





Financial Information

Financial Information

Financial Information

LIABILITIES & OWNERS' EQUITY	Note	At 31 June 2019 (Unaudited)	At 31 December 2018 (Audited)
Current liabilities:			
Short-term borrowings		617,000,000.00	639,300,000.00
Headed			,
Debt			,
Notes payable	9	101,459,129.50	28,756,738.41
Accounts payable	9	1,069,238,818.54	1,068,563,578.78
Advances received			,
Contract liabilities	9	61,441,192.01	92,499,959.57
Prepaid expenses		493,434.80	10,242,978.09
Taxes payable		35,662,028.99	36,820,446.28
Other payables	9	171,671,774.71	66,187,287.15
Headed			,
Non-current liabilities		213,200,000.00	182,670,000.00
Other non-current liabilities		13,711,870.01	87,291,565.13
Total current liabilities		2,283,878,248.56	2,212,332,553.41
Non-current liabilities:			
Long-term borrowings		423,193,595.26	472,250,000.00
Bank deposits			,
Contract liabilities			,
Leases			,
Long-term payables			,
Deferred income		27,725,096.17	34,318,829.09
Deferred income		11,653,432.14	11,798,478.85
Other non-current liabilities			,
Total non-current liabilities		462,572,123.57	518,367,307.94
Total liabilities		2,746,450,372.13	2,730,699,861.35

Financial Information

LIABILITIES & OWNERS' EQUITY	At 31 June 2019 (Unaudited)	At 31 December 2018 (Audited)
Owners' equity :		
Share capital	792,058,500.00	792,058,500.00
Reserves		
Retained earnings		
Other reserves		
Contingent liabilities	101,640,122.75	96,793,749.50
Lease liabilities		
Quoted investments	27,530,254.10	29,501,087.49
Securities		
Subsidiaries	96,626,439.01	96,626,439.01
Provisions		
Undistributed earnings	1,005,321,956.36	990,758,260.44
Total owners' equity	2,023,177,272.22	2,005,738,036.44
Liabilities	65,434,287.45	75,253,721.53
Total owners' equity	2,088,611,559.67	2,080,991,757.97
TOTAL LIABILITIES AND OWNERS' EQUITY	4,835,061,931.81	4,811,691,619.32

Financial Information

ITEMS	Net	Six months ended 30 June	
		2019	2018
III. Operating profit (with¹ -, for losses)		107,551,891.90	117,897,390.49
Add: Net expense		208,838.51	1,909,030.95
Less: Net expense		152,126.80	53,337.54
IV. Total profit (with¹ -, for total losses)		107,608,603.61	119,753,083.90
Less: Net expense	5	18,812,118.52	19,260,012.64
V. Net profit (with¹ -, for net losses)		88,796,485.09	100,493,071.26
1. Net benefit		93,769,545.92	99,304,107.15
2. Net expense		-4,973,060.83	1,188,964.11
3. Net expense		88,796,485.09	100,830,421.44
4. Net expense			-337,350.18
VI. Other comprehensive income		-1,970,833.39	2,625,561.53
Net expense		-1,970,833.39	2,625,561.53
(I) Other comprehensive income			
1. Comprehensive income			
2. Other comprehensive income			
3. Comprehensive income			
4. Comprehensive income			
5. Other comprehensive income			

Financial Information

ITEMS	Unit	Six months ended 30 June	
		2019	2018
(II) Other comprehensive income attributable to equity holders of the parent		-1,970,833.39	2,625,561.53
1. Other comprehensive income attributable to equity holders of the parent			
2. Change in fair value of debt investments			
3. Tax effects of changes in equity investments at cost			
4. Changes in fair value of debt investments			
5. Remeasurement of defined benefit plans			
6. Change in net defined pension liability		-1,970,833.39	2,625,561.53
7. Other			
Net comprehensive income attributable to equity holders of the parent			
VII. Total comprehensive income		86,825,651.70	103,118,632.79
Total comprehensive income attributable to equity holders of the parent		91,798,712.53	101,929,668.68
Total comprehensive income attributable to non-controlling interests		-4,973,060.83	1,188,964.11
VIII. Earnings per share:			
(1) Basic earnings per share (RMB)	6	0.118	0.125
(2) Diluted earnings per share (RMB)		0.118	0.125

Financial Information

Financial Information

Financial Information

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (Continued)

ITEMS	September 30, 2018						
	Share capital	Contributed equity	Other equity	Share premium	Unrealized gains	Retained earnings	Total equity
I. Contributed equity	316,823,400.00	444,930,544.69	27,277,917.91	84,326,994.53	1,078,088,852.07	134,053,658.42	2,085,501,367.62
II. Other equity	316,823,400.00	444,930,544.69	27,277,917.91	84,326,994.53	1,078,088,852.07	134,053,658.42	2,085,501,367.62

Financial Information

Notes to the Unaudited Interim Financial Statements

For the period ended 30 June 2019

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICES

The financial statements have been prepared according to the Company Accounting Standards Board's Enterprise Accounting Standards, Ministry of Finance's Order No. 15 on the Consolidated Financial Reporting Regulations (2014 Amendment) issued by CSRC and other applicable regulations.

