2024
Interim Report Summary

Shenzhen Goodix Technology Co., Ltd.

603160.SH

Content

About Goodix

Goodix Technology (SH: 603160) is an integrated solution provider for applications based on IC design and software development offering industry-leading software and hardware semiconductor solutions for smart devices, automotive electronics and IoT applications. Goodix serves hundreds of millions of global consumers with quality products and solutions via renowned brands including Samsung, Google, Amazon, Dell, Huawei, OPPO, vivo, Xiaomi, Lenovo, Transsion, BYD, Geely, GAC, Buick and Toyota. The company is recognized as a leading IC design and solution provider that empowers a connected, intelligent world.

Standing among the global semiconductor industry, Goodix will continue its dedication in research and development, striving to establish the comprehensive IC design blueprint for smart devices, automotive electronics, and IoT applications, aiming to become a world-leading comprehensive IC design company and innovative technology team that delivers continuous surprises to global customers, offers long-term and differentiated values to the industry and the society, and provides excellent career development opportunities for Goodix's global talents.

As an IC design house, Goodix adopts the fabless model and focuses on the design, research, and development of chips that are driven by market demands, while outsourcing tasks such as wafer fabrication, packaging, and testing to professional fabrication packaging and testing vendors. The products Goodix offers are sold both directly as well as via agents and distributors to customers.

1. Key Figures

December Fiscal Year End (All figures in Million CNY)	Jun-24 1H 2024	Jun-23 1H 2023	YoY
Revenue	2,256.00	2,021.83	11.58%
Gross margin (%)	42.05%	41.40%	0.65%
Operating profit	378.30	-228.51	N/A
Operating margin (%)	16.77%	-11.30%	28.07%
Net profit	317.23	-135.98	N/A
R&D expense	497.73	532.64	-6.55%
Cash and short-term investments	4,560.69	4,021.38	13.41%
Total assets	9,974.28	9,727.03	2.54%
Stockholders'equity	8,355.10	8,045.28	3.85%
Debt ratio (%)	16.23%	17.29%	-1.06%
Cash flows from operating activities	530.12	956.57	-44.58%

2. Analysis of Key Figures

(1) Revenue

During the reporting period, the Company experienced a year-over-year increase in shipments and revenue, driven by heightened demand from end clients. In particular, the Company registered revenue of CNY 2.26 billion, up 11.6% YoY. Net profit attributable to shareholders of the listed company amounted to CNY 320 million, turning around from the net loss reported in 2023 H1. Additionally, with product iterations and reduced wafer costs, the cost structure has been optimized, leading to a recovery in our overall gross margin.

(2) Operating expenses

During the reporting period, the cost of revenue rose by 10.35% YoY, mainly due to the increase in revenue. Selling expenses fell by 29.81% YoY, which is mainly associated with the reduced technical service fees. G&A expenses fell by 6.93% YoY, primarily as a result of reduced consulting fees and service fees. Financial expenses fell mainly due to the increase in interest income. R&D expenses decreased by 6.55% YoY, primarily as a result of reduced employee compensation and depreciation & amortization expenses.

(3) Cash flows

During the reporting period, the net cash flow from operating activities fell by 44.58% YoY, mainly due to less inventory clearance and lower payments for goods in the previous year. Conversely, the net cash flow from investing activities increased YoY, due to reduced investments in the Goodix Headquarters. The net cash flow from financing activities also rose compared to the same period last year, primarily due to an increase in credit loans.

During the reporting period, the Company has continued to enhance internal management, maintaining inventory at a reasonable level while ensuring timely product delivery. As of the end of June 2024, the book value of inventory stood at CNY 610 million. In response to market demand and our strategic considerations, we have focused on research and development projects where we have prominent advantages and promising market prospects, significantly improving R&D efficiency. Meanwhile, we have strengthened our control over sales expenses and G&A expenses, with total expenses in these areas decreasing by CNY 80.97 million, down 10.6% YoY.

During the reporting period, the Company's new products are progressing well. Our ultrasonic fingerprint sensors have achieved mass production in vivo and iQOO flagship phones and have been successfully integrated into projects with more renowned smartphone brands, with large-scale commercialization expected in 4Q24. The next-generation in-display light sensors and NFC controller chips have also been successfully introduced to projects of major smartphone manufacturers, with mass shipments anticipated in the second half of the year. In July, we launched the electrochemical Analog Front-end (AFE) solution for Continuous Glucose Monitoring (CGM) products and automotive-grade Bluetooth Low Energy (BLE) SoC products, and we are actively working on customer integration. Additionally,

we are continuously developing new products such as medium- and high-power audio products and BLE SoC for CGM applications.

