

Stock Code: 601231

Abbreviated Name: USI

Convertible Bond Code:113045

Abbreviated Name: USI Convertible Bond

Universal Scientific Industrial (Shanghai) Co., Ltd.

Summary of 2024 Interim Report



Note: The English version is summarized from the original Chinese report disclosed on the Shanghai Stock Exchange. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

I. Important Notice

- 1.1 The summary is a simplified version of the interim report. To comprehensively understand Universal Scientific Industrial (Shanghai) Co., Ltd. (“the Company”, “USI”)’s operating results, financial position and future development plans, investors shall refer to the website of the Shanghai Stock Exchange (www.sse.com.cn) to carefully read the full text of the report.**
- 1.2 The Board of Directors, the Board of Supervisors, directors, supervisors and senior management of the Company hereby assure that the content set out in the interim report is true, accurate and complete, and free from any false record, misleading representation or material omission, and are individually and collectively responsible for the content set out therein.**
- 1.3 All directors attended the Board of Directors meeting.**
- 1.4 The interim report is unaudited.**
- 1.5 The proposal of profit distribution for the reporting period deliberated and approved by the Board of Directors**

None

II. General Information of the Company

2.1 Overview

| The Company's Stocks | | | | |
|---|-------------------------|----------------------|------------|-------------------------|
| Stock class | Listed on | Abbreviated Name | Stock Code | Former Abbreviated Name |
| A-share | Shanghai Stock Exchange | USI | 601231 | None |
| Corporate bonds convertible into the Company's A shares | Shanghai Stock Exchange | USI Convertible Bond | 113045 | None |

| | | |
|---------|---------------------------|-----------------------------------|
| Contact | Secretary of the Board of | Securities affairs representative |
|---------|---------------------------|-----------------------------------|

| | Directors | |
|----------------|---|--|
| Name | Jinpeng Shi | |
| Tel. | 021-58968418 | |
| Office address | F/5, Building B, 169 Shengxia Road, Pudong New Area, Shanghai | |
| Email | Public@usiglobal.com | |

2.2 Key accounting and financial performance indicators

Unit: yuan Currency: RMB

| | 30 June 2024 | 31 December 2023 | Change (%) |
|--|---------------------|---------------------|----------------|
| Total assets | 37,953,369,043.09 | 39,306,382,898.66 | -3.44 |
| Net assets attributable to shareholders of the listed company | 16,992,284,838.63 | 16,990,407,623.67 | 0.01 |
| | January – June 2023 | January – June 2022 | YoY (%) |
| Revenue | 27,385,610,393.61 | 26,865,634,172.78 | 1.94 |
| Net profits attributable to shareholders of the listed company | 784,403,787.30 | 767,267,825.33 | 2.23 |
| Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses | 601,818,981.63 | 693,856,091.83 | -13.26 |
| Net cash flows from operating activities | 1,497,864,292.00 | 3,780,555,169.97 | -60.38 |
| Weighted average return on equity (%) | 4.58 | 4.81 | Down 0.23 pct. |
| Basic EPS (yuan/share) | 0.36 | 0.35 | 2.86 |
| Diluted EPS (yuan/share) | 0.36 | 0.35 | 2.86 |

2.3 Shareholding of top 10 shareholders

Unit: share

| | | | | | | |
|---|-----------------------|-------|--------------------|------------------------|----------------------------------|--|
| Total number of common shareholders by the end of the reporting period | | | | 40,774 | | |
| Total number of preferred shareholders whose voting rights have been restored as of the end of the reporting period | | | | 0 | | |
| Shareholding of top 10 shareholders | | | | | | |
| Name of shareholder | Nature of shareholder | % | Shares held Number | Restricted shares held | Pledged, marked or frozen shares | |
| USI Enterprise Limited | Foreign legal person | 76.15 | 1,683,749,126 | 0 | None | |

