group*

In the first half of 2023, the Company adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, conducted in-depth study and implementation of the spirit of the 20th National Congress of the Party and the Second Plenary Session of the 20th Central Commission for Discipline Inspection, solidly carried out the special action of "implementing the 20th National Congress and striving for the 14th Five-Year Plan", and further improved the comprehensive and rigorous system for governance of the Party, to promote the Company's quality growth through quality Party building.

We strengthened supervision of reported problems and common issues in the inspection, with a 100% completion rate of the reported problem list of the inspection and rectification by the Party committee. We implemented the main responsibility of the Party Committee, supervised and urged the members of our Party Committee and team members to properly perform “double duties for one post”, convened work meetings on comprehensive and rigorous governance of the Party and democratic life meetings of the leadership team, and organised each Party branch to convene organisational life meetings and conduct democratic evaluation on the Party members.

By commencing the strengthening foundation action, we carried out Party building and collaboration with senior Party branches, held a kick-off meeting and a joint building and learning session, formulated a support and improvement plan, and made progress in an orderly manner according to the “five requirements” and the annual target.

We duly fulfilled our responsibility for ideological work, conducted special campaigns such as “the Power of Role Models” and “Production Safety Month”, and published over 40 articles to strengthen public opinion guidance and corporate culture.

Regular meetings on Party building were held monthly to convey and learn the spirit of relevant documents from higher level, implement the list of key tasks of the Party committee, notify the general information, exchange information and share experience, so as to synchronise the deployment and advancement of Party building and business.

We conducted the work of labor union around the central work, adjusted six labor union branches, and convened member representative meetings and labour congress. We elected five individuals to participate in the “high tech craftsman” competition, organised and held the labour competition of “leading role of Party building, production safety and high-quality technology”, and held the “May 4th” thematic activity and appraisal and award ceremony, focusing on the enhancement of the ideological and political guidance for young employees.

## 2. *System process informatization construction*

In order to strengthen internal management and ensure system flow and process informatisation, the Company has set up a special working group on system process informatisation to carry out special work on system process informatisation construction in terms of two dimensions, namely, functional management and business management, focusing on the combing of system process, process informatisation design and optimisation, and process informatisation implementation. In the first half of the year, 238 systems (including 36 quality system procedure documents and 61 safety management documents) and 164 system processes were sorted out, completing the comprehensive sorting of the Company's product realisation of the main business processes and sub-processes. In addition, according to the confirmation results of information technology process requirements, the Company carried out the system process informatisation construction, in order to promote the system process work effectively and ensure system flow and process standardisation.

## 3. *Human resource management*

During the Period, the Company stepped up its personnel restructuring efforts, resolved historical personnel issues and accelerated the introduction of talents with higher qualifications such as master's degree. The Company established a five-dimension remuneration structure and job hierarchy system and performance allocation system, clarified the range of total remuneration, management procedures and supervision and inspection requirements, etc., and carried out pilot adjustments to the remuneration of employees. The Company strengthened personnel training, carried out seven level-1 trainings, established the key and critical talent pool, formulated training plans, set up the chief workshop, and started the post-doctoral work station. In an effort to strengthened employee and cadre management, the Company issued the Firewall Management Measures for enhancing employees' compliance awareness. Drawing on the experience of manpower informatisation system construction, the Company built its human resources system according to its research and analysis of the information system database structure and system function modules.

#### 4. *Financial management*

The Company carried out a special investigation on assets to facilitate clean-up by asset nature and business sector. It also completed the clean-up of the book value of its assets and prepared a report accordingly. The Company carried out the integration of its business and financial processes, formulated the general rules for its product offerings and prepared the dynamic cost quotation table for the products. Cost optimisation plan was completed to improve the quality of cost accounting. Early warnings were provided on a monthly basis according to segmented statistical analysis of data related to the Company's financial objectives. As part of its efforts to expedite the establishment of the integrated financial sharing platform, the Company completed the preliminary planning for the financial sharing platform and finalised the confirmation form for the first phase of the contract module. The general ledger system was smoothly transitioned from Yonyou U8 (用友U8) to the NCC sharing platform.