During the reporting period, the Company actively expanded its client base and reached more extensive and deeper cooperation with leading smart device providers with a rich product portfolio and services offering high quality and unique value. Currently, our smartphone application products such as fingerprint sensors, touch solutions, active stylus driver solutions, voice and audio solutions, in-display light sensors and NFC/eSE chips, have secured partnerships with an expanding number of mobile phone brand clients. This collaboration has achieved more diverse combinations on individual smartphones, and has become a significant contributor to the Company's primary operating revenue. In terminal markets such as PCs and tablets, the Company offers a diverse array of products including capacitive fingerprint solutions, touch solutions, touchpad controllers, active stylus driver solutions, voice and audio solutions, in-display light sensors, establishing this sector as our second-largest revenue source. In the IoT and industrial sectors, including smart wearables, we offer products like health sensors, BLE SoC, in-display light sensors, touch solutions and audio solutions, with a wide range of applications and a diversifying customer base. This has laid a solid foundation for our product promotion and market visibility.

3. Industry Status during the Reporting Period

(1) Industry Classification

According to the Classification of Listed Companies by Industry 2023 H2 released by the China Association for Public Companies, the Company operates within the Computer, Communication, and Other Electronic Equipment Manufacturing Industry (C39).

(2) Industry Development

In 2024, the global semiconductor industry is experiencing a steady recovery. Data from the Semiconductor Industry Association (SIA) indicates that global semiconductor sales in 1Q24 amounted to $137.7 billion, up 15.2% YoY, and global semiconductor sales reached $149.9 billion in 2Q24, up 18.3% year on year and 6.5% from 1Q24. The global semiconductor industry is expected to continue its recovery in the second half of the year. The World Semiconductor Trade Statistics (WSTS) forecasts that the growth rate of global semiconductor sales will rise from 13.1% to 16% in 2024, with the global semiconductor market projected to reach $611 billion this year and grow by 12.5% to $687 billion in 2025.

(3) Industry Development in Key Product Application Areas

1) Smart devices

As for smartphones, according to the IDC report, the global smartphone market has experienced year-over-year shipment growth for four consecutive

quarters. In 1Q24, global smartphone shipments reached 289.4 million units, an increase of 7.8% YoY, while the second quarter saw shipments of 285.4 million units, growing by 6.5% YoY. The market structure is also evolving positively: Firstly, the share of AMOLED screens in the smartphone market is steadily rising. According to Omdia, in 1Q24, AMOLED screen shipments reached 182 million units, up 39% YoY, capturing a market share of 51%. This market share is expected to expand to 56% in the third quarter. Secondly, China's foldable smartphone market continues its rapid growth. IDC reports that in 1Q24, shipments reached 1.86 million units, an 83% increase YoY, and in the second quarter, the figure hit 2.57 million units, up 104.6% YoY, maintaining robust growth momentum. Meanwhile, AI smartphones are gradually gaining traction. IDC projects that in 2024, global shipments of the new generation of AI smartphones will reach 170 million units, accounting for 15% of total smartphone shipments. This trend indicates an acceleration towards the AI era in smartphones, with AI technology becoming a significant driver in the market. These structural changes in the smartphone market present increased opportunities for our touch solutions, fingerprint sensors, in-display light sensors, and voice and audio solutions.

As for PCs, the proliferation of AI PCs (AI laptops and AI desktops) is driving a recovery in the traditional PC market. According to IDC data, the global traditional PC market returned to growth in 1Q24 after seven consecutive quarters of decline, with shipments increasing by 1.5% YoY to 59.8 million units. The second quarter continued this positive trend, with global shipments rising by 3% YoY to 64.9 million units. IDC predicts that with the ongoing adoption of AI technology, the penetration rate of AI PCs in China will rise from 8.1% in 2023 to 84.6% by 2028. Meanwhile, the tablet market shows signs of recovery as well, with global tablet shipments reaching 30.8 million units in 1Q24, a slight 0.5% increase YoY, and 34.4 million units in the second quarter, marking a 22.1% increase YoY and an 11.7% growth QoQ.