Financial Information

[2019] ~~2019~~

Financial Information

2. TOTAL OPERATING INCOME

Operating income is derived from the sale of products and services. Operating income is calculated as sales revenue less cost of sales and other operating expenses.

(1) Operating income and operating cost

Item	Six months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)
Product sales	803,094,785.48	851,720,476.54
Other sales	13,857,323.43	9,167,491.12
Total	816,952,108.91	860,887,967.66
Product cost	618,958,833.65	641,278,848.58
Other cost	738,820.61	597,076.38
Total	619,697,654.26	641,875,924.96

Financial Information

5. INCOME TAX EXPENSES

Six months ended 30 June



8. TRADE AND OTHER RECEIVABLES

	At 30 June 2019 (Unaudited)	At 31 December 2018 (Audited)
Accounts receivable	1,127,521,049.00	956,108,356.74
Lease receivables	130,456,359.32	118,968,989.14
Notes receivable	10,463,424.00	270,905,071.00
Lease receivables	400,200.00	11,454,795.16
Prepaid expenses	309,043,084.20	424,735,769.16
Other receivables	284,769,656.25	357,591,064.98
Lease receivables	35,823,644.93	36,003,580.62
Income receivable		4,911,486.42
Deferred income		
Total	1,565,117,009.20	1,847,824,382.90

The aging analysis of accounts receivable

Types	At 30 June 2019 (Unaudited)		At 31 December 2018 (Audited)	
	Closing balance	Provision for bad debts	Closing balance	Provision for bad debts
Within 12 months	848,757,105.20	57,071,149.18	753,089,331.43	42,674,524.60
12 to 24 months	191,061,561.20	14,845,998.94	101,348,947.18	8,107,915.77
24 to 36 months	41,661,673.42	12,498,502.02	47,833,613.39	14,350,084.03
Over 36 months	46,040,709.18	46,040,709.18	53,836,464.74	53,836,464.74
Total	1,127,521,049.00	130,456,359.32	956,108,356.74	118,968,989.14

Financial Information

Financial Information

The aging analysis of accounts payable

	At 30 June 2019 (Unaudited)	At 31 December 2018 (Audited)
Within 12 months	773,566,805.90	744,463,292.98
12 to 24 months	161,767,637.35	179,281,440.45
Over 24 months	133,904,375.29	144,818,845.35
	1,069,238,818.54	1,068,563,578.78

The aging analysis of notes payable

	At 30 June 2019 (Unaudited)	At 31 December 2018 (Audited)
Within 12 months	101,459,129.50	28,756,738.41
12 to 24 months		-
Over 24 months		-
	101,459,129.50	28,756,738.41

Management Discussion and Analysis

Financial Review

Total operating income

For the period ended 30 June 2019 (the Reporting Period), the total operating income of the Group increased from RMB16,952,108.91 for the corresponding period of 2018 to RMB18,040,000.00 for the Reporting Period, an increase of 5.10%. The increase was mainly due to the increase in sales volume and the decrease in the cost of sales.

Gross profit margin

The gross profit margin of the Reporting Period decreased from 25.44% for the corresponding period of 2018 to 24.15% for the Reporting Period. The decrease was mainly due to the increase in the cost of sales.

Selling and distribution expenses

Selling and distribution expenses of the Group for the period ended 30 June 2019 were RMB19,697,875.74, an increase of 2.56% compared with the corresponding period of 2018. The increase was mainly due to the increase in the cost of sales.

Administrative expenses

The administrative expenses of the Group for the period ended 30 June 2019 were RMB26,584,826.90, an increase of 3.80% compared with the corresponding period of 2018. The increase was mainly due to the increase in the cost of sales.

Management Discussion and Analysis

Research and development expenses

Total research and development expenses amounted to RMB21,659,396.02, decreased by 10.96% compared to the corresponding period of 2018. The decrease was due to the decrease in R&D expenses incurred in the first half of 2019.

Financial expenses

Total financial expenses amounted to RMB31,951,075.98, decreased by 63.06% compared to the corresponding period of 2018. The decrease was due to the decrease in interest expenses incurred in the first half of 2019.

Prepayments

As of 30 June 2019, the Group's prepayments amounted to RMB309,043,084.20, decreased by 27.24% compared to 31 December 2018. The decrease was due to the decrease in prepayments.