| | | | | | | |
|--|--|------|-------------|---|---------|--|
| Hong Kong Securities Clearing Company Ltd. | Foreign legal person | 5.15 | 113,794,953 | 0 | Unknown | |
| China Securities Finance Co., Ltd. | State-owned legal person | 1.04 | 22,917,636 | 0 | Unknown | |
| ASE (Shanghai) Inc. | Domestic non-state-owned legal person | 0.82 | 18,098,476 | 0 | None | |
| CSI 500 Exchange Traded fund - Agricultural Bank of China | Other information | 0.32 | 7,170,200 | 0 | Unknown | |
| Hua 'an Media Internet Hybrid Securities Investment Fund - Industrial and Commercial Bank of China Limited | Others | 0.26 | 5,699,500 | 0 | Unknown | |
| Fullgoal CSI 500 Enhanced Index Fund - Agricultural Bank of China | Others | 0.21 | 4,626,700 | 0 | Unknown | |
| Balanced Portfolio Entrusted by New China Life Insurance - Fullgoal Fund - Industrial Bank | Others | 0.18 | 3,895,100 | 0 | Unknown | |
| All China Bond - Ninety One Global Strategy Fund - Ninety One UK Ltd. - RQFII | Other information | 0.17 | 3,694,141 | 0 | Unknown | |
| China's National Social Security Fund Portfolio 402 | Others | 0.17 | 3,651,800 | 0 | Unknown | |
| Related or concert parties among the shareholders above | The actual controllers of the Company are Mr. Jason C.S. Chang and Mr. Richard H.P. Chang, who are brothers and ultimately control the Company through indirect shareholding by controlling USI Enterprise Limited and ASE (Shanghai) Inc., two of the Company's shareholders. The Company does not know whether there are related relationships and concerted actions among other shareholders. | | | | | |
| Particulars on the preference shareholders with voting rights restored and their shareholdings | None | | | | | |

2.4 The total number of preferred shareholders and the top 10 preferred shareholders by the end of the reporting period

☐ Applicable ☒ Not Applicable

2.5 Changes of controlling shareholders and actual controllers

☐ Applicable ☒ Not Applicable

2.6 Status of existing corporate bonds on the date of approval of the interim report

☐ Applicable ☒ Not Applicable

III. Important Issues

☐ Applicable ☒ Not Applicable

Appendix: Financial Statements

Consolidated Balance Sheet

30 June 2024

Prepared by Universal Scientific Industrial (Shanghai) Co., Ltd.

Presented in RMB yuan, unaudited

| Items | June 30, 2024 | December 31, 2023 |
|---|-------------------|-------------------|
| Cash and bank balances | 10,463,605,473.86 | 11,218,698,389.32 |
| Financial assets held for trading | 48,098,174.83 | 245,558,007.22 |
| Notes receivable | 60,139,398.36 | 65,545,008.33 |
| Accounts receivable | 9,226,103,356.89 | 10,023,562,062.11 |
| Prepayments | 105,195,490.32 | 55,649,536.45 |
| Other receivables | 224,936,737.56 | 208,748,837.09 |
| Inventory | 8,406,003,808.39 | 8,311,911,001.74 |
| Non-current assets due within one year | 126,963.35 | 123,989.32 |
| Other current assets | 1,039,888,802.09 | 838,262,285.94 |
| Total Current Assets | 29,574,098,205.65 | 30,968,059,117.52 |
| Long-term receivables | 13,701,187.55 | 13,647,410.80 |
| Long-term equity investments | 499,897,110.25 | 498,271,541.60 |
| Investments in other equity instruments | 33,975,891.83 | 38,935,237.58 |
| Other non-current financial assets | 212,930,507.21 | 193,994,862.05 |
| Investment properties | 4,184,166.81 | 4,324,045.51 |
| Fixed assets | 4,483,823,980.34 | 4,697,977,110.39 |
| Construction in progress | 966,428,611.46 | 641,030,985.98 |
| Right-of-use assets | 501,307,739.71 | 605,954,561.75 |
| Intangible assets | 334,870,998.12 | 368,303,316.37 |
| Goodwill | 593,343,370.05 | 607,706,955.17 |
| Long-term prepaid expenses | 176,283,090.00 | 212,629,008.92 |
| Deferred tax assets | 411,251,085.58 | 387,273,954.10 |
| Other non-current assets | 147,273,098.53 | 68,274,790.92 |
| Total non-current assets | 8,379,270,837.44 | 8,338,323,781.14 |
| Total assets | 37,953,369,043.09 | 39,306,382,898.66 |
| Short-term borrowings | 3,692,448,510.29 | 4,378,428,691.47 |
| Derivative financial liabilities | 2,096,647.90 | 173,872.64 |
| Accounts payable | 10,229,037,076.05 | 10,574,123,769.47 |
| Contract liabilities | 439,470,311.16 | 348,380,131.33 |
| Employee benefits payable | 729,183,245.37 | 922,911,255.08 |
| Taxes payable | 342,253,377.17 | 355,654,414.38 |
| Other payables | 909,227,609.66 | 1,044,770,045.86 |
| Non-current liabilities due within one | 156,362,759.79 | 3,564,025,750.56 |