2) IoT applications

With the accelerated adoption of AI interaction technologies, the IoT ecosystem is continuously expanding, leading to the emergence of more AI-enabled devices. These devices are widely used in diverse innovative applications across home, automotive, healthcare, manufacturing, agriculture, and energy sectors, driving sustained market demand growth.

As one of the primary markets for IoT, wearable devices including smartwatches are experiencing a surge, fueled by increased demand from leading brand customers. According to IDC data, China's wearable device shipments reached 33.67 million units in 1Q24, up 36.2% YoY. Among these, smartwatch shipments were 9.1 million units, up 54.1%, while smart band shipments were 3.7 million units, growing by 29.6% YoY. IDC forecasts that, driven by diverse new product forms and personalized designs, the adult smartwatch market will rise by 19% in 2024, while the smart band market, benefiting from entry-level pricing and extensive market potential, is expected to increase by 4%.

The smart home market has shown a clear growth trend in recent years. According to the 2024-2029 Outlook on China's Smart Home Industry and Insights into Strategic Investment Opportunities by the China Business Research Institute, China's smart home sector was estimated at CNY 651.6 billion in 2022, reflecting a YoY increase of 12.33%, and reached about CNY 715.7 billion in 2023. With advancements in AI, IoT, and cloud computing technologies, the smart home market is expected to develop rapidly, leading to increased penetration rates. Analysts predict that the market size will surpass CNY 800 billion by 2025.

3) Automotive electronics

Data from the China Association of Automobile Manufacturers (CAAM) indicates that in 2024H1, China's automobile production and sales reached 13.891 million and 14.047 million units, respectively, marking YoY increases of 4.9% and 6.1%. Meanwhile, the production and sales of new energy vehicles (NEVs) were 4.929 million and 4.944 million units, respectively, up 30.1% and 32% YoY, with a market share of 35.2%.As favorable policies, such as vehicle trade-in programs and NEV promotions in rural areas, continue to be implemented, and with the introduction of more new models by Chinese automakers, the potential for consumer spending in the automobile market is expected to be further unleashed, driving rapid growth in the automotive semiconductor market.

4. Core Competitiveness

(1) Exceptional product performance and a diversified product portfolio

During the reporting period, the Company fully committed to the four core technical pillars of “sensing, processing, connectivity and security”, and our products mainly include sensors, touch, audio, security, and connectivity products. In particular:

The Company’s ultrasonic fingerprint sensors offer excellent signal-to-noise ratio and recognition performance, greatly optimizing supply chain processes and manufacturing costs, enabling us to offer superior fingerprint recognition solutions to customers around the world, which promises a more secure and seamless in-display unlocking experience. In addition, the Company's optical in-display fingerprint sensor and side-key capacitive fingerprint sensors have maintained a leading market position for years, and our more competitive new products have achieved large-scale commercialization, with market share expected to increase further.

The Company’s touch controller products have the advantages of high signal-to-noise ratio, robust noise resistance, low power consumption, support for ultra-high sample rates above 300Hz and active stylus protocols. The active stylus driver chip features bidirectional communication capabilities and supports various mainstream active pen protocols. Combined with high-performance touch screen

controllers and BLE SoC chips, it provides users with a smooth and accurate writing experience. The Company's automotive touch solutions meet the requirements of strong reliability outlined in AEC-Q100. Notably, features such as high refresh rates and unique FH-enabled anti-interference capabilities meet international auto manufacturers' stringent requirements for response time and EMC.

The Company' s light sensor adopts an innovative architecture and promises high sensitivity and extremely low dark current noise, which can effectively reduce light leakage on screens. It also reduces the need for peripheral components, thereby greatly lowering costs and simplifying development for our clients. This, coupled with patented algorithm solutions, achieves the high-precision measurement of color temperature and illumination at both hardware and software levels.

Our eSE chip has obtained prestigious international and Chinese certifications such as SOGIS CC EAL6+ and OSCCA L2 (the highest commercial cryptography grade in China). The product features a range of hardware-grade security sensors, rich cryptographic algorithms, and reliable, secure storage with large capacity. It also supports various types of peripheral interfaces to meet the diverse security needs of complex terminal operations.

Our Class D audio amplifier series features high performance and low power consumption, with an on-chip DSP equipped with advanced SpeakerBoost algorithms for optimizing speaker performance. This maximizes temperature and amplitude protection functions and fully unleashes the potential of miniature speakers. The adaptive DC-DC converter in the product increases power supply voltage to meet the demand for drastically improved sound quality. Moreover, the product is powered by in-house developed software, which helps enhance its hardware performance.