Long-term equity investment

As of 30 June 2019, the Group's long-term equity investments amounted to RMB165,651,504.97, increased by 282.18% compared to 31 December 2018. The increase was due to the acquisition of equity investments in the first half of 2019. The Group's long-term equity investments included: (1) the acquisition of equity investments in Xuzhou City Aoxi Mountain Bus Terminal Co., Ltd. (徐州市杏山子公交首末站有限公司) for RMB75,237,624.00; (2) the acquisition of equity investments in Xuzhou City Jiuli Bus Terminal Co., Ltd. (徐州市九里公交首末站有限公司) for RMB41,073,000.00; and (3) the acquisition of equity investments in Xuzhou City Jiuli Bus Terminal Co., Ltd. (徐州市九里公交首末站有限公司) for RMB49,340,880.97.

Management Discussion and Analysis

Other payables

As at 30 June 2019, the Group's other payables were RMB171,671,774.71, an increase of 159.37% compared to 31 December 2018. The increase is due to the increase in the amount of RMB79,205,850.00 in 2019 (as compared to RMB0.1 in 2018) in relation to the Group's other payables.

Liquidity and Financial Resources

The Group's total cash and cash equivalents were RMB1,309,852,223.43 (As at 31 December 2018: RMB1,444,560,561.74).

As at 30 June 2019, the Group's bank balances were RMB613,604,783.89 (As at 31 December 2018: RMB532,958,036.92).

Capital Structure

As at 30 June 2019, the Group's total equity was RMB1,253,393,595.26 (As at 31 December 2018: RMB1,294,220,000.00), which included contributed capital of RMB160,362,000.00 and retained earnings of RMB1,093,031,595.26. The Group's total equity was 4.9% and 5.35% of the total assets of the Group as at 30 June 2019 and 31 December 2018, respectively. The Group's total equity was RMB817,000,000.00 and RMB817,000,000.00 as at 30 June 2019 and 31 December 2018, respectively. The Group's total equity was 4.35% and 7% of the total assets of the Group as at 30 June 2019 and 31 December 2018, respectively. The Group's total equity was RMB276,031,595.26 and RMB276,031,595.26 as at 30 June 2019 and 31 December 2018, respectively. The Group's total equity was 5.32% and 7% of the total assets of the Group as at 30 June 2019 and 31 December 2018, respectively. The Group's total equity was RMB276,031,595.26 and RMB276,031,595.26 as at 30 June 2019 and 31 December 2018, respectively. The Group's total equity was 5.32% and 7% of the total assets of the Group as at 30 June 2019 and 31 December 2018, respectively.

As at 30 June 2019, the Group's total debt was RMB792,058,500.00 (As at 31 December 2018: RMB229,500,000.00). The Group's total debt was 6.35% and 5.62% of the total assets of the Group as at 30 June 2019 and 31 December 2018, respectively.

Management Discussion and Analysis

Pledge of Assets of the Group

As at 30 June 2019, the Group had the following pledged assets:

The total book value of the Group's pledged assets was RMB345,832,189.83 (Accounting: Net value: RMB227,503,300.00, Pledged value: RMB110,271,738.43, less: Impairment loss: RMB8,057,151.40) as at 30 June 2019. The total book value of the Group's pledged assets was RMB160,362,000.00 as at 31 December 2018.

The total book value of the Group's pledged assets was RMB44,824,891.60 (As at 31 December 2018: RMB36,413,835.27) as at 30 June 2019. The total book value of the Group's pledged assets was RMB160,362,000.00 as at 31 December 2018.

Employees

As at 30 June 2019, the Group had 316 employees (As at 30 June 2018: 336 employees). During the Reporting Period, the Group had 316 employees as at 30 June 2019 (As at 31 December 2018: 336 employees). The total number of employees was 316 as at 30 June 2019 (As at 31 December 2018: 336 employees).

The total number of employees was 316 as at 30 June 2019 (As at 31 December 2018: 336 employees).

Gearing Ratio

The gearing ratio (book value of debt divided by book value of equity) of the Group as at 30 June 2019 was 32.78% (As at 31 December 2018: 38.33%). The gearing ratio of the Group as at 30 June 2019 was 32.78% (As at 31 December 2018: 38.33%). The gearing ratio of the Group as at 30 June 2019 was 32.78% (As at 31 December 2018: 38.33%).

Management Discussion and Analysis

Risk in Foreign Exchange

The Group's operations are conducted in various currencies. The Group's revenue is primarily denominated in RMB, while its expenses are denominated in various currencies. The Group is exposed to foreign exchange risk.

Substantial Acquisition and Disposal and Significant Investment

The Group did not have any substantial acquisition and disposal or significant investment during the reporting period.

