

Luxshare Precision Industry Co., Ltd.

Annual Report 2023

2024-024



April 2024

Annual Report 2023

Section I Important Note, Table of Contents and Definitions

The Board of Directors, the Board of Supervisors, directors, supervisors and executives of the Company hereby warrant that the information contained in this Annual Report is true, accurate and complete and this Annual Report is free from any misrepresentation, misleading statement or material omission, and agree to assume joint and several liability for this Annual Report.

WANG Laichun, Principal of the Company, CFO WU Tiansong and Chief Accountant CHEN Huiyong hereby represent that the financial statements contained in this Annual Report are true, accurate and complete.

All directors of the Company attended the meeting of the Board of Directors reviewing this Report.

The relevant risks facing the Company are set out in “Section III Management’s Discussion and Analysis - XI. Prospects for future development of the Company”.

According to the profit distribution proposal approved by the Board of Directors, the Company will distribute a cash dividend of RMB 3 (inclusive of tax) per 10 shares to all shareholders on the basis of 7,178,011,313 shares, and will not distribute any bonus shares or transfer any capital reserve to the share capital for the reporting period.

Table of Contents

Section I Important Note, Table of Contents and Definitions	2
Section II Company Profile and Key Financial Indicators	7
Section III Management’s Discussion and Analysis	11
Section IV Corporate Governance	64
Section V Environment and Social Responsibilities	95
Section VI Significant Matters	139
Section VII Changes in shares and shareholders	160
Section VIII Preference Shares	169
Section IX Bonds.....	170
Section X Financial Report.....	185

List of References

1. Financial statements signed and chopped by the principal, CFO and Chief Accountant of the Company;
2. Original of the auditor's report stamped with the seal of the accounting firm and signed and chopped by the certified public accountants;
3. Originals of all documents of the Company publicly disclosed on the website for information disclosure designated by the China Securities Regulatory Commission during the reporting period and related announcements;
and
4. Other references.

Definitions

Terms	means	Definition
We/us, the Company or Luxshare-ICT	means	Luxshare Precision Industry Co., Ltd.
Luxshare Limited	means	Luxshare Limited, founder and controlling shareholder of Luxshare-ICT.
ICT-Lanto	means	ICT-Lanto Limited.
LUXSHARE PRECISION	means	Luxshare Precision Limited.
Luxshare Jiangsu	means	Luxshare Precision Industry (Jiangsu) Co., Ltd.
Luxshare Shanxi	means	Luxshare Precision Industry (Shanxi) Co., Ltd.
Luxshare Dongguan	means	Dongguan Luxshare Precision Industry Co., Ltd.
Luxshare Suzhou	means	Luxshare Precision Industry (Suzhou) Co., Ltd.
Luxshare Chuzhou	means	Luxshare Precision Industry (Chuzhou), Ltd.
Luxshare Kunshan	means	Kunshan Luxshare Precision Industry Co., Ltd.
Luxshare Baoding	means	Luxshare Precision Industry (Baoding) Co., Ltd.
Luxshare Xuancheng	means	Xuancheng Luxshare Precision Industry Co., Ltd.
Luxshare Yancheng	means	Yancheng Luxshare Precision Industry Co., Ltd.
Luxshare Enshi	means	Luxshare Precision Industry (Enshi) Co., Ltd.
Luxshare Vietnam	means	Luxshare-ICT (Vietnam) Limited
Luxshare Van Trung	means	Luxshare-ICT (Van Trung) Company Limited
Luxshare Nghe An	means	Luxshare-ICT (Nghe An) Limited
Luxshare Electroacoustic	means	Shenzhen Luxshare Acoustics Technology Ltd.
Luxshare Smart Manufacturing	means	Luxshare iTech (Zhejiang) Co., LTD.
Luxshare-Merry	means	Guangdong Luxshare & Merry Electronics Co., Ltd.
ASAP Jiangxi	means	ASAP Technology (Jiangxi) Co., Ltd.
Xiexun Jiangxi	means	Xiexun Electronic (Ji'an) Co., Ltd.
Smart Manufacturing Jiangxi	means	Jiangxi Luxshare Intelligent Manufacture Co., Ltd.
Lanto Bozhou	means	Bozhou Lanto Electronic Limited
Xuntao Bozhou	means	Bozhou Xuntao Electronic Limited
Meite Suzhou	means	Merry Electronics (Suzhou) Co., Ltd.
Huzhou Jiuding	means	Huzhou Jiuding Electronic Co., Ltd.
Lanto Kunshan	means	Lanto Electronic Limited
Kunshan RF	means	Kunshan-Luxshare RF Technology Co.,

		Ltd.
Liding Dongguan	means	Liding Electronic Technology (Dongguan) Co., Ltd.
Luxcase ICT Yancheng	means	Luxcase Precision Technology (Yancheng) Co., Ltd.
Xiexun Wan'an	means	Wan'an Xiexun Electronic Co., Ltd.
Smart Manufacturing Changshu	means	Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.
Fujian JK	means	Fujian JK Wiring Systems Co., Ltd..
Xingning Electronics	means	Xingning Luxshare Electronic Co., Ltd.
Luxsan Kunshan	means	Luxsan Technology (Kunshan) Co., Ltd.
BCS Suzhou	means	Bisaisi Automotive Technology (Suzhou) Co., Ltd.
SpeedTech	means	SpeedTech Corp.
Luxshare Automation Jiangsu	means	Luxshare Automation (Jiangsu) Ltd.
Dongguan Luxshare Technology	means	Dongguan Luxshare Technology Co., Ltd.
Luxshare Electronic Kunshan	means	Luxshare Electronic Technology (Kunshan) Co., Ltd.
Luxshare Electronic Enshi	means	Luxshare Electronic Technology (Enshi) Co., Ltd.
TIME Interconnect Technology	means	TIME Interconnect Technology Limited
Huarong Technology	means	Shenzhen Huarong Technology Co., Ltd.
BCS Germany	means	BCS Automotive Interface Solutions GmbH(Germany)
BCS USA	means	BCS Automotive Interface Solutions US, LLC (USA)
BCS Romania	means	BCS Automotive Interface Solutions Romania s.r.l.(Romania)
Luxsan Hong Kong	means	LUXSAN TECHNOLOGY LIMITED
Luxsan Investment	means	Luxsan Investment (Jiangsu) Co., Ltd.
Luxsan Equipment	means	Luxsan Intelligent Equipment (Kunshan) Co., Ltd.
Chery Parts	means	Wuhu Chery Auto Purchasing Parts Co., Ltd.
Chery Commercial Vehicle	means	Chery Commercial Vehicle (Anhui) Co., Ltd.
Henan Chery	means	Henan Chery Auto Co., Ltd.
AOA	means	Articles of Association of Luxshare Precision Industry Co., Ltd.

Section II Company Profile and Key Financial Indicators

I. Company profile

Stock short name	Luxshare-ICT	Stock code	002475
Stock exchange	Shenzhen Stock Exchange		
Chinese name	立讯精密工业股份有限公司		
Chinese short name	立讯精密		
English name (if any)	Luxshare Precision Industry Co., Ltd.		
English short name (if any)	Luxshare-ICT		
Legal representative	WANG Laichun		
Registered address	2/F, Block A, Sanyang New Industrial Zone, West Haoyi, Shajing Street, Baoan District, Shenzhen		
Postal code of registered address	518104		
History of changes in registered address	N/A		
Office address	No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong		
Postal code of office address	523642		
Company website	https://www.luxshare-ict.com/		
E-mail	Public@luxshare-ict.com		

II. Contact person and contact information

	Board Secretary	Securities Affairs Representative
Name	HUANG Dawei	LI Ruihao
Address	No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong
Telephone	0769-87892475	0769-87892475
Fax	0769-87732475	0769-87732475
E-mail	David.Huang@luxshare-ict.com	Ray.Li@luxshare-ict.com

III. Media for information disclosure and place for keeping annual report

Website of the stock exchange disclosing the Company's annual report	Shenzhen Stock Exchange (www.szse.cn)
Media and website disclosing the Company's annual report	The <i>Securities Times</i> , the <i>Shanghai Securities News</i> and http://www.cninfo.com.cn
Place for keeping annual report	Securities Affairs Office of the Company

IV. Changes in registration particulars

Unified social credit code	91440300760482233Q
Changes in main business since the listing of the Company (if	No

any)	
Changes in controlling shareholder (if any)	No

V. Other related information

Accounting firm engaged by the Company

Name of accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Office address of accounting firm	Rooms 1, 2 & 3, 4/F, No. 61 East Nanjing Road, Huangpu District, Shanghai
Name of accountants signing this report	LI Jing and DAN Jie

Sponsor engaged by the Company that performs the duties of ongoing supervision over the Company during the reporting period:

Applicable N/A

Financial advisor engaged by the Company that performs the duties of ongoing supervision over the Company during the reporting period

Applicable N/A

VI. Key accounting data and financial indicators

Did the Company need to retrospectively adjust or re-state any accounting data of prior accounting years?

Yes No

	2023	2022	Y/Y % Change	2021
Operating income (RMB)	231,905,459,829.83	214,028,394,291.44	8.35%	153,946,097,790.40
Net profit attributable to shareholders of the listed company (RMB)	10,952,656,702.16	9,163,104,849.54	19.53%	7,070,520,386.57
Net profit attributable to shareholders of the listed company after deduction of non-recurring gain or loss (RMB)	10,185,553,553.99	8,442,052,945.85	20.65%	6,015,597,220.13
Net cash flow from operating activities (RMB)	27,605,060,411.16	12,727,610,319.34	116.89%	7,284,766,917.00
Basic earnings per share (RMB/share)	1.54	1.29	19.38%	1.01
Diluted earnings per (RMB/share)	1.53	1.28	19.53%	0.99
Weighted average return on equity	21.61%	23.00%	Decrease by 1.39 percentage points	22.35%
	December 31, 2023	December 31, 2022	Y/Y % Change	December 31, 2021
Total assets (RMB)	161,992,099,595.65	148,384,319,074.71	9.17%	120,572,098,167.88
Net assets attributable to shareholders of the listed company (RMB)	56,310,184,510.60	45,342,897,318.53	24.19%	35,288,554,748.72

Whether the lower of the net profit before and after deduction of non-recurring gain or loss in the past three accounting years has been negative and the most recent annual auditor's report indicates that the Company's ability to continue as a going concern is uncertain?

Yes No

Whether the lower of the net profit before and after deduction of non-recurring gain or loss is negative?

Yes No

VII. Differences in accounting data arising from adoption of Chinese and foreign accounting standards concurrently

1. Differences in net profit and net assets disclosed in the financial statements prepared according to the international accounting standards and the Chinese accounting standards

Applicable N/A

There was no difference in net profit and net assets disclosed in the financial statements for the reporting period prepared according to the international accounting standards and the Chinese accounting standards.

2. Differences in net profit and net assets disclosed in the financial statements prepared according to the foreign accounting standards and the Chinese accounting standards

Applicable N/A

There was no difference in net profit and net assets disclosed in the financial statements for the reporting period prepared according to the foreign accounting standards and the Chinese accounting standards.

VIII. Main quarterly financial indicators

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	49,942,325,179.17	48,028,855,731.10	57,903,635,250.06	76,030,643,669.50
Net profit attributable to shareholders of the listed company	2,017,931,635.56	2,337,794,295.99	3,018,448,573.21	3,578,482,197.40
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	1,771,547,570.19	2,382,825,838.93	2,878,274,332.09	3,152,905,812.78
Net cash flow from operating activities	3,612,281,990.23	5,201,747,161.89	-1,591,995,327.88	20,383,026,586.92

Whether there's any significant difference between the financial indicators set forth above or aggregate amounts thereof and the corresponding financial indicators contained in any quarterly or semi-annual report already disclosed?

Yes No

IX. Items and amounts of non-recurring gains or losses

Applicable N/A

In RMB

Item	2023	2022	2021	Remark
Gain or loss on disposal of non-current assets (including allowance for impairment of assets that has been written off)	106,350,953.11	40,397,780.40	-57,241,855.39	
Government grants recognized in profit or loss (excluding government grants that are closely related to the business of the Company, in accordance with national policy requirements, enjoyed according to specific criteria, and having a continuous impact on the Company's profit or loss)	791,098,788.52	602,294,263.90	853,542,165.37	
Fair value changes in financial assets and financial liabilities held by non-financial enterprises and gains or losses from the disposal of financial assets and financial liabilities, except for effective hedging transactions related to the Company's ordinary operating activities	488,375,997.34	543,762,585.57	602,993,325.33	
Gain or loss on assets under entrusted investment or management	189,969,851.82	50,525,057.66	95,298,693.93	
Interest in the fair value of the acquirees' identifiable net assets at the date of acquisition in excess of the investment cost of the relevant subsidiaries, associates and joint ventures			16,559,223.33	
Gain or loss on assets under entrusted investment or management	41,640,366.02	11,040,674.64	-12,600,634.71	
Other non-operating income and expenses	-601,026,495.49	-377,143,056.77	-170,939,666.46	
Less: Effect of income tax	158,749,222.86	100,226,804.81	211,043,425.20	
Effect of minority interest (after tax)	90,557,090.29	49,598,596.90	61,644,659.76	
Total	767,103,148.17	721,051,903.69	1,054,923,166.44	--

Other items of gain or loss within the meaning of non-recurring gains or losses:

Applicable N/A

Mainly for investment income recognized for advance termination of financial assets.

If the Company classifies any item of non-recurring gain or loss defined by or listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Publicly Offering Securities - Non-recurring Gain or Loss* as recurring gain or loss, please explain the reason.

Applicable N/A

We have not classified any item of non-recurring gain or loss defined by or listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Publicly Offering Securities - Non-recurring Gain or Loss* as recurring gain or loss in the reporting period.

Section III Management's Discussion and Analysis

I. Situations of our industry during the reporting period

During the reporting period, we are engaged in the research and development (R&D), manufacturing and sale of products in the fields of consumer electronics, communication and data center, automotive electronics and healthcare, among others. Our products and businesses are diversified and vertically integrated, and cover components, modules and system assembly.

(I) Consumer electronics

Since 2023, despite the impact of factors such as the global economic downturn and geopolitics, the consumer electronics industry has been relatively sluggish overall. However, with the release of a series of new products by major terminal brands in the second half of the year and the accelerated application of new technologies, terminal demand has shown signs of recovery, and the industry chain has transitioned from actively destocking to passively destocking. According to the "China Wearable Device Market Quarterly Tracking Report" released by the globally renowned data research firm IDC, the shipment volume of wearable devices in China in the third quarter of 2023 was 34.7 million units, a year-on-year increase of 7.5%. Among them, the shipment volume of smartwatches was 11.4 million units, a year-on-year increase of 5.5%, and the shipment volume of TWS earphones was 15.1 million units, a year-on-year increase of 10.6%. A research report from Canalys, a market research institution, pointed out that in the fourth quarter of 2023, global smartphone shipments increased by 8% year-on-year, reaching 319 million units, ending nine consecutive quarters of sluggishness. This indicates that the overall market is entering a stable recovery phase. Meanwhile, technological innovation and application are important factors driving the continued growth of the consumer electronics industry. With the continuous emergence of emerging technologies such as AI (Artificial Intelligence) and XR (Extended Reality), new development momentum has been brought to the consumer electronics industry, especially the popularization and application of AI technology in smartphones, personal computers, wearable electronic products, and other fields in the future, expanding the industry's growth space.

(II) Communication and data center

In 2023, the telecommunications industry welcomed new development opportunities in the wave of global digitization transformation. Significant growth trends were observed in areas such as copper connections, optical connections, heat dissipation modules, servers, and communication radio frequency (RF), all of which became important drivers for industry development.

Copper connection products have consistently played a crucial role in high-speed interconnection products in data centers, particularly in short-distance transmission scenarios within servers, where copper connections offer significant advantages in heat dissipation efficiency, signal transmission, and cost-effectiveness. Thus, copper interconnection remains the most cost-effective solution in many current and future applications. According to a

report on high-speed cables, LPO, and CPO published by the market research firm LightCounting, the market size of high-speed cables is expected to grow exponentially in the next five years. With breakthrough optical technologies being introduced and developed, optical connection products enable networks to achieve higher bandwidth and longer transmission distances, with the market size expanding as data centers transition to higher computational power in the future. LightCounting predicts that the global optical module market will experience a compound annual growth rate of 11% over the next five years (2024-2028).

As computational power technologies advance rapidly, the demand and requirements for heat dissipation technology at terminals also increase accordingly. Liquid cooling technology is gradually becoming a new solution for data center cooling, especially cold plate and immersion liquid cooling technologies, which significantly improve heat dissipation efficiency by efficiently exchanging heat with servers through liquid. In the future, as the demand for efficient and environmentally friendly cooling solutions in data centers increases, the application of liquid cooling technology will further expand.

Servers, as the core carriers of computational power, are experiencing a sharp growth trend in market demand as AI technologies are increasingly applied. According to data from TrendForce, AI server shipments reached 1.2 million units in 2023, accounting for nearly 9% of total server shipments, with a year-on-year growth rate of 38.4%. In the future, the development of AI applications such as large language models will further drive the overall demand for servers.

In terms of communication radio frequency, major economies around the world are increasing investment in network infrastructure construction, with many countries accelerating the layout of computational power infrastructure. According to the "World Internet Development Report 2023" blue book, the United States and China still lead in internet development, while countries such as Singapore, the Netherlands, South Korea, Finland, and Sweden rank relatively high. European countries generally have strong internet development capabilities, while Central Asia and Africa still have considerable room for improvement in internet development. Therefore, the base station RF industry is expected to show strong growth momentum in the coming years.

(III) Automotive electronics

In 2023, the Chinese new energy vehicle (NEV) market continued its strong growth momentum, both production and sales volumes, as well as market penetration rate, have achieved significant improvements. According to statistics from the China Association of Automobile Manufacturers, China's total automobile sales reached 30.09 million units in 2023, a year-on-year increase of 12%, marking a growth rate surpassing 10% for the first time in six years. Among them, the production and sales volumes of NEVs in China reached 9.587 million units and 9.495 million units respectively, with year-on-year increases of 35.8% and 37.9%, demonstrating the strong momentum of NEVs in the Chinese market. Additionally, thanks to continuous efforts by Chinese automakers in product quality, technological innovation, brand building, and strong support from national policies, China's total automobile exports reached 4.91 million units in 2023, a year-on-year increase of 57.9%. Among them, NEV exports

reached 1.203 million units, a year-on-year increase of 77.6%.

NEVs represent an important direction for the transformation and upgrading of China's automobile industry. With the continuous improvement of electrification technology and the gradual reduction of manufacturing costs for vehicles, NEVs have received strong support from national policies and high recognition from the market in recent years, significantly enhancing their market competitiveness.

In terms of smart cabins, with the emergence of more user-friendly and intelligent designs, including features such as high-definition touch screens, voice interaction systems, and personalized settings, the driving and riding experience has been greatly enhanced. Through artificial intelligence technology, smart cabins can automatically adjust seat positions, air conditioning temperatures, and even detect the driver's fatigue status through facial recognition technology, issuing timely reminders. Furthermore, with the popularization of 5G technology, the connection between vehicles and external information has become closer. Smart cabins can receive and process various information from the cloud in real-time, providing drivers with richer and more convenient services.

In terms of autonomous driving, many current models are equipped with Level 2 or even higher-level autonomous driving systems, capable of achieving partial autonomous driving functions on highways, urban roads, and other environments, such as automatic following, lane changing, and parking. These systems collect surrounding environmental information quickly through advanced millimeter-wave radar, cameras, LiDAR, and other high-precision sensors, combined with advanced algorithms and big data analysis, to achieve precise control of vehicle driving status. To ensure safety, autonomous driving systems are also equipped with multiple safety monitoring mechanisms to deal with possible emergencies.

In this context, the global automotive market has reached a new breakthrough.

(IV) Our position in the industry

During the reporting period, the Company was honored with titles such as "Fortune Global 500", "Top 500 Chinese Private Enterprises", "Top 500 Chinese Manufacturing Private Enterprises", "Top 100 Private Enterprises in Guangdong Province", "Top 100 Manufacturing Private Enterprises in Guangdong Province", and ranked first among the backbone enterprises in the Chinese electronic components industry in 2023.

II. Our main business during the reporting period

As a leading enterprise in the precision manufacturing field, the company is always dedicated to focusing on industries such as consumer electronics, automotive, and telecommunications. With keen insights into industry trends and a profound understanding of customer needs, the company has continuously driven product innovation, technological breakthroughs and process optimization, and continuously created values for customers acting as a "middleman", earning high praise and long-term trust from top global clients, and laying a solid foundation for the company's high-quality growth.

The company's products mainly cover areas such as consumer electronics, automotive, telecommunications,

industrial, and medical industries. It is committed to providing customers with one-stop multi-category core components, modules, and system-level products, including:

(I) Consumer Electronics Business

消费电子

室内应用场景



1 办公室应用场景案例

智能显示器	TV 盒子	会议系统
MR	智能音箱	转换坞
控制器	平板电脑	智能手写笔
智能手机	笔记本电脑	蓝牙鼠标
摄像头	无线充电	蓝牙键盘



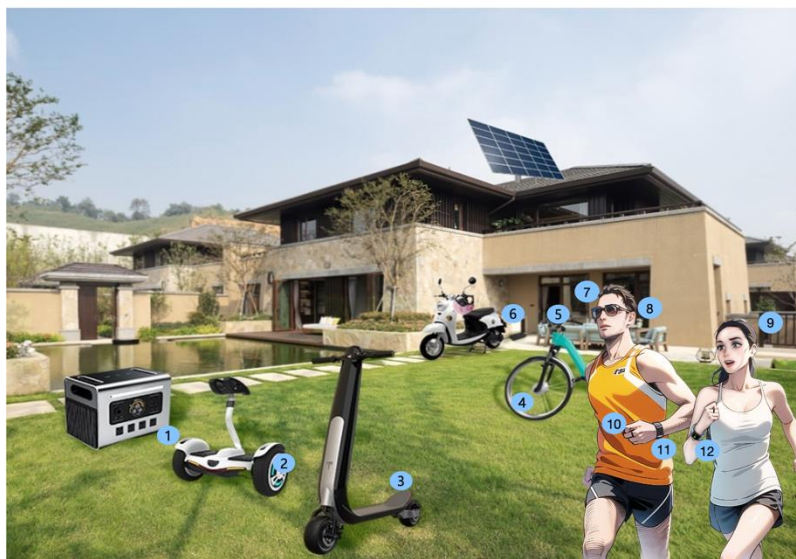
2 家庭应用场景案例

吸尘器	扫地机器人	游戏手柄
智能转接头	充电宝	电子烟
智能插座	移动电源	路由器
智能锁	智能音箱	电子书
美容仪	追踪器	VR

消费电子 Consumer electronics		室内应用场景 Indoor application scenarios	
办公室应用场景案例 Office application scenarios			
智能显示器 Smart display	TV 盒子 TV box	会议系统 Conference system	
MR	智能音箱 Smart speaker	转换坞 Conversion dock	
控制器 Controller	平板电脑 Tablet	智能手写笔 Smart stylus	
智能手机 Smartphone	笔记本电脑 Laptop	蓝牙鼠标 Bluetooth mouse	
摄像头 Camera	无线充电 Wireless charging	蓝牙键盘 Bluetooth keyboard	
家庭应用场景案例 Home application scenarios			
吸尘器 Vacuum cleaner	扫地机器人 Robotic vacuum cleaner	游戏手柄 Game controller	
智能转接头 Smart adapter	充电宝 Power bank	电子烟 E-cigarette	
智能插座 Smart socket	移动电源 Portable charger	路由器 Router	
智能锁 Smart lock	智能音箱 Smart speaker	电子书 E-reader	
美容仪 Beauty device	追踪器 Tracker	VR	

消费电子

户外应用场景



- | | |
|----------|---------|
| 1 户外电源 | 7 AR 眼镜 |
| 2 平衡车 | 8 骨传导耳机 |
| 3 电动车 | 9 蓝牙耳机 |
| 4 智能车锁 | 10 智能指环 |
| 5 电动车充电器 | 11 智能手环 |
| 6 智能头盔 | 12 智能手表 |

消费电子 Consumer electronics	户外应用场景 Outdoor application scenarios
1、户外电源 Outdoor power source	7、AR 眼镜 AR glasses
2、平衡车 Balance car	8、骨传导耳机 Bone conduction headphone
3、电动车 Electric scooter	9、蓝牙耳机 Bluetooth headphone
4、智能车锁 Smart lock	10、智能指环 Smart ring
5、电动车充电器 Electric vehicle charger	11、智能手环 Smart wristband
6、智能头盔 Smart helmet	12、智能手表 Smart watch

(2) Communication and Data Center Business

通讯

无线基站应用场景



通讯 Communication		无线基站应用场景 Wireless base station application scenarios	
无线基站室外部分（天线、塔放、射频拉远单元等） Outdoor components of base station (antennas, tower amplifiers, remote radio units, etc.)			
1、基站天线 Base station antenna		2、塔放/合路器 Tower amplifier/combiner	
3、射频拉远单元 Remote ratio unit		4、直放站 Repeater	
5、AAU		6、RRU	
无线基站室内部分（室分天线、室内线端、电源系统） Indoor components of wireless base station (Distributed antenna, indoor cabling, power supply system)			
7、室分天线 Distributed antenna		8CPE	9、电源系统 power supply system

企业

数据中心应用场景



电连接 (连接器及连接器模组, 线缆及线缆模组)

1 ACC/DAC 2 SSIO 8 挂耳

3 HSIO 7 线缆模组

光连接 (AOC, 光模块, 光跳线)

4 AOC 5 Transceiver 6 光跳线

热管理 (散热器, 风扇, 液冷板及温控)

11 散热器 10 风扇

9 水冷板 12 温控解决方案

电源模块与电源系统 (服务器电源模块, 电源柜)

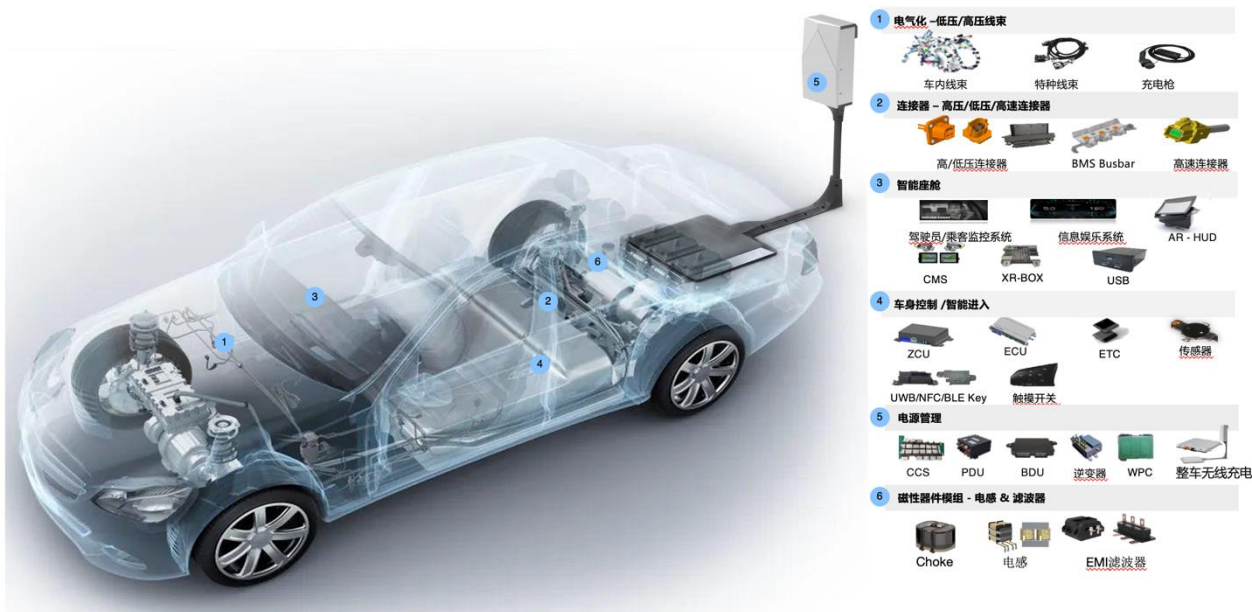
13 服务器电源模块 14 电源系统

企业 Enterprise		数据中心应用场景 Date center application scenarios	
电连接 (连接器及连接器模组, 线缆及线缆模组) Electrical connectivity (connectors and connector modules, cables and cable modules)			
1、ACC/DAC	2、SSIO	8、挂耳 Earhook	
3、HSIO		7、线缆模组 Cable module	
光连接 (AOC, 光模块, 光跳线) Optical connectivity (AOC, optical modules, optical patch cords)			
4、AOC	5、Transceiver	6、光跳线 Optical patch cords	
热管理 (散热器, 风扇, 液冷板及温控) Thermal management (heat sinks, fans, liquid cooling plates, and temperature control)			
11、散热器 Heat sink		10、风扇 Fans	
9、水冷板 Liquid cooling plates		12、温控解决方案 Temperature control solution	
电源模块与电源系统 (服务器电源模块, 电源柜) Power module and power system (server power module, power cabinet)			
13、服务器电源模块 Server power module		14、电源系统 Power supply system	

(3) Automotive Business

汽车

应用场景



汽车 Vehicle	应用场景 Application scenarios				
1、电气化-低压/高压线束 Electrification - Low-voltage/High-voltage wiring harness					
车内线束 Vehicle interior wiring harness	特种线束 Specialized wiring harness	充电枪 Charging gun			
2、连接器-高压/低压/高速连接器 Connectors - High-voltage/Low-voltage/High-speed connectors					
高 / 低压连接器 High/Low voltage connectors	BMS Busbar		高速连接器 High-speed connectors		
3、智能座舱 Smart cockpit					
驾驶员 / 乘客监控系统 Driver/Passenger monitoring system	信息娱乐系统 Infotainment system		AR-HUD		
4、车身控制/智能进入 Body control/Smart entry					
ZCU	ECU	ETC	传感器 Sensor		
UWB/NFC/BLE key		触摸开关 Touch switch			
5、电源管理 Power management					
CCS	PDU	BDU	逆变器 Inverter	WPC	整车无线充电 Vehicle wireless charging
6、磁性器件模组-电感 & 滤波器 Magnetic device module - inductors & filters					
Choke		电感 Inductor		EMI 滤波器 EMI filter	

(4) Medical Business



医疗 Medical		应用场景 Application scenarios
1、监护类 Monitoring		
血氧线 Oxygen saturation Cable	心电图线 ECG lead	温度线 Temperature probe cable
2、手术类 Surgery		
吻合器线 Cable used for anastomosis	电刀线 Cable for electric knife	吻合器连接器 Anastomosis connector
3、除颤类 Defibrillation		
体外除颤线 External defibrillation Cable	体腔除颤线 Body-controlled defibrillation Cable	除颤器零件 Defibrillator components
4、设备内部类 Internal equipment		
5、影像类(超声) Imaging (ultrasound)		
6、影像类(MR) Imaging (MR)		
各类医疗设备机内线 Various types of medical device internal wiring	超声换能器线 Ultrasound transducer cable	磁共振成像线圈线缆 MRI imaging coil cable

III. Analysis of core competencies

(I) Smart Manufacturing: Deep Integration of Digitalization and Automation

Given the continuous deep integration of the next generation of information technology and manufacturing, we have always insisted on intelligent manufacturing as the underlying logic, and devoted great energy to promoting automated processes and digital applications to empower the process development, personnel organization and production modes.

For the digital applications, we have introduced systems such as SAP, PLM, MES and WMS to further optimize the management processes and production processes throughout the entire lifecycle from design, R&D, production to marketing, procurement, warehousing and after sales, conduct precise, scientific and intelligent customer-oriented management, and constantly strive to improve our production efficiency and product yield.

In terms of automated processes, we actively leverage the significant advantages of machine vision in precision, speed, repeatability, reliability, and information aggregation to achieve precise positioning and error detection of precision electronic components in process, active coordination and positioning of parts and fixtures in assembly, and machine AI-assisted inspection of component product appearance. By relying on real-time feedback of measurement data from machine vision, we enhance the deep self-learning ability of automated equipment and create a closed-loop control for automated processes.

(II) Strategic Layout: Forward-looking Planning to Create a Second Growth Curve

Under the guidance of our “three five-year” strategy, we always grasp the market dynamics, respond to industry growth trend, take coordinated development as our fundamental purpose, make forward-looking layouts around the main business, and are dedicated to providing the market with a perfect and integrated solution of industrial chains. On the one hand, capitalizing on our comprehensive capabilities deeply accumulated and continuously optimized in the consumer electronics field, we have built “process + underlying technology” structure to continuously explore the mass market of new and old products for core customers and other consumer electronics customers. In addition, we conduct horizontal expansion to empower automotive and communication sectors, which highlights our differentiated advantages in relevant sectors, and effectively supports the implementation of commercial plans, thereby achieving our diversified product layout. On the other hand, with many years of efforts in market segments, we have proprietary key process capabilities, including design and processing of molds/jigs, bare copper wire drawing, plastic particle molding, stamping/press forging, precision implant molding, surface treatment, SMT, SiP and system-level assembly testing. We make continuous efforts to explore product value by way of vertically integrating components, modules, and system-level assembly in a forward or reverse direction.

In the era of the internationalization of industrial chains, our globalization layout is developing in depth. In addition to Guangdong, Jiangxi, Jiangsu, Zhejiang, Anhui and other provinces in China, we have established mature production capacity bases and R&D centers in such countries and regions as Vietnam, India, Mexico and German. While serving customers nearby and enhancing product cost advantages, these bases and centers have gathered overseas sophisticated talents and offered strong support for the team to explore high-end markets and provide high-quality services to customers.

(III) Research and Development Innovation: Driving Technological Innovation and Product Iteration

Since inception, our company has consistently regarded research and development (R&D) innovation as a crucial engine for enterprise development. We has increased R&D investment, continuously promoted the innovation of traditional manufacturing processes, enhanced the level of automation in production, and modularized

various precision manufacturing processes. The company attaches great importance to the research and development of underlying materials and process technology. Our in-house R&D team collaborates closely with top global clients to establish multiple R&D laboratories, enabling the rapid grasp of cutting-edge technological trends. Leveraging its deep understanding of precision manufacturing practices and comprehensive digitization and intelligence, the company achieves joint innovation in new materials, processes, and techniques, accelerating the commercialization of its technological innovations.

In terms of R&D investment, the company adopts a targeted strategy, dividing R&D resources into two main areas: investment in cutting-edge technology and investment in product iteration. Approximately 30% of the overall R&D expenditure is allocated to investment in cutting-edge technology, focusing on innovative research and development in areas such as underlying materials, processes, and techniques. This investment aims to support the company's medium- to long-term product and business planning, ensuring that its products maintain a leading position in the global industry over the next 20 years. Investment in product iteration focuses on the development of process innovation for product iteration and upgrade, from the conceptualization of new products to new product introduction (NPI), verification, and mass production. This approach enables the company to not only maintain the competitiveness of existing products but also seize opportunities in emerging technologies and markets, laying a solid foundation for the company's long-term development and the cultivation of new quality productivity.

Over the years, the company's R&D investment and achievements have shown a steady upward trend. In terms of R&D investment, the company has cumulatively invested RMB 23.278 billion in R&D in the past three years, including RMB 8.189 billion during the reporting period. In terms of R&D achievements, the company added 1,527 new patents in 2023, bringing its total to 6,202 patents.

(IV) Green Development: Achieving Sustainable Development and Environmental Protection

The company is committed to integrating the concept of sustainable development into its core business strategy, seizing the transformative trends of sustainable development in the new era. We focus on addressing the challenges and opportunities of climate change, safeguarding employee rights, implementing responsible supply chain management, and upholding business ethics. Internally, we continuously monitor the latest trends in sustainable development, learn from advanced experiences within the industry, and strive to enhance our level of sustainable development management. Through ongoing internal training and process optimization, we ensure that the concept of sustainable development is understood and supported internally and efficiently implemented in daily operations.

Externally, we have established regular communication mechanisms to maintain close interaction with various stakeholders, promptly understand and respond to their needs and expectations. Through open and transparent communication, we enhance mutual understanding and trust with investors, customers, and suppliers, jointly promoting the company's continuous development towards a sustainable future.

Based on the decarbonization goals of the SBTi 1.5°C pathway, the company steadily promotes carbon footprinting, emission reduction, and carbon neutrality action plans according to the climate action planning

roadmap. We regularly review and adjust climate change strategies based on actual business operations. Through measures such as rooftop photovoltaics, direct purchases of green electricity, investments in green energy funds, and procurement of green certificates, we increase the proportion of clean energy use and reduce CO₂ emissions from electricity consumption.

During the reporting period, the company's proportion of clean energy use increased to 63%, exceeding the target of achieving a clean energy use proportion of 50% by 2025. Furthermore, through energy-saving transformations, we significantly reduced energy consumption and greenhouse gas emissions, resulting in a total reduction of 1,100,057.45 tCO₂e in greenhouse gas emissions. As of the end of the reporting period, a total of 54 factories have obtained ISO 14001 environmental management system certification, 10 factories have obtained ISO 50001 energy management system certification, and 14 factories have been recognized as national or provincial-level green factories. Additionally, 14 subsidiaries have achieved UL 2799 waste landfill-free certification at the platinum level.

(V) Talent Strategy: Building an Innovative and Development-Oriented Talent Team

Talent is the foundation of innovation and the driving force behind nurturing new quality productivity. Innovation is essentially driven by talent. Especially, "highly skilled" original research and development talents in craft, materials, and technology, as well as management talents with rich practical experience and industry insight, are crucial elements in propelling Luxshare towards the high end of the industry and value chain. Since its establishment, Luxshare has always adhered to the solid foundation of talent resources, relying on talent for development and growth. Currently, Luxshare boasts a research and development team of nearly 20,000 people. This passionate and creative team brings together elites from different fields, countries, and regions, serving as the backbone of Luxshare's various technological breakthroughs and innovative achievements. Regarding talent selection, cultivation, and retention, the company adheres to the principle of "achieving success for everyone in their careers". The rapid development of the company has provided many growth platforms for employees and cadres. New products, new businesses, and new opportunities drive employees to demand higher levels and standards from themselves, fully inspiring team potential, sense of mission, and sense of honor. Furthermore, the company incentivizes everyone financially by providing competitive compensation and benefits, as well as equity incentive plans, significantly enhancing the sense of achievement for employees and cadres and effectively improving their quality of life. A sound and effective talent incentive mechanism strongly promotes the company's talent "attraction, development, and retention", laying the foundation for the exploration and sustainable development of new fields and new businesses while ensuring an abundant talent pool for traditional advantageous areas. Lastly, Luxshare aims to emotionally connect with each individual by strengthening employee care, actively listening to the voices of employees and cadres at all levels, and genuinely caring about their personal needs and family happiness. Through this emotional interaction, the company builds and enhances employees' sense of belonging and identification with the company.

IV. Analysis of main business

1. Overview

(1) Consumer electronics business

In 2023, the company remained steadfast in its customer-oriented approach, leveraging its advantages in vertical integration and cost control. As a result, its operational performance saw steady improvement during the reporting period. With the release of a series of new products by major terminal brands and the accelerated application of new technologies in the latter half of the year, the consumer electronics market showed clear signs of recovery, particularly in major categories such as smartphones, smart wearable devices, and personal computers, which gradually reversed their sluggish state. In areas such as smart mobile terminals, health wearables, acoustic wearables, smart offices, and smart homes, the company achieved breakthroughs in both quantity and quality during the reporting period. This success was attributed to its solid product development capabilities, leading automation process development, efficient lean manufacturing capabilities, and the sincere cooperation of its team members. Products were delivered with high quality as scheduled, earning high praise and recognition from core customers.

Furthermore, during the reporting period, the company achieved substantial breakthroughs in enhancing its core capabilities and expanding its business scale through vertical integration and horizontal mergers and acquisitions. Leveraging its deep experience and technological reserves in areas such as Surface Mount Technology (SMT) and System in Package (SiP), the company acquired all assets of Qorvo, a leading RF front-end chip manufacturer in the United States, located in Beijing and Dezhou, Shandong Province. This acquisition further nurtured the company's precision manufacturing capabilities in RF front-end modules, strengthened its vertical integration service advantages, and propelled the company to achieve a leapfrog development from system packaging to module packaging. Moreover, through joint ventures and high-quality mergers and acquisitions, the company expanded its existing business scale, achieving better resource allocation, higher production efficiency, and stronger market competitiveness. Leveraging efficient collaborative advantages with its joint venture partners upstream and downstream in the industry chain, the company created more room for incremental development in core components and precision module businesses in the consumer electronics sector. This strategy also facilitated the expansion of "old customers with new products", creating more possibilities for growth.

(2) Communication and Data Center Business

Since entering the telecommunications and data center industries, the company has continuously deepened its expertise in electrical connections, optical connections, air-cooled/liquid-cooled cooling, power management, RF, and other products. With "application generation, development generation, pre-research generation" as the core product strategy, and technological innovation as a crucial driving force, the company has built its unique capabilities sandbox in various technical fields. Through extensive patent layouts and deep involvement in industry standard formulation, the company has gradually established strong technological barriers and market

competitiveness. Especially in the field of high-speed interconnection in data centers, the company has cooperated proactively with leading chip manufacturers to jointly develop next-generation high-speed connection standards such as 800G and 1.6T for global mainstream data centers and cloud service providers. Some products in specific segments, such as external high-speed copper cables, cables and connector components, backplane connectors and backplane cables, HSIO, SSIO, etc., have won recognition from customers with leading technology, cost advantages, and excellent product performance. Based on this foundation, the company has comprehensively promoted further cooperation with leading customers in optical connections, cooling, power modules, and other products. During the reporting period, the company has made breakthrough progress under this strategic guidance.

(3) Auto Business

In 2023, leveraging our robust smart manufacturing platform and drawing on our years of experience in rapid iteration, cost control, global supply chain advantages, and research and development innovation in the consumer electronics and telecommunications sectors, we rapidly empowered ourselves to enter the automotive industry with a range of products. With a deep understanding of automotive-grade product safety and reliability, we quickly enabled our offerings to meet the requirements of the automotive industry. Building on deep strategic partnerships with leading domestic and international OEMs and automotive brands, we successfully opened up vast market space for our automotive-related products, including high/low-voltage wiring harnesses, high-speed wiring harnesses, charging guns, automotive connectors, intelligent cockpit domain controllers, LCD instrument panels, three-in-one motor systems, AR HUD, DMS, and more. During the reporting period, each product line experienced strong market demand, resulting in high-speed growth in performance.