Our electrochemical Analog Front-end (AFE) chips for the Continuous Glucose Monitoring (CGM) market offer ultra-high precision, ultra-low power consumption, compact size, and high reliability, providing current detection accuracy of up to one-thousandth. They also support temperature measurement and electrode anomaly detection, offering more comprehensive health monitoring capabilities.

(2) A top-notch team of talents, bolstered by a robust technological reserve

As of the reporting period, the Company's employees exceeded 1,400 worldwide, of whom more than 80% are R&D employees, while over 50% have master's degrees or above. The Company has established 22 R&D centers, technical support centers and representative offices around the world, covering four Continents. The Company's talent strategy includes external introduction and independent training, aiming to create a stable, professional and high-quality global first-class innovation team. Continuous talent building and investment in innovation have brought many core technologies and patents to the company at a fast pace. As of June 30, 2024, the Company has applied for and authorized more than 7,000 international and domestic patents in total.

(3) Stable Long-term Supply Chain Partnerships and Robust Inventory Management System

As a fabless chip design company, we focus on the design and development of chips while outsourcing wafer manufacturing, packaging, and testing to

specialized foundries and packaging and testing companies. We primarily partner with internationally and domestically renowned and technologically advanced companies, forming long-term collaborations that ensure adequate production capacity. These partners flexibly adjust their capacity in response to industry supply and demand changes, playing a crucial role in continuously optimizing our inventory management system.

(4) With global strategic expansion and brand influence, we've gained extensive trust from international and domestic clients

The Company has established a globally integrated innovation R&D network and supply platform to deliver differentiated innovative products and quality service to customers worldwide. Our products and solutions are widely adopted by Samsung, Google, Amazon, Dell, Huawei, OPPO, vivo, Xiaomi, Honor, Lenovo, Transsion, BYD, Hongqi, Geely, GAC, Buick, Honda, Toyota, Hyundai, Nissan, NIO, XPeng and other international and domestic well-known brands. As we continue to advance our diversification strategy, our products are applied across fields such as smart devices, automotive electronics, IoT and industrial. This will further expand our customer base, continuously enhance the company's brand influence in the global market, and realize the global strategic layout.

5. Products

(1) Sensor products

1) Fingerprint sensors

The Company offers a full range of products, including ultrasonic fingerprint sensors, optical in-display fingerprint sensors, and capacitive fingerprint sensors. Among these, our optical in-display fingerprint sensors, a global innovation, have driven design advancements in full-screen smartphones, providing high-security solutions for various smart devices with AMOLED screens. This technology has maintained a leading market position for years relying on its technical superiority. Our capacitive fingerprint sensor, the first fingerprint product we developed, has evolved over more than a decade into a comprehensive product line, including side-mounted, front-mounted, and rear-mounted options. These sensors cover a wide range of applications such as smartphones, PCs/tablets, smart locks and automobiles, and its market share has been further improved.

In line with the evolving screen technology trends of smart devices, we have introduced an ultrasonic fingerprint solution with independent intellectual property rights. Based on CMOS sensor architecture and wafer-level acoustic layer processing, it supports rapid unlocking even with wet or oily hands, delivering an exceptional user experience. This innovative solution has been recognized by leading brands and was commercially deployed in vivo X100 Ultra and IQOO Neo 9S Pro+ in 2024H1. It is being integrated into more flagship projects, with large-scale

commercialization anticipated in 4Q24.

2) Light sensor, health sensor, and other sensors

The Company's in-display light sensors support the measurement of ambient light illuminance and correlated color temperature, as well as proximity sensing. Our sensors can be widely used in smart phones, tablets, personal computers, wearable devices and smart home devices. The next-generation in-display light sensors, with an innovative product architecture, undergo substantial performance improvements, address the issue of insufficient sensitivity in low-transmittance under-display applications for our clients, effectively reduce the need for peripheral components, which lowers costs and simplifies development for our clients. In 2024H1, these sensors were integrated into projects with leading smartphones, with mass production expected in the second half of the year. Beyond in-display light sensors, we have begun sampling a series of high-performance light sensors aimed at image enhancement and display management, potentially expanding commercial opportunities.