#### 5. *Disposal of equity interest*

The Company continued to the reduction of corporate entities and the withdrawal from joint venture. Divestment of the “non-principal and non-competitive” businesses was expedited to streamline the organisational structure of the Company and strengthen its core competitiveness. During the Period, the Company entered into the Property Rights Transaction Contract with Chengdu Puhui Communication Technology Co., Ltd. (成都高新區普惠通信技術有限公司) for the transfer of 49% equity interests in Chengdu Bada Socket Connector Co., Ltd. held by the Company at a consideration of RMB3.92 million, and the Company received the payment in full and completed the industrial and commercial change of the shareholdings. The 10% equity interests in Putian Fasten Cable Telecommunication Co., Ltd. held by the Company is still being listed on Chongqing United Assets and Equity Exchange and no intended transferee has been solicited. In addition, the compulsory liquidation of Sichuan New Dragon Network Technology Co., Ltd. and the insolvency proceedings of Chengdu Yuexin Communication Materials Co., Ltd., both associates of the Company, are being actively pursued.

## 6. *Assets management*

In order to keep abreast of the actual status of the Company's assets, we carried out quarterly sampling of fixed assets and physical assets to confirm that the physical accounts of fixed assets were in line with the actual situation. The Company steadily promoted the retirement of fixed assets and carried out the evaluation and selection of retired assets. The Company enhanced the maintenance and repairment of equipment and achieved the goals of equipment management.

## 7. *Supply chain management*

In the first half of 2023, the preliminary establishment of the Company's project management system was completed, related project management policies were released, and the task import module function of the MES system was improved. By means of weekly and monthly planning meetings and from the perspective of plan management, the Company refined the overall task situation and production progress, analysed the existing inventory, prompted the settlement of orders, and completed the production switch of the rail transit cable business. To strengthen the support for material protection, physical procurement was centralised in the supply chain centre (other than maintenance projects).

## 8. *Quality management*

The Company deepened the management system integration, completed the formulation, revision and review of the QEOHS Management Manual, procedure documents and management measures. The Company has achieved the integration of the standards and requirements of three quality management systems, namely GB, GJB and IRIS (excluding technical terms), and environmental and occupational health and safety management system. The Company achieved compatibility with the product requirements of certifications such as 3C and CRCC. The Company analysed corporate quality goals and formulated implementation measures item by item. The product quality, delivery-related targets and the operation of goals were supervised at all levels on a regular basis, and any extraordinary situations will be monitored and rectified in a timely manner. The Company strengthened inspection management and capability improvement, and implemented key control on the consistency of certified products. The Company implemented the "apprenticeship" mechanism and formulated training plans for employees' comprehensive capabilities. The inspection of workflow and the layout of on-site stations were optimised, and the Company compiled the Administrative Measures for the Co-construction of Inspection Capability of Cable Components, so as to ensure gradual improvement of the inspection efficiency and the effective integration of inspection resources.

During the Period, the Company has passed the on-site audit for environmental and occupational health and safety system, GJB Quality System, IRIS Management System, CRCC, 3C, TUV product certification and GJB Quality System extended audit (optical fiber ring products), and obtained the industrial production permits. The Company strengthened supplier management, reorganised and refined the supplier management structure, formulated a new Supplier Management Measures, revised and improved the Qualified Supplier Control Procedures, tightened the control of supplier access audit, and supervised and guided the suppliers to carry out quality improvement.

#### *9. Construction of informatisation work*

In order to realise the in-depth integration of information technology and management needs of the Company, and to improve the efficiency of the operational management by modern means, the Company carried out overall planning for the construction of the information system in 2023, and formulated plans for the construction of an integrated security management platform, network security and digital integrated application platform. The Company also set up an access control system for visitors, established an enterprise-level network security operation centre, and set up digital office systems with unified access control and workflow.

#### *10. Safety management*

The Company strengthened the management of safety targets indicators, reinforced the implementation of the safety accountability system, and carried out safety inspections and potential risk rectifications. In the first half of the year, no safety and environmental protection incidents occurred, and the Company's overall safety production situation was under control. In conjunction with the requirement of the construction of safety standardization for all three levels, the Company launched a campaign of the "Safety Management Enhancement Year", organised trainings for safety personnel on the 1+5 safety standards, arranged all departments to sort out the list of equipment in-use and guided the compilation of safety technical operation procedures. The Company carried out safety month themed activities and organised a series of activities such as the "Safety in the Front Line, Potential Risk Detection" and the "Well-being Cup", and conducted safety inspections and emergency drills.

## *11. Risk control*

During the Period, the Company had conducted risk inspection work at all levels and identified eight key control risks and set up 27 control thresholds by identifying the key risks control in 2023. The Company strictly implemented the required monthly and quarterly monitoring of major risks to follow up on eight major identified risks and properly report any risks. The Company conducted rectification of legal compliance and risk control systems. All departments of the Company appointed part-time risk and internal control compliance managers, and specified the responsibilities of risk and internal control compliance management of all departments and staff. The Company organised the “Training on Risk and Internal Control Compliance and Warning Case Education” to enhance the risk prevention capability by case education and rectification.