2. Revenue and cost

(1) Components of operating revenue

In RMB

	2023		2022		Y/Y % change
	Amount	% of operating revenue	Amount	% of operating revenue	
Total operating revenue	231,905,459,829.83	100%	214,028,394,291.44	100%	8.35%
By segment					
Computer interconnect products and precision components	7,492,410,071.11	3.23%	11,279,925,261.07	5.27%	-33.58%
Automotive interconnect products and precision components	9,252,368,552.09	3.99%	6,149,359,869.13	2.87%	50.46%
Communication interconnect products and precision components	14,538,256,002.45	6.27%	12,834,368,214.51	6.00%	13.28%
Consumer electronics	197,183,318,387.02	85.03%	179,666,857,997.07	83.95%	9.75%
Other connectors and other business	3,439,106,817.16	1.48%	4,097,882,949.66	1.91%	-16.08%

By product					
Computer interconnect products and precision components	7,492,410,071.11	3.23%	11,279,925,261.07	5.27%	-33.58%
Automotive interconnect products and precision components	9,252,368,552.09	3.99%	6,149,359,869.13	2.87%	50.46%
Communication interconnect products and precision components	14,538,256,002.45	6.27%	12,834,368,214.51	6.00%	13.28%
Consumer electronics	197,183,318,387.02	85.03%	179,666,857,997.07	83.95%	9.75%
Other connectors and other business	3,439,106,817.16	1.48%	4,097,882,949.66	1.91%	-16.08%
By region					
Domestic market	25,149,439,369.07	10.84%	20,224,747,347.20	9.45%	24.35%
Overseas market	206,756,020,460.76	89.16%	193,803,646,944.24	90.55%	6.68%
By sales mode					
Direct sales	231,905,459,829.83	100.00%	214,028,394,291.44	100.00%	8.35%

(2) Segments, products, regions or sales models representing more than 10% of operating revenue or profit
Applicable N/A

In RMB

	Operating income	Operating cost	Gross margin	Y/Y % Change in operating revenue	Y/Y % Change in operating cost	Y/Y % Change in gross margin
By segment						
Consumer electronics	197,183,318,387.02	176,289,664,722.15	10.60%	9.75%	10.83%	-0.87%
By product						
Consumer electronics	197,183,318,387.02	176,289,664,722.15	10.60%	9.75%	10.83%	-0.87%
By region						
Domestic sales	25,149,439,369.07	20,949,932,693.12	16.70%	24.35%	23.49%	0.58%
Export sales	206,756,020,460.76	184,091,367,765.47	10.96%	6.68%	7.68%	-0.82%
By sales mode						
Direct sales	231,905,459,829.83	205,041,300,458.59	11.58%	8.35%	9.11%	-0.61%

In case of any adjustment to the statistic scale for main business data, the main business data of the most recent reporting period as adjusted according to the statistic scale applied at the end of the current reporting period

Applicable N/A
(3) Whether the Company's revenue from sale of tangible goods is higher than the revenue from labor service?
Yes No

Segment	Item	Unit	2023	2022	Y/Y % change
---------	------	------	------	------	--------------

Computer interconnect products and precision components	Sales volume	KPCS	339,436	651,927	-47.93%
	Output	KPCS	381,866	691,581	-44.78%
	Inventories	KPCS	42,430	39,654	7.00%
Automotive interconnect products and precision components	Sales volume	1,000 sets	289,181	323,444	-10.59%
	Output	1,000 sets	315,470	352,333	-10.46%
	Inventories	1,000 sets	26,289	28,889	-9.00%
Communication interconnect products and precision components	Sales volume	KPCS	273,342	484,370	-43.57%
	Output	KPCS	287,729	522,561	-44.94%
	Inventories	KPCS	14,386	38,191	-62.33%
Consumer electronics	Sales volume	KPCS	3,985,052	3,727,774	6.90%
	Output	KPCS	4,336,890	4,233,740	2.44%
	Inventories	KPCS	351,838	505,965	-30.46%
Other connectors and other business	Sales volume	KPCS	358,699	385,129	-6.86%
	Output	KPCS	386,291	416,004	-7.14%
	Inventories	KPCS	27,592	30,874	-10.63%

Analysis of changes in the relevant data over 30% year on year

Applicable N/A

1. The decrease in computer interconnect quantity is due to both the decline in shipment volume itself and higher unit prices resulting from internal vertical integration;

2. Revenue from communication interconnects increased, but production and shipment volumes decreased, primarily due to changes in product structure and higher integration levels in shipments;

3. The decrease in end-of-period inventory for consumer electronics is attributed to the realization of sales from strategic stocking at the end of 2022, which was carried out for sales in 2023;

(4) Performance of material sales contracts and material purchase contracts by the Company as of the end of the reporting period

Applicable N/A

(5) Components of operating cost

Segment

Segment

In RMB

Segment	Item	2023	2022	Y/Y %
---------	------	------	------	-------

		Amount	% of operating cost	Amount	% of operating cost	change
Computer interconnect products and precision components	Cost of sales	5,936,846,692.39	2.90%	8,991,105,125.09	4.78%	-33.97%
Automotive interconnect products and precision components	Cost of sales	7,781,748,026.29	3.80%	5,159,940,778.89	2.75%	50.81%
Communication interconnect products and precision components	Cost of sales	12,241,553,918.40	5.97%	11,405,956,391.67	6.07%	7.33%
Consumer electronics	Cost of sales	176,289,664,722.15	85.98%	159,057,762,186.53	84.64%	10.83%
Other connectors and other business	Cost of sales	2,791,487,099.36	1.36%	3,314,115,803.20	1.76%	-15.77%

Remark

None.

(6) Change in the scope of consolidation during the reporting period

Yes No

In 2023, the establishment of new subsidiary companies by the company led to changes in the scope of consolidation as follows:

Company Name	Establishment Date
Luxshare Precision Industry (Huzhou), Ltd.	2023/1/1
TIME Interconnect Technology Limited	2023/1/10
Kunshan TIME Interconnect Technology Limited	2023/1/19
Luxshare Technologies International, Inc.	2023/3/24
Linkz Cables Mexico S.DE R.L. DE C.W.	2023/4/14
ICT Legend S. DE R.L. DE C.V.	2023/5/8
Luxshare Precision Industry (Shantou), Co., Ltd.	2023/6/19
Luxshare Precision Industry (Anhui), Co., Ltd.	2023/7/21
Luxshare Technologies Mexico S. de. R.L.de c.v.	2023/8/14
Luxshare Technologies (Vietnam)Co., ltd	2023/8/29
Dongguan Luxshare Holdings Co., Ltd.	2023/9/5
Luxcase Precision Technology (Vietnam)Co., Ltd.	2023/11/10

In 2023, the deregistration of subsidiary companies by the company resulted in changes in the scope of consolidation as follows:

Company Name	Establishment Date
Kunshan Luxshare Precision Mould Co., Ltd.	2023/2/6
Henan Leader Precision Industry Co., Ltd.	2023/6/21

Other changes in the scope of consolidation include the absorption merger of Taiwan Qiao Investment Co., Ltd. by SpeedTech Co., Ltd. SpeedTech Co., Ltd. assumed its debts and liabilities, while Taiqiao Investment Co., Ltd. was deregistered.

(7) Material changes or adjustments in respect of business, products or services of the Company during the reporting period

Applicable N/A

(8) Major customers and suppliers

Major customers of the Company:

Aggregate sales revenue from top 5 customers (RMB)	191,203,704,609.15
Proportion of aggregate sales revenue from top 5 customers to annual sales revenue	82.44%
Proportion of aggregate sales revenue from related parties among top 5 customers to annual sales revenue	0.00%

Particulars of top 5 customers:

No.	Name of customer	Sales revenue (RMB)	% of annual sales revenue
1	Customer 1	174,489,981,736.18	75.24%
2	Customer 2	6,031,671,165.64	2.60%
3	Customer 3	4,877,559,242.24	2.10%
4	Customer 4	3,219,651,965.78	1.39%
5	Customer 5	2,584,840,499.31	1.11%
Total	--	191,203,704,609.15	82.44%

Other information of major customers:

Applicable N/A

Major suppliers of the Company:

Aggregate purchase amount from top 5 suppliers (RMB)	115,275,781,375.25
Proportion of aggregate purchase amount from top 5 suppliers to annual purchase cost	65.16%
Proportion of aggregate purchase amount from related parties among top 5 suppliers to annual purchase cost	0.00%

Particulars of top 5 suppliers:

No.	Name of supplier	Purchase amount (RMB)	% of annual purchase cost
1	Supplier 1	109,487,264,912.33	61.89%
2	Supplier 2	1,506,823,978.96	0.85%
3	Supplier 3	1,463,571,008.07	0.83%

4	Supplier 4	1,438,333,951.40	0.81%
5	Supplier 5	1,379,787,524.49	0.78%
Total	--	115,275,781,375.25	65.16%

Other information of major suppliers:

Applicable N/A

3. Expenses

In RMB

	2023	2022	Y/Y % change	Reason of material change
Sales expenses	889,024,421.63	831,398,139.60	6.93%	The growth in personnel compensation and benefits
General expenses	5,542,856,994.26	5,075,668,085.35	9.20%	Continuing to adhere to the principle of conservatism, some of the research and development expenses not directly attributable are transferred to general and administrative expenses. This is mainly due to increases in personnel compensation and benefits, as well as increases in depreciation expenses and material consumption costs.
Financial expenses	482,869,327.02	882,721,138.77	-45.30%	The increase in interest income and expenses, as well as the impact of exchange rate fluctuations.
R&D expenses	8,188,767,532.85	8,447,038,946.21	-3.06%	Continuing to adhere to the principle of conservatism, some of the research and development expenses not directly attributable are transferred to general and administrative expenses. This is mainly due to increases in personnel compensation and benefits, as well as increases in depreciation expenses and material consumption costs.
Income tax expenses	641,829,343.18	667,318,205.34	-3.82%	The accelerated depreciation of fixed assets and provisions for asset impairment, along with changes in tax loss carryforwards, have led to changes in deferred income taxes.

4. R&D investments

Applicable N/A

Description of major R&D project	Purpose	Progress	Objectives	Expected effect on the future development of Company

XC2C New Energy Battery Pack Harness Assembly Development Project	Achieve effective connection of battery modules and accurate transmission of signals to support the development and popularization of new energy vehicles	Mass production delivered	Ensure stable power supply and signal transmission inside the battery pack through the improvement of R&D process technology for new energy battery pack wiring harnesses	Enhanced technological innovation capabilities, expanded market share
Development of ADAS and Autonomous Driving Domain Controllers based on TDA4VM Chip	Achieve product development based on high-computing power autonomous driving chips	Prototype in trial production	Achieve production manufacturing of data fusion intelligent driving products	Broadened smart driving product categories, enriched new energy product lines, to accumulate technology for achieving L3 assisted driving
Research and development of liquid cooling system for new energy vehicle charging gun	Reduce temperature at cable and connector junctions to enhance operational safety; adding overheat self-power-off function to improve charging efficiency and mitigate charging risks	Pilot testing phase	Insulation performance: 500VDC voltage, insulation resistance $\geq 100\text{M}\Omega$; withstand voltage performance: 2000VAC voltage, leakage current $\leq 5\text{mA}$; charging gun protection level: IP55 Operating environment temperature T: $-20^{\circ}\text{C} \leq T \leq 60^{\circ}\text{C}$; leakage, short circuit, and protection ground loss, control box protection time t: $t < 100\text{ms}$; charging current: up to 500A	In response to the current development trend, develop core products for the new energy vehicle industry, increase the market share of domestically produced charging guns, promote technological advancement in the industry, with an annual demand of approximately 20 million sets and an annual output value of approximately 300 million yuan, achieving a profit and tax of over 50 million yuan
Research and development of NBOX based on Rockchip RK3588 chip	Obtain CCCor gaming console video data through in-car infotainment system, enhancing with 2D/3D rendering, and outputting video data to VR/AR glasses	Sample debugging in progress	Achieve full product functionality development	Broaden the classification of smart driving products and expand the business scope
Research and development of low-power hot-swappable optical module based on eight-channel OSFP form factor	800G optical module, a crucial component in the communication industry, has long been dominated by major companies from Europe and America such as Coherent, Intel, Broadcom, etc., in terms of interface formulation and	Completion of optimized sample production	1. Master independent intellectual property rights, structural design, PCB paddle card design, optomechanical design; 2. The product supports a signal rate of 53Gbd PAM4 simultaneously, downward compatible with 25.78125Gbps	1. The company collaborates closely with core customers, enabling early understanding of customer needs, cooperating with customers for rapid research and development, and launching products to

	<p>protocol development. After years of development, various interfaces such as SFP, QSFP, DSFP, QSFP-DD, OSFP, SFP-DD, etc., have been established to meet different application scenarios. By developing this hot-swappable optical module based on the eight-channel OSFP form factor, we can grasp key technologies, major technical pointers, develop independent intellectual property rights, design, and monitor market trends</p>		<p>NRZ signal/26.5625GBd PAM4 signal; 3. The product supports Independent PLL function, with PAM4 and NRZ data transmission functions, which can be used for bridging and FEC truncation of PAM4/NRZ systems; 4. CDB function can update product firmware on the device, and optimize parameters remotely in unattended equipment rooms; 5. Compatible with existing optical modules, easy to switch</p>	<p>meet the demand for rapid updates of electronic products. The company's ability to solve problems in connector applications is a comprehensive manifestation of the company's research and development advantages. 2. The layout of complete optical transmission products allows the company to provide customers with one-stop procurement, simplifying the customer procurement process and supplier management. 3. Enter the AI market supply chain</p>
<p>Research and development of OSFP 224G interconnect solution</p>	<p>Research and develop the next-generation high-speed interconnect solution for data centers to enhance signal transmission rates</p>	<p>Optimized sample production completed</p>	<p>1. Support IEEE802.3DJ specification; 2. Comply with OSFP MSA association standards; 3. Support single-channel 224G PAM4 rate level; 4. ESD meets contact discharge 8KV, air discharge 15KV</p>	<p>Through this project, the company has developed the latest generation of self-developed interfaces in servers, switches, high-performance computing, etc., enhancing the company's position in the industry and meeting widespread customer demands</p>
<p>Research and development of PCIe 6.0 CEM connector cable assembly</p>	<p>Develop customized products according to specific customer requirements</p>	<p>Development completed</p>	<p>Product SI testing requirements meet PCIe 6.0</p>	<p>PCIe 6.0 is the future trend for connectors, and this project will become one of the important products to unlock future markets</p>
<p>Research and development of OSFP 224G connector</p>	<p>Collaborate with customers to develop prototypes for next-generation high-speed I/O connectors</p>	<p>Preliminary SI test data for samples completed, currently optimizing details</p>	<p>Explore the SI performance limits of 224G connectors with customers</p>	<p>The development of the first domestic 224G high-speed connector enhances confidence among customers and competitive advantage against top companies in the industry.</p>
<p>Research and development of connectors for liquid-cooled environments based on PCIe 6.0 transmission rates</p>	<p>Address the market demand for MCIO PCIe 6.0 connectors</p>	<p>Connector products have been sampled and are undergoing reliability testing</p>	<p>Compliant with SFF-TA-1016 standard, SI testing standards meet PCIe 6.0 specification requirements</p>	<p>1. As a representative product of the current PCIe 6.0 standard, this project not only improves performance but also meets the</p>

				requirements of liquid cooling technology, gaining a market advantage and accumulating technical expertise. 2. The project's products have undergone comprehensive and rigorous testing by customers and have been successfully trialed on new products, laying a solid technical and market foundation for future market promotion
Development of 140kW high-power fuel cell stack	Develop hydrogen fuel cell stacks suitable for use in 18-ton heavy trucks	Sample stage	The developed 140kW hydrogen fuel cell stack can be used in transportation (commercial vehicles) and energy storage fields	Enter a new field and expand into new product forms, this project serves as a pre-research project
Ultra-low-power 800G LPO optical transceiver module based on the eight-channel OSFP form factor	Develop LPO series products targeting customer's ultra-low power application needs, aiming to replace DSP BASED products for short-range applications	Validation has been conducted on equipment from several major customers, and preliminary test data shows good results	Achieve the research and development goal of halving power consumption compared to DSP BASED products while meeting product transmission performance.	Due to its low power consumption advantages, it holds great appeal at the client end. Currently, it primarily awaits market demand to increase. As the first team to develop LPO products, we have an early advantage in the subsequent market increment stage. Additionally, leveraging LPO products can serve as a new product introduction point at target customers
Research and development of efficient and environmentally friendly single-phase immersion liquid cooling technology	Through the design of a single-phase immersion liquid cooling cabinet, technical transformation of the existing liquid cooling cabinet inlet and outlet arrangement and flow channel design is conducted to solve the problem of uneven temperature distribution inside the existing liquid cooling cabinet, resulting in	From January 2023 to June 2023: This project has developed a new product, "metal product" water-cooling plate, model: 277176.417T=17AL60 63-T5, and the core technical solution of this project has been applied for and authorized patent by Luxshare Thermal Technology (Huizhou) Co., Ltd. Patent name:	1. High efficiency and energy-saving: Liquid directly contacting with server components enables fast heat transfer, saving over 95% energy. 2. Simple equipment: Supports a maximum server operating power of 8000W. 3. No ultrasound: Minimal fan noise during operation. 4. Space-saving: Enables high-	These aspects are crucial for the company's strategic layout and competitiveness in the liquid cooling field, expected to provide significant support for the company's revenue and benefits in the coming years

	high local temperatures of some electronic components, which affects their normal operation and service life	Liquid Cooling Device, Patent number: ZL 2023 2 0381854.3	density integration of servers, saving over 80% space. 5. No loss of coolant and water: Coolant and cooling water circulate within the system.	
Research and development of temperature-sensitive pipeline technology for liquid cooling systems	Design a fluid-passing and temperature-sensing pipeline device to address the unreliable fixation of temperature-sensitive chips commonly used, which can lead to loosening or detachment, resulting in poor contact and inaccurate temperature monitoring, as well as high costs	202302-202307: This project resulted in a new product, the "Metallic Product" water-cooling plate, model: 217.4*192*13.7mm. The core technical solution of this project has been applied for and authorized as a patent by Luxshare Heat Transmission Technology (Huizhou) Co., Ltd. Patent title: A fluid-passing and temperature-sensing pipeline device, Patent number: CN 219453680 U	1. The structure is simple, facilitating self-assembly and reducing costs. The device comprises a temperature-sensing chip module and a water flow module. The water flow module includes slots for chip placement, used to fix the chip in position, ensuring a tight fit between the temperature-sensing chip and the slot of the water flow module.2. The temperature measurement effect is good, with high efficiency and rapid response. After fixation, colloids are used to isolate the chip from the air, allowing the temperature-sensing chip to only conduct temperature changes received from the water flow module, without being affected by surrounding materials or air.	This technology belongs to the critical technology in the field of temperature detection and control for liquid cooling. It holds significant importance for the company's strategic layout and enhancement of competitiveness in liquid cooling products. It is anticipated to provide important support for the company's revenue and profitability in the coming years
Research and development of heat exchangers with excellent heat transfer efficiency	Design a two-phase immersion cooling device for mining machines to address the poor air-cooling effect of the air-cooling module in existing two-phase immersion cooling devices, which fails to effectively dissipate heat from phase-change media	202302-2023010: This project has led to the development of a new product, the "Metallic Product" water-cooling plate, with model number 182*18.5*313mm. Additionally, the core technical solution of this project has been applied for and authorized as a patent by Luxshare Heat Transmission Technology (Huizhou) Co., Ltd. Patent title:	1. Excellent heat dissipation performance: Based on the size specifications of the chassis, the heat generation of the equipment, and the selection of fans, this design maximizes the arrangement of 5 fans to provide sufficient airflow, effectively removing heat in a timely manner, and meeting the heat dissipation requirements of the	This technology belongs to the critical technology in the field of liquid cooling, particularly in the realm of immersion phase-change heat dissipation. It holds significant importance for the company's strategic layout and enhancement of competitiveness in liquid cooling products. It is anticipated to provide important support for the

		Heat dissipation device and mining machine, Patent number: CN 219592965 U	equipment.2. Minimal loss of air pressure and airflow: Specially designed forced-flow guiding ducts with smooth transitions at bends are implemented. The design of the ducts forms a closed channel with the heat sink, reducing losses in air pressure and airflow.	company's revenue and profitability in the coming years
Research and development of centrifugal drum fan cooling technology	Design a centrifugal drum fan to address issues with existing centrifugal drum fans, including the speed field biased towards the upper side of the air outlet, hindering heat dissipation and exhaust along the path, as well as uneven speed fields, low air volume, and low air pressure	202302-2023012: This project has resulted in the development of a new product, the "Computer Peripheral Product" heat dissipation fan, with model number 2B 12038-6000rpm. Additionally, the core technical solution of this project has been applied for and authorized as a patent by Luxshare Heat Transmission Technology (Huizhou) Co., Ltd. Patent title: Centrifugal blower, Patent number: 202322468561.1	1. The centrifugal blower distributes the velocity field more uniformly at the outlet. 2. The centrifugal blower provides higher airflow and air pressure, leading to superior gas flow performance and effectively enhancing its overall performance.	This technology belongs to the field of fan technology and holds significant importance for improving the performance and competitiveness of the company's fan products. It is expected to provide important support for the company's revenue and profitability in the coming years
Application in the research and development of heat sinks for electrical connectors.	Design a heat dissipation-enhanced electrical connector component and liquid cooling plate to address the weak heat dissipation capability of conventional air-cooled electrical connectors, thereby meeting the high-power heat dissipation demands.	202303-202309: This project has led to the development of a new product, the "Power Electronic Component" optical module, with model number 0707-EP01-5C025. Additionally, the core technical solution of this project has been applied for and authorized as a patent by Luxshare Heat Transmission Technology (Huizhou) Co., Ltd. Patent title: Electrical connector component, Patent number: 202310693538.4	1. Excellent heat dissipation performance: The liquid cooling plate is positioned on the surface of multiple optical modules arranged in parallel, allowing the cooling liquid circulating through the internal channels of the cooling plate to dissipate heat from the optical modules. 2. Low flow resistance: By employing parallel and series channels, where the first and second main channels act as parallel channels, and each main channel is predominantly arranged in a serpentine	This technology belongs to the critical area of liquid cooling, particularly in the key technology of cooling plate heat dissipation. It holds significant importance for the company's strategic layout and enhancement of competitiveness in the field of liquid-cooled optical module products. It is anticipated to provide important support for the company's revenue and profitability in the coming years

			series, internal bidirectional flow channels are utilized to significantly reduce fluid flow resistance.	
Research and development of immersion-cooled server cabinets designed for easy disassembly, maintenance, and reassembly.	Design a liquid separator and liquid cooling device to address issues in current immersion-cooled liquid cooling systems, including limited inlet pipe numbers, low coolant flow rates, and uneven heat dissipation.	202303-202312: This project has resulted in the development of a new product, the "Metallic Product" liquid separator, with model number 86.5*47.3*30mm. Additionally, the core technical solution of this project has been applied for and authorized as a patent by Luxshare Heat Transmission Technology (Huizhou) Co., Ltd. Patent title: A liquid separator and liquid cooling device, Patent number: 2023232842370	1. High efficiency and energy saving: Direct contact between the liquid and server components facilitates rapid heat transfer, achieving energy savings of over 95%. 2. Excellent heat dissipation uniformity: Utilizing multiple inlet pipes connected to the liquid cooling chamber enhances the coolant inflow rate by approximately 50%, thereby improving cooling efficiency. 3. Extremely low on-site failure rate and simplified maintenance: Maintenance tasks are significantly reduced, leading to a substantial decrease in on-site maintenance costs compared to air cooling.	This technology belongs to the critical domain of immersion liquid cooling, holding significant importance for the company's strategic positioning and competitiveness in the server liquid cooling product sector. It is anticipated to provide important support for the company's revenue and profitability in the coming years
Research and development of liquid cooling heat dissipation technology for energy storage batteries.	Provide a liquid cooling plate and liquid cooling cabinet, to enhance the structural stability and load-bearing capacity of the liquid cooling plate. This addresses the challenge of increased pressure on the liquid cooling plate due to the higher energy density and increased number of battery cells in energy storage batteries. Such pressure often leads to deformation, rupture of the liquid cooling plate's casing, coolant leakage, and potential failures in the cooling circulation system	202305-202312: This project has resulted in the development of a new product, the "Metallic Product" water-cooling plate, with model number 253.97*192*23.4mm. Additionally, the core technical solution of this project has been applied for and authorized as a patent by Luxshare Heat Transmission Technology (Huizhou) Co., Ltd. Patent title: A liquid cooling plate and liquid cooling cabinet, Patent number: 202322594625.2	1. Enhanced load-bearing capacity: The water-cooling plate consists of plate components and partition plates, all made of extruded aluminum. The load-bearing capacity is increased by 30%. 2. Space-saving: Suitable for high-density integration of battery energy and cell quantity, saving over 50% of space. 3. No coolant or water loss: Both the coolant and cooling water circulate within the system, eliminating loss. 4. Cabinet-coupled fire hydrants: Low failure	This technology belongs to the critical domain of liquid cooling for energy storage batteries, holding significant importance for the company's strategic positioning and competitiveness in liquid cooling products. It is anticipated to provide important support for the company's revenue and profitability in the coming years.

			rate and easy maintenance.	
Research and development of 3D isothermal plate heat dissipation technology.	Design a 3D isothermal plate capable of handling higher power dissipation and achieving lower thermal resistance values to address the increasing heat flux density of electronic components	202306-202312: This project has led to the development of a new product, the "Metallic Product" VC thermal plate, with model number XQGP-301016730. Additionally, the core technical solution of this project has been applied for and authorized as a patent by Luxshare Heat Transmission Technology (Huizhou) Co., Ltd. Patent title: 3D isothermal plate, Patent number: 202322553002.0	Reduce thermal resistance and enhance heat conduction efficiency, the internal cavity of the isothermal plate is interconnected with the internal cavity of the pipe body, forming a unified structure. The metal powder or metal braided mesh capillary structures on the inner surface of the pipe body are connected to the metal powder or metal braided mesh capillary structures on the condensation surface panel of the isothermal plate. This facilitates the reflux of the working fluid (pure water or other substances) within the cavity	This technology belongs to the critical domain of 3D isothermal plates, holding significant importance for the company's technological development, optimization, market expansion, and enhancement of competitiveness in 3D isothermal plate products. It is anticipated to provide important support for the company's revenue and profitability in the coming years.
Research and development of ultra-lightweight and thin smart AR glasses	Develop diffractive waveguide + MicroLED ultra-lightweight and thin smart AR glasses to meet the current market demand for monochrome AR glasses.	Trial production/mass production	Providing customers with competitive AR glasses products to enhance the company's core competitiveness in the AR industry.	Increase product competitiveness by reducing material and labor costs, thereby bringing greater profitability to the enterprise.
Research and development of interactive, ultra-lightweight smart VR headset	Develop the world's lightest and thinnest PC. VR standalone unit, utilizing advanced graphics processing technology, capable of providing users with high-definition, low-latency virtual reality experience, with a 5K-level headset	Trial production/mass production	Based on Micro OLED + Pancake optical scheme, the binocular resolution can reach 5120x2560, supporting two refresh rate modes of 75Hz and 90Hz; supports 6DoF and SteamVR tracking, providing a horizontal field of view of 102°.	Enhance product competitiveness by reducing material and labor costs to bring greater profitability to the enterprise
Research and development of wearable GPS-based safety metronome for night running	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share

Research and development of UWB technology application in car digital keys for wearable devices	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of combined wearable device for gaze tracking and eye movement analysis	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of acoustic sensor-based wearable device for wrist-based heart rate monitoring	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of wearable device application for safe driving monitoring	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of wearable device using sensors and machine learning for epilepsy detection	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of wearable sensor device combined with gait analysis system	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of wearable device application for people with hearing impairments	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of non-contact blood glucose detection applied to wearable devices	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of camera application for 3D modeling in wearable devices	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share

Research and development of wearable physiological signal measurement system for detecting emotional responses in the elderly	Enhance product functionality and improve product performance	Completed	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of low-power multi-node wearable motion monitoring system with virtual reality	Enhance product functionality and improve product performance	Incomplete	Enhance product functionality and improve product performance	Improve the quality and market value of the company's products to increase competitiveness and market share
Research and development of wireless charging case with automatic wake-up functionality	After the headphones are removed from the charging case, users can activate the automatic wake-up function to obtain information such as the charging case's battery level	Delivery has been completed, and the patent application is in progress	After adding an RF antenna, the wireless charging case can now establish a Bluetooth connection with devices such as smartphones, enabling the display of information such as the battery levels of the charging case and headphones on the phone. Technical specifications: UWB communication has been implemented, bringing along the feature of locating the charging case. The UWB positioning accuracy is less than 0.1 meters, with a data transmission rate of 1 Gbit/s. The pulse duration is short, between 0.2 and 1.5 nanoseconds	With successful product development and obtaining a patent, the company can enhance its competitiveness in the Bluetooth earphone market, aiming to secure more orders and drive company profits
Research and development of wireless Bluetooth earphones based on photovoltaic charging and display of battery level	Meet the demand for more convenient and intelligent charging solutions for Bluetooth earphones, thus enhancing user experience	Delivery has been completed, and the patent application is in progress	1. Solar Charging Reminder: In some situations where there's insufficient light for solar-powered earphones to charge, a low battery alert is automatically triggered to prevent damage or malfunction due to prolonged low battery operation. 2. Solar Charging Doesn't Require Power Supply: Solar charging devices operate solely on solar	The product has been successfully put into production, enhancing the company's competitiveness in the Bluetooth earphone market and bringing substantial profits.

			energy, eliminating the need for electrical power supply and conserving a significant amount of energy. 3. Efficient and Convenient Charging: Solar charging provides an efficient and convenient charging method, with stable charging possible for extended periods in ample sunlight, thus extending battery life.	
Research and development of Bluetooth earphones capable of recording, writing, translating, listening, and speaking	Meet the needs of office professionals, the office headphones offer features tailored for business use	The factory has deployed three production lines, aiming for an annual output of 2 million units. During the production validation and testing phases, no oversights or errors were encountered. The product meets usage requirements, boasting international advanced levels and reliable performance	Utilizing AI technology, the product offers features such as call recording, on-site recording, voice-to-text transcription, multi-language translation, and VIAIMAI generative conference assistant. These functionalities greatly assist in recording important content, swiftly organizing meeting minutes, and overcoming communication barriers posed by various languages and dialects during frequent business trips, thereby significantly improving work efficiency. Moreover, while emphasizing its conference office attributes, the product also seamlessly integrates all features of traditional TWS wireless Bluetooth earphones	With the successful development of the product, it has elevated competitiveness in the Bluetooth earphone market, achieving a significant leap in both sound quality and practicality. This advancement aims to secure more orders for the company, thereby boosting profits. Moreover, it lays a solid foundation of technology and market presence for subsequent market promotion efforts

Particulars of R&D personnel

	2023	2022	Y/Y % change
Number of R&D personnel (person)	19,063	18,421	3.49%
Proportion of R&D personnel to total number of employees	8.20%	7.77%	0.43%

Education background of R&D personnel			
Undergraduate	8,947	8,327	7.45%
Master	381	332	14.76%
Other	9,735	9,762	-0.28%
Age of R&D personnel			
Below 30	9,005	9,417	-4.38%
30-40	7,533	7,706	-2.25%

Particulars of R&D expenses:

	2023	2022	Y/Y % change
Amount of R&D expenses (RMB)	8,188,767,532.85	8,447,038,946.21	-3.06%
Proportion of R&D expenses to operating revenue	3.53%	3.95%	-0.42%
Amount of R&D expenses capitalized (RMB)	0.00	0.00	
Proportion of capitalized R&D expenses to total R&D expenses	0.00%	0.00%	

Analysis of the cause and effect of significant change in the composition of R&D personnel:

Applicable N/A

Analysis of significant change in the proportion of R&D expenses to operating revenue compared with 2022:

Applicable N/A

Analysis and reasonableness of significant change in the proportion of R&D expenses capitalized:

Applicable N/A

5. Cash flows

In RMB

Item	2023	2022	Y/Y % change
Sub-total of cash inflows from operating activities	246,049,309,173.22	243,587,978,384.02	1.01%
Sub-total of cash outflows from operating activities	218,444,248,762.06	230,860,368,064.68	-5.38%
Net cash flow from operating activities	27,605,060,411.16	12,727,610,319.34	116.89%
Sub-total of cash inflows from investing activities	17,874,274,670.25	10,037,921,670.41	78.07%
Sub-total of cash outflows from investing activities	37,434,186,876.09	23,364,287,513.52	60.22%
Net cash flows from investing activities	-19,559,912,205.84	-13,326,365,843.11	46.78%
Sub-total of cash inflows from financing activities	93,759,639,627.24	76,864,295,489.69	21.98%
Sub-total of cash outflows from financing activities	89,689,373,974.63	68,708,047,308.24	30.54%

Net cash flows from financing activities	4,070,265,652.61	8,156,248,181.45	-50.10%
Net increase in cash and cash equivalents	12,371,733,891.14	8,390,881,701.43	47.44%

Analysis of main causes of material changes in the related data

Applicable N/A

1. The increase in net cash flows generated from operating activities is attributed to accelerated customer payments and sales realization with receipts due to the initial strategic stocking in this period;

2. The increase in both inflows and outflows of cash flows from investing activities is due to financial operations involving purchases and redemptions;

Analysis of significant difference between net cash flows from operating activities during the reporting period and net profit in current year

Applicable N/A

The difference between the cash flow from operating activities and the profit for the current period mainly arises from accelerated customer payments, sales realization of inventory stocked as part of the initial strategy at the beginning of the period, and a higher amount of long-term asset amortization absorbed within the net profit;

V. Analysis of non-main business

Applicable N/A

In RMB

	Amount	% of total profit	Reason	Whether or not sustainable
Investment income	1,771,282,791.44	13.75%	Investment income from the purchase of financial assets, income from wealth management products, and equity method investment income recognized from associated enterprises.	No
Gain or loss on changes in fair value	210,346,832.18	1.63%	Investment income on financial assets at fair value through profit or loss	No
Impairment loss on assets	-1,318,867,316.40	-10.24%	Inventory and fixed asset impairment	No
Non-operating income	93,459,027.40	0.73%	Mainly acquisition of default or compensation income	No
Non-operating expenses	68,334,885.79	0.53%	Mainly payment of default or compensation, asset scrapping losses, external donations	No
Gain on disposal of assets	122,867,177.52	0.95%	Disposal of production equipment	No
Other gains	825,189,115.07	6.40%	Government grants related to income	No
Loss on credit	23,273,879.47	0.18%	Mainly payment of default or compensation, asset	No

impairment			scrapping losses, external donations	
------------	--	--	--------------------------------------	--

VI. Analysis of assets and liabilities

1. Material changes in components of assets

In RMB

	December 31, 2023		January 1, 2023		Y/Y % Change	Reason of material change
	Amount	% of total assets	Amount	% of total assets		
Cash and bank balances	33,619,539,457.51	20.75%	19,367,209,441.41	13.05%	7.70%	Increase in cash reserves for safety days and funding requirements to support operations and investments
Accounts receivable	23,504,481,889.07	14.51%	26,043,354,859.19	17.55%	-3.04%	Optimization of customer payments
Contract assets		0.00%		0.00%	0.00%	
Inventories	29,757,930,319.35	18.37%	37,363,329,476.66	25.18%	-6.81%	Expansion of business scale, realization of sales from initial stocking of inventory at the beginning of the period
Investment properties	23,353,936.24	0.01%	92,782,410.06	0.06%	-0.05%	Recovery of house rental for self-use
Long-term equity investments	4,232,941,741.05	2.61%	2,000,007,642.66	1.35%	1.26%	Recognition of investment income from associated enterprises under the equity method
Fixed assets	44,560,506,279.62	27.51%	44,026,022,703.69	29.67%	-2.16%	Expansion of business scale
Construction in progress	2,226,217,016.31	1.37%	2,695,377,794.32	1.82%	-0.45%	Unaccepted equipment and building structures
Right-of-use assets	648,963,968.09	0.40%	941,749,814.66	0.63%	-0.23%	Mainly leased building structures
Bank borrowings	20,514,182,240.47	12.66%	14,911,899,668.93	10.05%	2.61%	Supplementing working capital due to scale increase
Contract liabilities	243,566,923.42	0.15%	501,765,453.24	0.34%	-0.19%	Advance payments for goods
Long-term borrowings	12,038,771,289.92	7.43%	9,205,313,060.94	6.20%	1.23%	Supplementing funds required for expansion in scale
Lease liabilities	552,488,888.66	0.34%	800,739,041.51	0.54%	-0.20%	Deducting unreceived financing expenses from lease payments for factories
Trade payables	1,720,764,175.32	1.06%	1,353,266,499.91	0.91%	0.15%	Investments in foreign exchange and wealth management, etc.
Cash and bank balances	486,702,941.36	0.30%	586,577,865.23	0.40%	-0.10%	Advance payments for materials, water and electricity fees, and customs deposits.

Accounts receivable	322,407,052.71	0.20%	431,123,451.91	0.29%	-0.09%	Proceeds from equity transfer, export tax rebates, and deposits and insurance compensation
Contract assets	2,920,078,401.07	1.80%	2,197,204,594.09	1.48%	0.32%	Deferred input tax credits, prepaid income taxes to be refunded, and high-value certificates of deposit with a term not exceeding 1 year
Inventories	590,266,003.15	0.36%	810,913,529.72	0.55%	-0.19%	Factory and workshop renovation expenses
Investment properties	872,943,835.40	0.54%	1,208,582,281.01	0.81%	-0.27%	Mainly arising from equity payments, unrealized profits from internal asset transactions, government subsidies, and tax-deductible losses, etc., temporal differences
Long-term equity investments	9,931,644,112.92	6.13%	1,676,259,912.33	1.13%	5.00%	Advance payments for equipment, project payments, land payments, and certificates of deposit with a term exceeding 1 year
Fixed assets	492,585,900.03	0.30%	515,054,217.52	0.35%	-0.05%	Company note payment transactions
Construction in progress	45,908,515,295.43	28.34%	49,786,483,552.54	33.55%	-5.21%	Impact of initial inventory stocking strategy
Right-of-use assets	406,677,940.53	0.25%	472,880,196.48	0.32%	-0.07%	Accrued expenses and deposits
Bank borrowings	932,701,803.30	0.58%	3,957,037,125.24	2.67%	-2.09%	Short-term payable bonds and inter-company fund transactions
Contract liabilities	595,323,601.05	0.37%	665,910,095.66	0.45%	-0.08%	Government subsidies related to assets
Long-term borrowings	883,924,973.73	0.55%	1,606,645,177.00	1.08%	-0.53%	Mainly temporary differences resulting from accelerated depreciation of fixed assets and evaluation of appreciation from non-controlling interests in business combinations

Analysis of high proportion of overseas assets:

Applicable N/A

2. Assets and liabilities at fair value

Applicable N/A

In RMB

Item	Opening balance	Gain or loss on changes in	Aggregate changes in fair value	Impairment loss recognized	Amount acquired in the	Amount sold in the reporting	Other changes	Closing balance
------	-----------------	----------------------------	---------------------------------	----------------------------	------------------------	------------------------------	---------------	-----------------

		fair value in the reporting period	recorded in equity	in the current period	reporting period	period		
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	1,326,226,850.46	218,566,877.30			16,228,842,058.88	16,145,356,751.33		1,628,279,035.31
2. Derivative financial assets	27,039,649.45	65,445,490.56						92,485,140.01
4. Other investments in equity instruments	440,106,992.66	-174,799,993.98	134,424,513.54		25,000,000.00	41,184,747.36		249,122,251.32
5. Other non-current financial assets	35,700,000.00							35,700,000.00
Subtotal of financial assets	1,829,073,492.57	109,212,373.88	134,424,513.54	0.00	16,253,842,058.88	16,186,541,498.69	0.00	2,005,586,426.64
Investment in equity instruments							587,585,009.82	587,585,009.82
Total	1,829,073,492.57	109,212,373.88	134,424,513.54		16,253,842,058.88	16,186,541,498.69	587,585,009.82	2,593,171,436.46
Financial liabilities	44,318,321.50	-73,665,535.68					-41,436.00	117,942,421.18

Other changes

Accounts receivable financing represents the balance of 6+9 bank acceptance drafts not yet discounted and discontinued for recognition. According to the standards, these balances are reclassified from the accounts receivable bills category to the accounts receivable financing category.

Whether there's any material change in the measurement properties of main assets of the Company during the reporting period?

Yes No

3. Encumbrances on assets as of the end of the reporting period

In RMB

Item	Ending period			
	Book balance (CNY)	Book value (CNY)	Restricted type	Restriction status
Cash and cash equivalents	3,935,387,136.86	3,935,387,136.86	Margin	Restricted due to issuance of bills, letters of credit
Notes receivable/Accounts receivable financing	164,567,477.58	164,567,477.58	Pledge	Pledged financing for notes receivable
Accounts receivable				
Equity investments				
Fixed assets	635,803,443.15	635,803,443.15	Mortgage	Mortgaged financing for fixed assets
Intangible assets	401,674,060.39	401,674,060.39	Pledge	Financing through the pledge of land use rights
Trading financial assets				
Other non-current assets	2,874,097,749.98	2,874,097,749.98	Pledge	Restricted due to issuance of bills, letters of credit
Total	8,011,529,867.96	8,011,529,867.96		

VII. Analysis of investments

1. Overall situation

Applicable N/A

Amount of investment in 2023 (RMB)	Amount of investment in 2022 (RMB)	Y/Y % Change
793,376,506.36	1,166,241,440.00	-31.97%

2. Major equity investments acquired in the reporting period□Applicable N/A**3. Major non-equity investment that have not yet been completed in the reporting period**□Applicable N/A**4. Investment in financial assets****(1) Securities investment**Applicable □N/A

In RMB

Type of security	Security code	Short name	Initial investment cost	Method of measurement	Opening balance of carrying amount	Gain or loss on changes in fair value in the reporting period	Aggregate changes in fair value recorded in equity	Amount acquired in the reporting period	Amount sold in the reporting period	Gain or loss in the reporting period	Closing balance of carrying amount	Accounting item	Source of funds
Stock listed on domestic or overseas market	603595	Tony Electronic	22,500,000.00	Fair value	342,379,257.92	-169,687,586.56	133,216,878.48	0.00	41,212,995.00	-133,906,489.63	172,691,671.36	Investment in other equity instruments	Self-owned funds
Stock listed on domestic or overseas market	430755	SDMC	50,000,000.00	Fair value	72,480,000.00	-44,341,818.18	-18,582,545.45	0.00	0.00	-44,341,818.18	28,138,181.82	Investment in other equity instruments	Self-owned funds
Total			72,500,000.00	--	414,859,257.92	-214,029,404.74	114,634,333.03	0.00	41,212,995.00	-178,248,307.81	200,829,853.18	--	--

(2) Investment in derivativesApplicable □N/A**1) Investment in derivatives for the purpose of hedging during the reporting period**Applicable □N/A

In RMB 10,000

Type of derivative	Initial investment cost	Opening balance	Gain or loss on changes in fair value during the reporting period	Aggregate changes in fair value recorded in equity	Amount acquired in the reporting period	Amount sold in the reporting period	Closing amount	End-Term Investment / Net Assets Ratio
Forward	55,577.51	55,577.51	16,825.61	8,068.71	1,178,915.16	1,018,470.32	216,022.35	3.84%
Option	21,590.26	21,590.26	32,143.23	12,965.98	2,420,158.59	2,098,021.54	343,727.31	6.10%
Total	77,167.77	77,167.77	48,968.84	21,034.68	3,599,073.75	3,116,491.85	559,749.66	9.94%
Whether there's any material change in the accounting policies and accounting principles for hedge business in the reporting period as compared with the preceding reporting period	No material change							
Actual gain or loss in the reporting period	Explanation of the actual profit and loss situation for the reporting period: During the reporting period (January 1st to December 31st), the company engaged in foreign exchange derivative transactions, with an amount of approximately CNY489.6884 million included in the current period's profit and loss.							
Description of hedging effects	Explanation of the hedging effect: The company conducts foreign exchange derivative transactions in accordance with the principles of legality, prudence, safety, and effectiveness, without engaging in speculative or arbitrage transactions. All transactions are based on normal production and operation, aiming to lock in target exchange rates and prevent adverse effects from significant fluctuations in exchange rates. The company strictly conducts hedging transactions based on its foreign currency holdings, with overall risk being controllable.							
Source of funds	Self-owned funds							
Analysis of risks associated with the derivatives held in the reporting period (including without limitation market risk, liquidity risk, credit risk, operational risk and legal risk) and related risk control measures	<ol style="list-style-type: none"> 1. We conduct foreign exchange derivative transactions for the purpose of fixing costs, and avoiding and preventing foreign exchange and interest rate risks, and prohibit any speculation. 2. We have established strict business management policy regarding financial derivative transactions, which contain explicit provisions on the principle of operation, approving power, internal operating process, information segregation measures, internal risk controls, information disclosure and other issues relating to financial derivative transactions, to control the risks associated with such transactions. 3. We carefully examine the terms of contracts entered into with the relevant banks, and strictly implement the risk management policy to prevent legal risks. 4. We continuously follow up on the changes in the market price or fair value of the relevant foreign exchange derivatives, promptly assesses the changes in risk exposures of such foreign exchange derivatives, reports to the management on a regular basis, promptly reports the abnormal situations discovered, calls attention to the relevant risks, and takes the appropriate emergency measures. 5. In order to prevent any delay in the delivery of forward exchange contracts, we attach great importance to the management of accounts receivable, and have established safety management measures to prevent any delay in the payment of accounts receivable. 6. Our Internal Audit Department is responsible for supervising and auditing the decision-making, management, execution and other issues in respect of foreign exchange derivative transactions. 							
Changes in the market price or fair value of the derivatives held in the reporting period	Change in the fair value of a foreign exchange derivative is the difference between its fair market price in the month in which the delivery date determined by the Company falls and							

(in the analysis of the fair value of derivatives, the specific approaches, assumptions and parameters used shall be disclosed)	its contract price.
Whether or not involved in any litigation	N/A
Disclosure date of the announcement of the Board of Directors approving the investment in derivatives (if any)	February 22, 2023
Special opinion issued by the independent directors regarding the Company's investment in derivatives and related risk control measures	The Company conducts foreign exchange derivative transactions for the purpose of avoiding foreign exchange risk arising from fluctuations in the foreign exchange rates of RMB, and effectively controlling the uncertainties of costs caused by foreign exchange risk. The Company has established the Business Management Policy Regarding Financial Derivative Transactions, to enhance risk management and control over foreign exchange derivative transactions. In addition, the Company only provides self-owned funds, rather than any offering proceeds, as deposit for derivative transactions. The review, voting and other procedures relating to such transactions have complied with the Company Law, the AOA and other applicable regulations. We all agree to the company engaging in the aforementioned business.