Our lineup of health sensor offers a wide range of measurement functions, including heart rate (HR), heart rate variability (HRV), blood oxygen (SpO2), electrocardiogram (ECG), bioelectrical impedance analysis (BIA), and electrodermal activity (EDA). These sensors have been widely commercialized in smartwatches, bands, and rings for renowned domestic and international brands. Thanks to their superior performance, product shipments are rapidly increasing, and the next-generation health sensors are entering mass production. In addition,we have introduced a high-precision, ultra-compact electrochemical analog front-end (AFE) chip with low power consumption for continuous glucose monitoring (CGM) applications, targeting the consumer medical market.

Our multifunctional interactive sensor single-chip solutions are characterized by ultra-low power consumption and compact size, significantly enhancing the space utilization of devices. These solutions are widely applied in smart wearable devices such as headphones, smartwatches/bands, and glasses. During the reporting period, shipments continued to grow steadily.

(2) Touch Controllers

Our touch screen controller products are divided into consumer-grade and automotive-grade categories and are widely deployed in smartphones, tablets, PCs, and other screen-equipped terminal devices across automotive, medical, industrial sectors. Consumer-grade products include touchscreen controllers for large, medium, and small displays, touchpad controllers and active stylus solutions. Automotive-grade products encompass touch screen controllers, touch key chips and automotive-grade touch key MCU products.

Benefitting from the increased penetration of OLEDs, the new generation of small-sized, high-performance and low-energy touch screen controllers have secured multiple projects with renowned smartphone brands both domestically and internationally, continuously boosting our market share in the first half of the year. Our integrated solution of touch screen controllers, active stylus, and custom protocols leads the market

share in foldable smartphones. Medium and large-sized touch screen controllers are commercially deployed in flagship PC and tablet models and maintain a leading share in the tablet market. Our touchpad products, known for their high performance and stability, are consistently mass-produced for flagship PC models.

Our automotive-grade touch screen controllers offer high reliability and excellent EMC performance, supporting in-car screens ranging from 5 to over 30 inches. With the launch of vehicles featuring our automotive-grade flexible OLED touch screen controllers in the second half of this year, we are poised to become a leader in this niche market.Additionally, our automotive-grade touch key chips achieved stable shipments in 2024H1. The next-generation automotive-grade touch key MCU products are currently under evaluation in several customer projects, laying a solid foundation for future mass production.

(3) Audio products

The Company has developed a complete audio solution combining both hardware and software.

In terms of hardware, the solution includes smart amplifiers, covering a full range of products from low-power, medium-power, to high-power amplifiers. The software part of our solution includes a series of products such as voice enhancement, call noise reduction and active noise cancellation (RNC and ANC) based on deep learning and sound effect applications, covering application scenarios such as smart mobile terminals, automobiles, wearables and IoT.

The Company's new generation of smart audio amplifier TFA9865 has been mass-produced for use in moto razr 50 foldable smartphones, delivering up to 7W of output power with ultra-low noise below 7uV. This provides a high sound quality, high efficiency, ultra-low power experience for mobile phone, tablet and smartwatch users and significantly extends the device's battery life. This series of amplifier chips has been integrated into new projects for several brand clients and is expected to be commercially available in 2024H2. Meanwhile, medium to high power products targeting smart home and automotive applications are under development as planned.

Our voice and audio software VoiceExperience continues to evolve, actively expanding to meet the latest AI demands, such as call noise reduction and real-time translation, as well as innovative scenarios like foldable phones. These solutions have been commercially implemented by internationally renowned brands. Looking ahead, we aim to enhance user voice and audio experiences through advanced technologies like deep learning.

(4) Security products

The Company's security solutions include eSE and NFC chips, which cater to applications such as secure authentication, secure payments, smart transportation, digital currency, digital car keys, and digital identities. The eSE chip has been commercially deployed in OPPO flagship models, and integration with more brand models is progressing smoothly. Our next-generation security chips boast improved

performance and have received prestigious international and Chinese certifications, including SOGIS CC EAL 6+, OSCCA L2 (the highest level of commercial cryptography certification in China), and NFTC (National inancial Technology Certification). The new NFC products offer exceptional RF performance and compatibility. After continuous iteration and optimization, it has been successfully integrated into projects of renowned smartphone brands, with mass production expected in the second half of the year. We are actively expanding our security application scenarios, providing market-leading solutions that comply with CCC3.0 (the international standards for digital car keys) and ICCE/ICCOA (the Chinese standards for digital car keys). Our solutions are compatible with Google's strongbox mainstream SoC platform. Furthermore, we are committed to deepening collaboration and innovation within the security ecosystem, exploring more innovative security applications based on commercial cryptography technologies.