| | | |
|--|-------------------|-------------------|
| year | | |
| Other current liabilities | 3,911,280.49 | 3,944,775.07 |
| Total current liabilities | 16,503,990,817.88 | 21,192,412,705.86 |
| Long-term borrowings | 38,622,485.85 | 47,385,951.10 |
| Bond payable | 3,432,455,573.08 | - |
| Lease liabilities | 406,939,358.44 | 486,775,229.42 |
| Long-term payables | 18,226,524.60 | 25,526,297.84 |
| Long-term employee benefits payable | 246,419,810.68 | 273,605,892.45 |
| Provisions | 54,652,436.88 | 48,279,064.03 |
| Deferred income | 57,073,540.72 | 59,885,005.66 |
| Deferred tax liabilities | 73,498,289.82 | 81,636,655.83 |
| Other non-current liabilities | 3,961,797.69 | 1,046,909.26 |
| Total Non-current Liabilities | 4,331,849,817.76 | 1,024,141,005.59 |
| TOTAL LIABILITIES | 20,835,840,635.64 | 22,216,553,711.45 |
| Paid-in capital (or share capital) | 2,210,993,389.00 | 2,209,991,580.00 |
| Other equity instruments | 409,890,234.89 | 409,890,710.14 |
| Capital reserve | 2,311,119,114.25 | 2,283,965,543.00 |
| Less: Treasury shares | 420,984,884.56 | 321,730,995.54 |
| Other comprehensive income | 140,596,277.41 | 261,726,655.45 |
| Surplus reserve | 966,801,754.40 | 966,801,754.40 |
| Retained profits | 11,373,868,953.24 | 11,179,762,376.22 |
| Total owners' equity attributable to equity holders of the Company | 16,992,284,838.63 | 16,990,407,623.67 |
| Minority interests | 125,243,568.82 | 99,421,563.54 |
| TOTAL SHAREHOLDERS' EQUITY | 17,117,528,407.45 | 17,089,829,187.21 |
| Total liabilities and owners' equity (or shareholders' equity) | 37,953,369,043.09 | 39,306,382,898.66 |

Legal representative: Jeffrey Chen CFO: Tan-Yang Liu Accounting officer: Yuh-Huah Chern

Consolidated Income Statement

January – June 2024

Prepared by Universal Scientific Industrial (Shanghai) Co., Ltd.