2) Investment in derivatives for the purpose of speculation during the reporting period

Applicable N/A

No investment in derivatives for the purpose of speculation existed during the reporting period.

5. Use of offering proceeds

Applicable N/A

None of proceeds has been used during the reporting period

VIII. Sale of material assets and equities

1. Sale of material assets

Applicable N/A

No material asset has been sold during the reporting period.

2. Sale of material equities

Applicable N/A

IX. Analysis of major controlled and investee companies

Applicable N/A

Major subsidiaries and investee companies representing more than 10% of the net profit of the Company

In RMB

Company	Type	Main	Registered	Total assets	Net assets	Operating	Operating	Net profits
---------	------	------	------------	--------------	------------	-----------	-----------	-------------

		business	capital			income	profit		
Luxshare Precision Limited	Subsidiary	Purchase and sale of electronic products, data lines, connection lines, connectors, computer and peripherals, plastic and hardware products.	USD million	5	84,503,050,646.45	11,550,791,180.98	190,587,789,169.69	3,408,472,700.36	3,263,710,994.65
ICT-Lanto Limited	Subsidiary	Sales and services in respect of internal and external connection lines for IT, communication and consumer electronic applications, and precision connectors.	USD	153,290,323	58,617,385,650.65	6,249,529,661.19	58,155,505,976.54	1,240,180,241.06	1,114,706,521.54
Lanto Electronic Limited	Subsidiary	Computer peripherals, connection lines and connectors; new-type electronic components (electronic devices), instruments and accessories for communication and IT purpose, plastic, rubber and hardware products; research, development, production and sale of	CNY	2,320,000,000	22,231,655,308.24	7,578,255,507.27	22,931,796,475.81	524,484,914.22	569,846,213.47

		<p>special electronic equipment, testing instruments, tools, molds, remote control dynamic models and related supplies and components;</p> <p>production and sale of power supply units and wireless transmission products; development of software; import and export of goods and technology.</p> <p>Licensed items: production of Class II medical devices; Class II value-added telecommunications services.</p> <p>General items: manufacturing of automotive components and accessories; research and development of automotive components;</p>						
--	--	---	--	--	--	--	--	--

		wholesale of automotive components and accessories ; sale of automotive components and accessories ; sale of mechanical components and spare parts; manufacturing of optoelectronic components; sale of optoelectronic components; research and development of special electronic materials; research and development of household appliances; research and development of motorcycle components; manufacturing of lighting equipment; manufacturing of transformers, rectifiers and inductors; manufacturing of computer software,						
--	--	---	--	--	--	--	--	--

		hardware and peripheral devices; manufacturing of power transmission, distribution and control equipment.						
Luxcase Precision Technology (Yancheng) Co., Ltd.	Subsidiary	Technology development, technical consulting and technical services in respect of computer accessories ; design, R&D and production of precision stamping molds (precision \geq 0.02mm), precision cavity molds (precision \geq 0.05mm), metal product molds, non-metal product molds and standard parts for molds; production of high-temperature resistant molded insulating materials, stamped hardware parts, rivets, shafts,	CNY 6,264,312,960	35,394,696,727.13	14,807,257,564.66	79,079,113,772.15	2,117,124,152.49	2,005,177,524.24

		<p>mechanical components and other components for 3C electronics products; industrial design, product design (exterior design, structural design, circuit design, graphic design, etc.); lease of own idle equipment; wholesale, commission agency (except auction), import, export and supporting services in respect of the aforesaid products and related components. General items: Manufacturing of mobile terminal devices; manufacturing of communication equipment; manufacturing of electronic components; manufacturing of forgings and powder</p>						
--	--	--	--	--	--	--	--	--

		metallurgy products; manufacturing of computer software, hardware, and peripheral devices; retail of computer software, hardware, and auxiliary equipment.						
--	--	--	--	--	--	--	--	--

Subsidiaries acquired and disposed of during the reporting period

Applicable N/A

Company name	Method of acquisition or disposal	Effect on the production, operation and results of the Company taken as a whole
Luxshare Precision Industry (Huzhou), Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Kunshan-Luxshare RF Technology Co., Ltd. Wuzhong Branch	Canceled	No significant effect on the production, operation and results of the Company taken as a whole
TIME Interconnect Technology Limited	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Dongguan Leader Precision Industry Co., Ltd. Dongkeng Branch	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Kunshan TIME Interconnect Technology Limited	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Kunshan Luxshare Precision Mould Co., Ltd.	Canceled	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Technologies International, Inc.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Linkz Cables Mexico S.de R.L.de C.V.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
ICT Legend S.DE R.L.DE C.V.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Precision Technology (Shantou) Co., Ltd.	Newly established	No significant effect on the production, operation and results of

		the Company taken as a whole
Taiqiao Investment Co., Ltd.	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Henan Leader Precision Industry Co., Ltd.	Canceled	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Precision Industry (Anhui) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Dongguan Luxshare Holdings Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Technologies (Vietnam) Co., LTD	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Technologies Mexico S. de.R.L.de C.V.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxcase Precision Technology (Vietnam) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Dongguan Luxshare Technologies Co., Ltd. Dalian Branch	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Xuancheng Luxshare Precision Industry Co., Ltd. Kunshan Branch	Newly established	No significant effect on the production, operation and results of the Company taken as a whole

Particulars of significant controlled and investee companies

N/A

X. Structured entities controlled by the Company

Applicable N/A

XI. Prospects for future development of the Company

1. Situations of the industry

Refer to I. Situations of our industry in the reporting period under Section III Management's Discussion and Analysis.

2. Future growth strategy

Currently, the company has established a diversified, integrated, and synergistic strategic framework in the fields of consumer electronics, automotive, telecommunications, and others. The three core business segments are advancing together, laying a solid foundation for the company's long-term sustainable development. In the future,

facing new environments, markets, and customers, the company will continue to implement the "three five-year" development plan. While consolidating the foundation of the consumer electronics business, it will respond to the rapid development trends in the telecommunications market and the new energy vehicle market. It will dynamically allocate internal and external resources to fully support the high-quality growth of telecommunications/data center and automotive businesses. In terms of research and development innovation, the company will continue to build a top-notch R&D talent team and deeply focus on the composite development of underlying technologies, emerging materials, and process technologies. Combining accurate understanding of the evolution trends of cutting-edge technologies with in-depth analysis of customer product pain points, the company will proactively invest more R&D resources with the starting point of "thinking beyond customers' imagination." This aims to conduct sufficient pre-research and technical reserves for customers' next-generation products, broaden the company's capability boundaries, and thereby create the company's differentiating competitive advantages. In smart manufacturing, the company will fully leverage digital applications and AI artificial intelligence to empower the production manufacturing end, innovating comprehensively in product design, research and development, mass production, and testing. This will help customers achieve more efficient, high-quality, and cost-effective product implementation.

3. Business plan for the next year

Looking ahead to 2024, the complex and ever-changing external environment will continue to present certain challenges for the industry in which the company operates. However, in the face of new trends and patterns in economic and social development, these challenges often conceal enormous development opportunities. Based on this understanding, the company will persistently adhere to its core business, pinpoint its role in the industry chain, leverage its unique strengths, and act as a "ferryman" to create more value for both customers and the industry's development.

Viewed from the perspective of industry development cycles, each boom cycle in the consumer electronics sector is primarily driven by new demand sparked by technological advancements. Whether it's smartphones, smart wearables, smart homes, or virtual reality, the company will continue to deepen its vertical integration capabilities from core components and modules to complete system assembly. It will optimize the company's development capabilities in underlying technologies and processes. Leveraging years of manufacturing experience and market influence accumulated in the consumer electronics industry, coupled with the extension into various niche fields through the integration of "AI+", the company aims to continuously empower and differentiate its products, creating richer ecosystem combinations for specific scenarios.

In the telecommunications field, the company will continue to drive technological innovations in products such as optical/electrical connections, liquid cooling, power supplies, and RF communications. Guided by industry technological advancements, through comprehensive preliminary research and scenario simulations, it will deeply grasp the core value of the industry chain and build core competitiveness with moat advantages. In terms of expanding business opportunities, the rapid iteration of AI technology is driving rapid growth in computing power

demand while also imposing higher requirements on hardware performance such as transmission and cooling. Facing new markets and opportunities, the company will accurately position top cloud service customers domestically and abroad, swiftly forming differentiated competitive advantages, focusing on forging the ability to provide high-value-added products and services for leading global customers, thus creating more growth momentum for the company's second growth curve.

In the automotive product field, with more and more traditional OEMs and consumer electronics terminal brand manufacturers swiftly entering the new energy vehicle ranks, the previously relatively closed supply chain pattern is undergoing significant changes. Against this backdrop, manufacturers with experience in both consumer electronics and automotive industry R&D and manufacturing will be better positioned to adapt to the future automotive industry's efficient, responsive development models and rhythms. Currently, the company's team has accumulated over a decade of experience in the automotive field, forming four major segmented business sectors: automotive wiring harnesses/connectors, intelligent cabins, vehicle electronics, and power management. Based on this, it has created a complete product matrix and vertically integrated service system. In the future, the company will continue to consolidate its existing capabilities, continuously improve the coverage of its superior products among diverse customers at home and abroad, and leverage platform advantages and the outbound resources of deep strategic cooperation. This will enable the company's Tier 1 products to continuously refine and enhance their competitiveness through real-world practice, laying a solid foundation for achieving the medium- to long-term goal of becoming a global automotive Tier 1 leader in the next fifteen years.

Looking back on the past year, the achievements we have made embody the wisdom and sweat of all colleagues, as well as our unremitting pursuit of high quality and sustainable development, and our firm determination and belief in building a "century-old shop". Looking ahead, we will adhere to our original aspiration, maintain strategic stability, continuously enhance our ability to seize opportunities, respond to challenges, turn crises into opportunities, and foster opportunities. Through continuous improvement of internal operational management capabilities and tapping into internal potential, we will strive for perfection in various platform operation mechanisms, operational efficiency, and operational quality with a "craftsman spirit", ensuring adaptation to the development needs of various industrial modules. We are committed to realizing the grand blueprint of the "three five-year" strategic plan in an era full of opportunities and challenges.

4. Capital required for future development strategy and capital utilization plan

As of the end of 2023, the company's asset-liability ratio was 56.61%. In 2024, we will continue to promote the high-quality development of our business in a solid and orderly manner, and we still have a need for funds in the expansion of new markets and investments of new projects. Along with the improvement of our position in the industry and stabilization of our relationship with customers, we have obtained certain competitive advantages. We will continue to strictly control capital expenditures in each project, regularly analyze and review the return on investment in each capital expenditure project, and continue to improve our management of accounts receivable,

inventories and other areas, to maximize the efficiency of capital utilization. We will fully consider the effective use of financing instruments at different periods according to the requirements of our development strategy and reasonably adjust our asset and liability structure so as to create more value for our shareholders.

5. Future risks

(1) Risk of fluctuation of macro economy

The current global macroeconomic environment is characterized by significant uncertainty, influenced by multiple challenges such as high US dollar interest rates, geopolitical tensions, weak international trade, and increasing climate disasters. As a result, the overall global economic recovery is sluggish. If the uncertainties of the macro environment continue for a long time, the industry and the Company will be impacted and face certain challenges.

(2) Exchange rate risk

At present, our revenue from the overseas market constitutes a large proportion in our total operating revenue, and our overseas transactions are mainly settled in US Dollars. Our sales on the overseas market totaled RMB143,452,850,200 and RMB193,803,646,900 and RMB 206,756,020,500 in 2021, 2022 and 2023, representing 93.18%, 90.55% and 89.16% of our revenue from main business respectively. Because China implements the managed floating rate system, the foreign exchange rates fluctuate along with the changes in domestic and foreign political and economic environment. If the foreign exchange rates fluctuate greatly, the exchange gains or losses may affect our operating results. In order to reduce the uncertainties caused by fluctuations of foreign exchange rates on our operating results, we will strive to keep abreast of the movement of foreign exchange rates, strictly control the proportion of foreign currency denominated assets in our net assets, and through foreign exchange derivative transactions, reduce the effect of the fluctuation of foreign exchange rates.

(3) Management risk

We are committed to promoting the high-quality growth of our business and continuously strengthen the horizontal expansion and vertical integration in consumer electronics, communication, automotive and other fields. We have a great number of operating entities which are relatively decentralized. Due to the impact of geopolitics, trade frictions between China and the United States and other factors, our major customers will put forward increasingly high requirements for the international deployment of our production capacity, which will in turn put forward higher requirements for our operation and management capabilities and pool of outstanding talents. If our management level cannot satisfy the requirements of the rapid growth of scale of our operations, we may face certain management risks.

(4) Risk of relative concentration of customers

We attach great importance to maintaining long-term and stable cooperation relationships with our major customers. At present, our customers are relatively concentrated, most of whom are engaged in consumer electronics.

Though they are first-class customers in the industry, have strong and leading competencies on the market, and have maintained years of stable cooperation relationship with us, if any major customer falls into serious difficulties in its operation, we may face certain operating risks. We will further diversify customers, products and business. With a focus on process + underlying technologies as the supporting point, we will continue to carry out horizontal expansion and trans-sector empowerment, and strive to explore new markets and new business.

XII. Investigation, research, communication, interview and other activities

Applicable N/A

Date	Place	Method of communication	Type of guests	Guests	Main topic of discussion and information provided	Particulars of the investigation and research activity available at
February 24, 2023	No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	On-site investigation and research	Institution	Institutional investors	Introduction about Strategic Cooperation Framework Agreement signed between us and Chery Group	Refer to the Record of Investor Relations Activity dated February 24, 2023 published on www.cninfo.com.cn on February 26, 2023
April 28, 2023	Company meeting room at No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Communication by telephone	Institution	Institutional investors	Introduction about our operating status in 2022 and the first quarter of 2023	Refer to the Record of Investor Relations Activity dated April 28, 2023 published on www.cninfo.com.cn on May 3, 2023
May 4, 2023	Company meeting room at No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Network platform online communication	Other	Investor	Our performance briefings in 2022	Refer to the Record of Investor Relations Activity dated May 4, 2023 published on www.cninfo.com.cn on May 5, 2023
May 22, 2023	Company meeting room at No. 313 Beihuan Road, Qingxi Town,	On-site investigation and research	Other	Investor	Communications at our annual general meeting of shareholders	Refer to the Record of Investor Relations Activity dated May 22, 2023 published on www.cninfo.com.cn on May 24, 2023

	Dongguan, Guangdong					
August 29, 2023	Company meeting room at No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Communication by telephone	Institution	Institutional investors	Introduction about our operating results in the first half of 2023 and general situation	Refer to the Record of Investor Relations Activity dated August 29, 2023 published on www.cninfo.com.cn on August 30, 2023
October 22, 2023	Company meeting room at No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Communication by telephone	Institution	Institutional investors	Introduction about our operating status for three quarters of 2023	Refer to the Record of Investor Relations Activity dated October 22, 2023 published on www.cninfo.com.cn on October 22, 2023

XIII. Implementation of the Quality Return Double Improvement Action Plan

Has the company disclosed the Quality Return Double Improvement action plan?

Yes No

The company disclosed the Announcement on the Quality Return Double Improvement Action Plan on February 18, 2024. The specific contents and the company's specific measures to implement the action plan are as follows:

1. Deepen Core Business and Focus on Digital Empowerment

Founded in Shenzhen in 2004, and listed on the Shenzhen Stock Exchange in 2010, the company is a precision intelligent manufacturing enterprise. Its main products cover various fields such as consumer electronics, automotive, telecommunications, industrial, and medical. It primarily serves leading brands both domestically and internationally, providing them with a one-stop solution including core components, module products, and system solutions across multiple product categories. In the field of consumer electronics, the company focuses on the composite development of underlying technologies and processes, enabling and differentiating products such as smartphones, smart wearables, and mixed reality devices. By stacking company products to create scenarios, it aims to build ecosystems across various scenarios. In different ecosystems, scenarios, and product combinations, Lens

Technology is committed to becoming the most complete solution provider. In the field of telecommunications, the company has long been committed to high-speed interconnection products. Leveraging mature process development and precision manufacturing capabilities, it starts from core components such as electrical connections, optical connections, base station RF, cooling, and power supplies, extending widely to module and system-level products, forming a vertically integrated service capability in the field of communications. In the automotive field, with the continuous evolution of the global automotive market towards electrification, intelligence, connectivity, and sharing, the company fully leverages its accumulated capabilities in basic technologies such as sound, light, electricity, heat, magnetic, and radio frequency, as well as process development experience in the fields of consumer electronics and telecommunications over the years. It applies these to automotive wiring harnesses, automotive connectors, intelligent cabins, and intelligent driving products, achieving cross-domain applications. Meanwhile, under the guidance of the "three five-year" strategic plan, the company's management constantly monitors market dynamics, adapts to industry trends, and focuses on forward-looking layouts around its main business with the fundamental goal of coordinated development. It is committed to providing the market with comprehensive and ultimate solutions for the entire industry chain.

Since its establishment, the company has always adhered to rooting in the real economy, cultivating its main business, and refining its expertise to nurture core competitiveness. It emphasizes both staying true to its roots and innovation. By fully leveraging the synergies within its industries, the company has strengthened its main business and nurtured forward-looking industries with a steady foundation. With the continuous deep integration of new-generation information technology and manufacturing, the company remains closely aligned with the underlying logic of precision intelligent manufacturing. It vigorously promotes the empowerment of intelligent and digital technologies across various key stages of product development, design, mass production, and testing, facilitating the company's transformation and upgrading towards digitalization and ensuring high-quality development. Based on this foundation, the company adheres to prudent investment practices to prevent reckless expansion. It strengthens the management of the use of raised funds, strictly controls investments in specific sensitive industries or purposes subject to regulations or policy restrictions, and avoids shifting focus away from tangible assets towards speculative ventures.

2. Uphold Innovation and Stimulate New Growth Drivers

Since its listing, the company has consistently placed research and development (R&D) innovation at the forefront of its corporate development. It has continuously invested significantly in R&D technology, striving to innovate traditional manufacturing processes, continuously improve automation production levels, and modularize various precision manufacturing process platforms. In addition, the company attaches great importance to long-term cultivation in underlying materials and innovative production technologies. Its R&D team consistently delves into the forefront of technology, exploring advanced precision manufacturing processes and product applications. It collaborates with core customers to establish advanced technology development laboratories and jointly develop

cutting-edge technologies.

The company's R&D investment is mainly divided into investment in frontier technology and investment in product iteration. Investment in frontier technology mainly revolves around the company's medium and long-term product and business planning layout, allocating about 30% of the total R&D expenses to innovative research and development in areas such as underlying materials, processes, and processes, aiming to propel the company's products into global industry leaders within the next 20 years. Product iteration investment focuses on R&D investment in the process from new concepts to NPI (New Product Introduction) for new solutions and products. Over the years, the company's R&D investment and achievements have steadily increased. In the past three years, it has accumulated R&D investment of RMB 23.278 billion and currently holds 6,202 patents.

3. Standardize Operations and Enhance Governance Levels

Continuously strengthening the company's governance foundation, enhancing internal control systems, and promoting the accountability of the "three meetings and one layer." Standardizing the rights and obligations of the company and shareholders to prevent the abuse of shareholder rights and the exploitation of the management's dominant position to the detriment of the rights of small and medium-sized investors. Strengthening investor relations management, expanding channels for institutional investors to participate in corporate governance, guiding small and medium-sized investors to actively participate in shareholders' meetings, facilitating various investor entities' participation in decision-making on major matters, and enhancing investors' right to speak and sense of achievement.

The company will continue to improve its corporate governance structure and internal control system, conduct governance activities in depth, enhance its corporate governance level, and provide strong guarantees for the protection of shareholders' legitimate rights and interests. The company's management will further enhance its operational management level, continuously improve the company's core competitiveness, profitability, and comprehensive risk management capabilities, aiming for sustainable development and returning value to investors.

4. Strengthen Disclosure and Efficiently Convey Value

Emphasizing the importance and relevance of information disclosure, actively disclosing useful information for investors' investment decisions, strengthening key information disclosure such as industry competition, company business, and risk factors, while reducing redundant information disclosure. Ensuring that information disclosure is true, accurate, complete, timely, fair, concise, clear, and easy to understand. Conducting regular performance briefings. Preventing speculative concepts and riding on hot topics, and guarding against stock speculation risks.

The company will actively establish open, fair, transparent, and multidimensional communication channels with investors, continuing to communicate with investors through various forms such as the "Interactive Easy" platform, investor email, investor hotline, performance briefings, etc. Deepening investors' understanding of the company's production and operation, better conveying the company's investment value, enhancing investors' identification with the company, and building market confidence

5. Share Achievements and Actively Rewarding Investors

The company adheres to a people-centered value orientation, insists on investor-centric principles, and remembers the contributions of hundreds of millions of small and medium-sized investors to the development of China's capital market over more than 30 years. It firmly establishes a shareholder return consciousness, ensuring that investors receive returns and a sense of accomplishment. It strengthens corporate culture construction, fosters a distinctive development vision, a positive set of values, honest and trustworthy management principles, fulfills social responsibilities, and promotes an enterprising and innovative corporate spirit. Adhering to legal compliance and upholding the public nature of public companies, it actively rewards investors, stabilizes the market, and boosts confidence. To improve and perfect the company's shareholder return mechanism, increase the transparency and operability of profit distribution policy decisions, and actively reward investors, the company has formulated multiple shareholder return plans in accordance with the Company Law of the People's Republic of China, the Regulatory Guidelines for Listed Companies No. 3 - Cash Dividends of Listed Companies (Revised in 2023), and other laws, regulations, normative documents, as well as the provisions of the Articles of Association. Since its listing, the company has implemented several "Future Three-Year Shareholder Return Plans". The company has distributed a total of RMB 2.48 billion in dividends over the past three years, with an annual dividend ratio of no less than 10%. The cumulative dividend payout over three years accounts for 31.71% (the proportion of profits distributed in cash dividends over the past three years to the average distributable profits realized over the past three years).

Meanwhile, based on confidence in the company's future development prospects, recognition of the company's long-term value, and a shared responsibility to promote the stable and healthy development of the capital market, Mr. Wang Laisheng, one of the company's actual controllers and vice-chairman, increased his holdings of the company's shares through centralized bidding trading on the Shenzhen Stock Exchange from May 9, 2022, to May 10, 2022. He acquired 7,030,910 shares at a total amount of RMB 200.041 million (excluding fees). Please refer to the "Announcement on the Completion of the Term of the Share Increase Plan by One of the Company's Actual Controllers and Vice Chairmen" (Announcement No.: 2022-085) for details. On October 27, 2023, the company disclosed the "Announcement on the Share Increase Plan by One of the Company's Actual Controllers and Vice Chairmen" (Announcement No.: 2023-066). Mr. Wang Laisheng intends to increase his holdings of the company's shares through the Shenzhen Stock Exchange system within six months from October 26, 2023. The amount of the increase is not less than RMB 100 million and not more than 200 million yuan. In this current increase plan, as of now, Mr. Wang Laisheng has acquired 3,181,037 shares of the company through centralized bidding trading on the Shenzhen Stock Exchange, with a total amount of RMB 100.3883 million (excluding fees). Please refer to the "Progress Announcement on the Mid-term of the Share Increase Plan by One of the Company's Actual Controllers and Vice Chairmen" (Announcement No.: 2024-006) for details.

Section IV Corporate Governance

I. Overview of our corporate governance

We have always been committed to promoting the establishment and improvement of a modern corporate system, regulating the operation of the listed company and improving the corporate governance structure. During the reporting period, we kept on improving our corporate governance structure, established and improved rules and regulations, regulated corporate operations, strengthened information disclosure, actively conducted investor relations management and improved corporate governance level in strict accordance with the requirements of the Company Law, the Securities Law, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange (2023 Revision), the Guidelines for Articles of Association of Listed Companies, the Code of Corporate Governance for Listed Companies, the Guide on Self-regulatory Supervision for Companies Listed on the Shenzhen Stock Exchange No. 1 – Code of Operations for Companies Listed on the Main Board and other applicable laws, regulations and normative documents.

(I) Shareholders and general meeting of shareholders We perform the procedures for convening, holding and voting at shareholders' meetings in strict accordance with the Company Law, the AOA, the Rules of Procedure of the Shareholders' Meeting and other relevant provisions and requirements, and treat all shareholders fairly. We permit shareholders to elect to vote in person or on line at our shareholders' meetings, so as to enable minority shareholders to fully exercise their voting rights. When a general meeting of shareholders considers any related-party transaction, we require the interested shareholders to abstain from voting, and ensure that such related-party transaction is conducted on an arm's length basis without prejudice to the interests of shareholders. When a general meeting of shareholders considers any material matter that affects the interests of minority shareholders, the votes cast by them are counted separately. All general meetings of shareholders are convened and held by our Board of Directors in the presence of lawyers.

(II) Relationship with the controlling shareholder We are independent of our controlling shareholder in operation, assets, personnel, organization and finance, and each of our Board of Directors, Board of Supervisors and other internal bodies operates independently. Our controlling shareholder is strict with itself and has not directly or indirectly interfered with our decision-making and business activities without the authorization of the shareholders' meeting, or occupied our funds for non-operating purpose.

(III) Directors and Board of Directors: We elect directors and engage independent directors in strict accordance with the relevant procedures set forth in the Company Law and the AOA. We now have seven directors, including three independent directors, who are experts in law, accounting and other areas. The number of members and composition of our Board of Directors comply with the requirements of the applicable laws and regulations and the AOA. Our Board of Directors has four committees, including Audit Committee, Strategy Committee, Nomination

Committee and Remuneration and Appraisal Committee, each of which has a reasonable member structure, and provides scientific and professional opinions and references for the decision-making of the Board of Directors. Our Board of Directors has convened and held meetings, and implemented the resolutions of the shareholders' meeting in strict accordance with the AOA and the Rules of Procedure of the Board of Directors. All directors have performed their duties diligently, and seriously attended the meetings of the Board of Directors and shareholders, and safeguarded the legitimate rights and interests of the Company and the shareholders.

(IV) Supervisors and the Board of Supervisors: Our Board of Supervisors has elected supervisors in strict accordance with the relevant procedures set forth in the Company Law and the AOA. We now have three supervisors, including one chairman. The number of members and composition of our Board of Supervisors comply with the requirements of the applicable laws and regulations and the AOA. Our Board of Supervisors has convened and held meetings in strict with the AOA and the Rules of Procedure of the Board of Supervisors. All supervisors have seriously performed their duties, effectively supervised and expressed independent opinions on our financial affairs and the legality and regulatory compliance of the performance of duties by our directors and executives in good faith and diligently, and safeguarded the legitimate rights and interests of the Company and the shareholders.

(V) Performance appraisal and incentive and restraint mechanisms: In order to establish sound incentive mechanisms, and enhance the concept of joint sustainable development of the Company and the management and key employees, we have implemented the share incentive plans to enhance the benefit sharing and restraint mechanisms between shareholders and key business personnel, maintain the stability of the management team and key business personnel, ensure the achievement of our development strategy and business objectives, and seek long-term stable development. The appointment of our executives is open and transparent, and complies with the applicable laws and regulations.

(VI) Stakeholders: We fully respect the legitimate rights and interests of stakeholders, and strive to coordinate and balance the interests of society, shareholders, the Company, employees and other stakeholders, and jointly promote our sustained and steady development.

(VII) Information disclosure and transparency: We have performed our information disclosure obligations truthfully, accurately, timely and completely in strict accordance with the applicable laws and regulations and our Information Disclosure Management Measures, and designated the *Securities Times*, the *Shanghai Securities News* and www.cninfo.com.cn as the media for us to disclose information. We have kept non-public information in strict confidence, seriously registered and reported the insiders pursuant to our Insider Management Policy, established the filing policy for insiders, and timely submitted the same to the competent regulatory authorities for the record in accordance with the relevant provisions. We also strictly regulate the reporting of our information to external information users. When receiving specific visitors, we receive them in strict accordance with the relevant requirements, require each of them to sign a Letter of Commitment, and timely disclose the relevant record of investigation and research activity on the e-interaction platform of the Shenzhen Stock Exchange. During the

reporting period, we did not take advantage of any inside information to trade our shares. We have set up hotline for investors and investor relations management section, and designated special persons responsible for timely communication with investors. In addition, we take the initiative to timely contact and communicate with, and report relevant matters to, the competent regulatory authorities, in order to accurately understand the relevant regulatory requirements for information disclosure and further improve the transparency and quality of our information disclosure. We have disclosed information in a true, accurate, complete and timely manner in strict accordance with the requirements for substance and form, to ensure that all shareholders have access to our information through different channels.

Is there any significant difference between the actual circumstance of corporate governance of the Company and the requirements of the applicable laws, administrative regulations and the provisions of the CSRC regarding corporate governance of the listed companies?

Yes No

There is no significant difference between the actual circumstance of our corporate governance and the applicable laws, administrative regulations and the provisions of the CSRC regarding corporate governance of the listed companies.

II. The Company's independence of its controlling shareholder and actual controller in assets, personnel, finance, organization and business

During the reporting period, we operated in strict compliance with the Company Law and the AOA, gradually improved our corporate governance structure, were independent of our controlling shareholder in assets, personnel, finance, organization and operation, had our own independent and complete business, were independent in management, and had independent R&D, production and sales systems. During the reporting period, our production and operation were stable, and we had sound internal bodies and were able to operate independently in compliance with the applicable regulations.

(I) Integrity of assets

We are a company limited by shares established through an overall change in organization form according to the law, and have our own independent and complete assets. We have performed the relevant procedures for changes in assets and shareholding according to the law. We have not provided any guarantee for the obligations of shareholders on the security of our assets or credit, or lent any loan or credit line granted to us to any shareholder. We have full control over all of our assets, and none of our assets or funds is occupied by our controlling shareholder to the detriment of our interest.

(II) Independence in personnel

Our directors, supervisors and executives have been legally appointed in accordance with the Company Law, the AOA and other applicable laws, rules and regulations. All of our executives (except independent directors) exclusively work in and receive remunerations from the Company, and do not hold any post (other than director and supervisor) concurrently in any affiliate of shareholders or any entity engaging in any business same as or similar to our business. We are independent in employees, manage their remunerations, social security and other affairs independently, and have sound personnel management policies and system in place.

(III) Independence in finance

We have independent financial accounting department and internal audit department, and independent accounting system and financial management policies in place that comply with the applicable regulations, and make financial decisions independently. Since our establishment, we have opened separate bank accounts, filed tax returns and paid taxes independently according to the law, and executed external contracts independently, and had not shared any bank account or paid any tax in combination with any shareholder.

(IV) Independence in organization

We have established a sound governance structure composed of the shareholders' meeting, the Board of Directors and the Board of Supervisors, and independent and complete operation and management bodies that meet our development requirements and conform to our actual situations, each of which performs its powers and functions independently in accordance with the AOA and our internal management system. Since our establishment, our production, operation and offices have been totally independent of our shareholders.

(V) Independence in operation

We have complete corporate property rights and independent R&D, production and sales systems, carry out business independently, keep separate accounts, and make decisions and assume liabilities and risks independently, and do not rely on any shareholder or other affiliate in our production and operation activities.

III. Horizontal competition

Applicable N/A

IV. Annual and extraordinary general meetings of shareholders held during the reporting period**1. General meetings of shareholders held during the reporting period**

Session	Type of meeting	Parentage of investors attending the meeting	Date of meeting	Date of disclosure	Resolution of the meeting
First extraordinary general meeting of shareholders in 2023	Extraordinary general meeting of shareholders	54.17%	March 09, 2023	March 10, 2023	A total of 2 proposals, including the Proposal on the Forecast of the Company's Daily Connected Party Transactions in 2023, were approved by vote, as disclosed in our Announcement 2023-019.

Annual general meeting of shareholders in 2022	Annual general meeting of shareholders	46.02%	May 22, 2023	May 23, 2023	A total of 9 proposals, including 20221 Work Report of the Board of Directors, were approved by vote, as disclosed in our Announcement No. 2023-038.
--	--	--------	--------------	--------------	--

2. Extraordinary general meetings of shareholders convened at the request of preferred shareholders with resumed voting rights

Applicable N/A

V. Directors, supervisors and executives

1. Particulars

Name	Gender	Age	Title	Status	End date of the term of office	End date of the term of office	Opening balance of shares held	No. of additional shares acquired in the reporting period	No. of shares disposed of in the reporting period	Changes in the number of shares held due to other reasons	Closing balance of shares held	Cause of increase or decrease in the number of shares held
WANG Laichun	Female	57	Chairman and general manager	Incumbent	February 22, 2009	May 18, 2024						
WANG Laisheng	Male	60	Vice Chairman	Incumbent	February 22, 2009	May 18, 2024	12,258,610				12,258,610	
WANG Tao	Male	39	Director, Vice General Manager	Incumbent	May 21, 2021	May 18, 2024	729,656	601,627			1,331,283	Additional shares acquired as a result of exercise of incentive share options
LI Wei	Male	44	Director, Vice General Manager	Incumbent	May 21, 2021	May 18, 2024	506,989	506,989			1,013,978	Additional shares acquired as a result of exercise of incentive share options
ZHANG Ying	Female	61	Independent Director	Incumbent	May 22, 2018	May 18, 2024						
LIU	Male	59	Independent	Incumbent	May 18,	May 18,						

Zhonghua			ent Director		2021	2024						
SONG Yuhong	Female	53	Independent Director	Incumbent	May 18, 2021	May 18, 2024						
XIA Yanrong	Female	43	Chairman of the Supervisory Board	Incumbent	December 19, 2017	May 18, 2024						
MO Rongying	Female	44	Supervisor	Incumbent	May 22, 2018	May 18, 2024						
YI Peizan	Female	39	Supervisor	Incumbent	February 22, 2009	May 18, 2024						
HUANG Dawei	Male	52	Board Secretary, Vice General Manager	Incumbent	May 25, 2018	May 21, 2024	659,085	219,695			878,780	Additional shares acquired as a result of exercise of incentive share options
WU Tiansong	Male	54	Chief Financial Officer	Incumbent	April 15, 2019	May 21, 2024	750,843	232,015			982,858	Additional shares acquired as a result of exercise of incentive share options
Total	--	--	--	--	--	--	14,905,183	1,560,326	0	0	16,465,509	--

Whether any director or supervisor retired or any executive was removed during the reporting period?

Yes No

Changes in directors, supervisors and executives:

Applicable N/A

2. Positions held

Professional background and main work experience of our current directors, supervisors and executives and main positions held by them in the Company

(I) Directors

Ms. WANG Laichun, 57 years old, resident of Hong Kong, China; EMBA, Shenzhen Graduate School of Tsinghua University; a member of the 14th National Committee of the CPPCC; Vice President of the National Federation of Industry and Commerce Women Entrepreneurs Association; Vice Chairman of Guangdong Federation of Industry & Commerce; 2022 Guangdong 3.8 Red Flag Bearer; Invited Vice Chairman of China Association of Women Entrepreneurs; The founder and controlling shareholder of Luxshare Precision Industry Co., Ltd., serving as Chairman and General Manager.

Mr. WANG Laisheng, 60 years old, resident of Hong Kong, China; Member of the 14th Dongguan Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC), is now our Vice Chairman of the Board of Directors; former Executive Director of the Shenzhen Quality Association and Director of the Guangdong Laboratory Federation. Mr. WANG Laisheng was engaged in individual business since mid-1980s. Mr. WANG Laisheng and Ms. WANG Laichun jointly purchased the shares of Luxshare Limited in 1999 and founded Luxshare Precision Industry (Shenzhen) Co., Ltd. in 2004, and has worked as the Vice Chairman of our Board of Directors until now.

Mr. LI Wei, 44 years old, Chinese nationality, undergraduate; is now chief of our Precision Component Business Unit. Mr. LI Wei has nearly 20 years' experience in precision manufacturing and has been engaged in product design, validation and quality management in many precision manufacturing companies. He joined Luxshare-ICT in July 2019, responsible for the operation and management of the Corporate Business Division.

Mr. WANG Tao, 39 years old, Chinese nationality, undergraduate; is now chief of our Precision Component Business Unit. Mr. WANG Tao has rich experience in precision manufacturing of components. He joined Luxshare-ICT in April 2009, responsible for product development and management.

Ms. ZHANG Ying, 61 years old, Chinese nationality; Doctor of Laws, Wuhan University; postdoctoral fellowship in law, Chinese Academy of Social Sciences; Current researcher at the Compliance Research Institute of Shenzhen University. Ms. ZHANG Ying joined the China University of Geosciences in 1984 as a lecturer, and the Institute of Political Science and Law, Wuhan Academy of Social Sciences in 1994 as an assistant researcher, Began working at the Law School of Shenzhen University in 2000. Ms. ZHANG Ying has obtained the qualification as an independent director from the Shenzhen Stock Exchange, and is an Independent Director of our 4th and 5th Board of Directors.

Mr. LIU Zhonghua, 59 years old, Chinese nationality, without foreign permanent residence, master, professor of accounting; is now professor and tutor of postgraduates of the Guangdong University of Foreign Studies School of Accounting, Director of the Accounting Society of China, Vice Chairman of the Accounting Society for Foreign Economic Relations & Trade of China, Executive Vice Chairman of the Guangdong Association of Management Accountants, and Executive Director of the Accounting Society of Guangdong. Mr. LIU Zhonghua has obtained the qualification as an independent director from the Shenzhen Stock Exchange, and is an Independent Director of Guangdong Provincial Expressway Development Co., Ltd., GEM Co., Ltd. and Guangzhou Yuexiu Capital Holdings Group Co., Ltd.

Ms. SONG Yuhong, 53 years old, Chinese nationality; Master of Laws, Wuhan University; Bachelor of Laws, Southwest University of Political Science & Law; MBA, Grandes Écoles de Commerce; is now senior partner of DeHeng Law Offices (Shenzhen), and mediator of the International Commercial Mediation Center for Belt and Road Initiative – Luohu Court of Shenzhen Mediation Center. Ms. SONG Yuhong has obtained the qualification as an independent director from the Shenzhen Stock Exchange, and is an Independent Director of our 5th Board of

Directors.

(II) Supervisors

Ms. XIA Yanrong, 43 years old, Chinese nationality, undergraduate majoring in financial management, is now our supervisor. Ms. XIA Yanrong worked at the Finance Department of 3CEMS Group Prime Technology (Guangzhou) Co., Ltd. from January 2003 to April 2006, and the Finance Department of Dachang Electronic Technology (Suzhou) Co., Ltd., a subsidiary of P-TWO, from April 2006 to April 2009, and joined us since April 2009, and served as chief of the Finance Department at Kunshan Lanto, and chief of the Finance Department and chief of the Credit Management Department at Luxshare-ICT, and is now Director of our Central Finance Department and Credit Management Department. Ms. XIA Yanrong is a member of our 4th and 5th Board of Supervisors.

Ms. MO Rongying, 44 years old, Chinese nationality, majoring in business administration, is now our supervisor. She was chief of the Planning Department at Thomson Multimedia (Dongguan) Co., Ltd., before joining us in June 2007 as chief of the Central Customs Affairs Department. Ms. MO Rongying is a member of our 4th and 5th Board of Supervisors.

Ms. YI Peizan, 39 years old, Chinese nationality, joined our Finance Department in 2004, is now our supervisor. Ms. YI Peizan is a member of our 1st through 5th Board of Supervisors.

(III) Executives

Ms. WANG Laichun, whose resume is set out in “Directors” above.

Mr. WANG Tao, whose resume is set out in “Directors” above.

Mr. LI Wei, whose resume is set out in “Directors” above.

Mr. HUANG Dawei, 52 years old, citizen of Chinese Taiwan, graduated from the National Tsing Hua University Institute of Industrial Engineering, Master of Industrial Engineering, is now our Deputy General Manager and Board Secretary. Mr. HUANG Dawei worked in a Fortune 500 company, responsible for market development and operation management, before joining Luxshare Electronic Kunshan as the legal representative, director and General Manager in June 2013. Mr. HUANG obtained a Qualification Certificate for Board Secretary from the Shenzhen Stock Exchange in October 2017, and meets the qualifications required in the Rules Governing the Listing of Shares on Shenzhen Stock Exchange (2023 Revision) and other applicable laws and regulations and the AOA.

Mr. WU Tiansong, 54 years old, citizen of Chinese Taiwan, received a bachelor’s degree from the National Taiwan University of Science and Technology, is now the CFO of Luxshare-ICT. Mr. WU Tiansong served as a senior auditor at the Audit Department of Deloitte Touche Tohmatsu Limited from August 1996 to August 1999, and worked in the Underwriting Department of Taiwan Yuanda Securities Corp., and served as the chief of the Accounting Director at Taiwan P-TWO Industries Inc. and Uniwill Computer Corp., and chief of the Finance Department at Zhongshan Ichia Electronics Co., Ltd. from September 1999 to March 2009. He joined us in 2011.