(5) Connectivity products

Our wireless connectivity products primarily consist of Bluetooth Low Energy SoC series chips. The consumer-grade BLE SoC has been successfully applied in various fields, including location services, two-wheel transportation, human-machine interaction, personal health care, home control, smart metering, and display applications. We are actively expanding our market reach and customer base to increase market share. Additionally, our new automotive-grade BLE SoC products have passed AEC-Q100 Grade2 qualification tests by international third-party laboratories, positioning us to enter the digital car key market. Furthermore, the next-generation products aimed at Continuous Glucose Monitoring (CGM) applications are under development as scheduled.

6. Key Accounting Data and Financial Indicators

Shenzhen Goodix Technology Co., Ltd. Consolidated Income Statement

For the six months ended Jun 30,2024 and Jun 30,2023

(The currency of the statement is Chinese Yuan, 'CNY', unless otherwise indicated)

Items	2024 H1	2023 H1
1. Revenue	**2,255,997,348.74**	**2,021,834,633.02**
Less: Operating cost	1,307,399,242.47	1,184,764,809.46
Taxes and surcharges	19,822,314.06	9,820,473.85
Selling expenses	91,433,283.63	130,272,531.57
General and administrative expenses	96,989,699.24	104,215,080.44
Research and development expenses	497,731,786.81	532,641,891.40
Finance expenses	-48,586,689.49	-41,771,982.64
Including: Interest expense	7,715,287.76	12,619,036.57
Interest income	54,658,164.58	45,605,559.72
Add: Other income	60,286,930.39	43,385,531.20
Investment income	16,729,355.05	1,165,353.33
Including: Investment income from joint ventures and affiliates		
Earning from fair market value changes	9,824,055.50	981,374.01
Impairment of credit	282,016.85	-1,461,054.97
Impairment of assets	-3,817,614.71	-395,755,540.65
Proceeds from asset disposal	3,789,445.03	21,278,738.23
2. Operating profits	**378,301,900.13**	**-228,513,769.91**
Add: non-operating income	40,864.48	284,427.58
Less: non-operating expenses	147,835.93	6,974,675.07
3. Profit before tax	**378,194,928.68**	**-235,204,017.40**
Less: income tax	60,965,830.64	-99,225,705.21
4. Net profit	**317,229,098.04**	**-135,978,312.19**
5. Other comprehensive income after tax	**3,018,639.80**	**75,168,499.17**
6. Total comprehensive income	**320,247,737.84**	**-60,809,813.02**
7. Earning per share:		
Ⅰ.Basic earnings per share	0.69	0.05
Ⅱ.Diluted earning per share	0.69	0.05

Consolidated Statement of Balance Sheet

As of Jun 30,2024 and Dec 31,2023

(The currency of the statement is Chinese Yuan, 'CNY', unless otherwise indicated)

Assets	30-Jun,2024	31-Dec,2023
Current assets:		
Cash and cash equivalents	3,539,999,570.48	3,068,039,907.00
Financial assets held for trading	1,020,690,722.16	953,344,772.91
Notes receivables and trade receivables, net	454,563,414.33	618,707,224.57
Receivables financing	10,951,422.28	9,549,729.89
Inventories	614,061,296.69	715,878,757.52
Prepayments	54,243,992.74	6,201,885.71
Other receivables	26,283,326.73	50,455,238.26
Assets held for sale		
Current portion of non-current assets	68,912,728.65	74,974,511.72
Other current assets	33,580,078.04	55,653,509.37
Total current assets	**5,823,286,552.10**	**5,552,805,536.95**
Non-current assets:		
Long-term equity investments		
Investments in other equity instruments	3,146,000.00	
Other non-current financial assets	205,682,076.74	205,682,076.74
Investment property	49,217,459.91	47,765,556.29
Property, plant and equipment	319,292,534.04	333,178,494.37
Construction in progress	513,253,824.72	474,669,742.76
Right-of-use assets	43,961,036.17	55,617,961.76
Intangible assets	1,106,738,217.49	1,122,301,026.83
Development costs	561,700,378.39	532,973,053.89
Goodwill	511,188,814.45	511,650,301.26
Long-term deferred expenses	9,717,238.81	9,902,670.34
Deferred tax assets	558,835,499.68	585,436,948.62
Other non-current assets	268,261,527.02	295,047,610.13
Total non-current assets	**4,150,994,607.42**	**4,174,225,442.99**
Total assets	**9,974,281,159.52**	**9,727,030,979.94**