Future Plans Relating to Material Investment or Capital Asset

As of the end of the reporting period, the Group has no material investment or capital asset plans. The Group will continue to focus on its core business and expand its production capacity.

Contingent Liabilities

As at 30 June 2019, the Group did not have any contingent liabilities.

Management Discussion and Analysis

The Company's business operations are primarily focused on the production and sales of various types of integrated circuits (ICs), including microprocessors, microcontrollers, and digital signal processors (DSPs). The Company's products are primarily used in the fields of consumer electronics, industrial control, and telecommunications. The Company's sales are primarily concentrated in the domestic market, with a significant portion of sales coming from the regions of Guangdong, Zhejiang, and Jiangsu. The Company's production capacity is limited, and the Company has established long-term cooperation relationships with several major manufacturers to ensure the timely supply of raw materials and components. The Company's R&D investment is relatively high, and the Company has a strong technical team and a mature R&D process. The Company's products have a high degree of technical content and a strong competitive advantage in the market. The Company's financial performance is stable, and the Company has a strong ability to resist risks. The Company's future development strategy is to continue to expand its production capacity, strengthen its R&D capabilities, and expand its market share. The Company will continue to focus on the production and sales of high-quality ICs, and will continue to provide excellent products and services to its customers.

The Company's business operations are primarily focused on the production and sales of various types of integrated circuits (ICs), including microprocessors, microcontrollers, and digital signal processors (DSPs). The Company's products are primarily used in the fields of consumer electronics, industrial control, and telecommunications. The Company's sales are primarily concentrated in the domestic market, with a significant portion of sales coming from the regions of Guangdong, Zhejiang, and Jiangsu. The Company's production capacity is limited, and the Company has established long-term cooperation relationships with several major manufacturers to ensure the timely supply of raw materials and components. The Company's R&D investment is relatively high, and the Company has a strong technical team and a mature R&D process. The Company's products have a high degree of technical content and a strong competitive advantage in the market. The Company's financial performance is stable, and the Company has a strong ability to resist risks. The Company's future development strategy is to continue to expand its production capacity, strengthen its R&D capabilities, and expand its market share. The Company will continue to focus on the production and sales of high-quality ICs, and will continue to provide excellent products and services to its customers.

Management Discussion and Analysis

Research and development

The Company's research and development activities are primarily focused on the development of new products and technologies. The Company has a strong focus on research and development in the field of information technology, particularly in the areas of software development, cloud computing, and artificial intelligence. The Company's research and development activities are primarily funded by the Company's own resources, and the Company has a strong track record of successful research and development projects. The Company's research and development activities are primarily focused on the development of new products and technologies, and the Company has a strong focus on research and development in the field of information technology, particularly in the areas of software development, cloud computing, and artificial intelligence. The Company's research and development activities are primarily funded by the Company's own resources, and the Company has a strong track record of successful research and development projects.

BUSINESS OUTLOOK

Future prospects

The Company's future prospects are bright, and the Company is well-positioned to capitalize on the growing demand for information technology solutions. The Company's strong focus on research and development, combined with its experienced management team and strong financial performance, provides a solid foundation for long-term growth. The Company's future prospects are bright, and the Company is well-positioned to capitalize on the growing demand for information technology solutions. The Company's strong focus on research and development, combined with its experienced management team and strong financial performance, provides a solid foundation for long-term growth.

Management Discussion and Analysis

Re d W e e W d e G e e

Other Information

Approximate

Other Information

6) On 27 March 2019, Mr. Sun Shikang resigned as an executive Director of the Company. Mr. Sun Shikang is the son of Mr. Sun Shikang, the Chairman of the Board of Directors of the Company.

7) On 11 July 2019, Mr. Zhang Xuebin resigned as a non-executive Director of the Company. Mr. Zhang Xuebin is the son of Mr. Zhang Xuebin, the Chairman of the Board of Directors of the Company.

Since the resignation of Mr. Zhang Xuebin, the Company has 13.51B(1) shares in issue. Mr. Zhang Xuebin is the son of Mr. Zhang Xuebin, the Chairman of the Board of Directors of the Company.

CHANGE IN CONSTITUTIONAL DOCUMENT

During the reporting period, there has been no change in the Company's Articles of Association.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

During the reporting period, the Company has not purchased, redeemed or sold any of its listed securities.

Bo Director
Nanjing Sample Technology Company Limited*
Sha Min
 Chairman

23 August 2019
 Nanjing, PRC

As at the date hereof, the executive Directors are Mr. Sha Min (Chairman), Mr. Zhu Xiang, Ms. Yu Hui; the non-executive Director is Mr. Chang Yong and the independent non-executive Directors are Mr. Gao Lihui, Mr. Niu Zhongjie and Mr. Hu Hanhui.

* For identification purpose only