Positions held in shareholders

Applicable N/A

Positions held in other entities

☑Applicable ☐N/A

Name	Entity	Position	Beginning date of term of office	End date of the term of office	Whether or not receive remunerations and subsidies from such entity
WANG Laichun	Luxsan Precision Technology (Jiangsu) Co., Ltd.	Director	November 25, 2020		No
WANG Laichun	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	Chairman	July 18, 2018		No
WANG Laichun Luxcase Precision Technology (Yancheng) Co., Ltd. Chairman February 3, 2021 WANG Laichun	Xiexun Electronic (Ji'an) Co., Ltd.	Vice Chairman of the Board of Directors	November 12, 2005		No
WANG Laichun	Luxsan Precision Technology (Jiangsu) Co., Ltd.	Director	November 25, 2020		No
WANG Laichun	Fujian JK Wiring Systems Co., Ltd.	Chairman	June 18, 2012		No
WANG Laichun	TIME Interconnect Technology Limited	Chairman	April 19, 2022		No
WANG Laichun	Chery Holdings Group Co., Ltd.	Director	June 21, 2023		No
WANG Laisheng	Luxsan Precision Technology (Jiangsu) Co., Ltd.	Chairman	November 25, 2020		No
WANG Laisheng	Xunmu Information Technology (Shanghai) Co., Ltd.	General Manager	April 27, 2021		No
WANG Laisheng	Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	Managing Director & Manager	November 18, 2020		No
WANG Laisheng	BCS Automotive Interface Solutions (Xi'an) Co., Ltd.	Managing Director & General Manager	December 29, 2018		No
WANG Laisheng	Xiexun Electronic (Ji'an) Co., Ltd.	Chairman	November 12, 2005		No
WANG Laisheng	Lanto Electronic Limited	Vice Chairman of the Board of Directors	May 12, 2011		No
WANG Laisheng	Kunshan Luxshare Precision Industry Co., Ltd.	Director	October 25, 2011		No
WANG Laisheng	Dongguan Leader Precision Industry Co., Ltd.	Chairman	August 16, 2012		No

WANG Laisheng	Kunshan Luxshare Precision Industry Co., Ltd.	Vice Chairman of the Board of Directors	October 25, 2011		No
WANG Laisheng	Suining Luxshare Precision Industry Co., Ltd.	Managing Director	January 11, 2013		No
WANG Laisheng	Luxshare Precision Industry (Chuzhou) Co., Ltd.	Managing Director	March 24, 2014		No
WANG Laisheng	Fengshun Luxshare Precision Industry Co., Ltd.	Managing Director	July 4, 2014		No
WANG Laisheng	Dongguan Luxshare Precision Industry Co., Ltd.	Chairman	November 27, 2015		No
WANG Laisheng	Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Director	December 25, 2015		No
WANG Laisheng	Chery Automobile Co., Ltd.	Director	April 29, 2022		No
WANG Laisheng	Lishan Enterprise Management (Zhejiang) Co., Ltd.	Managing Director & General Manager	March 24, 2021		No
WANG Laisheng	Guangdong Luxshare & Merry Electronics Co., Ltd.	Director	December 7, 2017		No
WANG Laisheng	Luxshare Holdings (Guangdong) Co., Ltd.	Managing Director & General Manager	November 1, 2021		No
LIU Zhonghua	Guangdong Provincial Expressway Development Co., Ltd.	Independent director	December 4, 2017	September 20, 2025	Yes
LIU Zhonghua	GEM Co., Ltd.	Independent director	March 20, 2019	March 12, 2025	Yes
LIU Zhonghua	Guangzhou Yuexiu Financial Holding Group Co., Ltd.	Independent Director	July 19, 2022	September 17, 2023	Yes
LI Wei	Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.	Managing Director & General Manager	August 16, 2021		No
LI Wei	Luxshare Intelligent Equipment (Kunshan) Co., Ltd.	Managing Director & General Manager	December 29, 2020		No
LI Wei	Kunshan Luxshare Enterprise Management Development Co., Ltd.	Managing Director	November 4, 2020		No
WANG Tao	Lanto Electronic Limited	Chairman	November 20, 2019		No
WANG Tao	Luxshare Precision Technology (Nanjing) Co., Ltd.	Managing Director & General Manager	October 19, 2021		No
XIA Yanrong	Luxshare iTech (Zhejiang) Co., LTD.	Supervisor	April 8, 2019		No
XIA Yanrong	Zhuhai Kinwong Flexible Circuit Co., Ltd.	Supervisor	December 3, 2018		No
XIA	Luxshare Precision Industry (Suzhou) Co.,	Supervisor	February 18, 2019		No

Yanrong	Ltd.				
XIA Yanrong	Luxshare Electronic (Shanghai) Co., Ltd.	Supervisor	December 2, 2019		No
XIA Yanrong	Luxshare Precision Industry (Enshi) Co., Ltd.	Supervisor	October 24, 2018		No
YI Peizan	Xiexun Electronic (Ji'an) Co., Ltd.	Supervisor	August 28, 2017		No
YI Peizan	Dongguan Luxshare Holdings Co., Ltd.	Supervisor	September 5, 2023		No
HUANG Dawei	Luxshare Electronic Technology (Kunshan) Co., Ltd.	Director & General Manager	March 17, 2014		No
WU Tiansong	Luxshare Electronic Technology (Kunshan) Co., Ltd.	Supervisor	March 17, 2014		No
WU Tiansong	Huzhou Jiuding Electronic Co., Ltd.	Supervisor	December 15, 2015		No.
Explanation about the posts held at other entities	N/A				

Punishments imposed by the securities regulatory authorities in the past three years on the directors, supervisors and executives of the Company currently in office or leaving office during the reporting period

Applicable N/A

3. Remunerations of directors, supervisors and executives

Decision-making process, criteria for determination and actual amount in respect of remunerations of directors, supervisors and executives

During the reporting period, directors, supervisors and executives were subject to performance appraisal, and their annual income consisted of basic annual salaries and long-terms incentives, and include the performance related to the sustainable development into assessment, so as to realize our future development strategy and business objectives. The Remuneration Committee under the Board of Directors discusses and reviews the remuneration-related issues on an annual basis. The meetings of the Remuneration Committee shall be divided into regular meetings and interim meetings and each of such meetings shall be held at least once every year. The remunerations of our independent directors are determined pursuant to the Independent Director Rules for Listed Companies of the China Securities Regulatory Commission, the AOA and other relevant regulations, and with reference to the overall economic environment and the remunerations offered by listed companies in the industry in which the Company operates, and are then implemented after being reviewed and approved by the Board of Directors and the general meeting of shareholders. At present, our independent directors receive RMB160,000 per year, plus reimbursement of travel, office and other expenses, from us.

Compensations of directors, supervisors and executives paid in the reporting period:

In RMB 0'000

Name	Gender	Age	Title	Status	Total remuneration received from the Company (inclusive of tax)	Whether or not receiving remunerations from any affiliate of the Company
WANG Laichun	Female	57	Chairman of the Board of Directors & General Manager	Incumbent	200	No
WANG Laisheng	Male	60	Vice Chairman of the Board of Directors	Incumbent	150	No
WANG Tao	Male	39	Director & Deputy General Manager	Incumbent	144.61	No
LI Wei	Male	44	Director & Deputy General Manager	Incumbent	116.47	No
ZHANG Ying	Female	61	Independent Director	Incumbent	16	No
LIU Zhonghua	Male	59	Independent Director	Incumbent	16	No
SONG Yuhong	Female	53	Independent Director	Incumbent	16	No
XIA Yanrong	Female	43	Supervisor	Incumbent	74.1	No
MO Rongying	Female	44	Supervisor	Incumbent	80.13	No
YI Peizan	Female	39	Supervisor	Incumbent	12.92	No
HUANG Dawei	Male	52	Board Secretary & Deputy General Manager	Incumbent	136.28	No
WU Tiansong	Male	54	CFO	Incumbent	193.79	No
Total	--	--	--	--	1,156.3	--

Other descriptions

Applicable N/A

VI. Performance of duties by the directors during the reporting period

1. Meetings of the Board of Directors held during the reporting period

Session	Date of meeting	Date of disclosure	Resolution of the meeting
The 15th meeting of the 5th Board of Directors	February 21, 2023	February 22, 2023	Refer to the Announcement on Resolutions of the 15th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-005)
The 16th meeting of the 5th Board of Directors	April 27, 2023	April 28, 2023	Refer to the Announcement on Resolutions of the 16th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-023)

The 17th meeting of the 5th Board of Directors	June 21, 2023	June 22, 2023	Refer to the Announcement on Resolutions of the 17th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-043)
The 18th meeting of the 5th Board of Directors	August 28, 2023	August 29, 2023	Refer to the Announcement on Resolutions of the 18th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-052)
The 19th meeting of the 5th Board of Directors	October 20, 2023	October 21, 2023	Refer to the Announcement on Resolutions of the 19th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-059)
The 20th meeting of the 5th Board of Directors	November 27, 2023	November 28, 2023	Refer to the Announcement on Resolutions of the 20th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-069)
The 21st meeting of the 5th Board of Directors	December 1, 2023	December 2, 2023	Refer to the Announcement on Resolutions of the 15th meeting of the 21st Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-074)
The 22nd meeting of the 5th Board of Directors	December 29, 2023	December 30, 2023	Refer to the Announcement on Resolutions of the 15th meeting of the 22nd Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-079)

2. Attendance of the directors at meetings of the Board of Directors and shareholders

Attendance of the directors at meetings of the Board of Directors and general meetings of shareholders							
Director	No. of board meetings attended during the reporting period	No. of board meetings present in person	No. of board meetings present by means of communication equipment	No. of board meetings present by proxy	No. of board meetings absent from	Whether or not having been absent from two consecutive board meetings	No. of general meetings of shareholders attended
WANG Laichun	8	1	7	0	0	No	1
WANG Laisheng	8	2	6	0	0	No	2
LI Wei	8	0	8	0	0	No	2
WANG Tao	8	1	7	0	0	No	2
ZHANG Ying	8	1	7	0	0	No	2
LIU Zhonghua	8	0	8	0	0	No	2
SONG Yuhong	8	1	7	0	0	No	2

Explanation about absence from two consecutive meetings of the Board of Directors

N/A

3. Objections raised by the directors regarding matters of the Company

Whether any director has raised any objection regarding matters of the Company?

Yes No

No director has raised any objection regarding matters of the Company during the reporting period.

4. Other information regarding the performance of duties by the directors

Whether the suggestions put forward by the directors have been adopted by the Company?

Yes No

Explanation about the adoption or non-adoption by the Company of the suggestions put forward by the directors

During the reporting period, all of our directors have performed their duties diligently in strict accordance with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the AOA, the Rules of Procedure of the Board of Directors and other relevant provisions and requirements, actively attended meetings of the Board of Directors and shareholders; taken the initiative to ask for information about our operation, management, financial position and material events, had deep discussions about all resolutions submitted to the Board of Directors for consideration, expressed opinions on our material corporate governance issues and business decisions, and through sufficient communication and discussions, reached a consensus, to ensure the scientificity, timeliness and effectiveness of decisions, and supervised and urged the implementation of resolutions of the Board of Directors; actively implemented resolutions of the general meeting of shareholders and the Board of Directors, and safeguarded the legitimate rights and interests of the Company and all shareholders. We will continue to improve our corporate governance structure, further enhance the scientific decision-making level of the Board of Directors and its committees, give full play to the role of independent directors in our corporate governance, and promote our operational compliance and continued healthy development.

VII. Activities of the committees of the Board of Directors during the reporting period

Committee	Members	No. of meetings held	Date of meeting	Topics	Important opinions and suggestions	Performance of other duties	Objections (if any)

Audit Committee	LIU Zhonghua, ZHANG Ying, SONG Yuhong and BDO China Shu Lun Pan Certified Public Accountants	4	January 10, 2023	Communication Meeting of Audit Committee on Annual Report Audit Work in 2022	BDO China Shu Lun Pan Certified Public Accountants introduced the 2022 annual audit plan and arrangements, audit procedures and other issues with respect to the audit of 2022 financial report; and requested the colleagues of the accounting firm to pay special attention to related party transactions, pledged guarantees, capitalization and expensing of intangible assets and other issues.		
Audit Committee	LIU Zhonghua, ZHANG Ying and SONG Yuhong	4	April 21, 2023	Deliberating proposals regarding the 2022 annual report, the reappointment of the accounting firm, the work report of the internal audit department for the year 2022, and the work report of the internal audit department for the first quarter of 2023	Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC and the Work Rules of the Audit Committee of the Board of Directors, the Audit Committee performed its duties diligently, supervised our internal audit policies and implementation thereof, reviewed our financial information, guided the work of the Internal Audit Department, supervised and urged the audit conducted by the accounting firm, and through sufficient communication and discussions, unanimously approved all reports considered.		
Audit Committee	LIU Zhonghua, ZHANG Ying and SONG Yuhong	4	August 21, 2023	Deliberating 2023 Interim Report	Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC and the Work Rules of the Audit Committee of the Board of Directors, the Audit Committee performed its duties diligently, expressed opinions taking into account our actual situation, and through sufficient communication and discussions, unanimously approved the Report.		

Audit Committee	LIU Zhonghua, ZHANG Ying and SONG Yuhong	4	October 18, 2023	Deliberating 2023 Third Quarter Report	Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC and the Work Rules of the Audit Committee of the Board of Directors, the Audit Committee performed its duties diligently, expressed opinions taking into account our actual situation, and through sufficient communication and discussions, unanimously approved the Report.		
Remuneration and Appraisal Committee	ZHANG Ying, LIU Zhonghua and SONG Yuhong	1	January 10, 2023	Reviewed the implementation of the performance appraisal, remuneration and incentive plan for the directors and executives in the preceding year, put forward a reward proposal for the directors and executives taking into account our actual business situation, and studied the remuneration and appraisal plan for the next year.	Pursuant to the relevant provisions of the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC and the Work Rules of the Remuneration and Appraisal Committee of the Board of Directors, the Remuneration and Appraisal Committee reviewed the remuneration of the directors, supervisors and executives, and determined that we are developing and improving fair and effective performance appraisal criteria and incentive and restraint mechanisms for executives, and the remuneration of our executives consists of basic monthly salaries and year-end performance-based pay. On the basis of such understanding and proposal, we properly adjusted the basic monthly salaries of certain directors and executives, in order to reflect and produce the effect of incentive and fairness. The remuneration of our directors, supervisors and executives during the reporting period are true, and conform to our performance metrics.		

Strategy Committee	WANG Laichun, ZHANG Ying and LIU Zhonghua	1	March 10, 2023	<p>Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC, the Work Rules of the Strategy Committee of the Board of Directors and other relevant provisions, the Strategy Committee reviewed the material events occurred in 2022, reported our 2023 strategic development plan, considered the Proposal on Identification of Climate Risks and Opportunities and Response Strategies; and studied the significant strategic issues in connection with our development.</p>	<p>Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC, and the Work Rules of the Strategy Committee of the Board of Directors, the Strategy Committee thoroughly analyzed and studied the industry in which we operate, and put forward reasonable suggestions on the planning for and implementation of the development strategies in respect of business, R&D and new products, which produced significant effect.</p>		
--------------------	---	---	----------------	---	--	--	--

VIII. Activities of the Board of Supervisors

Whether the Board of Supervisors has identified any risk involving the Company in its supervisory activities during the reporting period?

Yes No

The Board of Supervisors has not raised any objection to the supervisory matters during the reporting period.

IX. The performance of the duties by the supervisors during the reporting period

(I) Situation of the Board of Supervisors during the Reporting Period

During the reporting period, the company's Board of Supervisors convened a total of eight meetings. The convening and voting procedures of the meetings complied with the provisions of the Company Law, the Company's Articles of Association, and other laws, regulations, and normative documents. The specific details are as follows:

Session	Date of meeting	Date of disclosure	Resolution of the meeting
The 15th meeting of	February 21, 2023	February 22, 2023	Refer to the Announcement on Resolutions of the 15th meeting

the 5th Board of Directors			of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-006)
The 16th meeting of the 5th Board of Directors	April 27, 2023	April 28, 2023	Refer to the Announcement on Resolutions of the 16th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-024)
The 17th meeting of the 5th Board of Directors	June 21, 2023	June 22, 2023	Refer to the Announcement on Resolutions of the 17th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-044)
The 18th meeting of the 5th Board of Directors	August 28, 2023	August 29, 2023	Refer to the Announcement on Resolutions of the 18th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-053)
The 19th meeting of the 5th Board of Directors	October 20, 2023	October 21, 2023	Refer to the Announcement on Resolutions of the 19th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-060)
The 20th meeting of the 5th Board of Directors	November 27, 2023	November 28, 2023	Refer to the Announcement on Resolutions of the 20th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-070)
The 21st meeting of the 5th Board of Directors	December 1, 2023	December 2, 2023	Refer to the Announcement on Resolutions of the 15th meeting of the 21st Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-075)
The 22nd meeting of the 5th Board of Directors	December 29, 2023	December 30, 2023	Refer to the Announcement on Resolutions of the 15th meeting of the 22nd Board of Directors disclosed on www.cninfo.com.cn and the <i>Securities Times</i> (Announcement No. 2023-080)

(II) Fulfillment of Relevant Duties by the Board of Supervisors

1. Compliance with Company Operations

During the reporting period, members of the Board of Supervisors attended all meetings of the Board of Directors and shareholders' meetings and supervised the company's operations. The company strictly adhered to the requirements of the Company Law, the Securities Law, the Shenzhen Stock Exchange Listing Rules (Revised in 2023), the Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange Main Board (Guideline No. 1), and the Company's Articles of Association to ensure compliance with regulations. The decision-making procedures of the Board of Directors and shareholders' meetings were lawful and effective. Additionally, the company continued to improve its internal control system. During the reporting period, there were no instances of directors or senior management violating laws, regulations, or the Company's Articles of Association in the

execution of their duties.

2. Examination of Company Financial Situation

During the reporting period, the Board of Supervisors conducted a meticulous and thorough examination of the company's financial system and financial condition. It was concluded that the company's financial management was standardized and orderly. The financial reports for the reporting period objectively and truthfully reflected the company's financial condition and operating results. The audit report issued by Lixin Certified Public Accountants (Special General Partnership) for the company, which contained an unqualified opinion, was objective and impartial. There were no false records, misleading statements, or significant omissions in the audit report.

3. Related Party Transactions

During the reporting period, the Board of Supervisors supervised the related party transactions of the company. The Board of Supervisors believed that the related party transactions occurred by the company during the reporting period complied with relevant provisions of the Company Law, the Securities Law, the Shenzhen Stock Exchange Listing Rules (Revised in 2023), and the Company's Articles of Association. The decision-making procedures were legal and effective. All related party transactions conducted by the company followed market principles and were objective, fair, and impartial. There were no situations that harmed the interests of the company or its shareholders.

4. Storage and Use of Raised Funds

During the reporting period, the company did not utilize any raised funds.

5. Establishment and Implementation of Insider Information Management System

The company has formulated an "Insider Information Management System" in accordance with the "Regulatory Guidelines No. 5 for Listed Companies - Management System for Insider Information Participants of Listed Companies" and relevant rules. In the year 2023, the company's management, registration, and reporting of insiders complied with relevant regulations. There were no instances during the reporting period of listed companies or related individuals engaging in insider trading using insider information.

6. Internal Control Self-Assessment Report

The Board of Supervisors reviewed the company's self-assessment report on internal controls for the year 2023, as well as the construction and operation of the internal control system. The Board believes that: the company has established a relatively sound internal control system based on its actual situation and the requirements of laws, regulations, and normative documents, and it is effectively implemented. The internal control system complies with relevant laws, regulations, and normative documents as well as the actual needs of the company, playing a good role in risk prevention and control in the company's management. The 2023 Self-Assessment Report on Internal Controls truthfully and objectively reflects the construction and operation of the company's internal control.

7. Company Disclosure Situation

During the reporting period, the Board of Supervisors supervised the company's fulfillment of its disclosure obligations and conducted periodic checks on the implementation of the information disclosure management system.

The Board believes that, during the reporting period, the information disclosed by the company was true, accurate, timely, and complete, complying with the relevant laws and regulations as well as the requirements of regulatory authorities such as the China Securities Regulatory Commission and the Shenzhen Stock Exchange.

(III) Work plan of the Supervisory Board for 2024

In 2024, the Board of Supervisors of the company will continue to strictly adhere to the requirements of national laws, regulations, and normative documents, effectively fulfill the supervisory responsibilities conferred by the company's articles of association and the Rules of Procedure for the Supervisory Board, supervise the company's standardized operations, and improve corporate governance. The Board of Supervisors will continue to target the standardized development of the company, strictly fulfill its supervisory duties on relevant matters, provide reasonable improvement suggestions, further enhance the level of corporate governance standardization, and promote the company's sustainable development.

X. Employees

1. Number, structure of profession and education of employees

Number of current employees of the parent at the end of the reporting period (person)	523
Total number of current employees of the major subsidiaries at the end of the reporting period (person)	232,062
Total number of current employees at the end of the reporting period (person)	232,585
Total number of salaried employees during the reporting period (person)	232,585
Total number of retired employees to or for whom the parent and the major subsidiaries are obligated to make payments (person)	0
Structure of profession	
Type of profession	Number of employees (person)
Production staff	193,856
Sales staff	2,806
Technical staff	19,063
Financial staff	451
Administrative staff	5,729
Management staff	10,680
Total	232,585
Education	
Degree of education	Number of employees (person)
Undergraduate	17,260
College	23,522
Secondary specialized school, senior middle school and below	191,803
Total	232,585

2. Remuneration policies

We have established the administrative measures for the salaries, performance-based pay, year-end bonus and other remuneration of employees of the Group, provided employees with competitive and guaranteed remuneration in a scientific and reasonable manner, developed sound remuneration management policies, paid contributions to the social insurance packages and housing provident fund for and salaries to the employees on time in strict accordance with the applicable laws and regulations, and resolutely rejected any bonded labor. In order to help employees better understand the match between their job responsibilities and capabilities, we have developed a multi-dimensional performance appraisal system including self-assessment and supervisor's assessment, in order to objectively and comprehensively reflect employees' annual performance. We conduct annual employee performance communication activities, to ensure that each employee receives sufficient support and resources for his/her career development in Luxshare-ICT, and to enhance and optimize the work experience of each employee. The remuneration packages provided by us to employees consist of year-end bonuses, project bonuses, share incentives for key officers, and bonuses for outstanding employees, among others. During the reporting period, we further optimized performance appraisal, fully appraised the performance of teams and individuals, and effectively improved the execution ability and awareness of responsibility of employees, which will help us retain and attract outstanding talents, and human resources required for our development.

3. Training programs

We attach great importance to the career development plans of employees, concentrate our efforts on the training of personnel, and have established a sound personnel training system, to attract and motivate more excellent talents and promote common growth of employees and the Group. We have built an integrated online and offline learning platform, providing multi-dimensional specialty training for different types of employees and new projects. The platform provides all employees with hierarchical targeted training of different categories that target different groups of people and satisfy different needs. For example, with respect to senior, middle and grassroots managers and key reserve talents with great potentialities, we conduct the "Star Cultivation Series" training, in order to build an efficient and dynamic team; and with respect to the personnel in manufacturing, R&D technology, marketing, supply chain and other critical fields, we conduct the "Juneng Series" training, in order to continuously improve the professional capabilities of employees on different posts. In addition, we carry out school-enterprise cooperation projects, and encourage the employees to obtain certification of professional qualifications from the Company and society, in order to enhance our production level and social recognition of us as a whole. We have also built the "Jushi Series", "Luxshare Classroom", "Senior Management Forum" and other learning and communication platforms, in order to provide excellent Luxshare employees with stages to demonstrate themselves, create a sound learning environment and promote the integration and communications among all employees. In addition, with a view to promoting the implementation of important strategies and changes, we have conducted the "Jubian Series"

training according to business needs. In order to regulate the employee training, we have established and periodically updated the Administrative Measures for Education and training, the Operating Procedures for Education and training, and Administrative Measures for Internal Lecturers, which define the training system covering all stages from induction, orientation, on-the-job, transfer to promotion, and each factory has established the Operating Procedures for Education and training and relevant administrative measures by reference to the Group's management standards, and annual training plans for the factory and its departments according to its annual development plan, to effectively enhance the core competencies of employees and the Company, improve the employees' professional capabilities and promote the sustainable growth of the Company.

4. Outsourced workers

Applicable N/A

XI. Profit distribution and transfer of capital reserve to the share capital

Adoption, implementation or adjustment of the profit distribution policy, in particular, cash dividend policy, during the reporting period
Applicable N/A

Pursuant to the resolutions adopted by the 16th meeting of the 5th Board of Directors and the 2022 annual general meeting of shareholders, we proposed to distribute to all shareholders a cash dividend of RMB1.3 (inclusive of tax) per 10 shares on the basis of the total share capital of 7,130,392,419 shares, totaling RMB926,951,014.47. In case of any change in our total share capital due to any share repurchase, exercise of share incentives, material asset restructuring, cancellation of repurchased share or otherwise prior to the record date for the relevant equity distribution, we would adjust the distribution payable per share accordingly on the principle that the total amount distributable should remain the same.

During the period from the disclosure of such profit distribution proposal to the implementation thereof, our total share capital increased by 1,858,932 shares, from 7,130,392,419 shares at the time of disclosure of the proposal to 7,132,251,351 shares as a result of exercise of stock option incentive plan by the relevant grantees at their sole discretion and conversion of the convertible bonds to shares. On the principle that the total amount distributable should remain the same, our profit distribution proposal for 2022 was adjusted as follows: to distribute to all shareholders a cash dividend of RMB1.299661 (inclusive of tax) per 10 shares on the basis of the total share capital of 7,132,251,351 shares, totaling RMB926,950,892.30 (inclusive of tax).

Special explanation about the cash dividend policy	
Whether to comply with the provisions of the AOA or requirements of resolutions of the general meeting of shareholders of the Company?	Yes
Whether the standard and ratio of cash dividend distribution are clear and definite?	Yes
Whether the relevant decision-making process and mechanism	

are sound?	Yes
Whether the independent directors have performed their duties and exercised their functions?	Yes
If the company has not conducted cash dividends, it should disclose the specific reasons for this decision and outline the measures it plans to take next to enhance investor returns.	N/A
Whether the minority shareholders have sufficient opportunities to express their opinions and requests and their legitimate rights and interests are fully protected?	Yes
Whether the conditions and procedures in respect of any adjustment or amendment of the cash dividend policy comply with the applicable regulations and are transparent?	Yes

Whether the Company has made a profit in the reporting period and the parent has profits available for distribution to the shareholders, but the Company does not propose to distribute cash dividends?

Applicable N/A

Particulars of profit distribution and transfer of capital reserve to the share capital for the reporting period:

Applicable N/A

Number of bonus shares per 10 shares (share)	0
Amount of cash dividends per 10 shares (RMB) (inclusive of tax)	3
Share capital based on which the distribution proposal was made (share)	7,178,011,313
Amount of cash dividends (RMB) (inclusive of tax)	2,153,403,393.90
Amount of cash dividends distributed in other ways (such as share repurchase) (RMB)	0.00
Total amount of cash dividends (including other ways) (RMB)	2,153,403,393.90
Distributable profit (RMB)	8,981,176,754.23
Proportion of total cash dividends (including other ways) to the distributable profit	100%
Particulars of cash dividends distributed for the reporting period	
Others	
Particulars of the proposal of profit distribution or for transfer of capital reserve to share capital	
Our 2023 Profit Distribution Proposal is as follows: to distribute to all shareholders a cash dividend of RMB3 (inclusive of tax) per 10 shares on the basis of the total share capital of 7,178,011,313 shares, totaling RMB2,153,403,393.90 (inclusive of tax), and to carry forward the retained profits for distribution in subsequent years.	
In case of any change in our total share capital due to any share repurchase, exercise of share incentives, material asset restructuring, cancellation of repurchased share or otherwise from the disclosure date of this announcement to the record date for the relevant equity distribution, we would adjust the distribution payable per share accordingly on the principle that the total amount distributable should remain the same.	

XII. Implementation of share incentive plans, employee stock ownership plans and other employee incentives granted by the Company

Applicable N/A

1. Share incentives

(1) 2018 stock option incentive plan

On December 5, 2022, we held the 14th meeting of the fifth Board of Directors and the 14th meeting of the fifth Board of Supervisors, deliberating and approving the Proposal on Achievement of Vesting Conditions for the Third Vesting Period under 2018 Stock Option Incentive Plan. The grantees meeting these vesting conditions may exercise options in the third vesting period at their sole discretion, and the actual exercisable period is from December 13, 2022 to September 22, 2023. For details, please refer to the Suggestive Announcement (Revised) on Exercise at Their Sole Discretion in the Third Vesting Period under 2018 Stock Option Incentive Plan (Announcement No. 2022-110). During the reporting period, the grantees exercised their options to purchase 1,573,156 shares in total within the second vesting period in initial grant under the 2019 Stock Option Incentive Plan.

On June 21, 2023, due to the implementation of the equity distribution for the year 2022, the company adjusted the exercise price of the stock options incentive plan issued in 2018. The exercise price for the unexercised stock options was adjusted from RMB 10.06 per share to RMB 9.93 per share. For further details, please refer to Announcement No. 2023-045 titled Announcement on Adjusting the Exercise Prices of Stock Options Incentive Plans Issued in 2018, 2019, 2021, and 2022, and Cancelling Part of the Stock Options under the 2019 Stock Options Incentive Plan.

On November 27, 2023, the company held the 20th meetings of the Fifth Board of Directors and the Fifth Board of Supervisors. The following resolutions were approved: "Proposal on Adjusting the Exercise Quantity and Cancelling Part of the Stock Option Incentive Plan for 2018" and "Proposal on Achieving the Conditions for the Fifth Exercise Period of the Stock Option Incentive Plan for 2018." Due to reasons such as the departure of incentive recipients and failure to meet assessment criteria, the company adjusted the exercise quantity of the stock option incentive plan for 2018, cancelling 1,314,426 unexercised stock options out of 29,883,882 originally granted. The number of incentive recipients was adjusted from 1,607 to 1,553. For those meeting the exercise conditions, they have the option to independently exercise their rights during the fifth exercise period, with the actual exercise period running from December 6, 2023, to September 24, 2024. For further details, please refer to the announcements with the reference numbers 2023-071 and 2023-077 respectively.

(2) 2019 stock option incentive plan

On July 6, 2022, we held the 9th meeting of the fifth Board of Directors and the 9th meeting of the fifth Board of Supervisors, deliberating and approving the Proposal on Achievement of Vesting Conditions for the Second

Vesting Period of the Initial Grant under 2019 Stock Option Incentive Plan. The grantees meeting these vesting conditions may exercise options in the second vesting period at their sole discretion, and the actual exercisable period is from July 22, 2022 to April 21, 2023. For details, please see the Suggestive Announcement on Exercise at Their Sole Discretion in the Second Vesting Period in Initial Grant under 2019 Stock Option Incentive Plan (Announcement No. 2022-060).

On February 21, 2023, the company convened the 15th meetings of the Fifth Board of Directors and the Fifth Board of Supervisors. The following resolutions were approved Proposal on Adjusting the Reserved Granting and Exercising Quantity of Stock Option Incentive Plan for 2019 and Cancelling Part of the Stock Option Incentive Plan and Proposal on Achieving the Conditions for the Third Exercise Period of the Stock Option Incentive Plan for 2019. Due to reasons such as the departure of incentive recipients and failure to meet assessment criteria, the company adjusted the exercising quantity of the reserved granting of the stock option incentive plan for 2019, cancelling 847,851 unexercised stock options out of 11,992,940 originally granted. The number of incentive recipients was adjusted from 239 to 223. For those meeting the exercise conditions, they have the option to independently exercise their rights during the third exercise period, with the actual exercise period running from March 1, 2023, to November 24, 2023. For further details, please refer to the announcements with the reference numbers 2023-007 and 2023-017 respectively.

On June 21, 2023, the company held the 17th meetings of the Fifth Board of Directors and the Fifth Board of Supervisors. The resolutions approved included the "Proposal on Achieving the Conditions for the Fourth Exercise Period of the Stock Option Incentive Plan for 2019." For those meeting the exercise conditions, they have the option to independently exercise their rights during the fourth exercise period, with the actual exercise period running from July 4, 2023, to April 21, 2024. For further details, please refer to the announcement with the reference number 2023-048.

(3) 2021 stock option incentive plan

On February 21, 2023, the company convened the 15th meeting of the Fifth Board of Directors and the 15th meeting of the Fifth Board of Supervisors. During the meeting, the resolution regarding the achievement of the exercise conditions for the first exercise period of the 2021 Stock Option Incentive Plan was approved. In accordance with this resolution, the incentive recipients who meet the exercise conditions are permitted to exercise their options independently during the first exercise period, with the actual exercise period spanning from March 13, 2023, to December 1, 2023. For further details, please refer to the informational announcement titled Notice on the Adoption of Independent Exercise Mode for the First Exercise Period of the 2021 Stock Option Incentive Plan (Announcement Number 2023-020).

On June 21, 2023, due to the implementation of the 2022 equity distribution, the company adjusted the exercise price of the 2021 stock option incentive plan accordingly. The exercise price of the unexercised stock options under

the plan was revised from RMB 35.76 per share to RMB 35.63 per share. For further details, please refer to the announcement titled Notice of Adjustment of Exercise Prices for the Stock Option Incentive Plans of 2018, 2019, 2021, and 2022, and Partial Cancellation of Stock Options under the 2019 Stock Option Incentive Plan (Announcement Number 2023-045).

On October 20, 2023, the company convened the 19th meetings of the Fifth Board of Directors and the Fifth Board of Supervisors. The meetings approved the Proposal on Achieving the Conditions for the First Exercise Period Reservation of the 2021 Stock Option Incentive Plan. In accordance with this proposal, the eligible incentive recipients can voluntarily exercise their rights during the first exercise period, which is effective from November 3, 2023, to October 18, 2024. For more details, please refer to the Notice Regarding the Use of Voluntary Exercise Mode for the First Exercise Period Reservation of the 2021 Stock Option Incentive Plan (Announcement Number 2023-067).

(4) 2022 stock option incentive plan

With the approval of the 13th meeting of the 5th Board of Directors, the 13th meeting of the 5th Board of Supervisors and the 3rd extraordinary general meeting of shareholders in 2022, we introduced the 2022 stock option incentive plan.

On December 5, 2022, we held the 14th meeting of the fifth Board of Directors and the 14th meeting of the fifth Board of Supervisors, deliberating and approving the Proposal on Granting Stock Options to Grantees under the 2022 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., whereby it was determined that the grant date of stock options would be December 15, 2022 and 172.021 million stock options would be granted to 3,759 eligible grantees. For details, please refer to the Announcement on Granting Stock Options to Grantees under the 2022 Stock Option Incentive Plan (Announcement No. 2022-106).

On January 19, 2023, we completed the registration of grant under our 2022 Stock Option Incentive Plan, and granted 168.513 million registered stock options, representing 2.3671% of our total share capital. There are 3,505 grantees, the abbreviation and code of stock options are JLC5 and 037325, respectively. For details, please refer to the Announcement on Completion of Registration of Grant under the 2022 Stock Option Incentive Plan (Announcement No. 2023-004).

(5) Exercise of options during the reporting period

During the reporting period, the grantees exercised their options at their sole discretion to purchase 45,356,811 shares in total under the relevant stock option incentive plans.

Share incentives granted to directors and executives

Applicable N/A

Unit: shares

Name	Title	Opening balance of stock	No. of shares added during	No. of shares exercisable during	No. of shares exercised during the	Exercise price of shares exercised	Closing balance of stock options	Market price at the end of the	Opening balance of	No. of shares	No. of additional restricted	Grant price of restricted shares	Closing balance of

		options held	on al stock options granted during the reporting period	the reporting period	reporting period	during the reporting period (RMB per share)	held	reportin g period (RMB per share)	restric ted share s held	veste d durin g the repor ting perio d	d shares granted during the reportin g period	(RMB per share)	restric ted share s held
WANG Tao	Director & Deputy General Manager	506,989	0	168,996	168,996	13.48	337,993	33.14	0	0	0	0	0
WANG Tao	Director & Deputy General Manager	865,261	0	432,631	252,631	10.06	432,630	33.14	0	0	0	0	0
WANG Tao	Director & Deputy General Manager		0		180,000	9.93		33.14	0	0	0	0	0
WANG Tao	Director & Deputy General Manager	1,000,000	0			30.22	1,000,000	33.14	0	0	0	0	0
LI Wei	Director & Deputy General Manager	506,989	0	337,993	168,996	13.48	337,993	33.14	0	0	0	0	0
LI Wei	Director & Deputy General Manager	675,985	0	675,985	337,993	10.06	337,992	33.14	0	0	0	0	0
LI Wei	Director & Deputy General Manager	1,000,000	0			30.22	1,000,000	33.14	0	0	0	0	0
HUANG Dawei	Board Secretary & Deputy General Manager	439,390	0	439,390	219,695	10.06	219,695	33.14	0	0	0	0	0
HUANG Dawei	Board Secretary & Deputy	500,000	0			30.22	500,000	33.14	0	0	0	0	0

	General Manager												
WU Tiansong	CFO	263,634	0	131,817	10,000	10.06	131,817	33.14	0	0	0	0	0
WU Tiansong	CFO		0		121,817	9.93		33.14	0	0	0	0	0
WU Tiansong	CFO	320,593	0	135,198	50,198	13.48	220,395	33.14	0	0	0	0	0
WU Tiansong	CFO		0		50,000	13.35		33.14	0	0	0	0	0
WU Tiansong	CFO	400,000	0			30.35	400,000	33.14	0	0	0	0	0
Total	--	6,478,841	0	2,322,010	1,560,326	--	4,918,515	--	0	0	0	--	0
Remark (if any)	N/A												

Performance appraisal and incentives in respect of executives

All of our executives were appointed by the Board of Directors fairly and transparently, in compliance with the applicable laws and regulations. Our executives report to the Board of Directors and are responsible for achieving the operating targets set by the Board of Directors. We have established effective incentive and constraint mechanisms, in order to stimulate the executives to perform their duties diligently, and improve our level of operation and management and operating results. The performance of our executives is directly linked to their income, and assessed by comparing the goals set by us with their actual accomplishment of tasks. The Remuneration and Appraisal Committee of the Board of Directors is responsible for year-end assessment of the achievement of goals, working ability and performance of duties in respect of our directors, supervisors and executives, and developing the remuneration and performance appraisal proposals and submitting the same to the Board of Directors for approval. During the reporting period, our remuneration and performance appraisal policies for the executives have been implemented effectively.

2. Implementation of employee stock ownership plan

Applicable N/A

3. Other employee incentives

Applicable N/A

XIII. Establishment and implementation of internal controls during the reporting period

1. Establishment and implementation of internal controls

We have established a relatively sound internal control system that has run effectively in strict accordance with the Company Law, the Securities Law, the Basic Internal Control Standards for Enterprises, the Application Guide for Internal Controls of Enterprises and other applicable laws, regulations and normative documents, taking into account the characteristics of our industry and our actual business situation. From the perspective of corporate management, technology R&D and business processes, we have established effective internal controls, and improved our corporate governance level and efficiency of decision-making, which guarantees the legal and regulatory compliance of our operation and management, security of our assets and the truthfulness and completeness of our financial reports and other information, and effectively promote the steady implementation of our strategies.

Our internal control system has a reasonable structure, can satisfy the requirements of our management and development, and runs effectively. Our internal controls over financial reporting, non-financial reporting and other material matters are effective, achieve the objectives and protect the interests of the Company and all shareholders.

2. Material weakness in internal control identified during the reporting period

Yes No

XIV. Management and control of subsidiaries during the reporting period

Company	Integration plan	Progress of integration	Problems encountered during integration	Solutions adopted	Progress of solution	Subsequent solution
-	-	-	-	-	-	-

XV. Self-assessment report on internal controls or auditor's report on internal controls

1. Self-assessment report on internal controls

Date of disclose of the self-assessment report on internal controls in its entirety	April 25, 2024
Disclosure reference of the self-assessment report on internal controls in its entirety	Internal Control Certification Report 2023 of Luxshare Precision Industry Co., Ltd. published on www.cninfo.com.cn
Ratio of total assets of the entities covered by the assessment to total assets recorded in the consolidated financial statements of the Company	67.09%
Ratio of total operating revenue of the entities covered by the assessment to total	80.27%

operating revenue recorded in the consolidated financial statements of the Company		
Criteria for determination of deficiencies		
Category	Financial reporting	Non-financial reporting
Qualitative criteria	<p>1. The material weaknesses in internal control over financial reporting include: (A) fraud on the part of directors, supervisors and executives; (B) failure to correct any material weakness in internal control within a reasonable time after the same was identified and reported to the management; (C) ineffective control environment; (D) any material misstatement in the financial report for the current period that is identified by external auditor but fails to be identified through internal control; (E) any serious violation of the laws and regulations; (F) the Company running at a loss for consecutive years due to any reason other than policy-related loss, which might threaten the Company's ability to continue as a going concern; and (G) ineffective supervision by the management and related functional departments over the internal control. 2. The significant deficiencies in internal control over financial reporting include: (A) failure to select and apply accounting policies pursuant to the generally accepted accounting principles; (B) failure to establish anti-fraud procedures and controls; (C) absence of or ineffective control system for important business; (D) lack of internal controls in and disorderly management of subsidiaries; and (E) great outflow of or frequent changes in senior officers (especially those in charge of internal control, financial and human resources departments), or great outflow of personnel on the relevant posts. 3. General deficiencies in internal control over financial reporting include deficiencies in control other than material weakness and significant deficiency.</p>	<p>1. The material weaknesses in internal control over non-financial reporting include: (A) any serious violation of the significant national laws and regulations; (B) great outflow of management and technical personnel on key posts; (C) absence of or ineffective control system for important business relating to the production and operation of the Company; (D) ineffective internal control over information disclosure, resulting in any public condemnation of the Company by any regulatory authority; and (E) failure to correct any problem, in particular, any material weakness or significant deficiency, identified in any assessment of internal controls. 2. The significant deficiencies in internal control over non-financial reporting include: (A) defects in important business policies or system, or unsound internal control system; and (B) failure to review any information disclosed externally and untruthfulness of any information disclosed. 3. General deficiencies in internal control over financial reporting include deficiencies in control other than material weakness and significant deficiency.</p>
Quantitative criteria	<p>1. Material weakness: (1) amount of misstated operating revenue $\geq 0.5\%$ of total operating revenue; (2) amount of misstated profit $\geq 5\%$ of total profit; (3) amount of misstated assets $\geq 0.5\%$ of total assets; (4) amount of misstated owners' equity $\geq 0.5\%$ of total owners' equity. 2. Significant deficiency: (1) 0.2% of total operating revenue \leq amount of misstated operating revenue $< 0.5\%$ of total operating revenue; (2) 2% of total profit \leq amount of misstated profit $< 5\%$ of total profit; (3) 0.2% of total assets \leq amount of misstated assets $< 0.5\%$ of total assets; (4) 0.2% of total owners' equity \leq amount of misstated owners' equity $< 0.5\%$ of total owners' equity. 3. General deficiency: (1) amount of misstated operating revenue $< 0.2\%$ of total operating revenue; (2) amount of misstated profit $< 2\%$ of total profit; (3) amount of misstated assets $< 0.2\%$ of total assets; (4) amount of misstated owners' equity $< 0.2\%$ of total owners' equity.</p>	<p>1. Material weakness: resulting in a direct loss of more than RMB12 million and having a material adverse effect on the Company. 2. Significant deficiency: resulting in a direct loss of more than RMB3 million and not more than RMB12 million, and any penalty imposed by any competent government authority of the country, but not having an adverse effect on the Company. 3. General deficiency: resulting in a direct loss of not more than RMB3 million, and any penalty imposed by any competent government authority at the provincial level or below, but not having an adverse effect on the Company.</p>
Number of material weaknesses in financial reporting	0	
Number of material weaknesses in non-	0	

financial reporting	
Number of significant deficiencies in financial reporting	0
Number of significant deficiencies in non-financial reporting	0

2. Auditor's report on internal controls

Applicable N/A

Opinion issued in the internal control audit report	
Pursuant to the Basic Internal Control Standards for Enterprises promulgated by the Ministry of Finance and other relevant provisions, the Company has maintained effective internal controls in all material respects as of December 31, 2023.	
Disclosure of the internal control audit report	Disclosed
Date of disclose of the audit report on internal controls in its entirety	April 25, 2024
Disclosure reference of the audit report on internal controls in its entirety	Internal Control Audit Report 2023 of Luxshare Precision Industry Co., Ltd. published on www.cninfo.com.cn
Type of opinion issued in the internal control audit report	Standard unqualified opinion
Whether there's any material weakness in non-financial reporting	No

Whether the accounting firm issued a modified internal control certification report?