Liabilities and Stockholders' Equity	30-Jun,2024	31-Dec,2023
Current liabilities:		
Short-term loans	385,248,333.33	211,191,492.29
Financial liabilities held for trading		
Notes payables and trade payables	307,312,796.97	402,087,092.95
Advances from customers	3,443,275.41	4,433,668.73

Contract liability	14,817,529.31	7,423,261.42
Accrued payroll	166,592,550.26	289,934,449.33
Taxes payable	41,469,400.75	38,416,296.25
Other payables	335,037,197.74	342,828,460.40
Liabilities held for sale		
Current portion of non-current liabilities	25,336,283.13	28,783,548.96
Other current liabilities	714,270.31	180,081.70
Total current liabilities	**1,279,971,637.21**	**1,325,278,352.03**
Non-current liabilities:		
Long-term loans	239,593,791.29	242,089,559.96
Lease liabilities	26,676,016.13	34,799,266.18
Accrued liabilities		
Deferred income	13,235,063.99	12,713,990.33
Deferred tax liabilities	59,703,050.69	66,869,217.48
Total non-current liabilities	**339,207,922.10**	**356,472,033.95**
Total liabilities	**1,619,179,559.31**	**1,681,750,385.98**
Equity:		
Paid-in capital	458,001,914.00	458,001,914.00
Additional Paid-in capital	1,631,185,794.09	1,559,406,572.12
Less: treasury shares	63,659,662.15	63,659,662.15
Other comprehensive income	6,882,748.95	3,864,709.51
Retained earnings	6,322,689,648.17	6,087,666,220.51
Equity attributable to owners of the parent company	8,355,100,443.06	8,045,279,753.99
Equity attributable to minority shareholders	1,157.15	839.97
Total Stockholders' equity	**8,355,101,600.21**	**8,045,280,593.96**
Total liabilities and Stockholders' equity	**9,974,281,159.52**	**9,727,030,979.94**