### **(III) FINANCIAL ANALYSIS**

As at 30 June 2023, the Group’s total assets amounted to RMB1,008,089,980.03, representing a decrease of 0.97% from RMB1,017,995,407.50 as at the end of last year, of which the total non-current assets amounted to RMB257,523,983.61, accounting for 25.55% of the total assets and representing a decrease of 3.21% from RMB266,071,995.37 as at the end of last year.

As at 30 June 2023, the Group’s total current assets amounted to approximately RMB750,565,996.42, accounting for 74.45% of total assets and representing a decrease of 0.18% from RMB751,923,412.13 as at the end of last year. The net cash flows from operating activities of the Group for the Period amounted to RMB-50,195,098.27, while the net cash flows from operating activities for the corresponding period last year amounted to RMB29,394,793.52.

As at 30 June 2023, the Group’s bank balances and cash (including deposits with encumbrance) amounted to RMB430,826,581.39, representing a decrease of 11.24% from RMB485,368,181.46 as at the end of last year.

As at 30 June 2023, the Group’s total liabilities amounted to RMB161,363,952.10 (as at 31 December 2022: RMB174,414,926.49). The liability-to-total-asset ratio was 16.01%, representing a decrease of 1.12% as compared with 17.13% as at the end of last year. Bank and other loans due within one year amounted to RMB472,515.25.

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 RMB2,273,531.19, RMB32,127,316.45, RMB4,752,554.74 and RMB-5,785,782.36, respectively, representing an increase of 36.42%, 45.66%, 7.02% and an increase in interest income of RMB1,357,463.03 from RMB1,666,545.30, RMB22,056,671.24, RMB4,440,941.85 and RMB-5,052,773.32 for the corresponding period last year, respectively.

During the Period, the average gross profit margin of the Group was 24.66%, representing an increase of 2.06% from 22.6% for the corresponding period last year.

### **1. Analysis of liquidity**

As at 30 June 2023, the Group's current ratio and quick ratio were approximately 7.97 and approximately 6.39, respectively.

### **2. Analysis of financial resources**

As at 30 June 2023, the Group's long-term borrowings amounted to RMB4,881,211.54. As the Group's bank deposits and cash amounted to RMB430,826,581.39, 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 2023, the Group had no contingent liabilities (31 December 2022: Nil).

## **(IV) BUSINESS OUTLOOK**

In the second half of 2023, the Company will seize the opportunity under the guidance of the Board and the supervisory committee 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. Optical cable component business*

By realizing the guiding effect of the plan, the Company will continue to optimise its production lines through on-site production management, and conduct professional trainings to enhance the capabilities of process personnel in on-site process decomposition, process optimisation and improvement, in order to further increase the production capacity of the cable component business and the delivery rates of monthly key tasks. The Company will also strengthen the capacity of production inspection and off-site construction, and complete the production and delivery of our hybrid optical cable components. These initiatives will enable the Company to continuously cater to the needs of customers for optical cable components, while endeavoring to develop fiber optic rotary joints.

#### *2. Cable manufacturing business*

The Company will strengthen cooperation and connections with key customers to calibrate technical requirements, stabilise product quality and expand product mix for obtaining more orders. We will put more effort on the marketing of new structured thin-walled locomotive cables, and continue to carry out material traceability and verification of fluoroplastic cables and trial production for sample inspection. The Company will also carry out the market research for the K3 cable, integrate and transform acquired technical knowledge, prepare the required technique and equipment, and conduct project feasibility study.

### 3. *Optical fiber and optical device business*

In response to the demand of the optical fiber market and the intensifying market competition resulted from lowering prices, in terms of sales, the Company will explore the demand of existing customers to ensure the basic sales volume. The Company aims to increase the sales volume of optical fiber products with higher unit price and accelerate the promotion of new products to increase the overall average unit price. The Company intends to expand its exports by exploring Indonesia and India markets, and developing the diverse optical fiber market in Southeast Asia. In terms of production, the Company will strengthen the control of the consumption of raw and auxiliary materials, improve the efficiency of the drawing production, and develop an intelligent data transmission system for optical fiber production to mitigate the quality risk caused by manual operation in the data processing. In terms of cost reduction and efficiency enhancement, the Company will actively promote negotiations in respect of the pricing of raw and auxiliary materials and logistics services, and improve the recycling rate of deuterium gas. In terms of research and development, the Company will put more efforts in the self-development of special optical rods and low-loss optical fibers, initiate the product identification process for the mini fiber wavelength division multiplexers, and conduct technical and market research on optical transmitters/receivers and multiplex parallel optical transceiver modules.