Yes No

Whether the internal control audit report issued by the accounting firm conforms to the opinion issued by the self-assessment report of the Board of Directors?

Yes No

XVI. Rectification of non-compliance identified in the special self-examination of corporate governance of the listed company

Our self-examination showed that we operated in compliance with the applicable regulations and was governed well during the reporting period, and did not identify any material non-compliance in our corporate governance. We will continue to improve our level of corporate governance and further promote our high-quality development.

Section V Environment and Social Responsibilities

I. Major environmental issues

Whether the Company or any of its subsidiaries is identified as a major polluter by the environmental protection authority

Yes No

Policies and industry standards related to environmental protection

I. Luxcase Precision Technology (Yancheng) Co., Ltd.

1. Emission standards of air pollutants

The sulfuric acid mist, nitric acid mist (measured in NOX) and unit product benchmark exhaust volume generated by our anodic oxidation line comply with the standards provided in Tables 5 and 6 of Discharge Standard of Electroplating Pollutants (GB21900-2008); Section 3.9 of the Technical Specification for Application and Issuance of Pollutant Discharge Permit - Electronics Industry (HJ1031-2019) provides that this standard uses non-methane hydrocarbons as a comprehensive control indicator for VOC emissions; after the release and implementation of the Discharge Standard of Pollutants for Electronic Industry, such Standard shall apply. In this project, the particulate matter generated from machining, sulfuric acid mist from aluminum solution concentration, non-methane hydrocarbon from dispensing, gluing and printing and nitric acid mist from cleaning process (measured in NOX) comply with Level 2 provided in the Integrated Emission Standard of Air Pollutants (DB32/4041-2021); the concentration limit for unorganized waste gas monitoring points comply with the standards provided in Table 2 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021); the SO₂ and NOX generated by the combustion of natural gas boilers comply with the special emission limits for air pollutants provided in the Table 3 of the Emission Standards of Boiler Air Pollutants (DB32-4385-2022).

2. Discharge standards of water pollutants

The comprehensive wastewater generated by the said company is discharged to Yancheng Tongqi Water Co., Ltd., and the takeover standard is implemented according to the management agreement. The heavy metal wastewater reuse index in the anodizing surface treatment process complies with the Discharge Standard of Electroplating Pollutants (GB21900-2008).

3. Emission standards of noise pollution

During the operation of its plant, it complies with Table 3 of the Standards on Noise Emissions at the Boundaries of Industrial Enterprises (GB12348-2008).

4. Discharge standards of solid wastes

The solid wastes of the said company mainly consist of general solid wastes and hazardous wastes. For storage of general solid wastes, it refers to the environmental protection requirements on anti-seepage, anti-rain, and anti-dust of the General Industrial Solid Waste Storage and Landfill Pollution Control Standards (GB 18599-2020). For

collection, storage and transportation of hazardous wastes, it complies with the requirements of the Technical Specifications for the Collection, Storage and Transportation of Hazardous Wastes (HJ2025-2012), the Pollution Control Standards for the Storage of Hazardous Wastes (GB 18597-2001) and the Amendment (Announcement No. 36 of 2013 of the Ministry of Environmental Protection).

II. Ri Ming Computer Accessory (Shanghai) Co., Ltd.

1. Emission standards of air pollutants

The oil mist generated by the CNC machines, particulate matter generated from machining, and non-methane hydrocarbon from dispensing and coating processes comply with the corresponding standards provided in Table 3 of Integrated Emission Standard of Air Pollutants (DB31_933-2015); the odor generated in the wastewater biochemical process complies with the corresponding standards in provided in Table 3 of Emission Standard of Odor Pollutants (DB311025-2016); the concentration limits at unorganized exhaust monitoring points in the plant comply with the corresponding standards provided in Appendix A of Control Standard for Unorganized Emissions of Volatile Organic Compounds (GB37822-2019); the non-methane hydrocarbons and particulate matter concentrations at unorganized exhaust monitoring points at the plant boundary comply with the special emission limits for air pollutants provided in Table 3 of Integrated Emission Standard of Air Pollutants (DB31_933-2015); the odor complies with the corresponding standards provided in Table 3 of Emission Standard of Odor Pollutants (DB311025-2016).

2. Discharge standards of water pollutants

The production wastewater of the said company is discharged to Jinshan Sea Outfall Engineering Co., Ltd., and the discharge of the sewage treatment plant complies with Level 3 provided in Table 2 of the Integrated Standard of Wastewater Discharge (DB31-199-2018).

3. Emission standards of noise pollution

During the operation of its plant, it complies with Table 3 of the Standards on Noise Emissions at the Boundaries of Industrial Enterprises (GB12348-2008).

4. Discharge standards of solid wastes

The solid wastes of the said company mainly consist of general solid wastes and hazardous wastes. For storage of general solid wastes, it refers to the environmental protection requirements on anti-seepage, anti-rain, and anti-dust of the General Industrial Solid Waste Storage and Landfill Pollution Control Standards (GB18599-2020). For collection, storage and transportation of hazardous wastes, it complies with the requirements of the Technical Specifications for the Collection, Storage and Transportation of Hazardous Wastes (HJ2025-2012), the Pollution Control Standards for the Storage of Hazardous Wastes (GB 18597-2001) and the Amendment (Announcement No. 36 of 2013 of the Ministry of Environmental Protection).

III. Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.

1. Emission standards of air pollutants

The emission concentrations of nitrogen oxides and sulfuric acid mist produced by our anode line comply with the emission limits of air pollutants for new enterprises provided in Table 5 of the Discharge Standard of Electroplating Pollutants (GB21900-2008), and the benchmark exhaust of the project complies with Table 6. The emission concentrations of non-methane hydrocarbons from injection molding process complies with the special emission limits provided in Table 5 of the Emission Standard of Pollutants from Synthetic Resin Industry (GB31572-2015), and the particulate matter, non-methane hydrocarbons, xylene, benzene series, chromium and its compounds, nickel and its compounds from other processes comply with the emission limits of atmospheric pollutants from organized emissions provided in Table 1 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). The emission concentrations of particulate matter, sulfuric acid mist, nitrogen oxides, non-methane hydrocarbons, xylene, benzene series and its compounds, chromium and its compounds, and nickel and its compounds from unorganized emissions comply with the concentration limits of air pollutant emission monitoring at the boundaries of enterprises provided in Table 3 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). The concentrations of unorganized emission of ammonia, hydrogen sulfide and odor comply with Level 2 standards on new renovation and expansion provided in Table 1 of, and the organized emission concentrations thereof comply with Table 2 of the Emission Standard of Odorous Pollutants (GB14554-93). The concentrations of unorganized emission of non-methane hydrocarbons in the plant comply with Table 2 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). Alkali mist and phosphoric acid mist refer to the standards provided in Table 1 of Integrated Emission Standard of Air Pollutants (DB31/933-2015). In accordance with the Notice of the Nantong Municipal Government Office on Issuing the 2020 Air Pollution Prevention and Control Work Plan (Tong Zheng Ban Fa [2020] No. 34), the low-nitrogen transformation task of gas-fired boilers has been fully completed, with the emission concentrations of nitrogen oxides not exceeding 50 milligrams per cubic meter. The concentrations of SO₂ and particulate matter emitted from the exhaust gas of natural gas combustion in gas-fired boilers comply with the atmospheric pollutant emission concentration limits provided in Table 3 of the Emission Standard of Boiler Air Pollutants (GB13271-2014).

2. Discharge standards of water pollutants

After the nickel-containing wastewater and chromium-containing wastewater in this project are treated by the wastewater pretreatment equipment in the plant, the total chromium and total nickel in wastewater pretreatment plant outlet comply with the standard limits provided in Table 3 of the Discharge Standard of Electroplating Pollutants (GB21900-2008); Rugao Fugang Water Treatment Co., Ltd. as the sewage treatment plant in the park complies with Level 3 provided in Table 4 of Integrated Standards of Wastewater Discharge (GB8979-1996) for water quality management. The ammonia nitrogen, total nitrogen, and total phosphorus comply with the management requirements of Rugao Fugang Water Treatment Co., Ltd., and the total aluminum complies with the standards provided in Table 3 of the Discharge Standard of Electroplating Pollutants (GB21900-2008); the benchmark drainage of unit products complies with the requirements in Table 2 of the Discharge Standard of

Electroplating Pollutants. The tail water from the sewage treatment plant in the park is discharged into the central river after reaching the Level 1A standards provided in the Pollutant Discharge Standards for Municipal Wastewater Treatment Plants (GB18918-2002). The pollutants in the recycled water in the plant are managed in accordance with standard values of “open circulating cooling water system makeup water and washing water” provided in Table 1 of the Water Quality for Urban Sewage Recycling and Industrial Use (GB/T19923-2005).

3. Emission standards for noise pollution

It complies with Class 3 provided in the Standards on Noise Emissions at the Boundaries of Industrial Enterprises (GB12348-2008) during the operation of our plant, and the Class 2 provided in the Noise Emissions at the Boundaries of Industrial Enterprises (GB12348-2008) during the day and night in Dongwei Village.

4. Discharge standards of solid wastes

The solid wastes of the said company mainly consist of general solid wastes and hazardous wastes. The storage of general solid wastes in the plant are strictly set up and managed in accordance with the requirements of the General Industrial Solid Waste Storage and Landfill Pollution Control Standards (GB 18599-2020) and its Amendment. The hazardous waste in the plant is strictly managed in accordance with the Pollution Control Standards for the Storage of Hazardous Wastes (GB18597-2001) and its Amendment, the Technical Specifications for the Collection, Storage and Transportation of Hazardous Wastes (HJ2025-2012) and other documents.

IV. Ri Shan Computer Accessory (Jiashan) Co., Ltd.

1. Emission standards of air pollutants

The sulfuric acid mist, nitric acid mist (measured in NOX) and unit product benchmark exhaust volume generated by our anodic oxidation line comply with the standards provided in Tables 5 and 6 of Discharge Standard of Electroplating Pollutants (GB21900-2008); Particulate matter generated from machining, and the non-methane hydrocarbons from dispensing and baking comply with the Level 2 provided in the Integrated Emission Standard of Air Pollutants (GB16297-1996); the particulate matter generated from sandblasting processes, and non-methane hydrocarbons from injection molding processes comply with the standard limits provided in Table 5 of the Emission Standard of Pollutants from Synthetic Resin Industry (GB31572-2015); the non-methane hydrocarbons in unorganized exhaust gas at the plant boundary complies with the Emission Standard of Pollutants from Synthetic Resin Industry (GB 31572-2015) and the Control Standards on Unorganized Emissions of Volatile Organic Compounds (GB37822-2019). Nitrogen oxides, particulate matter, and sulfuric acid mist comply with the Integrated Emission Standard of Air Pollutants (GB16297-1996); and the odor concentrations comply with the Emission Standard of Odorous Pollutants (GB 14554-93).

2. Discharge standards of water pollutants

The comprehensive wastewater of the said company is collected and managed by Jiashan County Dadi Wastewater Treatment Engineering Co., Ltd., and the discharge of such sewage treatment plant comply with Pollutants Discharge Standards for Electronic Industry (GB 39731-2020). The heavy metal wastewater reuse index

in the anodizing surface treatment process complies with the Discharge Standard of Electroplating Pollutants (DB33/2260-2020).

3. Emission standards of noise pollution

We comply with Class 3 provided in the Standards on Noise Emissions at the Boundaries of Industrial Enterprises (GB12348-2008) at the east and south boundaries of the plant, and the Class 4 provided in the Noise Emissions at the Boundaries of Industrial Enterprises (GB12348-2008) at the west and north boundaries of the plant.

4. Discharge standards of solid wastes

The solid wastes of the said company mainly consist of general solid wastes and hazardous wastes. For storage of general solid wastes, it refers to the environmental protection requirements on anti-seepage, anti-rain, and anti-dust of the General Industrial Solid Waste Storage and Landfill Pollution Control Standards (GB18599-2020). For collection, storage and transportation of hazardous wastes, it complies with the requirements of the Technical Specifications for the Collection, Storage and Transportation of Hazardous Wastes (HJ2025-2012), the Pollution Control Standards for the Storage of Hazardous Wastes (GB 18597-2023).

Environmental protection administrative permits

I. Luxcase Precision Technology (Yancheng) Co., Ltd.

Environmental Impact Assessment Report (Table):

1. Computer component production project (phase I);
2. Computer component production project (phase II);
3. 3C precision mechanical parts production expansion project.
4. Precision component manufacturing project in Zone A;
5. Precision component manufacturing projects in Zones F, G, and H;
6. Precision component manufacturing project in Zone I.

Approval and reply of environmental assessment:

1. Ting Huan Biao Fu [2017] No. 123;
2. Ting Huan Ping Shu [2019] No. 2;
3. Yan Huan Shen [2021] No. 02003;
4. Yan Huan Shen [2022] No. 02003;
5. Yan Huan Shen [2022] No. 02001;
6. Yan Huan Shen [2021] No. 02001.

Acceptance report:

1. Acceptance report of computer component production project (phase I);
2. Acceptance report of computer component production project (phase II);
3. Acceptance report of 3C precision mechanical parts production expansion project.

4. Acceptance report for precision component manufacturing project in Zone A;
 5. Acceptance report for precision component manufacturing project in Zone F;
 6. Acceptance report for precision component manufacturing project in Zone G;
 7. Acceptance report for precision component manufacturing project in Zone H;
 8. Acceptance report for precision component manufacturing project in Zone I. Pollution Permit No.:
- Pollution Permit No.: 91320900MA1R8A0N2B001V Valid period: From April 25, 2023, to April 24, 2028.

II. Ri Ming Computer Accessory (Shanghai) Co., Ltd.

Environmental impact assessment table:

1. Precision electronic component adjustment project (Phase I);
2. Precision electronic component adjustment project (Phase II);
3. Precision electronic component project (Phase III);
4. Precision electronic component technical renovation project;
5. Environmental impact assessment report of Ri Ming watch project.

Approval and reply of environmental assessment:

1. Jin Huan Xu [2014] No. 479;
2. Jin Huan Xu [2015] No. 323;
3. Jin Huan Xu [2018] No. 170;
4. Jin Huan Xu [2019] No. 254;
5. Jin Huan Xu [2020] No. 27;

Acceptance report:

1. Completion acceptance report of precision electronic component adjustment project (phase I);
2. Completion acceptance report of precision electronic component adjustment project (phase II);
3. Completion acceptance report of precision electronic component project (phase III);
4. Completion acceptance report of precision electronic component technical renovation project;
5. Completion acceptance report of Ri Ming watch project.

Pollution Permit No.:

Pollution Permit No.:91310000572654085A001V, Valid period: from January 30, 2022 to January 29, 2027

III. Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.

Approval and reply of environmental assessment:

Smart terminal precision module project: Jiang Zheng Huan Shu Fu [2022] No. 2.

Pollution discharge permit: October 24, 2023, to October 23, 2028.

IV. Ri Shan Computer Accessory (Jiashan) Co., Ltd.

Environmental Impact Assessment Report (Table):

1. Production project for new 75 million pieces of precision electronic components (Phase I);
2. Production project for new 75 million pieces of precision electronic components (Phase II);
3. 3C product display screen project for new 25 million pieces/set;
4. 3C product display screen project for expanded 47 million pieces/set;
5. Technical renovation project for the original scale (annual production of 25 million units/sets of 3C product displays).

Approval and reply of environmental assessment:

1. Shan Huan Han [2016] No. 91;
2. Shan Huan Han [2018] No. 91;
3. Deng Ji Biao Bei [2020] No. 088;
4. Deng Ji Biao Bei [2022] No. 007;
5. Jia Huan (Shan) Jian Bei [2024] No. 11.

Acceptance report:

1. Acceptance report of production project for new 75 million pieces of precision electronic components (phase I);
2. Acceptance report of production project for the stage 1 of new 75 million pieces of precision electronic components (phase II);
3. Acceptance report of production project for the stage 2 of new 75 million pieces of precision electronic components (phase II);
4. Acceptance report of 3C product display screen project for new 25 million pieces/set;
5. 3C product display screen project for expanded 47 million pieces/set;

Pollution Permit No.:

Pollution Permit No.: 91330421336400470U001Z Valid period: From March 14, 2023 to March 13, 2028.

V. Luxcase Precision Technology (Kunshan) Co., Ltd.

Pollution Discharge Permit:

Pollution Discharge Permit Number (91330583MAC1YPEC08001X) is valid from July 7, 2023, to July 6, 2028.

Industry standards and discharge of pollutants involved in production and business activities

Name of the Company or its subsidiaries	Category of main pollutants and characteristic pollutants	Name of main pollutants and characteristic pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Emission concentration/intensity	Pollutant discharge standards implemented	Total emissions	Total approved emissions	Excessive emissions
Luxcase	Air	Nitrogen	Treatme	11	Area B,	19	The	6.27005	12.9750	/

Precision Technology (Yancheng) Co., Ltd.	pollutants	oxide	nt standards, high-altitude emissions		C, A, G, F AND I	Mg/standard cubic meter	emission standards for electroplating pollutants are specified in GB 21900-2008, while the emission standards for atmospheric pollutants from boilers are outlined in DB32-4385-2022.	8 tons	37 tons	
Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	Sulfur dioxide	Treatment standards, high-altitude emissions	11	Area B, C, A, G, F AND I	2.05 Mg/standard cubic meter	Atmospheric Pollutant Comprehensive Emission Standard (DB32/4041-2021) and Boiler Atmospheric Pollutant Emission Standard (DB32-4385-2022)	0.298583 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	Total non-methane hydrocarbons	Treatment standards, high-altitude emissions	69	AREA B, C, A, G, F, H AND I	0.67 Mg/standard cubic meter	Atmospheric Pollutant Comprehensive Emission Standard (DB32/4	28.31691 tons	/	/

							041-2021)			
Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	Particulate matter	Treatment standards, high-altitude emissions	68	Area B, E, C, A, G, F, H and I	1.85 Mg/standard cubic meter	Atmospheric Pollutant Comprehensive Emission Standard (DB32/4041-2021) and Boiler Atmospheric Pollutant Emission Standard (DB32-4385-2022)	18.14775346 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	Sulfuric acid fog	Treatment standards, high-altitude emissions	38	Area B, C, A, G, F, H and I	0.60Mg/standard cubic meter	Atmospheric Pollutant Comprehensive Emission Standard (DB32/4041-2021)	2.79799 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	Nitric acid fog	Treatment standards, high-altitude emissions	34	Area B, C, A, G, F, H and I	4.93 Mg/standard cubic meter	Atmospheric Pollutant Comprehensive Emission Standard (DB32/4041-2021)	34.328035 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Suspended matter	Controlled emission	1	Sewage station main outlet	20.5 mg/l	Sewage Comprehensive Emission Standard GB8978-1996	64.181445 tons	/	/
Luxcase Precision	Water pollutant	Ammonia	Controlled	1	Sewage station	2.44 mg/l	/	11.609786 tons	151.3535 tons	/

n Technol ogy (Yanche ng) Co., Ltd.	s	nitrogen	emission		main outlet					
Luxcase Precision Technol ogy (Yanche ng) Co., Ltd.	Water pollutant s	Petroleu m	Controll ed emission	1	Sewage station main outlet	0.47 mg/l	Sewage Compre hensive Emissio n Standard GB8978 -1996	1.31637 8 tons	/	/
Luxcase Precision Technol ogy (Yanche ng) Co., Ltd.	Water pollutant s	Anionic surfactan t	Controll ed emission	1	Sewage station main outlet	0.02 mg/l	Sewage Compre hensive Emissio n Standard GB8978 -1996	0.04973 8 tons	/	/
Luxcase Precision Technol ogy (Yanche ng) Co., Ltd.	Water pollutant s	Fluoride	Controll ed emission	1	Sewage station main outlet	1.02 mg/l	Sewage Compre hensive Emissio n Standard GB8978 -1996	3.97405 4 tons	/	/
Luxcase Precision Technol ogy (Yanche ng) Co., Ltd.	Water pollutant s	PH value	Controll ed emission	1	Sewage station main outlet	7.55	Sewage Compre hensive Emissio n Standard GB8978 -1996	/	/	/
Luxcase Precision Technol ogy (Yanche ng) Co., Ltd.	Water pollutant s	Chemica l oxygen demand	Controll ed emission	1	Sewage station main outlet	25.67 mg/l	Sewage Compre hensive Emissio n Standard GB8978 -1996	98.1984 01 tons	1618.58 4 tons	/
Luxcase Precision Technol ogy (Yanche ng) Co., Ltd.	Water pollutant s	Total phospho rus	Controll ed emission	1	Sewage station main outlet	0.29 mg/l	/	1.06482 4 tons	39.7705 50 tons	/
Luxcase	Water	Total	Controll	1	Sewage	21.53	/	76.3771	290.202	/

Precision Technology (Yancheng) Co., Ltd.	pollutants	nitrogen	ed emission		station main outlet	mg/l		22 tons	5 tons	
Luxcase Precision Technology (Yancheng) Co., Ltd.	Heavy metal wastewater recycled	Total nickel	Recycled and not discharged	4	Not discharged	0	Electroplating Pollutant Emission Standard GB 21900-2008	0	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Heavy metal wastewater recycled	Total copper	Recycled and not discharged	4	Not discharged	0	Electroplating Pollutant Emission Standard GB 21900-2008	0	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Heavy metal wastewater recycled	Total chromium	Recycled and not discharged	4	Not discharged	0	Electroplating Pollutant Emission Standard GB 21900-2008	0	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Heavy metal wastewater recycled	Hexavalent chromium	Recycled and not discharged	4	Not discharged	0	Electroplating Pollutant Emission Standard GB 21900-2008	0	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Oil mist	Treatment standards, high-altitude emissions	63	Building roof	0.2	Atmospheric Pollutant Comprehensive Emission Standard (DB31_933-2015)	0.213	/	/
Ri Ming Computer	Air pollutant	Particulate	Treatment	6	Building	2.7	Atmospheric	0.845	/	/

Computer Accessory (Shanghai) Co., Ltd.		Water pollutant	standard		roof		Pollutant Comprehensive Emission Standard (DB31_933-2015)			
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	VOC	Treatment standards, high-altitude emissions	3	Building roof	3.7	Atmospheric Pollutant Comprehensive Emission Standard (DB31_933-2015)	0.037	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Lampblack	Treatment standards, high-altitude emissions	1	Building roof	0.6	Atmospheric Pollutant Comprehensive Emission Standard (DB31_933-2015)	0.004	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	PH value	Controlled emission	1	Sewage station main outlet	7.4	Sewage Comprehensive Emission Standard (DB31-199-2018)	/	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Suspended matter	Controlled emission	1	Sewage station main outlet	15	Sewage Comprehensive Emission Standard (DB31-199-2018)	5.895	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Petroleum	Controlled emission	1	Sewage station main outlet	0.54	Sewage Comprehensive Emission Standard (DB31-	0.124	/	/

Ltd.							199-2018)			
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	COD	Controlled emission	1	Sewage station main outlet	49	Sewage Comprehensive Emission Standard (DB31-199-2018)	18.69	33.842	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Ammonia nitrogen	Controlled emission	1	Sewage station main outlet	2.13	Sewage Comprehensive Emission Standard (DB31-199-2018)	0.233	1.0527	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Anionic surfactant	Controlled emission	1	Sewage station main outlet	0.07	Sewage Comprehensive Emission Standard (DB31-199-2018)	0.009	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Total phosphorus	Controlled emission	1	Sewage station main outlet	0.42	Sewage Comprehensive Emission Standard (DB31-199-2018)	0.14	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Total nitrogen	Controlled emission	1	Sewage station main outlet	3.1	Sewage Comprehensive Emission Standard (DB31-199-2018)	1.358	5.25	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	BOD5	Controlled emission	1	Sewage station main outlet	31.6	Sewage Comprehensive Emission Standard (DB31-199-	5.772	/	/

							2018)			
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Air pollutants	NOx (anode)	Treatment standards, high-altitude emissions	2	A2/A14	0	Electroplating Pollutant Emission Standard (GB21900-2008)	0	11.987	/
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Air pollutants	NOx (Boiler)	Treatment standards, high-altitude emissions	3	A2/A14/Waste treatment station	26	(Tong Zheng Ban) {2020} No. 34 号	1.838	11.987	/
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Air pollutants	Particulate matter (boiler)	Treatment standards, high-altitude emissions	3	A2/A14/Waste treatment station	1.9	Boiler Atmospheric Pollutant Emission Standard (GB13271-2014) Table 3	0.147	8.698	/
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Air pollutants	SO2(Boiler)	Treatment standards, high-altitude emissions	1	A2/A14/Waste treatment station	0	Boiler Atmospheric Pollutant Emission Standard (GB13271-2014) Table 3	0	4.854	/
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Air pollutants	Particulate matter	Treatment standards, high-altitude emissions	22	A2/A3/A14/A15/A16/A17/Waste treatment station and hazardous waste bin	2.1	Atmospheric Pollutant Comprehensive Emission Standard (GB31572-2015)	4.78	8.698	/
Rida Intelligent Manufacturing Technology	Air pollutants	Total non-methane hydrocarbons	Treatment standards, high-altitude emissions	18	A1/A2/A3/A14/A16/A17/Waste treatment station	1.11	Atmospheric Pollutant Comprehensive Emission	5.58	8.948	/

ogy (Rugao) Co., Ltd.			s		and hazardou s waste bin		n Standard (GB315 72-2015)			
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Air pollutant s	Ammoni a	Treatme nt standard s, high- altitude emission s	2	Waste treatmen t station/ hazardou s waste bin	0.27	Odor Pollutant Emissio n Standard (GB145 54-93)	0.25	0.388	/
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Air pollutant s	Caustic fog	Treatme nt standard s, high- altitude emission s	1	Waste treatmen t station	0.6	Atmosp heric Pollutant Emissio n Standard (DB31/9 33-2015)	0.067	0.099	/
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Air pollutant s	Sulfuric acid fog	Treatme nt standard s, high- altitude emission s	4	A2/A14/ Waste treatmen t station/ hazardou s waste bin	0.25	Electropl ating Pollutant Emissio n Standard (GB219 00-2008)	0.331	0.508	/
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Air pollutant s	Nickel and its compou nds	Treatme nt standard s, high- altitude emission s	2	A2/A14	0.006	Air pollutant s Emissio n Standard (GB315 72-2015)	0.002	0.00463	/
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Air pollutant s	Benzene series	Treatme nt standard s, high- altitude emission s	2	A1	0.068	Atmosp heric Pollutant Compre hensive Emissio n Standard (GB315 72-2015)	0.003	0.034	/
Rida Intellige nt Manufac ture Technol ogy	Air pollutant s	Phospho ric acid fog	Treatme nt standard s, high- altitude emission	2	A2/A14	0	Atmosp heric Pollutant Compre hensive Emissio	0	/	/

ogy (Rugao) Co., Ltd.			s				n Standard (DB31/9 33-2015)			
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Water pollutant s	PH	Controll ed emission	1	Sewage station main outlet	7.1	Electropl ating Pollutant Emissio n Standard (GB219 00-2008) Table 3 Standard , Sewage Compre hensive Emissio n Standard GB8978 -1996 Table 4 Level Three Standard , Require ments for Takeove r by Fugang Water Treatme nt Co., Ltd., Electropl ating Pollutant Emissio n Standard GB2190 0-2008 Table 3 Standard	/	/	/
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Water pollutant s	Suspend ed matter	Controll ed emission	1	Sewage station main outlet	16	Electropl ating Pollutant Emissio n Standard (GB219 00-2008) Table 3 Standard	4.659	19.791	/

							, Sewage Compre hensive Emissio n Standard GB8978 -1996 Table 4 Level Three Standard , Require ments for Takeove r by Fugang Water Treatme nt Co., Ltd., Electropl ating Pollutant Emissio n Standard GB2190 0-2008 Table 3 Standard			
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Water pollutant s	Chemica l oxygen demand	Controll ed emission	1	Sewage station main outlet	47	Electropl ating Pollutant Emissio n Standard (GB219 00-2008) Table 3 Standard , Sewage Compre hensive Emissio n Standard GB8978 -1996 Table 4 Level Three Standard , Require	7.598	98.956	/

							ments for Takeove r by Fugang Water Treatme nt Co., Ltd., Electropl ating Pollutant Emissio n Standard GB2190 0-2008 Table 3 Standard			
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Water pollutant s	Ammoni a nitrogen	Controll ed emission	1	Sewage station main outlet	0.503	Electropl ating Pollutant Emissio n Standard (GB219 00-2008) Table 3 Standard , Sewage Compre hensive Emissio n Standard GB8978 -1996 Table 4 Level Three Standard , Require ments for Takeove r by Fugang Water Treatme nt Co., Ltd., Electropl ating Pollutant Emissio n	0.790	9.896	/

							Standard GB21900-2008 Table 3 Standard			
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Water pollutants	Total phosphorus	Controlled emission	1	Sewage station main outlet	0.53	Electroplating Pollutant Emission Standard (GB21900-2008) Table 3 Standard, Sewage Comprehensive Emission Standard GB8978-1996 Table 4 Level Three Standard, Requirements for Takeover by Fugang Water Treatment Co., Ltd., Electroplating Pollutant Emission Standard GB21900-2008 Table 3 Standard	0.156	0.990	/
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Water pollutants	Total nitrogen	Controlled emission	1	Sewage station main outlet	27.6	Electroplating Pollutant Emission Standard (GB21900-2008) Table 3	7.573	29.687	/

							Standard , Sewage Compre hensive Emissio n Standard GB8978 -1996 Table 4 Level Three Standard , Require ments for Takeove r by Fugang Water Treatme nt Co., Ltd., Electropl ating Pollutant Emissio n Standard GB2190 0-2008 Table 3 Standard			
Rida Intellige nt Manufac ture Technol ogy (Rugao) Co., Ltd.	Water pollutant s	Biochem ical oxygen demand	Controll ed emission	1	Sewage station main outlet	15	Electropl ating Pollutant Emissio n Standard (GB219 00-2008) Table 3 Standard , Sewage Compre hensive Emissio n Standard GB8978 -1996 Table 4 Level Three Standard ,	1.961	19.791	/

							Requirements for Takeover by Fugang Water Treatment Co., Ltd., Electroplating Pollutant Emission Standard GB21900-2008 Table 3 Standard			
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Water pollutants	Total aluminum	Controlled emission	1	Sewage station main outlet	1.25	Electroplating Pollutant Emission Standard (GB21900-2008) Table 3 Standard, Sewage Comprehensive Emission Standard GB8978-1996 Table 4 Level Three Standard, Requirements for Takeover by Fugang Water Treatment Co., Ltd., Electroplating Pollutant Emission	0.161	0.297	/

							n Standard GB2190 0-2008 Table 3 Standard			
Ri Shan Compute r Accesso ry (Jiashan) Co., Ltd.	Air pollutan ts	Sulfuric acid fog	Treatme nt standar ds, high- altitude emission s	8	Building roof	1.09	Atmosp heric Pollutan t Compre hensive Emission Standard (DB32/4 041- 2021)	2.1764	/	/
Ri Shan Compute r Accesso ry (Jiashan) Co., Ltd.	Air pollutan ts	NOx	Treatme nt standar ds, high- altitude emission s	8	Building roof	0.164	Electropl ating Pollutan t Emission Standard (GB219 00-2008)	0.8186	0.903	/
Ri Shan Compute r Accesso ry (Jiashan) Co., Ltd.	Air pollutan ts	Particula te matter	Treatme nt standar ds, high- altitude emission s	9	Building roof	12.8	Atmosp heric Pollutan t Compre hensive Emission Standard (DB32/4 041- 2021) Syntheti c Resin Industry Pollutan t Emission Standard (GB 31572- 2015)	5.00661	10.595	/
Ri Shan Compute r Accesso ry (Jiashan) Co., Ltd.	Air pollutan ts	VOCs	Treatme nt standar ds, high- altitude emission s	21	Building roof	2.54	Atmosp heric Pollutan t Compre hensive Emission Standard (DB32/4 041-	3.28968	14.5972	/

							2021) Syntheti c Resin Industry Pollutant Emissio n Standard (GB 31572- 2015)			
Ri Shan Compute r Accesso ry (Jiashan) Co., Ltd.	Water pollutant s	Ammoni a nitrogen	Controll ed emission	1	Sewage station main outlet	0.506	Electroni c Industry Water Pollutant Emissio n Standard (GB 39731- 2020)	2.896	49.04	/
Ri Shan Compute r Accesso ry (Jiashan) Co., Ltd.	Water pollutant s	Total phospho rus	Controll ed emission	1	Sewage station main outlet	0.105	Electroni c Industry Water Pollutant Emissio n Standard (GB 39731- 2020)	0.89	/	/
Ri Shan Compute r Accesso ry (Jiashan) Co., Ltd.	Water pollutant s	Total nitrogen	Controll ed emission	1	Sewage station main outlet	35.567	Electroni c Industry Water Pollutant Emissio n Standard (GB 39731- 2020)	34.421	/	/
Ri Shan Compute r Accesso ry (Jiashan) Co., Ltd.	Water pollutant s	Anionic surfactan t	Controll ed emission	1	Sewage station main outlet	0.4988	Electroni c Industry Water Pollutant Emissio n Standard (GB 39731- 2020)	0.18	/	/
Ri Shan	Water	Chemica	Controll	1	Sewage	28	Electroni	49.717	112.172	/

Computer Accessory (Jiashan) Co., Ltd.	pollutants	l oxygen demand	ed emission		station main outlet		c Industry Water Pollutant Emission Standard (GB 39731-2020)			
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	Water pollutants	PH value	Controlled emission	1	Sewage station main outlet	7.4	Electronic Industry Water Pollutant Emission Standard (GB 39731-2020)	/	/	/
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	Water pollutants	Suspended matter	Controlled emission	1	Sewage station main outlet	15.5	Electronic Industry Water Pollutant Emission Standard (GB 39731-2020)	18.953	/	/
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	Water pollutants	Petroleum	Controlled emission	1	Sewage station main outlet	0.39	Electronic Industry Water Pollutant Emission Standard (GB 39731-2020)	0.775	/	/
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	Heavy metal wastewater	Hexavalent chromium	Controlled emission	1	Sewage station main outlet	0.011	Electroplating Pollutant Emission Standard GB 21900-2008	0.0041	/	/
Ri Shan Computer Accessory	Heavy metal wastewater	Total nickel	Controlled emission	1	Sewage station main outlet	0.025	Electroplating Pollutant Emission	0.001	0.02	/

y (Jiashan) Co., Ltd.							n Standard GB 21900- 2008			
Ri Shan Compute r Accesso ry (Jiashan) Co., Ltd.	Heavy metal wastewa ter	Total chromiu m	Controll ed emission	1	Sewage station main outlet	0.037	Electropl ating Pollutant Emissio n Standard GB 21900- 2008	0.005	0.026	/
Luxcase Precisio n Technol ogy (Kunsha n) Co., Ltd.	Sewage	Domesti c sewage	Centraliz ed disposal of emission s	2	Factory F8/9 - 1 unit, Factory F10/11 - 1 unit	/	Urban Sewage Treatme nt Plant Pollutant Standard	5688t/a	25753t/a	/
Luxcase Precisio n Technol ogy (Kunsha n) Co., Ltd.	Waste gas	Tin paste printing, cleaning, reflow solderin g, dispensi ng, curing, maintena nce cleaning, laser engravin g, cutting	Collect, dispose and then discharg e	9	1 unit in Factory F9 and 4 units in Factory F10/11	/	DB/32/4 041- 2021	0.2736t/ a	0.30042t /a	/
Luxcase Precisio n Technol ogy (Kunsha n) Co., Ltd.	Nose	Dispensi ng machine, laser engravin g machine	Sound insulatio n, shock absorpti on	/	/	/	GB1234 8-2008	/	/	/
Luxcase Precisio n Technol ogy (Kunsha n) Co., Ltd.	Solid waste	Packagin g, raw material packagin g, cleaning, sanitatio n, tin paste printing,	The collectio n is entrusted to a qualified unit for disposal	/	/	/	GB1859 7-2023	51.5t/a	/	/

		dispensing, cutting, testing, exhaust gas treatment, staff domestic waste								
--	--	---	--	--	--	--	--	--	--	--

Treatment of pollutants

I. Luxcase Precision Technology (Yancheng) Co., Ltd.

1. Prevention measures for exhaust gas pollution:

Exhaust gas from CNC machining is treated by oil mist scrubber through oil mist absorption; exhaust gas from glue coating, dispensing, and printing is treated through secondary activated carbon adsorption. According to routine monitoring reports of existing projects, the removal rate of CNC machining exhaust gas after treatment by oil mist scrubber can reach over 85%.

According to the secondary adsorption activated carbon manual, with respect to the adsorption capacity of activated carbon for various organic substances in the printing and dispensing exhaust gas, the removal efficiency of organic substances is 70% for primary activated carbon particle adsorption and 90% for secondary activated carbon particle adsorption, which can meet the relevant requirements of Level 2 of non-methane hydrocarbons in the Integrated Emission Standard of Air Pollutants (DB32/4041-2021);

Dust generated from sandblasting, drilling, and laser engraving is treated by wet dust collector after collection. The emission concentration and emission rate of dust generated from sandblasting, drilling, and laser engraving can meet the corresponding limits provided in the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). According to the Industrial Source Coefficient Handbook for the Second National Pollution Source Census as the mechanical industry coefficient handbook - pre-treatment - dry pre-treatment - shot blasting, dust can be removed by the single tube (multi-tube parallel) cyclone device with a removal efficiency of 60%. Then after wet dust collector treatment, the removal efficiency can reach over 90%. Based on the actual operation of the project, the removal efficiency of sandblasting dust after treatment by its own dust collector and then by wet dust collector can reach over 90%, and the removal efficiency of drilling and laser engraving dust is around 85%. Therefore, the said company's dust, after treatment by wet dust collector, can be discharged in steady compliance with standards.

Natural gas boilers use domestically advanced low-nitrogen combustion technology, which is a feasible technology for the Technical Specification for Application and Issuance of Pollutant Discharge Permits - Boilers. According to routine monitoring data of existing projects and low-nitrogen combustion retrofitting and commissioning reports, the SO₂, NO_x, and particulate matter in boiler flue gas can meet the corresponding limits

of the Emission Standard of Boiler Air Pollutants (DB32/4385-2022).

2. Prevention measures for wastewater pollution:

The said company implements the principle of “separation of rainwater and sewage, and separation of clean water and polluted water”. Different kinds of wastewater enter the corresponding sewage pool through different pipes. The pipes are overhead and pasted with signs of flow direction. The completeness of the pipes is checked regularly, and any abnormality, if found, will be handled immediately. All pools and floors of the sewage station are paved and hardened for anti seepage and anti corrosion. Domestic wastewater is treated using a two-stage septic tank system. The two-stage septic tank is composed of two interconnected sealed septic tanks. Feces enter the first tank through an inlet pipe and flow downstream to the second tank, where suspended organic matter in domestic wastewater is removed by sedimentation and anaerobic fermentation. This treatment facility is a primary transitional domestic treatment structure. Comprehensive wastewater is degraded in the A/O biochemical system to remove organic pollutants such as COD, nitrogen, and phosphorus. The system’s denitrification capacity is strengthened through a two-stage biochemical system, and the treated wastewater is discharged to the sewage treatment plant. According to existing testing reports, the quality of the said company’s effluent meets the relevant standards for the sewage station. Heavy metal wastewater is treated and reused through a process of “sterilization + membrane treatment + evaporation and crystallization + ion exchange.” The main process remains unchanged. The concentrated water of low-concentration wastewater is subject to ultrafiltration, sand filtration, and reverse osmosis, while high-concentration wastewater is subject to sedimentation and pressure filtration before entering PFET evaporation, and then the purified water is reused in the anodizing process.

3. Measures for noise pollution prevention:

The outdoor equipment, equipment near the plant boundary and cooling towers are environmentally friendly. In the layout plan of the plant, the main workshop with concentrated noise is located in the center of the plant as much as possible. Other noise sources are located as far away from the plant boundary as possible to reduce their impact on the external environment. Soundproof windows (or double-layer soundproof windows) and soundproof doors are installed on the side of the workshop adjacent to the plant boundary to reduce the impact of workshop noise on the external environment by enhancing sound insulation and reducing the strength of the noise source. Vertical greening belts are planted within the plant area to effectively provide certain sound insulation and noise reduction.

4. Prevention measures for hazardous waste pollution:

Hazardous waste warehouses, domestic waste rooms, and solid waste garbage rooms are set up in the plant to comprehensively manage solid waste from various aspects such as generation, collection, storage, transportation, and disposal. Effective measures are taken to prevent the loss of solid waste in the process of generation, collection, storage, and transportation, and the “three defenses” are implemented. Effective disposal methods and technologies are adopted, and by focusing on the reuse of useful materials to “turn waste into treasure”, we recycle a part of the

resources and reduce the disposal burden. For those waste materials that cannot be recycled yet, we effectively dispose of them in light of the principle of “harmlessness”.

II. Ri Ming Computer Accessory (Shanghai) Co., Ltd.

1. Prevention measures for exhaust gas pollution:

(1) A closed operation room is set up for the CNC machining process. All oil mist generated therefrom is treated through a cyclone tower oil mist washing tower and discharged through a 17-meter-high exhaust duct. The oil mist in the discharged exhaust gas meets the emission limits for air pollutants provided in the Integrated Emission Standard of Air Pollutants (DB31/933-2015); according to routine monitoring reports of existing projects, the removal rate of CNC machining exhaust gas after treatment by oil mist scrubber can reach over 85%.

(2) A closed operation room is set up for the laser engraving process. All dust generated therefrom is treated through a wet dust collector and then discharged through a 22-meter-high exhaust duct. The removal efficiency can reach more than 75%, and the particulate matter in the discharged waste gas meets the emission limits for air pollutants provided in the Integrated Emission Standard of Air Pollutants (DB31/933-2015);

(3) All waste gas generated in the dispensing and coating process is collected and treated through an activated carbon purification box, and then discharged through a 17-meter-high exhaust duct. The removal efficiency can reach more than 90%, and the pollutants in the discharged waste gas meet the emission limits for air pollutants in the Integrated Emission Standard of Air Pollutants (DB31/933-2015).

2. Prevention measures for wastewater pollution:

The said company implements the principle of “separation of rainwater and sewage, and separation of clean water and polluted water”. Different kinds of wastewater enter the corresponding sewage pool through different pipes. The pipes are overhead and pasted with signs of flow direction. The completeness of the pipes is checked regularly, and any abnormality, if found, will be handled immediately. All pools and floors of the sewage station are paved and hardened for anti seepage and anti corrosion. After comprehensive wastewater is treated through emulsion breaking, precipitation, and biochemical treatment, it is discharged through the same pipeline as the tail-water from pure water preparation and domestic wastewater. Some tail-water from pure water preparation is reused as domestic facility water, and the intermediate water after treated in the sewage treatment station is reused in the wet polishing process. The wastewater discharge outlet is equipped with online monitoring equipment and connected to the Environmental Protection Bureau and Water Affairs Bureau. According to existing testing reports, the quality of the said company’s effluent meets the relevant standards for the sewage station.

3. Measures for noise pollution prevention:

The outdoor equipment, equipment near the plant boundary and cooling towers are environmentally friendly. In the layout plan of the plant, the main workshop with concentrated noise is located in the center of the plant as much as possible. Other noise sources are located as far away from the plant boundary as possible to reduce their impact on the external environment. Soundproof windows (or double-layer soundproof windows) and soundproof

doors are installed on the side of the workshop adjacent to the plant boundary to reduce the impact of workshop noise on the external environment by enhancing sound insulation and reducing the strength of the noise source. Vertical greening belts are planted within the plant area to effectively provide certain sound insulation and noise reduction.