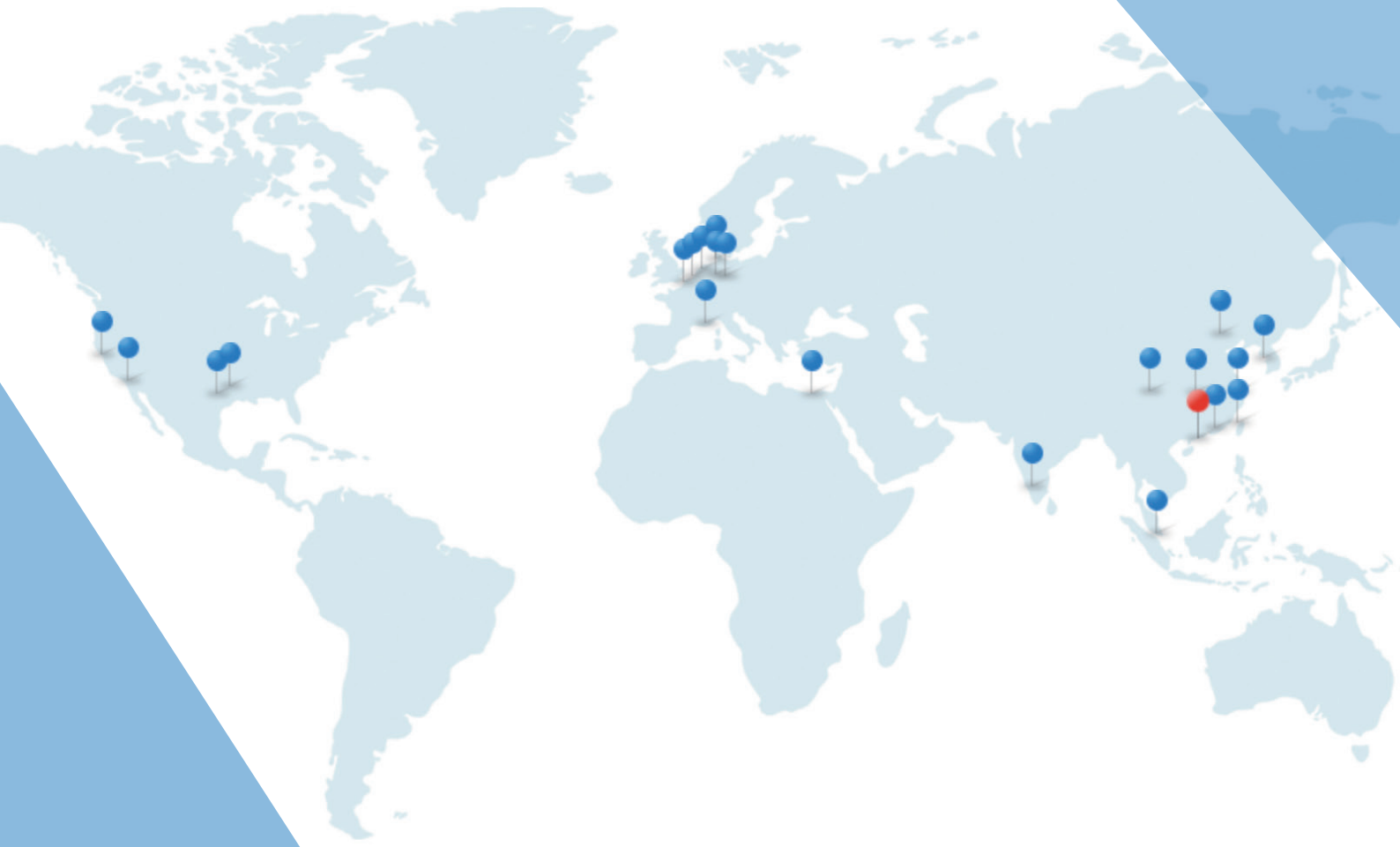
Consolidated Statement of Cash Flows

For the six months ended Jun 30,2024 and Jun 30,2023

(The currency of the statement is Chinese Yuan, 'CNY', unless otherwise indicated)

Items	Jan-Jun,2024	Jan-Jun,2023
1.Cash flows from operating activities		
Cash received from sales and services	2,596,502,188.80	2,103,577,443.08
Taxes and surcharges refunds	101,354,611.72	129,454,689.47
Other cash received from operating activities	64,707,118.60	89,366,464.07
Total cash inflows from operating activities	2,762,563,919.12	2,322,398,596.62
Cash paid for goods and services	1,345,015,719.66	468,859,287.20
Cash paid for employees related expenses	554,319,720.08	540,314,682.69

Taxes and surcharges cash payments	91,732,327.81	99,167,874.84
Other cash payments related to operating activities	241,372,208.12	257,489,386.62
Total cash outflows from operating activities	2,232,439,975.67	1,365,831,231.35
Net Cash generated from operating activities	**530,123,943.45**	**956,567,365.27**
2.Cash flows from investing activities		
Cash received from withdraw of investments	1,076,571,100.07	730,404,865.93
Cash received from investment income	18,195,132.03	21,189,969.39
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,934,712.08	169,286.64
Net cash receiced from disposal of subsidiaries and other business units		54,062.47
Cash received from other investment related activities	0.00	0.00
Total cash inflows from investing activities	1,098,700,944.18	751,818,184.43
Cash paid for fixed assets, intangible assets and other long-term assets	117,032,321.33	258,002,557.21
Cash payments for investments	1,704,955,053.85	1,282,756,000.00
Cash paid for other investment related activities		0.00
Net cash payments for acquisitions of subsidiaries and other business units		
Total cash outflows from investing activities	1,821,987,375.18	1,540,758,557.21
Net cash used in investing activities	**-723,286,431.00**	**-788,940,372.78**
3.Cash flows from financing activities		
Cash received from investments by others including: investment from minority shareholders		
Cash received from borrowings	385,000,000.00	200,000,000.00
Other cash received from other financing activities	53,984,405.79	5,701,854.74
Total cash inflows from financing activities	438,984,405.79	205,701,854.74
Cash repayments for debts	213,495,768.67	274,205,150.90
Cash payments for distribution of dividends, profit and interest expenses	88,715,610.98	11,464,077.32
Other cash payments related to financing activities	77,559,320.37	148,244,240.02
Total cash outflows from financing activities	379,770,700.02	433,913,468.24
Net cash provided by financing activities	**59,213,705.77**	**-228,211,613.50**
4.Effect of changes in exchange rate on cash and cash equivalents	9,260,996.63	21,583,625.28
5.Net increase in cash and cash equivalents	**-124,687,785.15**	**-39,000,995.73**
Add: Cash and cash equivalents at the beginning of the year	828,831,789.19	1,067,274,834.46
6.Cash and cash equivalents at the end of the year	**704,144,004.04**	**1,028,273,838.73**



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