### 4. *Park operation business*

The Company is set to bolster its park operations, ensuring stability, elevating quality and aiming to boost the value of the park. We will also provide value-added services in the parks by establishing the specialised teams for maintenance and property improvement to enhance service quality of the parks, and implement the electricity capacity expansion plan of the parks to satisfy the energy consumption requirement of our own industrial operations and those of other companies located within the same park.

## **II. Management improvement**

### *1. Construction of the Party working group*

The Company will explore the establishment of the “1124” Party building mechanism, enhance the level of Party foundation, and strengthen the characteristics of Party building to form a benign cycle of promoting business through Party building. We will actively carry out the themed educational activities centered on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and remain committed to the thought learning and integrating it with practical situations in order to enhance the motivation and determination of learning. Under thorough implementation of the spirit of the 20th National Congress of the Chinese Communist Party and the spirit of the Party Congress of the higher level, the Company will also emphasize the political guidance, implement the main responsibilities of the Party committees, and handle various tasks in the “post epidemic” period in a serious manner.

### *2. Human resource management*

The Company will enhance the human resources management, intensify the cultivation of talents, improve the structure of human resources, and adhere to the performance-based allocation of business output, which will ensure the sufficient supply of human resources for the development of the Company. In addition, we will strengthen internal and external coordination and establish a sound human resources information system to enhance the human resources management. The Company will improve and gradually implement the remuneration and benefit system according to the plans for the reform of the remuneration system. The Company will also increase training efforts, organise and carry out centralise trainings for cadres, induction trainings for new employees and daily business capacity enhancement trainings to continuously improve the capabilities and techniques of cadres and staff to perform their duties.

### 3. *Financial management*

The Company will strengthen its internal management and continue to promote the construction of a financial sharing platform to improve efficiency. The Company will consolidate the basic management of contracts to enhance contract management efficiency, enhance the construction of the finance teams and personnel training and continue to complete the special inspections of its assets. In particular, the Company will promote the financial informatisation and launch a financial sharing platform to enhance the overall operational efficiency in financial management. The Company will implement contract modules in accordance with the progress of the Company's integrated construction while cleaning up its backlog contracts and establishing an implementation ledger. Furthermore, the Company will continue to conduct the special inspection of its assets and submit applications for assets to be scrapped or written off. Special plans of the settlement of Two Funds will be completed to alleviate the pressure of Two Funds.

### 4. *Disposal of equity interests and special projects*

The Company will continue to promote the completion of reduction of legal person, enhance management capability, facilitate the enhancement of quality and efficiency, and appropriately deal with any historical issues. In accordance with the requirements of the special inspections of companies under the Group, the Company will continue to promote the progress of the relevant rectification matters.

### 5. *Assets management*

The Company will strengthen the management of fixed assets and promote the investment, inventory and disposal of fixed assets in an orderly manner. The Company will complete the approval and reporting of fixed assets of the Company in relation to investment budget at all levels, carry out annual fixed assets inventory, on-site inventory checking and prepare related reports. The Company will also complete the disposal of abandoned assets in accordance with the procedures.

## 6. *Supply chain management*

The Company will continuously improve the construction of the supply chain management system, enhance its integrated supply chain and implement planned management in its core business. The overall completion rate will increase to fully ensure the delivery of products. Through the integrated coordination, monitoring and support of supply chain management, the Company will ensure that the orders can be delivered smoothly. The Company also plans to improve its plan management and statistical accuracy by establishing and optimising its plan management informatisation process. The Company will refine the efficient management of the whole process from design and development to product realisation by issuing and implementing of systems related to its main business processes and sub-processes of products.

## 7. *Quality management*

Based on the integrated management system, the Company will continue to ensure that the management system will be under controlled and effective. We actively promote the development of QC activities and the application of quality tools. By focusing on “customer-centric”, the Company will monitor, measure and continuously improve the entire process from product planning to customer feedback, and build a flexible after-sales service team with an aim to avoid any quality complaints and cultivate analytical capabilities. These efforts will further allow the Company to foster positive customer relationships.

## 8. *Construction of informatisation work*

The Company will actively promote the informatisation to improve its operation efficiency. It will also develop content according to the informatisation of the system process, formulate informatisation procedures as planned and ensure synchronisation with the development of the digital platform. Several projects in the park, such as informatisation enhancement project, digital integrated application platform and network security construction project, will be completed in an orderly manner. The Company will identify its business scenarios and organise offline communication with service providers, in order to promote the development of project management software.