4. Prevention measures for hazardous waste pollution:

Hazardous waste warehouses, domestic waste rooms, and solid waste garbage rooms are set up within the plant area to comprehensively manage solid waste from various aspects such as generation, collection, storage, transportation, and disposal. Effective measures are taken to prevent the loss of solid waste in the process of generation, collection, storage, and transportation, and the “three defenses” are implemented. Effective disposal methods and technologies are adopted, and by focusing on the reuse of useful materials to “turn waste into treasure”, we recycle a part of the resources and reduce the disposal burden. For those waste materials that cannot be recycled yet, we effectively dispose of them in light of the principle of “harmlessness”.

III. Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.

1. Prevention measures for exhaust gas pollution:

I, For the cutting fluid evaporates organic gases (measured in non-methane hydrocarbons) due to high-temperature cutting in the CNC machining process of this project, the organic waste gas is collected by the overall workshop negative pressure system after being treated by an oil mist separator that is equipped with the equipment, and treated through filtration and absorption by activated carbon, and is then discharged in an organized manner through an exhaust pipe. The removal rate of non-methane hydrocarbons is conservatively estimated to be 75%. For the non-methane hydrocarbons generated in processes such as injection molding, gluing, and drying, this project adopts a treatment measure of “filtration + activated carbon adsorption.” For organic waste gases (measured as non-methane hydrocarbons) generated in gluing and drying processes, they are planned to be collected by a gas-collecting hood and then treated by the “filtration + activated carbon adsorption” process before being discharged in an organized manner. For organic waste gases (measured as particulate matter) generated in spraying and drying processes, they are planned to be collected by a gas-collecting hood and then treated by the “filtration + activated carbon adsorption” process before being discharged in an organized manner. Particulate matter is mainly generated in the sandblasting process, and a two-stage wet dust removal treatment measure is adopted. Through the wet dust removal technology, the dust particles are removed by being condensed into large particles through strong collision with water mist, or being captured by inertia and centrifugal force. By taking two-stage wet dust removal measure in this project, a removal efficiency of particulate matter is about 80%. Two-stage alkaline spraying is used for acid and alkali waste gas in this project. According to the provided waste gas treatment design plan, this system has a removal efficiency of about 95% for sulfuric acid mist and phosphoric acid mist, and an 85% removal efficiency for nitrogen oxides, and ensures that the waste gas meets the emission standards. The sewage station waste gas in this project includes particulate matter, ammonia, hydrogen sulfide, non-methane hydrocarbons produced in sewage

treatment, as well as sulfuric acid mist, alkaline mist, and non-methane hydrocarbons produced in the tank storage area. After being collected, the waste gas from the storage tank and sewage treatment is treated by “alkali washing + water washing + defogging + microwave UV catalysis” before being discharged together with the drying dust generated by the “bag filter” treatment. In accordance with the Notice of the Nantong Municipal Government Office on Issuing the 2020 Air Pollution Prevention and Control Work Plan (Tong Zheng Ban Fa [2020] No. 34), the low-nitrogen transformation task of gas-fired boilers has been fully completed, with the emission concentrations of nitrogen oxides not exceeding 50 milligrams per cubic meter. Based on the monitoring data of the boiler running at about 80% load inside the plant, the nitrogen oxide emissions can meet the requirements of the Document (Tong Zheng Ban Fa) [2020] No. 34, with an emission concentration not exceeding 50 milligrams/cubic meter.

2. Prevention measures for wastewater pollution:

The wastewater generated by this project include process wastewater, wastewater from waste gas treatment, wastewater from workshop and plant floor washing, concentrated wastewater and backwash wastewater, emissions from gas-fired boilers, wastewater from circulating cooling systems, initial rainwater, and domestic wastewater. The system at the wastewater treatment station is mainly divided into five categories: chromium-containing wastewater treatment system, nickel-containing wastewater treatment system, phosphorus-containing wastewater treatment system, organic wastewater treatment system, and general wastewater treatment system.

The condensate from chromium-containing wastewater, after undergoing “reduced pressure evaporation” treatment, is treated with the chromium-containing wastewater through “chemical precipitation + sand and charcoal filtration + ultrafiltration + ion exchange + two-stage reverse osmosis (RO)” before being reused. The condensate from nickel-containing wastewater, after undergoing “reduced pressure evaporation” treatment, is treated with the nickel-containing wastewater through “chemical precipitation + sand and charcoal filtration + ultrafiltration + ion exchange + two-stage RO” before being reused. The condensate from phosphorus-containing wastewater, after undergoing “two-stage coagulation and sedimentation + pressure filtration” treatment, is treated with phosphorus-containing wastewater and wastewater from phosphorus-containing air pollution control through “two-stage reaction and precipitation” treatment before being discharged into the receiving pool. Wastewater containing oil and compressor wastewater are pre-treated with “acidification, breaking emulsion, and oil-water separation”, and then, together with acidic wastewater and other wastewater from exhaust gas treatment, undergo “acidification, breaking emulsion, flotation, Fenton oxidation, and coagulation and sedimentation” treatment. Then, together with organic wastewater/liquid, they undergo “coagulation and sedimentation + catalytic oxidation” treatment, and finally, together with alkaline wastewater/liquid that has been pre-treated with “coagulation and sedimentation”, plant floor washing wastewater, and initial rainwater, they undergo “hydrolysis, acidification, precipitation + anaerobic and aerobic treatment + two-stage sedimentation tank” treatment before being discharged into the receiving pool. General cleaning wastewater, grinding wastewater, and wastewater from pure water preparation are treated with “coagulation and sedimentation + sand and charcoal filtration + ultrafiltration” before being reused.

3. Measures for noise pollution prevention:

When purchasing equipment, it selects equipment with small power and low noise as much as possible; use vibration reduction mounts to weaken the vibration generated when the fan rotates; sets the sound source indoors as much as possible to achieve sound insulation and noise reduction. It uses double-layer soundproof windows for lighting windows in workshops with high noise equipment; arrange the main noise sources in the overall layout in the middle of the workshop, away from the plant boundary, and add soundproof covers to equipment such as fans; equip the high-power equipment with special vibration reduction and noise reduction equipment when purchasing it; and strengthen the greening of the factory area and establish a green isolation belt. In addition, it plants trees and shrubs to create a green noise barrier around the factory boundary, absorbing sound and reducing noise.

4. Prevention measures for hazardous waste pollution:

It sets up a hazardous waste warehouse within the plant; establish a hazardous waste ledger management system to track and record the entire process of hazardous waste circulation within the said company, combine it with production records to establish a hazardous waste ledger; set up hazardous waste identification signs for the containers and packaging of hazardous waste, as well as for the facilities and places for collecting, storing, transporting, and disposing of hazardous waste; it is forbidden to collect, store, transport, or dispose of hazardous waste mixed with incompatible substances that have not been disposed of safely, and it is forbidden to mix hazardous waste into non-hazardous waste for storage and disposal.

IV. Ri Shan Computer Accessory (Jiashan) Co., Ltd.

1. Prevention measures for exhaust gas pollution:

It uses the electrostatic oil removal to absorb and treat oil mist of the exhaust gas from CNC machining, and uses secondary activated carbon adsorption to treat exhaust gas from dispensing and injection molding. According to routine monitoring reports of existing projects, the removal efficiency of electrostatic oil removal equipment for CNC machining can reach more than 85%; sulfuric acid mist and nitric acid mist are treated with an alkali spray tower after being collected, and are only discharged after meeting the emission standards.

According to the secondary adsorption activated carbon manual, with respect to the adsorption capacity of activated carbon for various organic substances in the dispensing exhaust gas, the removal efficiency of organic substances is 70% for primary activated carbon particle adsorption and 90% for secondary activated carbon particle adsorption, which can meet the relevant requirements of Level 2 of non-methane hydrocarbons in the Integrated Emission Standard of Air Pollutants (GB16297-1996);

The exhaust gases from sandblasting and grinding machines are collected and treated using wet scrubbers. The emission concentrations and rates of particulate matter from sandblasting and grinding dust meet the corresponding standard limits specified in Table 2 of the Comprehensive Emission Standards for Air Pollutants (GB16297-1996) and the relevant standards for particulate matter specified in Table 5 of the Emission Standards for Pollutants in Synthetic Resin Industry (GB31572-2015).

2. Prevention measures for wastewater pollution:

The said company implements the principle of “separation of rainwater and sewage, and separation of clean water and polluted water”. Different kinds of wastewater enter the corresponding sewage pool through different pipes. The pipes are overhead and pasted with signs of flow direction. The completeness of the pipes is checked regularly, and any abnormality, if found, will be handled immediately. All pools and floors of the sewage station are paved and hardened for anti seepage and anti corrosion. Domestic wastewater is treated using a two-stage septic tank system. The two-stage septic tank is composed of two interconnected sealed septic tanks. Feces enter the first tank through an inlet pipe and flow downstream to the second tank, where suspended organic matter in domestic wastewater is removed by sedimentation and anaerobic fermentation. This treatment facility is a primary transitional domestic treatment structure. Comprehensive wastewater is degraded in the A/O biochemical system to remove organic pollutants such as COD, nitrogen, and phosphorus. The system’s denitrification capacity is strengthened through a two-stage biochemical system, and the treated wastewater is discharged to the sewage treatment plant. According to existing testing reports, the quality of the said company’s effluent meets the relevant standards for the sewage station. Heavy metal wastewater is treated and reused through a process of “sterilization + membrane treatment + evaporation and crystallization + ion exchange.” The main process remains unchanged. The concentrated water of low-concentration wastewater is subject to ultrafiltration, sand filtration, and reverse osmosis, while high-concentration wastewater is subject to sedimentation and pressure filtration before entering PFET evaporation, and then the purified water is reused in the anodizing process.

3. Measures for noise pollution prevention:

The outdoor equipment, equipment near the plant boundary and cooling towers are environmentally friendly. In the layout plan of the plant, the main workshop with concentrated noise is located in the center of the plant area as much as possible. Other noise sources are located as far away from the plant boundary as possible to reduce their impact on the external environment. Soundproof windows (or double-layer soundproof windows) and soundproof doors are installed on the side of the workshop adjacent to the plant boundary to reduce the impact of workshop noise on the external environment by enhancing sound insulation and reducing the strength of the noise source. Vertical greening belts are planted within the plant area to effectively provide certain sound insulation and noise reduction.

4. Prevention measures for hazardous waste pollution:

Hazardous waste warehouses, domestic waste rooms, and solid waste garbage rooms are set up within the plant area to comprehensively manage solid waste from various aspects such as generation, collection, storage, transportation, and disposal. Effective measures are taken to prevent the loss of solid waste during the process of generation, collection, storage, and transportation, and the “three defenses” are implemented. Effective disposal methods and technologies are adopted, and by focusing on the recycling of useful materials to “turn waste into treasure”, it recycles a part of the resources and reduce the disposal burden. For those waste materials that cannot

be recycled yet, it effectively disposes of them in light of the principle of "harmlessness".

V. Luxcase Precision Technology (Kunshan) Co., Ltd.

1. Waste water pollution control measures: Discharge into the municipal sewage pipe network for treatment at Kunsheng Precision Water Purification Co., Ltd. in Kunshan Development Zone.

2. Noise pollution control measures: Use low-noise equipment, and adopt measures such as sound insulation, vibration reduction, and greening of the factory area to achieve sound insulation and noise reduction.

3. Air pollution control measures: According to the secondary adsorption activated carbon manual, the adsorption capacity of activated carbon for various organic substances, the removal efficiency of organic matter by first-stage activated carbon particles is 70%, and the adsorption efficiency of two-stage activated carbon particles is 90%, both of which can meet the relevant requirements of the Secondary Standard for Non-Methane Total Hydrocarbons in the Comprehensive Emission Standard for Air Pollutants (GB16297-1996).

4. Hazardous waste pollution control measures: Set up hazardous waste warehouses, domestic waste rooms, and solid waste garbage rooms in the factory area, comprehensively manage solid waste from generation, collection, storage, transportation, and disposal, take effective measures to prevent the loss of solid waste during the generation, collection, storage, and transportation process, implement "three defenses", adopt effective disposal schemes and technologies, focus on recycling useful materials from waste, "turning waste into treasure", recover some resources while reducing the disposal burden, and for those that cannot be recycled at present, effective disposal should be carried out following the principle of "harmlessness."

Environmental self-monitoring program

I. Luxcase Precision Technology (Yancheng) Co., Ltd.

It updates and prepares the self-monitoring plan for next year at the end of each year according to the pollution discharge permit and environmental impact assessment requirements, tests the organized exhaust gas at the emission outlet once every half a year generally, the unorganized exhaust gas once every half a year, wastewater discharge outlets once every quarter, and noise once every six months, with the relevant test reports as data compliance support.

II. Ri Ming Computer Accessory (Shanghai) Co., Ltd.

It updates and prepares the self-monitoring plan for next year at the end of each year according to the pollution discharge permit and environmental impact assessment requirements, tests the organized exhaust gas at the emission outlet once every half a year generally, the unorganized exhaust gas once every half a year, wastewater discharge outlets once every month, and noise once every half quarter, with the relevant test reports as data compliance support.

III. Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.

It updates and prepares the self-monitoring plan for next year at the end of each year according to the environmental impact assessment requirements, tests the organized exhaust gas at the emission outlet once every quarter, VOC waste gas once every half a year, the unorganized exhaust gas once every half a year, wastewater discharge outlets once every month, and noise once every quarter, with the relevant test reports as data compliance

support.

IV. Ri Shan Computer Accessory (Jiashan) Co., Ltd.

It updates and prepares the self-monitoring plan for next year at the end of each year according to the pollution discharge permit and environmental impact assessment requirements, tests the organized exhaust gas at the emission outlet once every half a year, the unorganized exhaust gas once every half a year, wastewater discharge outlets once every quarter, noise once every quarter and rain outlets once every six months, with the relevant test reports as data compliance support.

V. Luxcase Precision Technology (Kunshan) Co., Ltd.

Sewage

S/N	Category	Monitoring content	Monitoring position	Conventional monitoring frequency	Executive standard
1	Domestic sewage	COD, SS, NH ₃ -N, TP	Main discharge outlet of the factory	Once/year	Comprehensive Sewage Discharge Standard GB8978-1996 Table 4 Tertiary Standards Water Quality Standard for Sewage Discharged into Urban Sewers GB-T31962-2015 Table Class 1B Standard

Noise:

Category	Monitoring content	Monitoring position	Conventional monitoring frequency	Executive standard
Noise	Equivalent continuous A sound level	1 meter outside the boundary	Once/quarter	Emission Standard for Industrial Enterprise Noise at Boundary GB12348-2008 Class 3 standard

Waste gas:

Category	Monitoring	Monitoring	Conventional	Executive
----------	------------	------------	--------------	-----------

	location	factor	monitoring frequency	standard
Waste gas	Exhaust funnel DA009	Non-methane hydrocarbon, tin and its compounds	Once/year	Jiangsu Integrated Emission Standard of Air Pollutants (DB32/4041-2021) Table 1 standards
	Enterprise boundary	Non-methane hydrocarbon, tin and its compounds, and particulate matter	Once/year	Jiangsu Integrated Emission Standard of Air Pollutants (DB32/4041-2021) Table 3 standards
	Within the factory	Non-methane hydrocarbon	Once/year	Jiangsu Integrated Emission Standard of Air Pollutants (DB32/4041-2021) Table 2 standards

Emergency plan for abrupt environmental pollution accidents

I. Luxcase Precision Technology (Yancheng) Co., Ltd.

Luxcase Plant has prepared the Emergency Plan for Abrupt Environmental Pollution Accidents (3rd Edition) in 2022, and has completed the formalities for expert review and filing with the filing No.: 320902-2022-003-H.

II. Ri Ming Computer Accessory (Shanghai) Co., Ltd.

Ri Ming Plant has prepared the Emergency Plan for Abrupt Environmental Pollution Accidents (3rd Edition) in 2022, and has completed the formalities for expert review and filing with the filing No.: 02-310116-2022-060-L.

III. Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.

Completed in June 2021, with the filing No.: 320682-2021-065-M.

IV. Ri Shan Computer Accessory (Jiashan) Co., Ltd.

Ri Shan Plant has prepared the Emergency Plan for Abrupt Environmental Pollution Accidents (3rd Edition) in 2021, and has completed the formalities for expert review and filing with the filing No.: 320421-2021-105-M.

Investment in environment governance and protection, and payment of environmental protection taxes

I. Luxcase Precision Technology (Yancheng) Co., Ltd.

In 2023, approximately CNY 14.8 million was invested in the operation, maintenance, and upkeep of environmental protection equipment. Additionally, the total amount of environmental protection tax paid on a quarterly basis, averaging CNY 19.98 million per month, was reported.

II. Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.

In 2023, approximately CNY 8 million was invested in environmental protection, and the environmental protection tax paid amounted to CNY 16,167.34.

III. Ri Shan Computer Accessory (Jiashan) Co., Ltd.

In 2023, approximately CNY 30 million was invested in environmental protection equipment, and the total amount of environmental protection tax paid for quarterly declarations averaged CNY 0.878 million per month.

IV. Luxcase Precision Technology (Kunshan) Co., Ltd.

In 2023, approximately CNY 1 million was invested in environmental management and protection for new projects, and about CNY 500,000 was invested for expansion projects.

Measures taken to reduce carbon emissions during the reporting period and their effects

Applicable N/A

I. Luxcase Precision Technology (Yancheng) Co., Ltd.

Improvement project	Program	Electricity Saved (kWh)	Reduction in Carbon Emissions (tCO ₂ e)
Photovoltaic Power Generation	Constructing a photovoltaic station on the rooftop to generate electricity	6,261,091	3,898.16
Variable Frequency Conversion Retrofit for Air Conditioning Fans	Installing frequency converters to convert the operation of original fixed-frequency fans to variable frequency	5,136,667	3,198.09
Boiler Pipeline Pressure Reduction and Improvement	Lowering the boiler pipeline pressure from 0.75MPa to 0.65MPa	10,683,867	6,651.78

II. Ri Ming Computer Accessory (Shanghai) Co., Ltd.

Improvement project	Program	Investment (RMB0'000)	Income (0'000 kwh)	Improvement project
Compressed air leakage improvement	Compressed air leakage improvement	0	25.2	30
CNC machine centralized pressure conversion	Independent small transformer of CNC replaced by centralized pressure conversion	24	28.0	35.0
Replacement of air compressors	Conventional adsorption dryers replaced by zero-loss suction dryers	0	54.4	68
Replacement by energy saving lamps	Ordinary lamps replaced by high-efficiency LED lamps	0	3.3	4.1

III. Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.

Improvement project	Program	Investment (RMB0'000)	Annual power savings (kwh)	Annual cost savings (RMB)
Photovoltaic Revenue	<p>1: Photovoltaic electricity generation discount revenue, with a 15% discount compared to the market electricity price:</p> <p>2: Revenue Method: Long-term revenue</p> <p>3: Photovoltaic Phase 1 starts generating revenue in February of the 23rd year; Phase 2 starts generating revenue in April; Phase 3 starts generating revenue in June.</p>	Contract energy management	13,252,500	10,071,900
Variable Frequency Installation Improves Water	1: The frequency of the cooling water circulation pump for mechanical seals at the wastewater station is adjusted to run at 50Hz through	0	285,120	216,691

Pump	<p>variable frequency control. The circulation water volume far exceeds the minimum water usage for on-site mechanical seal cooling, resulting in surplus supply and wastage. By adjusting the frequency converter, the operating frequency of the mechanical seal cooling water circulation pump is reduced to 35Hz, meeting the minimum demand standard for on-site mechanical seal cooling and reducing waste.</p> <p>2: Revenue Method: Long-term revenue (10 months can be saved over 23 years)</p>			
Import of Cold Plates for Air Conditioning in Building A17	<p>1: Principle: Based on the unique geographical conditions of Rugao, the cold plate exchange system can be enhanced to utilize outdoor low-temperature air for cooling water towers to provide refrigeration for dust-free workshops, thereby saving energy consumption of air conditioning chiller units.</p> <p>2: Revenue Method: Long-term revenue, saving 3 months annually (from late November to early February the following year)</p>	13.3	565,488	429,771
Installation of Temperature Control for Cooling Water Tower	<p>1: At the wastewater station, the cooling water tower fan for mechanical seals is manually operated (unable to automatically start and stop based on external temperature changes). Continuous operation for extended</p>	0.0	48,180	36,617

	<p>periods leads to energy wastage. After evaluation, it is feasible to install a temperature control device. A temperature-controlled automatic start-stop controller will be added to the control loop of the cooling water tower fan for mechanical seals. It will be set to start when the water temperature exceeds 28°C and stop when it falls below 24°C, aiming to achieve energy savings. It is estimated that energy consumption can be reduced for 6 months per year.</p>			
<p>Reduced Frequency Operation of Anode Exhaust Tower</p>	<p>Building A2's anode exhaust tower currently operates at 50Hz. By verifying that this adjustment doesn't affect production, it's proposed to lower the frequency to 35Hz to reduce energy consumption costs. This sustainable adjustment can yield benefits throughout the year.</p>	0.0	2,308,800	1,754,688
<p>Energy Management for Dust-free Warehouse in Building A7</p>	<p>Building A7's BGA warehouse is currently maintained as a constant temperature and humidity warehouse (control standards: temperature $\leq 12^{\circ}\text{C}$ & $\geq 25^{\circ}\text{C}$, humidity $\leq 32\%$ & $\geq 69\%$). Based on testing, it's proposed to adjust the warehouse temperature and humidity control standards from constant to ordinary (room temperature management), as it won't impact product quality. According to the analysis of the energy consumption supplied by the constant temperature</p>	0.0	3,783,996	2,875,837

	and humidity air conditioning system in Building A7, it's estimated that energy consumption costs for air conditioning can be saved for 9 months annually (considering three months of summer when the warehouse staff require a comfortable working environment, so the air conditioning will be operational). This yields an annual revenue for 9 months.			
Energy Waste Investigation and Reduction	<p>1: By conducting regular weekly inspections of energy waste phenomena in the perimeter and workshops of the factory, timely identification and rectification of energy waste can be achieved, reducing the energy waste rate and lowering energy consumption costs.</p> <p>2: Based on the audit anomalies from May to November of the 22nd year, the average monthly energy savings are calculated using the "Leakage Volume Calculation and Leakage Cost Calculation Tool."</p> <p>3: Revenue Method: Energy management and control for long-term benefits.</p>	0.0	422,606	482,153

IV. Ri Shan Computer Accessory (Jiashan) Co., Ltd.

Improvement project	Program	Investment (RMB0'000)	Income (0'000 kwh)	Improvement project
Photovoltaic Project	Utilization of the parking lot near Gate 1 and idle rooftops in the Rishan	0	79	519.3

	factory area for the construction of solar photovoltaic power generation. The project is funded by the manufacturer, which also includes the provision of photovoltaic carports and charging piles.			
Optimization of Compressed Air and Vacuum Systems	Rational distribution of vacuum systems according to production arrangements.	36.4	179.35	219.3
Improvement in Compressed Air Supply	Installation of throttle valves to control air volume in the gas pipeline, resulting in monthly energy savings of 218 kWh per unit.	0.4	2.96	3.65
Energy Efficiency in Chiller Units	Implementation of intelligent frequency conversion control for chiller unit systems.	Energy Management Contract	64.04	426.19
Replacement of Vacuum Pumps with Permanent Magnet Motors	Actual operating energy consumption current of vacuum pumps for CNC numerically controlled lathes: the three-phase average current has decreased from 206A to 171A.	132	1.54	13.44
Conversion of Screw Air Compressors from Fixed Frequency to Variable Frequency	Conversion of 4 fixed-frequency air compressors to variable frequency	60	47.16	64.15
Rectification of Cooling Water Tower Pipelines	Connection of pipelines for cooling water towers on the rooftops of F11 and F3 buildings, saving the number of water pump startups, enabling mutual support between	120	44.57	60.4

	multiple devices			
Conversion of old piping in the cleanroom to new Lipo piping (conversion from compressed air to direct vacuum suction)	For the original automated assembly lines on floors F10 to 1F, each of the 6 lines has 58 vacuum generators per line. During the Lipo transformation, all vacuum suction devices will be replaced with centralized negative pressure machines to reduce energy waste.	35.19	149.87	203.87
Energy-saving transformation of cooling fixtures for IPI fixtures in the cleanroom to reduce temperature	The original cooling lines for fixtures used compressed air, resulting in high air consumption and energy consumption. After improvement, each cooling module set will be equipped with 2 air-cooled cooling units and 1 blowing module to rapidly cool down the fixtures, thereby reducing energy consumption.	Energy Management Contract	20.94	29.12

Administrative penalties imposed due to environmental issues during the reporting period

Name of the Company or its subsidiaries	Reasons for penalties	Violations	Penalty results	Effects on the listed company's production and operation	Rectification measures of the Company
None	None	None	None	None	None

Other environmental information to be disclosed

I. Luxcase Precision Technology (Yancheng) Co., Ltd.

The said company takes the initiative to make PRTR information disclosure at the platform of the Institute of Public and Environmental Affairs (IPE) to the public, disclosing the emissions of wastewater and exhaust gas and related implementation standards every year; and fills out and reports the annual environmental information in the pollution resource management system "One Enterprise and One File" of Jiangsu Province (column of disclosure of enterprise environmental information according to the law).

II. Ri Ming Computer Accessory (Shanghai) Co., Ltd.

The said company takes the initiative to make PRTR information disclosure at the platform of the Institute of

Public and Environmental Affairs (IPE) to disclose to the public the emissions of wastewater and exhaust gas and related implementation standards every year; and fills out and reports the annual environmental information in the system of disclosure of the enterprise environmental information according to the law (Shanghai), and make to the public the wastewater, exhaust gas, noise and other pollution emission factors on the national pollution source information disclosure platform every month.

III. Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.

The said company takes the initiative to make PRTR information disclosure at the platform of the Institute of Public and Environmental Affairs (IPE) to the public, disclosing the emissions of wastewater and exhaust gas and related implementation standards every year.

IV. Ri Shan Computer Accessory (Jiashan) Co., Ltd.

The said company takes the initiative to make PRTR information disclosure at the platform of the Institute of Public and Environmental Affairs (IPE) to the public, disclosing the emissions of wastewater and exhaust gas and related implementation standards every year; and fills out and reports the annual environmental information in the system of the disclosure of enterprise environmental information according to the law (Zhejiang).

Other environmental information

Luxshare-ICT attaches great importance to possible impact of climate changes on the Company, and has established a carbon neutral working group led by the Board of Directors, coordinated by the sustainable development center and participated in by all plants to respond to issues related to climate changes in a comprehensive manner. Based on our actual business and with reference to the external standards, it identifies the applicable climate risks and opportunities, rank them according to the increasing probability of occurrence and degree of impact, and then submit them to the Strategy Committee of the Board of Directors for deliberation and approval. When necessary, our risk management departments prepare or add the countermeasures for risks and opportunities of higher importance and urgency. In addition, it works out a claim change action plant and implement a low-carbon energy transition plan, and is committed to achieving carbon neutrality by 2025. During the reporting period, we actively used clean energy and reduced greenhouse gas emissions by 1,037,334.21 tons of carbon dioxide equivalent through rooftop photovoltaic, green procurement, direct purchase of green power and green energy fund investment or otherwise. Meanwhile, we promoted 266 energy-saving renovation projects for five major energy-using modules, including production electricity, gas supply system, central air conditioning, workshop fan and living office, thereby reducing greenhouse gas emissions by a total of 89,691.80 tons of carbon dioxide equivalent.

II. Description of social responsibilities

The Company's 2023 Sustainable Development Report has been published at Cninfo (www.cninfo.com.cn), the information disclosure website designated by the Company, together with this report on the same day.

III. Consolidation and expansion of poverty alleviation and rural revitalization

The Company actively participated in and contributed to the community development and building, and conducted colorful activities to care for special groups and give back to society, and made contribution to a harmonious society. The Company did not carry out the work on poverty alleviation and rural revitalization during the reporting period or have subsequent relevant plans.

Section VI Significant Matters

I. Fulfillment of commitments

1. Complete and incomplete commitments of the Company and its actual controller, shareholders, related parties, acquirers, and other related parties for the commitments by the end of the reporting period.

Applicable N/A

Commitments	Committed by	Commitment Type	Commitment details	Commitment date	Commitment period	Fulfillment of commitments
Commitments relating to any initial public offering or subsequent fund raising	HUANG Dawei; LI Wei; LIU Zhonghua ; SONG Yuhong; WANG Laichun; WANG Laisheng; WANG Tao; WU Tiansong; ZHANG Ying	Other commitments	<p>In order to seriously protect the legitimate rights and interests of the Company and all of its shareholders, each of all directors and executives of the Company hereby makes commitments as follows:</p> <ol style="list-style-type: none"> 1. I promise not to damage the Company's interest by transferring benefits to any other entity or individual free of charge or under unfair conditions or otherwise; 2. I promise to restrain the duty-related consumption of directors and executives; 3. I promise not to use the Issuer's assets to engage in investment and consumption irrelevant to their performance of powers and duties; 4. I promise to link the remuneration rules developed by the Board of Directors or the Remuneration Committee and the implementation of the Issuer's remedial measures for diluted earnings; 5. I promise to link the conditions for the exercise of the Issuer's stock option incentives to be issued and the implementation of the Issuer's remedial measures for diluted earnings; and 6. I promise to strictly fulfill the aforesaid commitments to ensure that the Issuer's remedial measures for diluted earnings can be fulfilled effectively. If I breach or refuse to fulfill any commitments set forth above, I will make explanations and apologies and perform other obligations required by the applicable regulations, and agree to accept any punishment or regulatory action that may be imposed on or taken against me by the CSRC, the Shenzhen Stock Exchange or any other competent securities regulatory authority in accordance with the applicable rules and regulations established or promulgated by such regulatory authorities, and indemnify the Issuer or its 	February 21, 2022	Long-term	Ongoing

			<p>shareholders for the losses (if any) arising therefrom according to the law.</p> <p>7. From the date of issuing this Letter of Commitment until the completion of this non-public offering of stocks by the Issuer, if the CSRC has issued other new provisions on measures to compensate for diluted returns and commitments, and the aforesaid commitments fail to meet such new regulatory provisions issued by the CSRC, I undertake to give supplementary commitments in accordance with the latest provisions of the CSRC.</p>			
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; WANG Laichun; WANG Laisheng	Other commitments	<p>In order to seriously protect the legitimate rights and interests of the Company and all of its shareholders, each of the controlling shareholder and actual controllers of the Company hereby makes commitments as follows:</p> <p>1. We/I will not interfere with management and operation of the Company beyond our/my powers, or infringe on the interest of the Company.</p> <p>2. We/I promise to strictly fulfill the aforesaid commitments to ensure that the Issuer's remedial measures for diluted earnings can be fulfilled effectively. If we/I breach or refuse to fulfill any commitment set forth above, I will make explanations and apologies and perform other obligations required by the applicable regulations, and agree to accept any punishment or regulatory action that may be imposed on or taken against me by the CSRC, the Shenzhen Stock Exchange or any other competent securities regulatory authority in accordance with the applicable rules and regulations established or promulgated by such regulatory authorities, and indemnify the Issuer or its shareholders for the losses (if any) arising therefrom according to the law.</p> <p>3. From the date of issuing this Letter of Commitment until the completion of this non-public offering of stocks by the Company, if the CSRC has issued other new provisions on measures to compensate for diluted returns and commitments, and the aforesaid commitments fail to meet such new regulatory provisions issued by the CSRC, we/I undertake to give supplementary commitments in accordance with the latest provisions of the CSRC.</p>	February 21, 2022	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited	Commitments relating to horizontal competition, related-party transactions and occupation of	After the completion of the transactions contemplated by the announcement on external investment and related-party transactions disclosed by the Company on November 13, 2020, we and our affiliates will not engage in any business that is the same as or substantially in competition with the business of the Company or any entity controlled by the Company in any	November 13, 2022	Long-term	Ongoing

		funds	manner.			
Commitments relating to any initial public offering or subsequent fund raising	HUANG Dawei; LI Bin; LIN Yifei; WANG Laichun; WANG Laisheng; WU Tiansong; XIONG Tengfang; XU Huaibin, XUE Haigao; YE Yiling; ZHANG Ying	Other commitments	<p>In accordance with the applicable regulations of the CSRC, in order to ensure the effective implementation of the Company's remedial measures for diluted earnings, each of the directors and executives of the Company hereby makes commitments as follows:</p> <ol style="list-style-type: none"> 1. I will not transfer benefits to any other entity or individual without compensation or on unfair terms, or otherwise damage the interest of the Company. 2. I will exercise self-discipline in consumption in performing my duties. 3. I will not use the assets of the Company to engage in any investment or consumption activity not in connection with my duties. 4. I will, within my powers, procure the linkage between the remuneration system adopted by the Board of Directors or the Remuneration and Appraisal Committee and the implementation of the Company's remedial measures for diluted earnings. 5. I will, within my powers, procure the linkage between the vesting conditions in respect of any share incentives granted by the Company and the implementation of the Company's remedial measures for diluted earnings. 6. I promise to strictly fulfill the aforesaid commitments to ensure that the Company's remedial measures for diluted earnings can be fulfilled effectively. If I breach or refuse to fulfill any commitment set forth above, I will make explanations and apologies and perform other obligations required by the applicable regulations, and agree to accept any punishment or regulatory action that may be imposed on or taken against me by the CSRC, the Shenzhen Stock Exchange or any other competent securities regulatory authority pursuant to the applicable rules and regulations established or promulgated by such regulatory authorities, and indemnify the Company or its shareholders for the losses (if any) arising therefrom according to the law. 	July 11, 2019	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; WANG Laichun; WANG Laisheng	Other commitments	<p>In order to seriously protect the legitimate rights and interests of the Company and all of its shareholders, each of the controlling shareholder and actual controllers of the Company hereby commitments as follows:</p> <ol style="list-style-type: none"> 1. We/I will not interfere with management and operation of the Company beyond our/my powers, or infringe on the interest of the Company. 2. We/I promise to effectively implement the remedial measures for diluted earnings formulated by the Company and fulfill our/my 	July 11, 2019	Long-term	Ongoing

			<p>corresponding commitments on the remedial measures for diluted earnings. If we/I breach or fail to perform the commitments set forth above, we/I agree to accept any punishment or regulatory action that may be imposed on or taken against us/me by the CSRC, the Shenzhen Stock Exchange or any other competent securities regulatory authority pursuant to the applicable rules and regulations established or promulgated by such regulatory authorities. If we/I breach or fail to fulfill the commitments set forth above, resulting in losses to the Company or the investors, we/I are/am willing to compensate for such losses according to the law.</p> <p>3. From the date of this commitment till the date of completion of this offering, if the CSRC or any other competent securities regulatory authority adopts any new regulation regarding the remedial measures for diluted earnings and commitments in connection therewith, and the commitments set forth above do not satisfy the requirements of such new regulation, we/I will make supplementary commitments pursuant to the new regulation.</p>			
Commitments relating to any initial public offering or subsequent fund raising	BAI Rujing; CHEN Chaofei; DONG Jianhai; LI Bin; LI Jing; LI Xiongwei; LIN Yifei; WANG Ji; WANG Laichun; WANG Laisheng; XU Huaibin; YE Yiling; ZHANG Lihua	Other commitments	<p>Each of all directors and executives of the Company hereby commitments as follows:</p> <p>(1) I will not transfer benefits to any other entity or individual without compensation or on unfair terms, or otherwise damage the interest of the Company;</p> <p>(2) I will exercise self-discipline in consumption in performing my duties;</p> <p>(3) I will not use the assets of the Company to engage in any investment or consumption activity not in connection with my duties;</p> <p>(4) I will procure the linkage between the remuneration system adopted by the Board of Directors or the Remuneration and Appraisal Committee and the implementation of the Company's remedial measures for diluted earnings;</p> <p>(5) If the Company establishes any share incentive plan in the future, I will procure the linkage between the vesting conditions in respect of any share incentives granted by the Company and the implementation of the Company's remedial measures for diluted earnings.</p>	March 11, 2016	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; WANG Laichun; WANG Laisheng	Other commitments	<p>Luxshare Limited, as the controlling shareholder of the Company, and WANG Laichun and WANG Laisheng, as the actual controllers of the Company, hereby make commitments as follows:</p> <p>1. We, Luxshare Limited, as the controlling shareholder of the Company, undertake not to interfere with management and operation of the</p>	March 11, 2016	Long-term	Ongoing

			<p>Company beyond our powers, or infringe on the interest of the Company.</p> <p>2. I, WANG Laichun, as the actual controller, Chairman and General Manager of the Company, undertake to perform my duties in accordance with the applicable laws and regulations and the articles of association of the Company, and not to interfere with management and operation of the Company beyond my powers, or infringe on the interest of the Company.</p> <p>3. I, WANG Laisheng, as the actual controller and Vice Chairman of the Company, undertake to perform my duties in accordance with the applicable laws and regulations and the articles of association of the Company, and not to interfere with management and operation of the Company beyond my powers, or infringe on the interest of the Company.</p>			
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited	Commitments relating to horizontal competition, related-party transactions and occupation of funds	<p>The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: 1. We and other entities controlled by us will reduce related-party transactions with the Company to the maximum extent practicable. 2. With respect to any related-party transaction between us or any other entity controlled by us and the Company that is unavoidable or exists reasonably, we will carry out such transaction on an arm's length basis and customary commercial terms, ensure the fairness of the transaction price, perform the relevant decision-making process according to the law, and guarantee that the legitimate rights and interests of the Company and its shareholders will not be damaged as a result of such transaction. 3. We or any other entity controlled by us will not request the Company to offer any terms more favorable than the terms that may be offered by any third party in an arm's length transaction, or accept any such terms offered by the Company. 4. For so long as we remain the controlling shareholder of Luxshare-ICT, the commitments set forth above shall be unconditional and irrevocable. If we breach any commitment set forth above, we will, jointly and severally, fully, timely and adequately indemnify the losses of the Company arising therefrom.</p>	October 15, 2014	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited	Commitments relating to horizontal competition, related-party transactions and occupation of	<p>The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: 1. We and all other entities controlled by us at present or in the future will not, directly or indirectly, engage in any business or activity that competes, might compete or potentially competes with the main business of the Company. 2. If any amendment of any applicable law or change in any</p>	October 15, 2014	Long-term	Ongoing

		funds	applicable policy of the country results in any actual or potential horizontal competition between us or any other entity controlled by us and the Company in any business, the Company shall have the preemptive right on the same terms in respect of any entrusted management (or management under contract or lease) or acquisition in connection with such business. 3. For so long as we remain the controlling shareholder of Luxshare-ICT, the commitments set forth above shall be unconditional and irrevocable. If we breach any commitment set forth above, we will, jointly and severally, fully, timely and adequately indemnify the losses of the Company arising therefrom.			
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; Shenzhen Zixin Investment Co., Ltd.; WANG Laichun; WANG Laisheng	Commitments relating to horizontal competition, related-party transactions and occupation of funds	The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: we/I will not take advantage of our/my position as the controlling shareholder, actual controller or shareholder (as applicable) and our/my affiliation with the Issuer to engage in any act to the detriment of the interest of the Issuer or its other shareholders. With respect to any related-party transaction between us/me or any other entity controlled by us/me and the Issuer, we/I will carry out such transaction on an arm's length basis and customary commercial terms, and will not request the Issuer to offer any terms more favorable than the terms that may be offered by any third party in an arm's length transaction, or accept any such terms offered by the Issuer. We/I will strictly perform all related-party transaction agreements (if any) entered into with the Issuer in good faith, and will not seek any interest or benefit in contravention of the commitments set forth above. If we/I breach any commitment set forth above, we/I agree to indemnify the Issuer and its minority shareholders for all losses arising therefrom.	July 30, 2010	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; Shenzhen Zixin Investment Co., Ltd.	Commitments relating to horizontal competition, related-party transactions and occupation of funds	The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: We are not engaged in any business that is the same as or similar to the business of the Issuer or any entity controlled by the Issuer. For so long as we retain control over the Issuer directly or indirectly, we will strictly comply with the applicable laws, regulations and codes of the country, and will not, directly or indirectly, engage in any business that is the same as, similar to or substantially in competition with the business of the Issuer or any entity controlled by the Issuer, or have substantial or relative control over any other company, organization or economic entity engaging in any business that is the same as, similar to or substantially in competition with	July 30, 2010	Long-term	Ongoing

			the business of the Issuer or any entity controlled by the Issuer in or outside China. We will use our control over the other entities controlled by us to cause such entities to fulfill the commitments set forth above in the same manner. If we breach any commitment set forth above, we agree to assume the relevant legal liabilities, including without limitation, to indemnify the Issuer and its minority shareholders for all losses arising therefrom.			
Commitments relating to any initial public offering or subsequent fund raising	WANG Laichun; WANG Laisheng	Commitments relating to horizontal competition, related-party transactions and occupation of funds	The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: I and other entities controlled by me are not engaged in any business that is the same as or similar to the business of the Issuer or any entity controlled by the Issuer. For so long as I retain control over the Issuer directly or indirectly, I will strictly comply with the applicable laws, regulations and codes of the country, and will not, directly or indirectly, engage in any business that is the same as, similar to or substantially in competition with the business of the Issuer or any entity controlled by the Issuer, or have substantial or relative control over any other company, organization or economic entity engaging in any business that is the same as, similar to or substantially in competition with the business of the Issuer or any entity controlled by the Issuer in or outside China. I will use my control over the other entities controlled by me to cause such entities to fulfill the commitments set forth above in the same manner. If I breach any commitment set forth above, I agree to assume the relevant legal liabilities, including without limitation, to indemnify the Issuer and its minority shareholders for all losses arising therefrom.	July 30, 2010	Long-term	Ongoing
Other commitments	WANG Laisheng	Commitments on Shareholding Increase	(1) For this shareholding increase plan and subsequent share management, I will not conduct insider trading or short-term trading, or purchase or sell shares during the sensitive period in strict accordance with the relevant provisions of applicable laws, regulations and normative documents. (2) I will not reduce shares of the Company during the period of the shareholding increase and within the statutory period, and will complete this shareholding increase plan during the aforesaid period of implementation.	October 26, 2023,	April 27, 2024	Completed as scheduled
Whether the commitments have been fulfilled on time?	Yes					
If any commitment	N/A					

is overdue, explain specific reasons for the incomplete performance and detailed plan of next steps	
---	--

2. If the Company has made any profit forecast on its assets or project and the reporting period falls within the period of such profit forecast, explanation about whether the goal has been achieved and the relevant reasons

Applicable N/A

II. Occupation of funds of the listed company by the controlling shareholder and other related parties for non-operating purposes

Applicable N/A

During the reporting period, no controlling shareholder or its related party used capital of the listed company for non-operating purposes.

III. Illegal provision of guarantees for external parties

Applicable N/A

We have not provided any external guarantee in contravention of the applicable regulations during the reporting period.

IV. Explanation made by the Board of Directors about the modified audit opinion for the latest period

Applicable N/A

V. Explanation by the Board of Directors, the Board of Supervisors and the independent directors (if any) about the modified auditor's report issued by the accounting firm for the reporting period

Applicable N/A

VI. Explanation about changes in accounting policies and accounting estimates or correction of significant accounting errors when compared to the previous financial year

Applicable N/A

On December 31, 2021, the Ministry of Finance issued the Notice on Issuing the Interpretation No. 15 of Enterprise Accounting Standards (Cai Kuai [2021] No. 35), hereinafter referred to as Interpretation No. 15, interpreting contents related to Reporting on Centralized Fund Management, etc.

On December 13, 2022, the Ministry of Finance issued the Notice on Issuing the Interpretation No. 16 of Enterprise Accounting Standards (Cai Kuai [2022] No. 31), hereinafter referred to as Interpretation No. 16, interpreting contents related to Accounting Treatment of Deferred Income Tax not Exempted from Initial Recognition for Assets and Liabilities arising from Single Transactions, Accounting Treatment of Income Tax Effects of Dividends Related to Financial Instruments Classified as Equity Instruments by the Issuer, Accounting Treatment of Changing Share Payments Settled in Cash by Enterprises to Share Payments Settled in Equity, etc.