Presented in RMB yuan, unaudited

| Items | January – June 2024 | January – June 2023 |
|--|---------------------|---------------------|
| I. Total revenue | 27,385,610,393.61 | 26,865,634,172.78 |
| Including: Operating revenue | 27,385,610,393.61 | 26,865,634,172.78 |
| II. Total cost of operations | 26,769,893,107.78 | 25,983,054,432.45 |
| Less: Costs | 24,691,429,394.03 | 24,339,839,280.55 |
| Taxes and levies | 79,392,822.72 | 43,688,222.11 |
| Sales expenses | 239,673,793.89 | 162,998,486.39 |
| Administrative expenses | 640,478,024.60 | 559,930,868.90 |
| R&D expenses | 877,904,511.63 | 811,292,226.70 |
| Financial expenses | 241,014,560.91 | 65,305,347.80 |
| Including: Interest expenses | 211,256,762.87 | 183,625,962.65 |
| Interest income | 159,345,254.29 | 109,916,527.01 |
| Add: Other income | 19,130,571.26 | 34,037,953.07 |
| Investment income | 153,430,710.08 | 53,727,629.81 |
| Including: Income from investments in associates and joint ventures | 8,629,528.23 | (1,475,800.66) |
| Gains (losses) from changes in fair values | 17,167,489.89 | (15,271,042.69) |
| Impairment gains (losses) of credit | (12,013,607.10) | (14,204,083.65) |
| Impairment gains (losses) of assets | 31,302,380.61 | (89,798,873.29) |
| Gains (losses) from disposal of assets | 5,157,075.82 | 3,040,824.12 |
| III. Operating profit (losses are represented by '-') | 829,891,906.39 | 854,112,147.70 |
| Add: Non-operating income | 16,408,029.34 | 11,123,484.96 |
| Less: Non-operating expenses | 4,867,455.82 | 2,636,539.26 |
| IV. Total profit (total losses are represented by '-') | 841,432,479.91 | 862,599,093.40 |
| Less: Income tax expenses | 67,722,641.37 | 95,332,629.90 |
| V. Net profit (net losses are represented by '-') | 773,709,838.54 | 767,266,463.50 |
| 1. Net profit from continuing operations (net losses are represented by '-') | 773,709,838.54 | 767,266,463.50 |
| 2. Net profit from discontinued operations (net losses are represented by '-') | - | - |
| 1. Net profit attributable to owners of the Company (net losses are represented by '-') | 784,403,787.30 | 767,267,825.33 |
| 2. Profit or loss attributable to minority shareholders (net losses are represented by '-') | (10,693,948.76) | (1,361.83) |

| | | |
|---|------------------|------------------|
| VI. Other comprehensive income, net of tax | (123,556,430.40) | 236,451,975.75 |
| (I) Other comprehensive income attributable to owners of the Company, net of tax | (121,130,378.04) | 236,426,709.70 |
| 1. Other comprehensive income that cannot be subsequently reclassified to profit or loss | (3,129,627.12) | 14,946,228.46 |
| (1) Changes from re-measurement of defined benefit plans | | |
| (2) Other comprehensive income that cannot be transferred into profit or loss under equity method | | |
| (3) Changes in fair value of investments in other equity instruments | (3,129,627.12) | 14,946,228.46 |
| (4) Changes in fair value of credit risks of the enterprise | | |
| 2. Other comprehensive income that will be reclassified to profit or loss | (118,000,750.92) | 221,480,481.24 |
| (1) Other comprehensive income that can be reclassified to profit or loss under the equity method | (2,962,922.55) | (14,863,917.72) |
| (2) Changes in fair value of other debt investments | | |
| (3) Reclassified financial assets that are credited to other comprehensive income | | |
| (4) Credit impairment provision for other debt investments | | |
| (5) Reserve for cash flow hedging | | |
| (6) Differences on translation of financial statements denominated in foreign currencies | (181,899,561.98) | 273,029,302.71 |
| (7) Others | 66,861,733.61 | (36,684,903.75) |
| (II) Total comprehensive income attributable to the minority shareholders, net of tax | (2,426,052.36) | 25,266.05 |
| VII. Total comprehensive income | 650,153,408.14 | 1,003,718,439.25 |
| (I) Total comprehensive income attributable to owners of the Company | 663,273,409.26 | 1,003,694,535.03 |
| (II) Total comprehensive income attributable to minority interests | (13,120,001.12) | 23,904.22 |
| (I) Basic earnings per share | 0.36 | 0.35 |
| (II) Diluted earnings per share | 0.36 | 0.35 |

Legal representative: Jeffrey Chen CFO: Tan-Yang Liu Accounting officer: Yuh-Huah Chern

Consolidated Cash Flow Statement

January – June 2024

Prepared by Universal Scientific Industrial (Shanghai) Co., Ltd.