## 9. *Safety management*

We will continuously promote important tasks, such as the campaign of “Safety Management Enhancement Year”, the strong infrastructure construction and the self-assessment of the construction of safety production standardization for all three levels, to ensure the fulfilment of annual overall goals with quality and quantity. In accordance with the list of identified problems, the Company will carry out closed-loop rectification item by item, initiate the self-assessment and acceptance based on the 1+5 standards, and prepare self-assessment reports and special safety reports.

## 10. *Risk control*

We will focus on risk prevention and control, strengthen risk prevention and promote the business development in an orderly, compliant and effective manner to ensure that no major risk events occur. The Company will continue to track and monitor any key risks from the aspects of comprehensive risk management system, so as to avoid any major risks. The Company will also continuously optimise and refine the risk control, compliance and internal control manuals to standardise the operations of the Company. We will enhance the cooperation between its departments to improve the compatibility of comprehensive risk management with the operation of various projects and promote a deep penetration of risk control, compliance and internal control policies. The Company will organise legal risk control training programmes to cultivate awareness of risk prevention, compliance and law-abiding corporate protection among cadres and employees, and foster their management capabilities.

## **OVERDUE TIME DEPOSITS**

As at 30 June 2023, 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**

The Company obtained the High-tech Enterprise Certificate on 15 December 2021 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, and the certificate number is GR202151003385. The enterprise income tax will be paid at a reduced tax rate of 15% from 2021 to 2023.

Chengdu SEI Optical Fiber Co., Ltd. (“**Chengdu SEI**”), a subsidiary of the Company, obtained the High-tech Enterprise Certificate on 11 September 2020, 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 GR202051001074. The enterprise income tax will be paid at a reduced tax rate of 15% from 2020 to 2022. In 2023, Chengdu SEI applied for High-tech Enterprise Certificate again, and the relevant certification materials will be submitted to the government authorities in June 2023, and the review results are expected to be obtained in October.

## **PLEDGE OF ASSETS**

As at 30 June 2023, no asset has been pledged by the Group as security for bank loans (31 December 2022: 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 on-site personnel of technical quality and process with customers and obtain feedback on the 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 and solve 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; lack of technology leaders. The Group will enhance its daily management of staff awaiting assignments, gain a comprehensive understanding of their status, and effectively manage their transitions; according to the overall strategic planning of the Company and the actual needs of business development, the Company formulated the annual recruitment plan, and supplemented 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 2023, the Group had 428 (as at 31 December 2022: 558) employees. For the six months ended 30 June 2023, the remuneration for employees was RMB25,893,484.70 (the corresponding period of 2022: RMB21,136,117.07).

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. During the Period, there was no change in the Company's total share capital and share capital structure. 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 2023, the largest shareholder of the Company was Chengdu Siwi Electronic Co., Ltd. (成都四威電子有限公司) which held 240,000,000 state-owned legal person shares, representing 60% of the issued share capital of the Company. As at 30 June 2023, HKSCC Nominees Limited ("**HKSCC**", holding shares of the Company on behalf of various clients) held 156,406,999 H Shares, representing 39.10% 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 2023, the Central Clearing and Settlement System (“CCASS”) participants holding 5% or more of the H Shares of the Company are shown as follows:

	<b>As at 30 June 2023</b>		
	<b>Number of Shares held</b>	<b>Percentage of H Shares</b>	<b>Percentage of total issued share capital</b>
CCASS participants			
The Hongkong and Shanghai Banking Corporation Limited	24,407,000	15.25%	6.10%
BOCI Securities Limited	12,185,000	7.61%	3.04%
Essence International Securities (Hong Kong) Limited	9,548,000	5.96%	2.38%

Save as disclosed above, as at 30 June 2023, the Company was not aware of any other equity interests which are required to be disclosed pursuant to the SFO. The Board of the Company 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 2023, 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 10 to the Listing Rules.

- **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 2023 (no interim dividend was paid for the six months ended 30 June 2022).

## **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 of the Company.

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 2023. The Audit Committee considers that the unaudited interim consolidated financial statements and interim results for the six months ended 30 June 2023 have complied with the requirements of applicable accounting standards and laws and adequate disclosures have been made.

## **CORPORATE GOVERNANCE CODE**

The Company believes 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 2023 to 30 June 2023 as stated in Appendix 14 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 10 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 2023 interim report of the Company will be dispatched 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, 25 August 2023

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

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

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