In accordance with the above notifications, the company will make corresponding changes to its current accounting policies and implement them from the specified effective date.

VII. Explanation about changes in consolidation scope when compared to the previous financial year

Applicable N/A

Refer to “Section X Financial Report” - “IX. Changes in scope of consolidation”.

VIII. Appointment and dismissal of accounting firms

Accounting firm currently engaged:

Name of domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of domestic accounting firm (in RMB0'000)	246.33
Consecutive years in which the domestic accounting firm has provided auditing service	16
Certified public accountant of the domestic accounting firm	LI Jing and DANJie
Consecutive years in which the certified public accountant of the domestic accounting firm has provided auditing service	5

Whether a new accounting firm was engaged during the reporting period?

Yes No

Engagement of accounting firm for auditing internal controls, financial advisor or sponsor:

Applicable N/A

During the reporting period, the company engaged BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) as the auditor and internal control auditor for the year 2023. The total audit fees paid to RSM China Certified Public Accountants LLP (Special General Partnership) during the reporting period amounted to RMB 2.4633 million.

IX. Possibility of listing suspension and termination after disclosure of the annual report

Applicable N/A

X. Matters relating to bankruptcy and reorganization

Applicable N/A

We have not been involved in any bankruptcy or reorganization proceedings during the reporting period.

XI. Material litigation and arbitration proceedings

Applicable N/A

Background	Amount claimed (RMB0'000)	Whether a provision is recognized	Status	Result and effect	Enforcement of judgment/ award	Date of disclosure	Information disclosure available at
Other litigation during the reporting period (arbitration)	7,375.29	No	Closed	The case has been settled/ closed by mediation or judgment, and does not have a material effect on us.	Already enforced		N/A
Other litigation during the reporting period (arbitration)	5,562.66	No	Pending	The case is pending, and will not have a material effect on us.	Pending		N/A

XII. Penalty and rectification

Applicable N/A

We have not been subject to any punishment or required to make any rectification during the reporting period.

XIII. Integrity of the Company, its controlling shareholder and actual controller

Applicable N/A

There wasn't any outstanding court judgment or overdue debt of a large amount involving us or our controlling shareholder or actual controllers during the reporting period.

XIV. Material related-party transactions**1. Related-party transactions relating to day-to-day operation**

Applicable N/A

Counterparty	Relationship	Type	Related-party transactions	Pricing principle	Transaction price	Amount (in RM)	% of the total amount	Approved limit of transaction	Whether or not exceed	Method of settlement	Market price available for	Date of disclosure	Information disclosure
--------------	--------------	------	----------------------------	-------------------	-------------------	----------------	-----------------------	-------------------------------	-----------------------	----------------------	----------------------------	--------------------	------------------------

						B0 , 000)	of the same type of transact ions	on amount (in RMB0 , 000)	d the appro ved limit		the same type of transact ions		availab le at
Suzhou Lisheng	Associat ed legal person	Purchasi ng goods from affiliates	Purch asing goods	Market pricing	Fair marke t price	1,870.07	0.01%	4,500	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
BCS Germany	Associat ed legal person	Purchasi ng goods from affiliates	Purch asing goods	Market pricing	Fair marke t price	3,659.58	0.02%	7,000	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
Hong Kong Luxsan	Associat ed legal person	Purchasi ng goods from affiliates	Purch asing goods	Market pricing	Fair marke t price	119,061.78	0.67%	120,000	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
Luxsan Investmen t	Associat ed legal person	Purchasi ng goods from affiliates	Purch asing goods	Market pricing	Fair marke t price	3,699.9	0.02%	13,000	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
BCS United States	Associat ed legal person	Purchasi ng goods from affiliates	Purch asing goods	Market pricing	Fair marke t price	9.29	0.00%	10,000	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
Suzhou Lisheng	Associat ed legal person	Selling goods from affiliates	Sellin g goods	Market pricing	Fair marke t price	39,698.38	0.17%	85,000	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
Hong Kong Luxsan	Associat ed legal person	Selling goods from affiliates	Sellin g goods /provi ding labor	Market pricing	Fair marke t price	855.05	0.00%	180,000	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
Hong Kong Gaowei	Associat ed legal person	Selling goods from affiliates	Sellin g goods	Market pricing	Fair marke t price	4,748.38	0.02%	36,000	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
Luxsan	Associat	Selling	Sellin	Market	Fair	23,0	0.10%	35,000	No	Bank	Fair	Febru	Anno

Equipment	ed legal person	goods from affiliates	g goods	pricing	marke t price	41.77				transf er	marke t price	ary 22, 2023	unce ment No.:2023-013
Luxsan Investment	Associat ed legal person	Selling goods from affiliates	Sellin g goods	Market pricing	Fair marke t price	504.74	0.00%	5,500	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
BCS United States	Associat ed legal person	Selling goods from affiliates	Sellin g goods	Market pricing	Fair marke t price	2,422.68	0.01%	4,000	No	Bank transf er	Fair marke t price	Febru ary 22, 2023	Anno unce ment No.:2023-013
Total				--	--	199,571.62	--	500,000	--	--	--	--	--
Particulars of huge-amount sales returns				N/A									
If the total amount of daily related-party transactions that are expected to occur during the reporting period is estimated by type, the actual transactions occurred during the reporting period (if any)				When expecting the annual daily related party transactions, the Company conducts the appraisal and calculation of possible related party transactions according to the market situation, but the actually accrued amount is determined based on market situation, the two parties' business development, actual demands and specific implementation progress, resulting in certain differences between actually accrued amount and expected amount. The foregoing belongs to the acts of normal business and will not have a significant impact on daily operation and performance of the Company.									
Reason of any great difference between transaction price and reference market price (if applicable)				N/A									

2 Related-party transactions involving acquisition or sales of assets or equities

Applicable N/A

We have not conducted any related-party transaction involving acquisition or sales of assets or equities during the reporting period.

3. Related-party transactions involving joint external investment

Applicable N/A

The Company had no related-party transactions on joint investments during the reporting period.

4. Accounts receivable from and payable to related parties

Applicable N/A

We did not have any accounts receivable from or payable to any related party during the reporting period.

5. Financial business with its related financial companies

Applicable N/A

There are no deposits, loans, credits or other financial transactions between the Company, its related financial companies and related

parties.

6. Financial business between the financial companies controlled by the Company and related parties

Applicable N/A

There are no deposits, loans, credits or other financial transactions between the financial companies controlled by the Company and related parties.

7. Other significant related-party transactions

Applicable N/A

We have not conducted any other material related-party transaction during the reporting period.

XV. Significant contracts and performance thereof

1. Trusteeship, contracting and leases

(1) Trusteeship

Applicable N/A

No such case during the reporting period.

(2) Contracting

Applicable N/A

No such case during the reporting period.

(3) Leases

Applicable N/A

No such case during the reporting period.

2. Material guarantees

Applicable N/A

In RMB0,000

External guarantees provided by the Company and its subsidiaries (excluding those provided for the subsidiaries)										
Guarantee party	Disclosure date of quota announcement	Amount of guaranteed quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Fully executed or not	Whether or not provided for a related party
Guarantees provided by the Company for its subsidiaries										
Guarantee	Disclosure	Amount of	Actual date	Actual	Type of	Collateral	Counter	Term of	Fully	Whether

Party	Date of quota announcement	Guaranteed quota approved	Date of occurrence	Guarantee amount	Guarantee type	Collateral (if any)	Guarantee (if any)	Guarantee term	Executed or not	Whether or not provided for a related party
LUXSHARE PRECISION	April 20, 2022	70,118.73	July 28, 2021	0	Joint liability guarantee			Five years	No	Yes
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (B3)		70,118.73		Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)						
The situation of guarantees provided by subsidiary companies to other subsidiary companies.										
Guarantee party	Disclosure date of quota announcement	Amount of guaranteed quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Fully executed?	Whether or not provided for a related party
TIME Interconnect Server Technology Co., Ltd.		168.37	June 21, 2022	168.37	Joint and several guarantee			Six months from the expiration date of main debts	No	Yes
Dachuan Precision Intelligent Manufacturing (Kunshan) Co., Ltd.		58.9	December 19, 2022	58.9	Joint liability guarantee			Six months from the maturity date of the main debt	No	Yes
Dachuan Precision Intelligent Manufacturing (Kunshan) Co., Ltd.		11,771.95	April 11, 2023	11,771.95	Joint liability guarantee			2025/4/10	No	Yes
Linkz International		9,062.2	September 4, 2020	0	Joint liability guarantee			Continuing guarantee	No	Yes

Limited and TIME Interconnect Industrial Co., Ltd.					y			ee		
Linkz International Limited		5,890.43	December 14, 2020		0	Joint liability guaranty		Continuing guarantee	No	Yes
TIME Interconnect Industrial Co., Ltd.		3,171.77	June 27, 2017		0	Joint liability guaranty		Continuing guarantee	No	Yes
Linkz International Limited, TIME Interconnect Industrial Co., Ltd., TIME Interconnect Wiring Technology Co., Ltd. and TIME Interconnect Server Technology Co., Ltd.		15,405.74	September 5, 2022		0	Joint liability guaranty		Continuing guarantee	No	Yes
TIME Interconnect Industrial Co., Ltd.		2,743.67	June 25, 2021		0	Joint liability guaranty		Continuing guarantee	No	Yes
Linkz International Limited, TIME		10,421.53	March 21, 2023		0	Joint liability guaranty		Continuing guarantee	No	Yes

Interconnect Industrial Co., Ltd. and TIME Interconnect Server Technology Co., Ltd.										
Linkz International Limited, TIME Interconnect Industrial Co., Ltd. and TIME Interconnect Server Technology Co., Ltd.		16,765.07	February 27, 2023	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		7,249.76	October 9, 2020	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		815.6	September 27, 2021	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International		1,274.89	September 27, 2021	0	Joint liability guarant			Continuing guarant	No	Yes

Limited and TIME Interconnect Industrial Co., Ltd.					y			ee		
TIME Interconnect Server Technology Co., Ltd.		7,249.76	October 18, 2023		0	Joint liability guaranty		Continuing guarantee	No	Yes
TIME Interconnect Server Technology Co., Ltd.		815.6	October 18, 2023		0	Joint liability guaranty		Continuing guarantee	No	Yes
TIME Interconnect Server Technology Co., Ltd.		1,274.89	October 18, 2023		0	Joint liability guaranty		Continuing guarantee	No	Yes
TIME Interconnect Technology Limited		6,343.54	November 15, 2021		2,945.22	Joint liability guaranty		Continuing guarantee	No	Yes
TIME Interconnect Technology (Huizhou) Limited		5,000	April 27, 2020		168.54	Joint liability guaranty		Continuing guarantee	No	Yes
TIME Interconnect Technology (Huizhou) Limited		6,000	January 1, 2018		1,000	Joint liability guaranty		2023/12/31	No	Yes
TIME		10,800	January 24,		0	Joint		2025/1/	No	Yes

Interconnect Technology (Huizhou) Limited			2022		liability guaranty			23		
TIME Interconnect Technology (Huizhou) Limited		10,000	June 1, 2022	2,920	Joint liability guaranty			Expired on the debt repayment deadline, there is a grace period of three years	No	Yes
Huaxun Industrial (Suzhou) Co., Ltd.		5,000	July 1, 2021	2,000	Joint liability guaranty			2024/6/30	No	Yes
Huaxun Industrial (Suzhou) Co., Ltd.		11,000	January 12, 2022	6,579.74	Joint liability guaranty			Expired on the debt repayment deadline, there is a grace period of three years	No	Yes
TIME Interconnect Technology (Huizhou) Limited		8,000	May 12, 2023	1,000	Joint liability guaranty			2024/12/31	No	Yes
TIME Interconnect Technology (Huizhou) Limited		10,000	April 17, 2023	0	Joint liability guaranty			Continuing guarantee	No	Yes
TIME Interco		6,000	June 16, 2023	186.13	Joint liability			2028/3/9	No	Yes

nnect Technol ogy (Huizho u) Limited					guarant y					
TIME Interco nnect Industri al Co., Ltd.		13,593.3	June 28, 2023	9,062.2	Joint liability guarant y			Continu ing guarant ee	No	Yes
Total guarantee quota approved for subsidiaries within the reporting period (C1)				Total actual amount of guarantees for subsidiaries within the reporting period (C2)						22,020.28
Total guarantee quota approved for the subsidiaries at the end of the reporting period (C3)			185,876.96	Total actual guarantee balance for subsidiaries at the end of the reporting period (C4)						37,861.04
Total amount of guarantee provided by the Company (the sum of the above three items)										
Total amount of guarantee approved during the reporting period (A1+B1+C1)				Total actual amount of guarantees within the reporting period (i.e. A2+B2+C2)						22,020.28
Total amount of guarantee approved as at the end of the reporting period (A3+B3+C3)			255,995.69	Total actual guarantee balance at the end of the reporting period (A4+B4+C4)						37,861.04
Ratio of total amount of guarantee actually provided (A4+B4+C4) to the net assets of the Company										0.67%
Among which,										
Amount of guarantee for shareholders, de facto controller and their related parties (D)										0
Amount of debt guarantee provided for guaranteed party whose asset-liability ratio is not less than 70% directly or indirectly (E)										0
Amount of total guarantee over 50% of net assets (F)										0
Total amount guaranteed (D+E+F)										0

Particulars of the guarantees provided using complex method:

N/A

3. Entrusted management of cash assets

(1) Entrusted wealth management

Applicable N/A

Entrusted wealth management during the reporting period:

In RMB0'000

Type	Source of funds	Total amount	Outstanding amount	Overdue amount	Impairment amount made for overdue uncollected wealth management products
Bank wealth management amount	Self-owned funds	306,041.78	162,827.9	0	0
Bank wealth management amount	Fund raising	0	0	0	0
Total		306,041.78	162,827.9	0	0

Details of entrusted wealth management with individually significant amount or low safety, poor liquidity, high risk

Applicable N/A

Entrusted wealth management products the principal of which may be unrecoverable or which may otherwise be impaired:

Applicable N/A

(2) Entrusted loans

Applicable N/A

Entrusted loans during the reporting period:

In RMB0'000

Total amount	Source of funds	Outstanding amount	Overdue amount
4,381,506.13	Self-owned funds	4,381,506.13	0

Details of entrusted loans with individually significant amount or low safety, poor liquidity, high risk

Applicable N/A

Entrusted loans the principal of which may be unrecoverable or which may otherwise be impaired:

Applicable N/A

4. Other significant contracts

Applicable N/A

We have not entered into any other material contract during the reporting period.

XVI. Other significant matters

Applicable N/A

The Company has no other significant matters to be explained during the reporting period.

XVII. Significant events of subsidiaries of the Company

Applicable N/A

Section VII Changes in shares and shareholders

I. Changes in shares

1. Changes in shares

Unit: Share

	Before the change		+, -					After the change	
	Number	Proportion	New shares issued	Stock dividend	Shares converted from capital reserve	Other	Subtotal	Number	Proportion
I. Restricted Shares	11,178,887	0.16%				1,170,244	1,170,244	12,349,131	0.17%
1. Shares held by the State									
2. Shares held by State-owned corporations									
3. Shares held by other domestic investors	927,484	0.01%				831,462	831,462	1,758,946	0.02%
Incl.: Shares held by domestic non-State-owned corporations									
Shares held by domestic natural persons	927,484	0.01%				831,462	831,462	1,758,946	0.02%
4. Shares held by foreign investors	10,251,403	0.14%				338,782	338,782	10,590,185	0.15%
Incl.: Shares held by foreign corporations									
Shares held by foreign natural persons	10,251,403	0.14%				338,782	338,782	10,590,185	0.15%
II. Tradable shares	7,104,305,121	99.84%				44,027,946	44,027,946	7,148,333,067	99.83%
1. RMB-denominated ordinary shares	7,104,305,121	99.84%				44,027,946	44,027,946	7,148,333,067	99.83%
2. Foreign currency-denominated shares listed domestically									
3. Foreign currency-denominated shares listed overseas									
4. Others									
III. Total shares	7,115,484,008	100.00%				45,198,190	45,198,190	7,160,682,198	100.00%

Reasons of changes in shares:

Applicable N/A

1. During the reporting period, the Company issued 45,356,811 shares to the grantees under the stock option incentive plan exercising their options at their sole discretion, the details of which are shown in “Section IV” - “XI. Implementation of share incentive plans, employee stock ownership plans and other employee incentives granted by the Company”.

2. The Company publicly offered 30 million convertible corporate bonds (abbreviation: Luxshare Convertible Bonds; bond code: 128136) on November 3, 2020, and the period for which the convertible corporate bonds can be converted into shares is from May 10, 2021 to November 2, 2026. During the reporting period, the number of shares converted into by bonds was 3,010.

Approval of changes in shares:

Applicable N/A

1. Deliberation and approval by the 9th meeting of the fifth Board of Directors and the 9th meeting of the fifth Board of Supervisors of the Company on July 6, 2022.
2. Deliberation and approval by the 14th meeting of the fifth Board of Directors and the 14th meeting of the fifth Board of Supervisors of the Company on December 5, 2022.
3. Deliberation and approval by the 15th meeting of the fifth Board of Directors and the 15th meeting of the fifth Board of Supervisors of the Company on February 21, 2023.
4. Deliberation and approval by the 17th meeting of the fifth Board of Directors and the 17th meeting of the fifth Board of Supervisors of the Company on July 21, 2023.
5. Deliberation and approval by the 19th meeting of the fifth Board of Directors and the 19th meeting of the fifth Board of Supervisors of the Company on October 20, 2023.
6. Deliberation and approval by the 20th meeting of the fifth Board of Directors and the 20th meeting of the fifth Board of Supervisors of the Company on November 27, 2023

Transfer of share ownership:

Applicable N/A

1. Period in which the stock options vested in the second vesting period of the initial grant under the 2019 stock option incentive plan may be exercised by the relevant grantees: From July 22, 2022 to April 21, 2023.

2. Period in which the stock options vested in the third vesting period under the 2018 stock option incentive plan may be exercised by the relevant grantees: From December 13, 2022 to September 22, 2023.

3. Period in which the stock options vested in the third vesting period in reserved grant under the 2019 stock option incentive plan may be exercised by the relevant grantees: From March 1, 2023 to November 24, 2023.

4. Period in which the stock options vested in the third vesting period in initial grant under the 2021 stock option incentive plan may be exercised by the relevant grantees: From March 13, 2023 to December 1, 2023.

5. Period in which the stock options vested in the fourth vesting period in initial grant under the 2021 stock option incentive plan may be exercised by the relevant grantees: From July 4, 2023 to April 21, 2024.

6. Period in which the stock options vested in the first vesting period in reserved grant under the 2021 stock option incentive plan may be exercised by the relevant grantees: From November 3, 2023 to October 18, 2024.

7. Period in which the stock options vested in the fifth vesting period under the 2018 stock option incentive plan may be exercised by the relevant grantees: From December 6, 2023 to September 24, 2024.

Effect of changes in shares on the basic earnings per share, diluted earnings per share, net assets per share attributable to ordinary shareholders and other financial indicators of the Company in the preceding year and the most recent reporting period:

Applicable N/A

Other information disclosed as the Company deems necessary or required by the securities regulatory authorities:

Applicable N/A

2. Changes in non-tradable shares

Applicable N/A

II. Offering and listing of securities

1. Offering of securities (other than preferred shares) during the reporting period

Applicable N/A

2. Changes in total number of shares, shareholding structure, and structure of assets and liabilities of the Company

Applicable N/A

1. Upon review and approval by the 9th meeting of the fifth Board of Directors, the 14th meeting of the fifth Board of Directors, the 15th meeting of the fifth Board of Directors, the 17th meeting of the fifth Board of Directors, the 19th meeting of the fifth Board of Directors, and the 20th meeting of the fifth Board of Directors of the Company, the vesting conditions for the third vesting period in initial grant under 2019 stock option incentive plan, the fourth vesting period under 2018 stock option incentive plan, the third vesting period in reserved grant under 2019 stock option incentive plan, the first vesting period in initial grant under 2021 stock option incentive plan, the fourth vesting period under 2019 stock option incentive plan, the first vesting period in reserved grant under 2021 stock option incentive plan and the fifth vesting period under 2018 stock option incentive plan were satisfied, and the Company agreed that the relevant stock option grantees of the Company exercise options at their sole discretion, and a total of additional 45,356,811 shares were issued to the grantees exercising options at their sole discretion during the reporting period.

2. The Company publicly offered 30 million convertible corporate bonds (abbreviation: Luxshare Convertible Bonds; bond code: 128136) on November 3, 2020, and the period for which the convertible corporate bonds can be converted into shares is from May 10, 2021 to November 2, 2026. During the reporting period, the number of shares converted into by bonds was 3,010.

3. Outstanding employee shares

Applicable N/A

III. Shareholders and actual controllers

1. Number of shareholders and shareholding structure of the Company

Unit: Share

Total number of ordinary shareholders at the end of the reporting period	238,772	Total ordinary shareholders as of the end of the month prior to the disclosure date of annual report	319,082	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any) (see note 8)	0	Total number of preferred stockholders with voting rights restored at the end of last month before the disclosure date of the annual report (if any) (see note 8)	0	
Shareholders holding more than 5% of shares or shares of the top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholders	Type of shareholder	Shareholding percentage	Number of shares held at the end of the reporting period	Increase or decrease of shares within the reporting period	Number of restricted shares held	No. of non-tradable ordinary shares held	Pledge, mark or freeze	
							Status of shares	Qty
Luxshare Co., Ltd.	Foreign legal person	38.15%	2,731,537,636	0	0	2,731,537,636	Pledge	1,075,610,000.00
Hong Kong Central Clearing Company Limited	Foreign legal person	5.68%	406,591,465	-155,210,803	0	406,591,465	N/A	0
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	1.18%	84,428,888	0	0	84,428,888	N/A	0
Central Huijin Asset Management Limited Liability Company	State-owned legal person	0.81%	58,041,012	0	0	58,041,012	N/A	0
Changshuo Technology (Shanghai) Co., Ltd.	Domestic non-state-owned legal person	0.56%	39,845,105	0	0	39,845,105	N/A	0
E Fund - Agricultural Bank - E Fund CSI Financial Asset Management Plan	Domestic non-state-owned legal person	0.54%	38,656,343	0	0	38,656,343	N/A	0
Huaxia	Domestic	0.54%	38,576,831	0	0	38,576,831	N/A	0

Fund - Agricultural Bank - Huaxia CSI Financial Asset Management Plan	non-state-owned legal person							
CITIC-Prudential Fund - Agricultural Bank - CITIC-Prudential CSI Financial Asset Management Plan	Domestic non-state-owned legal person	0.54%	38,557,184	0	0	38,557,184	N/A	0
CITIC-Prudential Fund - Agricultural Bank - CITIC-Prudential CSI Financial Asset Management Plan	Domestic non-state-owned legal person	0.54%	38,508,814	0	0	38,508,814	N/A	0
Shenwan Hongyuan Securities Co., Ltd	State-owned legal person	0.52%	37,322,698	33,510,673	0	37,322,698	N/A	0
Strategic investor or general legal person becomes the top 10 shareholders due to the placement of new shares (if any) (See Note 3)					N/A			
Affiliates or concert parties among the shareholders listed above					1. Luxshare Limited is the controlling shareholder of the Company; 2. The Company is not aware of whether there are affiliates or persons acting in concert among the shareholders listed above.			
Delegation or waiver of voting rights or ownership of voting rights as a proxy in respect of the shareholders listed above					N/A			
Description (if any) of special repurchase shareholders among top 10 shareholders (refer to Note 10)					N/A			
Shareholdings of top 10 unrestricted shareholders								
Name of shareholders	Number of unrestricted shares held at the end of the reporting period	Type						
		Type	Qty					
Luxshare Limited	2,731,537,636	RMB ordinary shares	2,731,537,636					
Hong Kong Securities Clearing Company Limited	406,591,465	RMB ordinary shares	406,591,465					
China Securities Finance Corporation Limited	84,428,888	RMB ordinary shares	84,428,888					
Central Huijin Investment Ltd.	58,041,012	RMB ordinary shares	58,041,012					
Changshuo Technology (Shanghai) Co., Ltd.	39,845,105	RMB ordinary shares	39,845,105					

E Fund Management Co., Ltd. - Agricultural Bank of China - E Fund CSI Financial Asset Management Plan	38,656,343	RMB ordinary shares	38,656,343
Huaxia Fund Management Co., Ltd. - Agricultural Bank of China - Huaxia CSI Financial Asset Management Plan	38,576,831	RMB ordinary shares	38,576,831
China Europe Fund Management Co., Ltd. - Agricultural Bank of China - China Europe CSI Financial Asset Management Plan	38,557,184	RMB ordinary shares	38,557,184
Yinhua Fund Management Co., Ltd. - Agricultural Bank of China - Yinhua CSI Financial Asset Management Plan	38,508,814	RMB ordinary shares	38,508,814
Shenwan Hongyuan Securities Co., Ltd	37,322,698	RMB ordinary shares	37,322,698
Affiliates or concert parties among top 10 holders of tradable ordinary shares, and among top 10 holders of tradable ordinary shares and top 10 ordinary shareholders	N/A		
Engagement by top 10 ordinary shareholders in margin trading (if any) (Note 4)	N/A		

Top ten shareholders participating in securities lending business for the reporting period:

Applicable N/A

Changes in the top ten shareholders compared to the previous period:

Applicable N/A

Did any top 10 ordinary shareholder or top 10 holder of tradable ordinary shares conduct any transaction under repurchase agreement during the reporting period?

Yes No

No top 10 ordinary shareholder or top 10 holder of tradable ordinary shares has conducted any transaction under repurchase agreement during the reporting period

2. Controlling shareholder of the Company

Nature of controlling shareholder: Controlled by foreign investor

Type of controlling shareholder: Corporation

Name of controlling shareholder	Legal representative/principal	Date of establishment	Change in organization code	Main business
Luxshare Limited	WANG Laichun, WANG Laisheng	August 27, 1999	686629	Investment and share holding
Shares held by the controlling shareholder in other companies listed on domestic or foreign stock exchanges during the reporting period	None			

Change in the controlling shareholder during the reporting period:

Applicable N/A

Our controlling shareholder has remained unchanged during the reporting period.

3. Actual controllers of the Company and their concerted parties

Nature of actual controllers: Natural person

Type of actual controllers: Natural person

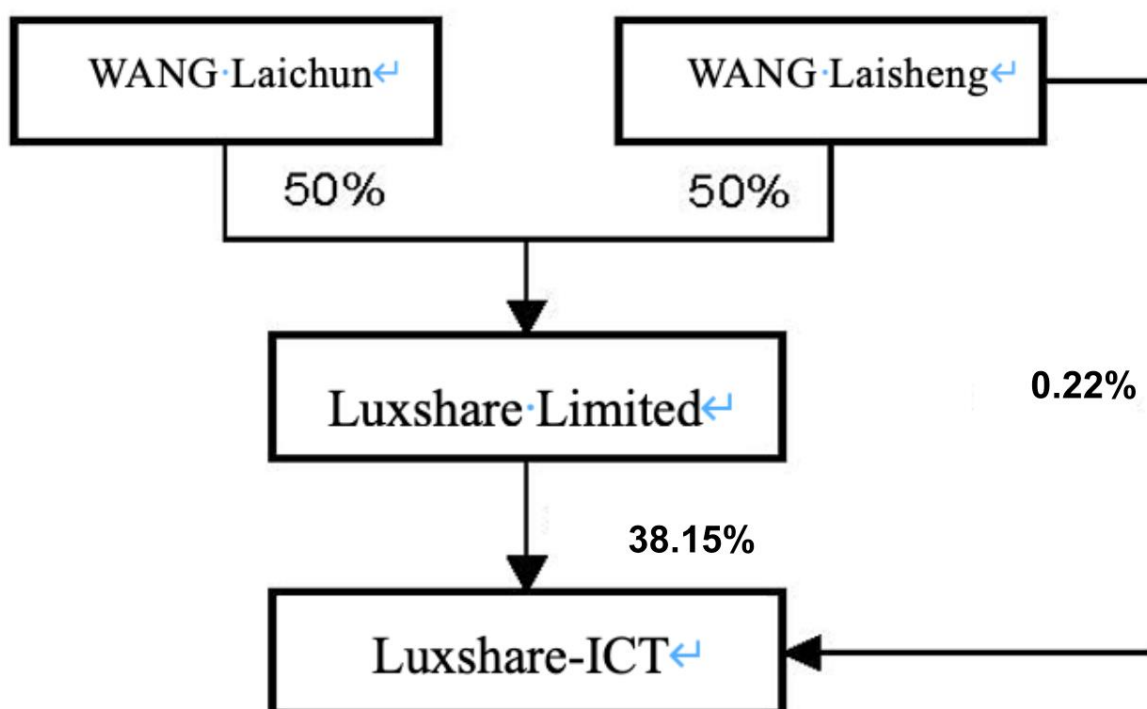
Name of actual controller	Relationship with the actual controller	Nationality	Whether or not hold a residence permit in any other country or region
WANG Laichun	Herself	Hong Kong	No
WANG Laisheng	Himself	Hong Kong	No
Main occupations and titles	<p>Ms. WANG Laichun is the Chairman of the Board of Directors & General Manager of the Company. In 1999, Ms. WANG Laichun and Mr. WANG Laisheng jointly purchased the shares of Luxshare Limited. In 2004, she founded Luxshare Precision Industry (Shenzhen) Co., Ltd. (now known as “Luxshare Precision Industry Co., Ltd.”) through Luxshare Limited and acted as its Chairman of the Board of Directors.</p> <p>Mr. WANG Laisheng serves as the Vice Chairman of the Board of Directors of the Company. Mr. WANG Laisheng and Ms. WANG Laichun jointly purchased the shares of Luxshare Limited in 1999, and in 2004, Mr. WANG Laisheng and Ms. WANG Laisheng jointly established founded Luxshare Precision Industry (Shenzhen) Co., Ltd. (now known as “Luxshare Precision Industry Co., Ltd.”).</p>		
Whether or not control any other company listed on a domestic or foreign stock exchange in the past ten years	None		

Change in the actual controllers during the reporting period:

Applicable N/A

Our actual controllers have remained unchanged during the reporting period.

Diagram of ownership and control relationship between the Company and its actual controllers:



Whether the actual controllers control the Company through WANG Laichun or other WANG Laisheng management?

Applicable N/A

4. The Company's controlling shareholder or top 1 shareholder and its persons acting in concert pledged account for 80% in total of the Company's shares Applicable N/A

Applicable N/A

Luxshare-ICT

5. Other institutional shareholders owning over 10% of shares

Applicable N/A

6. Restrictions on shareholding reduction of the controlling shareholder, actual controller, restructuring parties, and other commitment subjects

Applicable N/A

IV. Specific implementation of share repurchases during the reporting period

Progress of share repurchase:

Applicable N/A

Progress of sales of repurchased shares through call auction:

Applicable N/A

Section VIII Preference Shares

Applicable N/A

We did not have any preferred share during the reporting period.

Section IX Bonds

Applicable N/A

I. Enterprise bonds

Applicable N/A

The Company had no enterprise bonds during the reporting period.

II. Corporate bonds

Applicable N/A

The Company had no corporate bonds during the reporting period.

III. Non-financial corporate debt financing instruments

Applicable N/A

1. Basic information of non-financial corporate debt financing instruments

In RMB 10,000

Bond name	Bond abbreviation	Bond code	Issue date	Start date	Maturity date	Bond balance	Interest rate	Principal and interest payment method	Trading venue
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd	22 Luxshare-ICT SCP004	012282152	June 15, 2022	June 17, 2022	March 14, 2023	100,000	2.40%	A lump sum payment of principal and interest at maturity	Interbank bond market
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd	22 Luxshare-ICT SCP006	012282491	July 14, 2022	July 15, 2022	April 11, 2023	120,000	2.20%	A lump sum payment of principal and interest at maturity	Interbank bond market
Phase VII ultra-short-term financing bonds in 2022 of Luxshare	22 Luxshare-ICT SCP007	012282585	July 21, 2022	July 22, 2022	April 18, 2023	80,000	2.15%	A lump sum payment of principal	Interbank bond market

Precision Industry Co., Ltd									and interest at maturity	
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd	22 Luxshare-ICT SCP008	012282674	July 28, 2022	July 29, 2022	April 25, 2023	80,000	2.15%		A lump sum payment of principal and interest at maturity	Interbank bond market
Phase I ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	23 Luxshare-ICT SCP001	012381657	April 21, 2023	April 21, 2023	July 20, 2023	120,000	2.77%		A lump sum payment of principal and interest at maturity	Interbank bond market
Phase II ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	23 Luxshare-ICT SCP002	012381930	May 23, 2023	May 23, 2023	November 17, 2023	80,000	2.42%		A lump sum payment of principal and interest at maturity	Interbank bond market
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	23 Luxshare-ICT SCP003	012384122	November 14, 2023	November 15, 2023	May 10, 2024	80,000	2.70%		A lump sum payment of principal and interest at maturity	Interbank bond market
Investors' appropriate arrangements (if any)	Institutional investors on the national interbank bond market (except for purchasers prohibited by laws and regulations of China)									
Applicable trading mechanism	Public trading									
Whether there is the risk of termination of listing (if any) and countermeasures	No									

Bonds overdue but not yet repaid

Applicable N/A

2. Trigger and implementation of the issuer or investor option provisions or investor protection provisions

Applicable N/A

3. Intermediaries

Name of bond project	Name of intermediary	Office address	Name of accountants signing this report	Contact person of Intermediary	Phone
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Huaxia Bank Co., Ltd.	No. 22 Jianguomennei Avenue, Dongcheng District, Beijing	None	LI Bailu	010-85237515
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd.	No. 168 Yincheng Middle Road, Shanghai	None	SHI Yuzhou	021-68476774
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	TONG Linwen	0755-36806500
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	RSM China (Special General Partnership)	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	China Merchants Bank Co., Ltd.	China Merchants Bank Tower, No. 7088 Shennan Avenue, Shenzhen	None	LUO Yingying	0755-88026159
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen)	20th Floor, Tower 3, Kerry Plaza, No. 1	None	TONG Linwen	0755-36806500

Ltd.	Beijing Branch	Zhongxin 4th Road, Futian District, Shenzhen			
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	RSM China (Special General Partnership)	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662
Phase VII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd.	No. 168 Yincheng Middle Road, Shanghai	None	DU Zhong	021-68476774
Phase VII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	GUO Qilin	0755-36806500
Phase VII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase VII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase VII ultra-short-term	China Central	33rd-34th	None	XIE Zhong	021-63326662

financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Depository & Clearing Co., Ltd.	Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai			
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	China Merchants Bank Co., Ltd.	China Merchants Bank Tower, No. 7088 Shennan Avenue, Shenzhen	None	LUO Yingying	0755-88026159
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	TONG Linwen	0755-36806500
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	RSM China (Special General Partnership)	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662
Phase I ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Zheshang Bank Co., Ltd.	No. 1788 Hongning Road, Xiaoshan District, Hangzhou City, Zhejiang Province	None	CAI Yingni	0755-23888727
Phase I ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd.	No. 168 Yincheng Middle Road, Shanghai	None	DU Zhong	021-68476774
Phase I ultra-short-term financing bonds in 2023 of Luxshare	Han Kun Law Offices	20th Floor, Tower 3, Kerry	None	TONG Linwen	0755-36806500

Precision Industry Co., Ltd.	(Shenzhen) Beijing Branch	Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen			
Phase I ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	RSM China (Special General Partnership)	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase I ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase I ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662
Phase II ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd.	No. 168 Yincheng Middle Road, Shanghai	None	DONG Wenchao	021-68476774
Phase II ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	TONG Linwen	0755-36806500
Phase II ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	RSM China (Special General Partnership)	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase II ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850

Phase II ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd.	No. 168 Yincheng Middle Road, Shanghai	None	DONG Wenchao	021-68476774
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	TONG Linwen	0755-36806500
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	RSM China (Special General Partnership)	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	RSM China (Special General Partnership)	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662

Did the above-mentioned intermediaries change during the reporting period?

Yes No

4. Use of raised funds

In RMB 10,000

Name of bond project	Total proceeds	Used amount	Unused amount	Operation of special account for	Rectifications of use of the proceeds	Consistent with the usage, use
----------------------	----------------	-------------	---------------	----------------------------------	---------------------------------------	--------------------------------

				proceeds (if any)	in violation of laws and regulations (if any)	plan and other agreements as promised in the prospectus or not
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	100,000	100,000	0	Normal	N/A	Yes
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	120,000	120,000	0	Normal	N/A	Yes
Phase VII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	80,000	80,000	0	Normal	N/A	Yes
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	80,000	80,000	0	Normal	N/A	Yes
Phase I ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	120,000	120,000	0	Normal	N/A	Yes
Phase II ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	80,000	80,000	0	Normal	N/A	Yes
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	80,000	80,000	0	Normal	N/A	Yes

Use of proceeds in the construction projects

Applicable N/A

Change by the Company of the usage of the above-mentioned proceeds during the reporting period

Applicable N/A

5. Adjustment of credit rating results during the reporting period

Applicable N/A

6. Implementation and changes of guarantees, debt repayment plans and other debt repayment security measures during the reporting period and their effects on bond investors

Applicable N/A

IV. Convertible corporate bonds

Applicable N/A

1. Historic adjustment of conversion price

I. 2020

(1) The initial conversion price of the company's convertible bonds was set at CNY 58.62 per share.

(2) Due to the voluntary exercise of stock options by incentive recipients under the company's equity incentive plan from November 3, 2020 (the issuance date of the convertible bonds) to December 10, 2020, the company issued an additional 3,281,228 shares, resulting in an adjustment of the conversion price from CNY 58.62 per share to CNY 58.60 per share, effective from December 14, 2020.

(3) Due to the voluntary exercise of stock options by incentive recipients under the company's equity incentive plan on December 25, 2020, the company issued an additional 17,765,322 shares, resulting in an adjustment of the conversion price from CNY 58.60 per share to CNY 58.48 per share, effective from December 30, 2020.

(4) As of the end of the reporting period, the conversion price of the company's convertible bonds stands at CNY 58.48 per share.

II. 2021

(1) The initial conversion price of the company's convertible bonds was set at RMB 58.48 per share.

(2) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 4,304,601 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 445,471 shares, the conversion price was adjusted from RMB 58.48 per share to RMB 58.44 per share, effective from January 13, 2021.

(3) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 5,459,122 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 3,767,011 shares, the conversion price was adjusted from RMB 58.44 per share to RMB 58.38 per share, effective from February 24, 2021.

(4) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 2,649,238 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 967,132 shares, the conversion price was adjusted from RMB 58.38 per share to RMB 58.36 per share, effective from March 11, 2021.

(5) Due to the implementation of the 2020 annual equity distribution, with the company's existing total share capital of 7,035,428,828 shares as the base, a cash dividend of RMB 1.099999 per 10 shares was distributed to all shareholders, resulting in an adjustment of the conversion price from RMB 58.36 per share to RMB 58.25 per share, effective from July 8, 2021.

(6) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive

plan, resulting in the addition of 1,032,246 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 7,360,758 shares, the conversion price was adjusted from RMB 58.25 per share to RMB 58.20 per share, effective from July 22, 2021.

(7) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 374,655 shares, the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 3,417,190 shares, and the reservation of shares for future issuance to incentive recipients, the conversion price was adjusted from RMB 58.20 per share to RMB 58.18 per share, effective from September 6, 2021.

(8) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 34,828 shares, the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 2,501,419 shares, and the reservation of shares for future issuance to incentive recipients, the conversion price was adjusted from RMB 58.18 per share to RMB 58.16 per share, effective from November 10, 2021.

(9) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 14,413,326 shares, the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 1,112,879 shares, and the reservation of shares for future issuance to incentive recipients, the conversion price was adjusted from RMB 58.16 per share to RMB 58.05 per share, effective from December 29, 2021.

(10) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 5,184,144 shares, the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 365,642 shares, and the reservation of shares for future issuance to incentive recipients, the conversion price was adjusted from RMB 58.05 per share to RMB 58.01 per share, effective from December 31, 2021.

(11) As of the end of the reporting period, the conversion price of the company's convertible bonds stands at RMB 58.01 per share.

III. 2022

(1) As of the beginning of the reporting period, the conversion price of convertible bonds of the Company was RMB58.48 per share.

(2) The conversion price was adjusted from RMB58.01 per share to RMB57.98 per share, which became effective on January 13, 2022, because 3,747,618 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 560,728 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan of the Company.

(3) The conversion price was adjusted from RMB57.98 per share to RMB57.97 per share, which became

effective on January 25, 2022, because 1,132,798 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 270,342 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan of the Company.

(4) The conversion price was adjusted from RMB57.97 per share to RMB57.93 per share, which became effective on March 8, 2022, because 2,212,582 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 508,705 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan and 3,011,626 reserved shares were exercised by grantees under 2019 stock option incentive plan of the Company.

(5) The conversion price was adjusted from RMB57.93 per share to RMB57.92 per share, which became effective on March 22, 2022, because 873,526 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 233,381 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan and 424,954 reserved shares were exercised by grantees under 2019 stock option incentive plan of the Company.

(6) The conversion price was adjusted from RMB57.92 per share to RMB57.91 per share, which became effective on May 25, 2022, because 627,019 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 148,641 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan of the Company.

(7) The conversion price was adjusted from RMB57.91 per share to RMB57.80 per share, which become effective on July 13, 2022 because the Company implemented the annual equity distribution in 2021, and distributed RMB1.099820 in cash per 10 shares to all shareholders based on the Company's existing total share capital of 7,085,454,576 shares.

(8) The conversion price was adjusted from RMB57.80 per share to RMB57.75 per share, which became effective on July 27, 2022, because 880,088 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 7,580,662 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan and 79,033 reserved shares were exercised by grantees under 2019 stock option incentive plan of the Company.

(9) The conversion price was adjusted from RMB57.75 per share to RMB57.73 per share, which became effective on September 7, 2022, because 468,709 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 2,920,986 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan and 139,180 reserved shares were exercised by grantees under 2019 stock option incentive plan of the Company.

(10) The conversion price was adjusted from RMB57.73 per share to RMB57.71 per share, which became effective on November 22, 2022, because 379,470 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 1,911,486 shares were added arising from exercise by grantees in initial grant under

2019 stock option incentive plan and 91,549 reserved shares were exercised by grantees under 2019 stock option incentive plan of the Company.

(11) The conversion price was adjusted from RMB57.71 per share to RMB57.63 per share, which became effective on December 20, 2022, because 11,412,022 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 294,313 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan of the Company.

(12) As of the end of the reporting period, the conversion price of convertible bonds of the Company was RMB57.63 per share.

IV. 2023

(1) At the beginning of the reporting period, the conversion price of the company's convertible bonds was RMB 57.63 per share.

(2) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 3,752,347 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 116,679 shares, the conversion price was adjusted from RMB 57.63 per share to RMB 57.60 per share, effective from January 4, 2023.

(3) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 9,094,213 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, as well as the reservation of shares for future issuance to incentive recipients, resulting in a total addition of 5,811,753 shares, the conversion price was adjusted from RMB 57.60 per share to RMB 57.50 per share, effective from March 24, 2023.

(4) Due to the implementation of the 2022 annual equity distribution, with the company's existing total share capital of 7,132,251,351 shares as the base, a cash dividend of RMB 1.299661 per 10 shares was distributed to all shareholders, resulting in an adjustment of the conversion price from RMB 57.91 per share to RMB 57.37 per share, effective from June 15, 2023.