Presented in RMB yuan, unaudited

| Items | January – June 2024 | January – June 2023 |
|--|---------------------|---------------------|
| Cash receipts from the sale of goods and the rendering of services | 28,576,778,394.27 | 29,728,402,400.52 |
| Receipts of tax refunds | 196,501,383.91 | 254,451,522.86 |
| Other cash receipts relating to operating activities | 276,276,726.27 | 204,902,214.95 |
| Sub-total of cash inflows from operating activities | 29,049,556,504.45 | 30,187,756,138.33 |
| Cash payments for goods purchased and services received | 24,302,865,879.88 | 23,226,281,650.60 |
| Cash payments to and on behalf of employees | 2,443,931,510.01 | 2,400,633,576.52 |
| Payments of various types of taxes | 535,844,689.85 | 705,760,856.01 |
| Other cash payments relating to operating activities | 269,050,132.71 | 74,524,885.23 |
| Sub-total of cash outflows from operating activities | 27,551,692,212.45 | 26,407,200,968.36 |
| Net cash flows from operating activities | 1,497,864,292.00 | 3,780,555,169.97 |
| Cash receipts from disposals and recovery of investments | 7,641,814,539.80 | 5,329,271,683.03 |
| Cash receipts from investment income | 151,686,013.48 | 76,019,131.59 |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets | 25,314,743.69 | 18,319,427.97 |
| Sub-total of cash inflows from investing activities | 7,818,815,296.97 | 5,423,610,242.59 |
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | 689,305,542.61 | 777,419,278.98 |
| Cash payments to acquire investments | 7,737,000,000.00 | 5,208,984,009.89 |
| Net cash payments for acquisitions of subsidiaries and other business units | 215,479,003.07 | - |
| Sub-total of cash outflows from investing activities | 8,641,784,545.68 | 5,986,403,288.87 |
| Net cash flow from investment activities | (822,969,248.71) | (562,793,046.28) |
| Cash receipts from capital contributions | 50,910,507.81 | 6,463,448.68 |
| Including: cash received from capital | 38,942,006.40 | - |

| | | |
|---|--------------------|--------------------|
| contributions by minority shareholders of subsidiaries | | |
| Cash receipts from borrowings | 4,430,998,643.73 | 8,209,996,967.40 |
| Other cash receipts relating to financing activities | - | 23,468,124.01 |
| Sub-total of cash inflows from financing activities | 4,481,909,151.54 | 8,239,928,540.09 |
| Cash repayments of borrowings | 5,054,197,878.55 | 8,291,655,210.40 |
| Cash payments for distribution of dividends or profits or settlement of interest expenses | 740,470,510.65 | 1,043,837,361.74 |
| Other cash payments relating to financing activities | 185,608,623.42 | 76,191,347.41 |
| Sub-total of cash outflows from financing activities | 5,980,277,012.62 | 9,411,683,919.55 |
| Net cash flow from financing activities | (1,498,367,861.08) | (1,171,755,379.46) |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | (12,191,808.73) | 21,262,922.88 |
| V. Net Increase (decrease) in cash and cash equivalents | (835,664,626.52) | 2,067,269,667.11 |
| Add: Opening Balance of Cash and Cash Equivalents | 11,184,292,778.70 | 7,678,044,104.00 |
| VI. Closing balance of cash and cash equivalents | 10,348,628,152.18 | 9,745,313,771.11 |

Legal representative: Jeffrey Chen CFO: Tan-Yang Liu Accounting officer: Yuh-Huah Chern