(5) Due to the exercise of stock options by incentive recipients under the company's 2018 stock option incentive plan, resulting in the addition of 2,508,221 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, as well as the reservation of shares for future issuance to incentive recipients, resulting in a total addition of 7,575,022 shares, the conversion price was adjusted from RMB 57.37 per share to RMB 57.31 per share, effective from July 26, 2023.

(6) As of the end of the reporting period, the conversion price of the company's convertible bonds stands at RMB 57.31 per share.

2. Accumulative conversion of convertible bonds into shares

Applicable N/A

Convertible	Beginning	Total	Total issue	Amount of	Number of	Proportion	Amount of	Proportion
-------------	-----------	-------	-------------	-----------	-----------	------------	-----------	------------

bond abbreviation	and ending dates	issued convertible bonds (piece)	amount	accumulative converted shares (RMB)	accumulative converted shares (share)	of accumulative converted share to the total shares issued by the Company before conversion	unconverted bonds (RMB)	of amount of unconverted bonds to the total issued amount
Convertible bonds of Luxshare	May 10, 2021	30,000,000	3,000,000,000.00	174,100.00	3,010	0.00%	2,999,088,900.00	99.97%

3. Top 10 holders of convertible corporate bonds

S.N.	Name of holder of convertible corporate bonds	Nature of holder of convertible corporate bonds	Number of convertible corporate bonds held at the end of the reporting period	Amount of convertible corporate bonds held at the end of the reporting period (RMB)	Percentage of convertible corporate bonds held at the end of the reporting period
1	China Construction Bank Corporation - Zhong Ou New Blue Chip Flexible Allocation Hybrid Securities Investment Fund	Others	1,451,370	49,999,696.50	4.84%
2	The HongKong and Shanghai Banking Corporation Limited	Foreign legal person	907,650	31,268,542.50	3.03%
3	ICBC Credit Suisse Tianfeng Convertible Bond Fixed Income Pension Product - Bank of China Limited	Others	888,242	30,599,936.90	2.96%
4	China Construction Bank Corporation Limited - Xinhua Zengyi bond securities investment fund	Others	828,154	28,529,905.30	2.76%
5	Fuguo Fuyi Enterprising Fixed Income Pension Product - Industrial and Commercial Bank of China Limited	Others	711,580	24,513,931.00	2.37%
6	China Construction Bank Corporation Limited - Huashang Credit enhanced bond securities investment fund	Others	696,214	23,984,572.30	2.32%
7	China Merchants Bank Co., LTD-Industrial income enhancement bond securities investment fund	Others	656,139	22,603,988.55	2.19%
8	UBS AG	Foreign legal person	624,992	21,530,974.40	2.08%
9	Industrial and Commercial Bank of China - Nu'an Balanced Securities	Others	441,671	15,215,565.95	1.47%

	Investment Fund				
10	Northeast Securities Co., Ltd.	State-owned legal person	420,053	14,470,825.85	1.40%

4. Significant changes in the profitability, assets and credit status of the guarantors

Applicable N/A

5. The Company's liabilities, changes in credit at the end of the reporting period and cash arrangements for debt repayment in future years

According to the Credit Rating Report (Lian He [2023] No. 4797) issued by China Lianhe Credit Rating Co., Ltd. on June 21, 2023, the long-term credit rating of the Company as the entity is AA+ and the credit rating of the convertible bonds of the Company is AA+. There is no significant change in the Company's liabilities and credit. For main accounting data and financial indicators, please see the "VIII Main Accounting Date and Financial Indicators in the Past Two Years" under Section IX of this report.

V. The loss in the scope of consolidated statements of the Company during the reporting period exceeded 10% of the net assets at the end of previous reporting period

Applicable N/A

VI. Overdue interest-bearing debts other than bonds at the end of the reporting period

Applicable N/A

VII. Was there violations of rules and regulations during the reporting period?

Yes No

VIII. Main accounting data and financial indicators of the Company for most recent two years as of the end of the reporting period

In RMB0'000

Item	December 31, 2023	December 31, 2022	Y/Y% Change
Current ratio	1.2591	1.183	6.43%
Equity-debt ratio	56.61%	60.38%	-3.77%
Quick ratio	0.8615	0.6824	26.25%
	2023	2022	Y/Y% Change
Net profit, excluding non-recurring profit and loss	1,018,555.36	844,205.29	20.65%
EBITDA - total debt ratio	61.41%	60.45%	0.96%

Interest coverage ratio	10.36	11.75	-11.83%
Cash interest coverage ratio	22.58	14.99	50.63%
EBITDA-to-interest coverage ratio	17.98	19.43	-7.46%
Rate of loans due and repaid	100.00%	100.00%	0.00%
Rate of interest due and paid	100.00%	100.00%	0.00%

Section X Financial Report

I. Auditor's report

Audit opinion	Standard Unqualified Opinion
Signing date of audit report	April 24, 2024
Auditor	BDO China Shu Lun Pan Certified Public Accountants LLP
Auditor report document number	Xin Kuai Shi Bao Zi [2024] No. ZB10481
Name of certified public accountants	LI Jing and DAN Jie

Main Body of Auditor's Report

Auditor's Report

Xin Kuai Shi Bao Zi [2023] No. ZB10828

To all shareholders of Luxshare Precision Industry Co., Ltd.,

I. Audit opinion

We have audited the financial statements of Luxshare Precision Industry Co., Ltd. ("Luxshare Precision"), which comprise the consolidated and parent company's balance sheets as at December 31, 2023, and the consolidated and parent company's income statements, the consolidated and parent company's statements of cash flows and the consolidated and parent company's statements of changes in owners' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements are prepared in all material respects in accordance with the Accounting Standards for Business Enterprises and fairly present the consolidated and parent company's financial position as of December 31, 2023, and the consolidated and parent company's operating results and cash flows for the year then ended.

II. Basis for opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of Luxshare Precision with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarized as below:

Key audit matters	How we addressed the matter in our audit
<p>(I) Revenue recognition</p> <p>For details of the accounting policy for and analysis on revenue recognition, please see the accounting policies described in the Item (26) under the Note "III. Significant accounting policies and accounting estimates" and the Item (45) under the Note "V. Notes to consolidated financial statements" to the financial statements (48).</p> <p>In 2023, Luxshare Precision's operating income presented in its consolidated financial statements</p>	<p>1. Understand, evaluate and test the design of the key internal controls of the management related to revenue recognition and the operational effectiveness of those controls;</p> <p>2. Sample the product sales revenue to make test thereof according to different regions and customers: check supporting documents related to revenue recognition;</p> <p>3. Implement the analytical procedures on income</p>

<p>amounted to RMB231,905,459,800.00. Luxshare Precision has a large number of customers at home and abroad. Under different delivery methods, the Company recognizes revenue upon the transfer of control of a related product to a customer. If a customer is also the supplier of some raw materials, the Company recognizes the purchase of raw materials and sales of products respectively based on the transfer of inventory risks and rewards, product liability, credit risk bearers and business nature, that is, the sales revenue is recognized based on the gross amount. The revenue is one of the Company's key performance indicators and the main source of the Company's profits, so we identify the revenue from product sales as the key audit matter based on the importance of the accounting policy for revenue recognition and the amount involved.</p>	<p>and gross profit and determine whether there are abnormal fluctuations in the amount of revenue for the current period;</p> <ol style="list-style-type: none"> 4. Understand the modes of cooperation between the Company and customers and suppliers, and evaluate the product liability share and the transfer of control; 5. Evaluate the accuracy and completeness of revenue in conjunction with the confirmation procedures for receivables & payables and inventories; and 6. Analyze the post-period recovery of accounts receivable.
<p>(II) Provision for decline in value of inventories</p>	
<p>Please see the accounting policies described in the Item (11) under the Note "III. Significant accounting policies and accounting estimates" and the Item (7) under the Note "V. Notes to consolidated financial statements" to the financial statements (8).</p> <p>As at December 31, 2023, Luxshare Precision's inventories and provision for decline in value of inventories presented in its consolidated financial statements amounted to RMB 30,886,474,500.00 and RMB1,128,544,200.00 respectively. Inventories of the Company are stated at the lower of cost or net realizable value. For finished products, their net realizable value is determined at the estimated selling price of these inventories less the estimated costs necessary to make the sale and relevant taxes; for the inventories that need to be processed, in the ordinary production and operation process, their net realizable value is determined at the estimated selling price of finished products less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The determination of the net realizable value of inventories involves the management's use of significant accounting estimates and judgments, and the provision for decline in value of inventories is of significance to the consolidated financial statements, so we identify the provision for decline in value of inventories as the key audit matter.</p>	<ol style="list-style-type: none"> 1. Understand, evaluate and test the design of the key internal controls of the management related to the provision for decline in value of inventories and the operational effectiveness of those controls; 2. Obtain the Company's calculation sheet of the provision for decline in value of inventories, review the net realizable value of inventories and the provision for decline in value of inventories, and evaluate whether the judgment made by the management in determining the net realizable value of inventories is reasonable; 3. Check the quantity and conditions of inventories, focus on inspecting the long-term inventories, and analyze the adequacy of the provision for decline in value of inventories if any indication exists that such inventories may be impaired, in conjunction with roll-forward procedures; and 4. Check the current changes of the provision for decline in value of inventories made in previous years and analyze the rationality of the changes in the provision for decline in value of inventories.

IV. Other information

The management of Luxshare Precision ("management") is responsible for other information. Other information comprises the information included in the 2022 Annual Report of Luxshare Precision, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of the management and those charged with governance for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance

with Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to enable the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Luxshare Precision's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate Luxshare Precision or to cease operations, or have no realistic alternative but to do so.

Those charged with governance of Luxshare Precision (hereinafter referred to as "those charged with governance") are responsible for overseeing Luxshare Precision's financial reporting process.

VI. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting, and meanwhile, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubts on Luxshare Precision's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements. If such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Luxshare Precision to cease to continue as a going concern;

(5) Evaluate the overall presentation (including disclosure), structure and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Luxshare Precision to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO China Shu Lun Pan Certified Public Accountants LLP

Shanghai · China

Chinese CPA: LI Jing (Project Partner)

Chinese CPA: DAN Jie

April 27, 2023

II. Financial statements

Statements in notes to the financial statements are dominated in RMB.

1. Consolidated balance sheet

Prepared by: Luxshare Precision Industry Co., Ltd.

December 31, 2023

In RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Cash and bank balances	33,619,539,457.51	19,367,209,441.41
Balances with clearing agencies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	1,720,764,175.32	1,353,266,499.91
Derivative financial assets		
Notes receivable	261,073,349.06	949,767,020.69
Accounts receivable	23,504,481,889.07	26,043,354,859.19
Receivable financing	587,585,009.82	
Prepayments	486,702,941.36	586,577,865.23
Premiums receivable		
Amounts receivable under reinsurance contracts		
Reinsurer's share of insurance contract reserves		
Other receivables	322,407,052.71	431,123,451.91
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	29,757,930,319.35	37,363,329,476.66
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	1,047,566,017.54	
Other current assets	2,920,078,401.07	2,197,204,594.09
Total current assets	94,228,128,612.81	88,291,833,209.09
Non-current assets:		
Loans and advances to customers		
Debt investments		1,739,251,540.45
Other debt investments		
Long-term receivables		
Long-term equity investment	4,232,941,741.05	2,000,007,642.66

Other investments in equity instruments	249,122,251.32	440,106,992.66
Other non-current financial assets	35,700,000.00	35,700,000.00
Investment properties	23,353,936.24	92,782,410.06
Fixed assets	44,560,506,279.62	44,026,022,703.69
Construction in progress	2,226,217,016.31	2,695,377,794.32
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	648,963,968.09	941,749,814.66
Intangible assets	2,663,069,103.86	2,695,684,053.67
Development expenditure		
Goodwill	1,729,242,734.88	1,730,047,190.39
Long-term deferred expenses	590,266,003.15	810,913,529.72
Deferred tax assets	872,943,835.40	1,208,582,281.01
Other non-current assets	9,931,644,112.92	1,676,259,912.33
Total non-current assets	67,763,970,982.84	60,092,485,865.62
Total assets	161,992,099,595.65	148,384,319,074.71
Current liabilities:		
Short-term borrowings	20,514,182,240.47	14,911,899,668.93
Loans from the central bank		
Taking from banks and other financial institutions		
Held-for-trading financial liabilities	117,942,421.18	44,318,321.50
Derivative financial liabilities		
Notes payable	492,585,900.03	515,054,217.52
Accounts payable	45,908,515,295.43	49,786,483,552.54
Receipts in advance		
Contract liabilities	243,566,923.42	501,765,453.24
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Funds from securities trading agency		
Funds from underwriting securities agency		
Employee benefits payable	2,330,318,991.75	2,368,135,762.48
Taxes payable	1,021,324,275.18	841,385,173.92
Other payables	406,677,940.53	472,880,196.48
Including: Interest payable		
Dividends payable	11,894,022.29	15,089,486.78
Fees and commissions payable		
Amounts payable under reinsurance contracts		
Held-for-sale liabilities		

Non-current liabilities due within one year	2,867,295,870.89	1,232,252,431.14
Other current liabilities	932,701,803.30	3,957,037,125.24
Total current liabilities	74,835,111,662.18	74,631,211,902.99
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	12,038,771,289.92	9,205,313,060.94
Bonds payable	2,799,499,850.29	2,689,623,546.98
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	552,488,888.66	800,739,041.51
Long-term payables		
Long-term employee benefits payable		
Provisions	642,733.24	682,513.39
Deferred income	595,323,601.05	665,910,095.66
Deferred tax liabilities	883,924,973.73	1,606,645,177.00
Other non-current liabilities	1,471,770.36	324,039.05
Total non-current liabilities	16,872,123,107.25	14,969,237,474.53
Total liabilities	91,707,234,769.43	89,600,449,377.52
Owners' equity:		
Share capital	7,148,168,213.00	7,099,908,647.00
Other equity instruments	527,289,020.28	527,319,637.88
Including: Preferred shares		
Perpetual bonds		
Capital reserve	5,011,944,633.92	3,652,626,861.74
Less: Treasury shares		
Other comprehensive income	148,762,176.88	651,458,316.25
Special reserve	3,528,369.80	2,094,879.61
Surplus reserve	1,443,520,185.47	1,121,072,698.83
General risk reserve		
Unappropriated profit	42,026,971,911.25	32,288,416,277.22
Total owners' equity attributable to equity holders of the parent company	56,310,184,510.60	45,342,897,318.53
Minority interests	13,974,680,315.62	13,440,972,378.66
Total owners' equity	70,284,864,826.22	58,783,869,697.19
Total liabilities and owners' equity	161,992,099,595.65	148,384,319,074.71

Legal representative: WANG Laichun Chief financial officer: WU Tiansong Head of accounting department: CHEN Huiyong

2. Balance sheet of the parent company

In RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Cash and bank balances	5,363,878,981.02	2,470,873,229.56
Held-for-trading financial assets	339,580,922.63	425,160,741.00
Derivative financial assets		
Notes receivable	18,385,072.78	96,318,451.09
Accounts receivable	5,232,436,622.29	6,130,919,579.55
Receivable financing	5,119,974.62	
Prepayments	192,114,139.17	153,214,652.87
Other receivables	575,065,087.05	250,596,765.44
Including: Interest receivable		
Dividends receivable	522,000,000.00	150,000,000.00
Inventories	306,259,656.55	365,123,547.22
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	106,998,410.96	
Other current assets	14,458,131,132.12	6,550,429,892.93
Total current assets	26,597,969,999.19	16,442,636,859.66
Non-current assets:		
Debt investments		509,574,733.25
Other debt investments		
Long-term receivables		
Long-term equity investment	23,601,999,275.38	22,333,083,031.91
Other investments in equity instruments	244,726,548.92	436,416,576.65
Other non-current financial assets	570,000,000.00	614,489,717.42
Investment properties		
Fixed assets	148,762,324.80	156,454,801.57
Construction in progress	3,826,779.93	6,477,655.44
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	41,694,063.64	60,287,106.95
Intangible assets	307,619,939.12	312,566,547.35
Development expenditure		
Goodwill	53,174,339.31	53,174,339.31
Long-term deferred expenses	7,326,817.04	
Deferred tax assets		5,787,962.17
Other non-current assets	899,875,137.66	2,465,600.00
Total non-current assets	25,879,005,225.80	24,490,778,072.02

Total assets	52,476,975,224.99	40,933,414,931.68
Current liabilities:		
Short-term borrowings	1,981,237,500.00	1,000,555,555.56
Held-for-trading financial liabilities		12,958,840.00
Derivative financial liabilities		
Notes payable	3,206,774,263.00	1,665,344,848.22
Accounts payable	2,294,947,814.95	3,869,002,157.32
Receipts in advance		
Contract liabilities	11,589,195.43	11,694,420.46
Employee benefits payable	50,854,577.38	49,737,492.15
Taxes payable	42,236,138.27	5,987,485.42
Other payables	6,064,454,178.70	1,568,456,509.82
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,975,796,524.14	378,055,420.51
Other current liabilities	804,229,371.60	3,841,635,343.15
Total current liabilities	16,432,119,563.47	12,403,428,072.61
Non-current liabilities:		
Long-term borrowings	9,676,736,000.00	5,645,155,501.44
Bonds payable	2,799,499,850.29	2,689,623,546.98
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	27,210,286.03	45,690,389.15
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	3,619,077.63	5,765,818.86
Deferred tax liabilities	19,506,623.16	60,231,489.77
Other non-current liabilities		
Total non-current liabilities	12,526,571,837.11	8,446,466,746.20
Total liabilities	28,958,691,400.58	20,849,894,818.81
Owners' equity:		
Share capital	7,148,168,213.00	7,099,908,647.00
Other equity instruments	527,289,020.28	527,319,637.88
Including: Preferred shares		
Perpetual bonds		
Capital reserve	5,304,433,127.03	4,069,645,567.93
Less: Treasury shares		
Other comprehensive income	113,696,524.40	294,991,891.50
Special reserve		

Surplus reserve	1,443,520,185.47	1,121,072,698.83
Unappropriated profit	8,981,176,754.23	6,970,581,669.73
Total owners' equity	23,518,283,824.41	20,083,520,112.87
Total liabilities and owners' equity	52,476,975,224.99	40,933,414,931.68

3. Consolidated income statement

In RMB

Item	2023	2022
I. Total operating income	231,905,459,829.83	214,028,394,291.44
Including: Operating income	231,905,459,829.83	214,028,394,291.44
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	220,679,633,964.41	203,642,032,034.98
Including: Operating costs	205,041,300,458.59	187,928,880,285.38
Interest expenses		
Fee and commission expenses		
Surrenders		
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		
Changes in insurance contract reserves (net of reinsurers' share)		
Insurance policyholder dividends		
Expenses for reinsurance accepted		
Taxes and levies	534,815,230.06	476,325,439.67
Selling expenses	889,024,421.63	831,398,139.60
General expenses	5,542,856,994.26	5,075,668,085.35
R&D expenses	8,188,767,532.85	8,447,038,946.21
Financial expenses	482,869,327.02	882,721,138.77
Including: Interest expenses	1,376,870,146.38	1,038,070,641.24
Interest income	1,005,580,557.62	504,344,274.59
Add: Other income	825,189,115.07	602,294,263.90
Investment income (Loss is indicated by "-")	1,771,282,791.44	998,278,358.77
Including: Income from investments in associates and joint ventures	2,044,361,609.89	794,759,492.42
Income from derecognition of financial assets	-741,342,548.75	-400,156,146.02

measured at amortized cost		
Foreign exchange gains (Loss is indicated by “-”)		
Net exposure hedging income (Loss is indicated by “-”)		
Income from changes in fair value (Loss is indicated by “-”)	210,346,832.18	13,625,720.11
Impairment losses of credit (Loss is indicated by “-”)	23,273,879.47	-47,181,938.93
Impairment losses of assets (Loss is indicated by “-”)	-1,318,867,316.40	-846,822,131.05
Income from disposal of assets (Loss is indicated by “-”)	122,867,177.52	47,931,529.63
III. Operating profit (Loss is indicated by “-”)	12,859,918,344.70	11,154,488,058.89
Add: Non-operating income	93,459,027.40	34,312,299.74
Less: Non-operating expenses	68,334,885.79	30,805,374.33
IV. Total profit (Total losses are indicated by “-”)	12,885,042,486.31	11,157,994,984.30
Less: Income tax expenses	641,829,343.18	667,318,205.34
V. Net profit (Net loss is indicated by “-”)	12,243,213,143.13	10,490,676,778.96
(I) Categorized by the nature of continuing operation		
1. Net profit from continuing operations (Net loss is indicated by “-”)	12,243,213,143.13	10,490,676,778.96
2. Net profit from discontinued operations (Net loss is indicated by “-”)		
(II) Categorized by ownership		
1. Net profit attributable to shareholders of the parent company	10,952,656,702.16	9,163,104,849.54
2. Net profit attributable to non-controlling interests	1,290,556,440.97	1,327,571,929.42
VI. Other comprehensive income, net of tax	-491,540,544.45	647,909,759.47
Other comprehensive income attributable to owners of the parent company, net of tax	-464,912,752.55	687,259,787.54
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	-142,656,996.94	131,579,091.87
1. Changes from re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
3. Changes in fair value of other investments in equity instruments	-142,656,996.94	131,579,091.87
4. Changes in fair value of		

enterprises' own credit risks		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss	-322,255,755.61	555,680,695.67
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amounts of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserve for cash flow hedges		
6. Translation differences of financial statements denominated in foreign currencies	-322,255,755.61	555,680,695.67
7. Others		
Other comprehensive income attributable to minority interests, net of tax	-26,627,791.90	-39,350,028.07
VII. Total comprehensive income	11,751,672,598.68	11,138,586,538.43
Total comprehensive income attributable to owners of the parent company	10,487,743,949.61	9,850,364,637.08
Total comprehensive income attributable to minority interests	1,263,928,649.07	1,288,221,901.35
VIII. Earnings per share:		
(I) Basic earnings per share	1.54	1.29
(II) Diluted earnings per share	1.53	1.28

For any business combination involving enterprises under common control for the reporting period, the net profits of the absorbed party prior to the combination are RMB0.00 in the reporting period, and were RMB0.00 in prior period.

Legal representative: WANG Laichun Chief financial officer: WU Tiansong Head of accounting department: CHEN Huiyong

4. Income statement of the parent company

In RMB

Item	2023	2022
I. Total operating income	10,777,958,983.45	12,952,813,735.54
Less: Operating costs	10,090,180,041.66	12,051,823,934.39
Taxes and levies	11,450,527.78	12,941,878.95
Selling expenses	47,016,319.95	27,577,223.42
General expenses	195,484,624.80	146,709,569.94
R&D expenses	359,110,228.82	437,028,645.07

Financial expenses	374,684,104.32	333,162,964.83
Including: Interest expenses	541,490,816.64	462,146,428.54
Interest income	209,233,345.56	117,198,473.67
Add: Other income	56,987,568.94	52,979,889.49
Investment income (Loss is indicated by “-”)	3,417,911,679.37	1,361,112,472.06
Including: Income from investments in associates and joint ventures	-24,693,501.41	16,056,804.17
Income from derecognition of financial assets measured at amortized cost (Loss is indicated by “-”)	-39,618,411.95	-43,522,172.22
Net exposure hedging income (Loss is indicated by “-”)		
Income from changes in fair value (Loss is indicated by “-”)	46,992,155.68	16,705,913.20
Impairment losses of credit (Loss is indicated by “-”)	11,896,794.95	-8,375,363.61
Impairment losses of assets (Loss is indicated by “-”)	-15,796,979.97	-4,468,874.95
Income from disposal of assets (Loss is indicated by “-”)	54,423.89	-192,009.60
II. Operating profit (Loss is indicated by “-”)	3,218,078,778.98	1,361,331,545.53
Add: Non-operating income	10,152,797.38	4,192,819.73
Less: Non-operating expenses	6,700,314.33	248,053.30
III. Total profit (Total losses are indicated by “-”)	3,221,531,262.03	1,365,276,311.96
Less: Income tax expenses	-2,943,604.35	6,164,389.77
IV. Net profit (Net loss is indicated by “-”)	3,224,474,866.38	1,359,111,922.19
(I) Net profit from continuing operation (Net loss is indicated by “-”)	3,224,474,866.38	1,359,111,922.19
(II) Net profit from discontinued operations (Net loss is indicated by “-”)		
V. Other comprehensive income, net of tax	-143,511,980.28	132,040,246.83
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	-143,511,980.28	132,040,246.83
1. Changes from re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
3. Changes in fair value of other investments in equity instruments	-143,511,980.28	132,040,246.83
4. Changes in fair value of		

enterprises' own credit risks		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amounts of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserve for cash flow hedges		
6. Translation differences of financial statements denominated in foreign currencies		
7. Others		
VI. Total comprehensive income	3,080,962,886.10	1,491,152,169.02
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated statement of cash flows

In RMB

Item	2023	2022
I. Cash flows from operating activities:		
Cash receipts from the sales of goods and the rendering of services	233,972,359,867.88	231,311,294,189.07
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in taking from other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
Net cash receipts from reinsurance business		
Net cash receipts from policyholders' deposits and investment contract liabilities		
Cash receipts from interest, fees and		

commissions		
Net increase in taking from banks and other financial institutions		
Net increase in financial assets sold under repurchase arrangements		
Net cash received from securities trading agency		
Receipts of tax refunds	7,825,905,318.68	9,595,383,015.24
Other cash receipts relating to operating activities	4,251,043,986.66	2,681,301,179.71
Sub-total of cash inflows from operating activities	246,049,309,173.22	243,587,978,384.02
Cash payments for goods purchased and services received	190,579,479,133.20	204,048,286,382.64
Net increase in loans and advances to customers		
Net increase in balance with the central bank and due from banks and other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payments for interest, fees and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to and on behalf of employees	19,100,916,568.64	20,086,575,874.76
Payments of various types of taxes	2,107,851,414.79	1,799,647,577.54
Other cash payments relating to operating activities	6,656,001,645.43	4,925,858,229.74
Sub-total of cash outflows from operating activities	218,444,248,762.06	230,860,368,064.68
Net cash flow from operating activities	27,605,060,411.16	12,727,610,319.34
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	16,307,306,597.29	8,259,554,985.04
Cash receipts from investment income	640,454,107.13	526,570,852.82
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	498,863,695.83	506,778,473.84
Net cash receipts from disposals of subsidiaries and other business entities		
Other cash receipts relating to investing activities	427,650,270.00	745,017,358.71
Sub-total of cash inflows from investing	17,874,274,670.25	10,037,921,670.41

activities		
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	11,387,449,010.98	13,584,140,261.73
Cash payments to acquire investments	25,906,263,865.11	8,390,295,501.05
Net increase in pledged loans receivables		
Net cash payments for acquisitions of subsidiaries and other business entities		961,816,227.15
Other cash payments relating to investing activities	140,474,000.00	428,035,523.59
Sub-total of cash outflows from investing activities	37,434,186,876.09	23,364,287,513.52
Net cash flow from investing activities	-19,559,912,205.84	-13,326,365,843.11
III. Cash flows from financing activities:		
Cash receipts from capital contributions	546,698,698.52	1,596,922,470.96
Including: Cash receipts from capital contributions from minority owners of subsidiaries		1,030,300,000.00
Cash receipts from borrowings	89,681,515,957.31	67,739,900,243.50
Other cash receipts relating to financing activities	3,531,424,971.41	7,527,472,775.23
Sub-total of cash inflows from financing activities	93,759,639,627.24	76,864,295,489.69
Cash repayments of borrowings	81,148,610,559.40	58,773,171,168.15
Cash payments for distribution of dividends or profits or settlement of interest expenses	2,530,927,017.73	1,796,754,390.90
Including: Payments for distribution of dividends or profits to minority owners of subsidiaries	89,877,050.50	
Other cash payments relating to financing activities	6,009,836,397.50	8,138,121,749.19
Sub-total of cash outflows from financing activities	89,689,373,974.63	68,708,047,308.24
Net cash flow from financing activities	4,070,265,652.61	8,156,248,181.45
IV. Effect of foreign exchange rate changes on cash and cash equivalents	256,320,033.21	833,389,043.75
V. Net increase in cash and cash equivalents	12,371,733,891.14	8,390,881,701.43
Add: Opening balance of cash and cash equivalents	17,312,418,429.51	8,921,536,728.08
VI. Closing balance of cash and cash equivalents	29,684,152,320.65	17,312,418,429.51

6. Statement of cash flows of the parent company

In RMB

Item	2023	2022
I. Cash flows from operating activities:		
Cash receipts from the sales of goods and the rendering of services	13,856,860,176.69	10,929,088,841.65
Receipts of tax refunds	131,023,274.74	169,862,322.46
Other cash receipts relating to operating activities	26,805,451,217.01	12,206,141,292.86
Sub-total of cash inflows from operating activities	40,793,334,668.44	23,305,092,456.97
Cash payments for goods purchased and services received	18,017,487,335.51	12,697,462,668.02
Cash payments to and on behalf of employees	321,167,044.00	224,427,747.93
Payments of various types of taxes	7,503,228.53	21,569,336.18
Other cash payments relating to operating activities	22,673,942,894.86	10,060,056,726.22
Sub-total of cash outflows from operating activities	41,020,100,502.90	23,003,516,478.35
Net cash flow from operating activities	-226,765,834.46	301,575,978.62
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	6,536,880,258.56	2,711,452,000.00
Cash receipts from investment income	3,348,825,836.10	1,448,310,422.70
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	315,031.34	467,498.85
Net cash receipts from disposals of subsidiaries and other business entities	3,319,956.47	
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	9,889,341,082.47	4,160,229,921.55
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	76,811,665.74	237,037,719.00
Cash payments to acquire investments	10,673,528,047.25	8,385,526,433.53
Net cash payments for acquisitions of subsidiaries and other business entities		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	10,750,339,712.99	8,622,564,152.53
Net cash flow from investing activities	-860,998,630.52	-4,462,334,230.98
III. Cash flows from financing activities:		

Cash receipts from capital contributions	546,698,698.52	566,622,470.96
Cash receipts from borrowings	12,787,980,000.00	9,777,071,023.06
Other cash receipts relating to financing activities	3,089,161,930.69	7,521,511,778.98
Sub-total of cash inflows from financing activities	16,423,840,629.21	17,865,205,273.00
Cash repayments of borrowings	6,182,849,970.00	5,560,227,961.58
Cash payments for distribution of dividends or profits or settlement of interest expenses	1,470,835,061.65	1,133,386,845.40
Other cash payments relating to financing activities	5,986,958,422.03	5,344,266,086.84
Sub-total of cash outflows from financing activities	13,640,643,453.68	12,037,880,893.82
Net cash flow from financing activities	2,783,197,175.53	5,827,324,379.18
IV. Effect of foreign exchange rate changes on cash and cash equivalents	6,410,280.81	114,413,815.11
V. Net increase in cash and cash equivalents	1,701,842,991.36	1,780,979,941.93
Add: Opening balance of cash and cash equivalents	2,461,535,715.54	680,555,773.61
VI. Closing balance of cash and cash equivalents	4,163,378,706.90	2,461,535,715.54

7. Consolidated statement of changes in owners' equity

Current period

Item	2023																
	Equity attributable to owners of the parent company											Minority interests		Total owners' equity			
	Other equity instruments		C a p i t a l r e s e r v e	L e s s : T r e a s u r y s h a r e s	O t h e r c o m p r e h e n s i v e i n c o m e	S p e c i a l r e s e r v e	S u r p l u s r e s e r v e	G e n e r a l r i s k r e s e r v e	U n a p p r o p r i a t e d p r o f i t	O t h e r s	S u b t o t a l						
Share capital	P r e f e r r e d s h a r e s	P e r p e t u a l b o n d s														O t h e r s	
I. Closing balance of the preceding year	7,099,908,647.00			527,319,637.88	3,652,626,861.74		651,458,316.25	2,094,879.61	1,121,072,698.83			32,288,416,277.22			45,342,897,318.53	13,440,972,378.66	58,783,869,697.19
Add: Changes in accounting policies																	
Corrections of prior period																	

errors																
Business combination involving enterprises under common control																
II. Opening balance of the current year	7,099,908,647.00			527,319,637.88	3,652,626,861.74			651,458,316.25	2,094,879.61	1,121,072,698.83			32,288,416,277.22	45,342,897,318.53	13,440,972,378.66	58,783,869,697.19
III. Changes for the year (Decrease is indicated by “-”)	48,259,566.00			-30,617.60	1,359,317,772.18			-502,696,139.37	1,433,490.19	322,447,486.64			9,738,555,634.03	10,967,287,192.07	533,707,936.96	11,500,995,129.03
(I) Total comprehensive income								-464,912,752.55					10,952,656,702.16	10,487,743,949.61	1,263,928,649.07	11,751,672,598.68
(II) Owners' contributions and reduction in capital	48,259,566.00			-30,617.60	1,359,317,772.18									1,407,546,720.58	-640,863,408.11	766,683,312.47
1. Ordinary shares contributed by owners	48,256,556.00				498,442,142.52									546,698,698.52		546,698,698.52
2. Capital contribution from holders of other equity instruments	3,010.00			-30,617.60	170,204.36									142,596.76		142,596.76

3. Share-based payment recognized in owners' equity					731,177,177.72							731,177,177.72	49,487,751.93	780,664,929.65
4. Others					129,528,247.58							129,528,247.58	-690,351,160.04	-560,822,912.46
(III) Profit distribution								322,447,486.64		-1,251,884,454.95		-929,436,968.31	-89,877,050.50	-1,019,314,018.81
1. Transfer to surplus reserve								322,447,486.64		-322,447,486.64				
2. Transfer to general risk reserve														
3. Distributions to owners (or shareholders)										-926,948,678.85		-926,948,678.85	-89,877,050.50	-1,016,825,729.35
4. Others										-2,488,289.46		-2,488,289.46		-2,488,289.46
(IV) Transfers within owners' equity										-37,783,386.82				
1. Capitalization of capital reserve (or share capital)														

2. Capitalization of surplus reserve (or share capital)														
3. Loss offset by surplus reserve														
4. Retained earnings carried forward from changes in defined benefit plans														
5. Retained earnings carried forward from other comprehensive income														
6. Others							- 37,783,386.82			37,783,386.82				
(V) Special reserve							1,433,490.19				1,433,490.19	519,746.50	1,953,236.69	
1. Transfer to special reserve in the current period							32,093,607.36				32,093,607.36	30,153,711.05	62,247,318.41	
2. Amount utilized in the current period							30,660,117.17				30,660,117.17	29,633,964.55	60,294,081.72	

							7									
(VI) Others																
IV. Closing balance of the current period	7,148,168,213.00			527,289,020.28	5,011,944,633.92		148,762,176.88	3,528,369,805.47	1,443,520,185.47			42,026,971,911.25		56,310,184,510.60	13,974,680,315.62	70,284,864,826.22

Prior period

In RMB

Item	2022														Minority interests	Total owners' equity
	Equity attributable to owners of the parent company															
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Unappropriated profit	Others	Subtotal			
Preferred shares		Perpetual bonds	Others													
I. Closing balance of the preceding year	7,050,485,477.00			527,358,025.98	2,719,695,281.67		-35,801,471.29	1,018,784.75	985,161,506.61			24,040,637,144.00	35,288,554,748.72	10,494,088,800.85	45,782,643,549.57	

Ad d: Changes in accounti ng policies															
orrectio ns of prior period errors															
usiness combina tion involvin g enterpris es under common control															

II. Opening balance of the current year	7,050,48 5,477.00			527,358, 025.98	2,719,69 5,281.67		- 35,801,4 71.29	1,018,78 4.75	985,161, 506.61		24,040,6 37,144.0 0		35,288,5 54,748.7 2	10,494,0 88,800.8 5	45,782,6 43,549.5 7
III. Changes for the year (Decrease is indicated by “-”)	49,423,1 70.00			- 38,388.1 0	932,931, 580.07		687,259, 787.54	1,076,09 4.86	135,911, 192.22		8,247,77 9,133.22		10,054,3 42,569.8 1	2,946,88 3,577.81	13,001,2 26,147.6 2
(I) Total comprehensive income							687,259, 787.54				9,163,10 4,849.54		9,850,36 4,637.08	1,288,22 1,901.35	11,138,5 86,538.4 3

(II) Owners' contribu tions and reductio n in capital	49,423,1 70.00			- 38,388.1 0	932,931, 580.07								982,316, 361.97	1,658,66 1,676.46	2,640,97 8,038.43
1. Ordinar y shares contribu ted by owners	49,419,4 33.00				517,203, 037.96								566,622, 470.96	1,030,30 0,000.00	1,596,92 2,470.96
2. Capital contribu tion from holders of other equity instrume nts	3,737.00			- 38,388.1 0	213,452. 63								178,801. 53		178,801. 53

3. Share-based payment recogniz ed in owners' equity					426,597, 450.75								426,597, 450.75	46,691,3 36.87	473,288, 787.62
4. Others					- 11,082,3 61.27								- 11,082,3 61.27	581,670, 339.59	570,587, 978.32
(III) Profit distribut ion									135,911, 192.22		- 915,325, 716.32		- 779,414, 524.10		- 779,414, 524.10
1. Transfer to surplus reserve									135,911, 192.22		- 135,911, 192.22				

2. Transfer to general risk reserve															
3. Distribu tions to owners (or sharehol ders)											- 779,270, 547.26		- 779,270, 547.26		- 779,270, 547.26
4. Others											- 143,976. 84		- 143,976. 84		- 143,976. 84
(IV) Transfer s within owners' equity															

<p>4. Retained earnings carried forward from changes in defined benefit plans</p>															
<p>5. Retained earnings carried forward from other comprehensive income</p>															
<p>6. Others</p>															

(V) Special reserve								1,076,09 4.86					1,076,09 4.86		1,076,09 4.86
1. Transfer to special reserve in the current period								5,435,46 9.87					5,435,46 9.87		5,435,46 9.87
2. Amount utilized in the current period								4,359,37 5.01					4,359,37 5.01		4,359,37 5.01
(VI) Others															

IV. Closing balance of the current period	7,099,90 8,647.00			527,319, 637.88	3,652,62 6,861.74		651,458, 316.25	2,094,87 9.61	1,121,07 2,698.83		32,288,4 16,277.2 2		45,342,8 97,318.5 3	13,440,9 72,378.6 6	58,783,8 69,697.1 9
--	----------------------	--	--	--------------------	----------------------	--	--------------------	------------------	----------------------	--	---------------------------	--	---------------------------	---------------------------	---------------------------

8. Statement of changes in owners' equity of the parent company

Current period

In RMB

Item	2023											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing balance of the preceding year	7,099,908,647.00			527,319,637.88	4,069,645,567.93		294,991,891.50		1,121,072,698.83	6,970,581,669.73		20,083,520,112.87
Add: Changes in accounting policies												
Corrections of prior period errors												
Others												

II. Opening balance of the current year	7,099,908,647.00			527,319,637.88	4,069,645,567.93		294,991,891.50		1,121,072,698.83	6,970,581,669.73		20,083,520,112.87
III. Changes for the year (Decrease is indicated by “-”)	48,259,566.00			-30,617.60	1,234,787,559.10		181,295,367.10		322,447,486.64	2,010,595,084.50		3,434,763,711.54
(I) Total comprehensive income							-143,511,980.28			3,224,474,866.38		3,080,962,886.10
(II) Owners' contributions and reduction in capital	48,259,566.00			-30,617.60	1,234,787,559.10							1,283,016,507.50
1. Ordinary shares contributed by owners	48,256,556.00				498,442,142.52							546,698,698.52

2. Capital contribution from holders of other equity instruments	3,010.00				-30,617.60	170,204.36						142,596.76
3. Share-based payment recognized in owners' equity						780,664,929.65						780,664,929.65
4. Others						-44,489,717.43						-44,489,717.43
(III) Profit distribution									322,447,486.64	-1,251,663,168.70		-929,215,682.06
1. Transfer to surplus reserve									322,447,486.64	-322,447,486.64		

2. Distributions to owners (or shareholders)												- 926,948,678.85	- 926,948,678.85
3. Others												- 2,267,003.21	- 2,267,003.21
(IV) Transfers within owners' equity							- 37,783,386.82					37,783,386.82	
1. Capitalization of capital reserve (or share capital)													
2. Capitalization of surplus reserve (or share capital)													

3. Loss offset by surplus reserve												
4. Retained earnings carried forward from changes in defined benefit plans												
5. Retained earnings carried forward from other comprehensive income												
6. Others						37,783,386	-			37,783,386		
(V) Special reserve												

1. Transfer to special reserve in the current period												
2. Amount utilized in the current period												
(VI) Others												
IV. Closing balance of the current period	7,148,168,213.00			527,289,020.28	5,304,433,127.03		113,696,524.40		1,443,520,185.47	8,981,176,754.23		23,518,283,824.41

Last period

In RMB

Item	2022									
	Share	Other equity instruments	Capital	Less:	Other	Special	Surplus	Unappropri	Others	Total

	capital	Preferred shares	Perpetual bonds	Others	reserve	Treasury shares	comprehensive income	reserve	reserve	iated profit		owners' equity
I. Closing balance of the preceding year	7,050,485,477.00			527,358,025.98	3,080,149,716.35		162,951,644.67		985,161,506.61	6,526,651,487.02		18,332,757,857.63
Add: Changes in accounting policies												
Corrections of prior period errors												
Others												

II. Opening balance of the current year	7,050,485,477.00			527,358,025.98	3,080,149,716.35		162,951,644.67		985,161,506.61	6,526,651,487.02		18,332,757,857.63
III. Changes for the year (Decrease is indicated by “-”)	49,423,170.00			-38,388.10	989,495,851.58		132,040,246.83		135,911,192.22	443,930,182.71		1,750,762,255.24
(I) Total comprehensive income							132,040,246.83			1,359,111,922.19		1,491,152,169.02
(II) Owners' contributions and reduction in capital	49,423,170.00			-38,388.10	989,495,851.58							1,038,880,633.48

1. Ordinary shares contributed by owners	49,419,433.00				517,203,037.96							566,622,470.96
2. Capital contribution from holders of other equity instruments	3,737.00			-38,388.10	213,452.63							178,801.53
3. Share-based payment recognized in owners' equity					473,288,787.62							473,288,787.62
4. Others					-1,209,426.63							-1,209,426.63
(III) Profit distribution								135,911,192.22	-915,181,739.48			-779,270,547.26

1. Transfer to surplus reserve									135,911,192.22	- 135,911,192.22		
2. Distributions to owners (or shareholders)										- 779,270,547.26		- 779,270,547.26
3. Others												
(IV) Transfers within owners' equity												
1. Capitalization of capital reserve (or share capital)												

2. Capitalization of surplus reserve (or share capital)													
3. Loss offset by surplus reserve													
4. Retained earnings carried forward from changes in defined benefit plans													

5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserve												
1. Transfer to special reserve in the current period												
2. Amount utilized in the current period												
(VI) Others												

IV. Closing balance of the current period	7,099,908,647.00			527,319,637.88	4,069,645,567.93		294,991,891.50		1,121,072,698.83	6,970,581,669.73		20,083,520,112.87
---	------------------	--	--	----------------	------------------	--	----------------	--	------------------	------------------	--	-------------------

III. Basic information

(I) Company profile

Luxshare Precision Industry Co., Ltd. (“Company” or “the Company”) is a company limited by shares established by Shenzhen Zixin Investment Co., Ltd. (“Zixin Investment”) and Luxshare Limited as founders after being approved by Shenzhen People’s Government and Shenzhen Bureau of Trade and Industry in February 2009. Company’s Uniform Social Credit Code: 91440300760482233Q. The Company was listed on Shenzhen Stock Exchange in September 2010. The Company pertains to the communication equipment industry.

As of December 31, 2023, the Company issued 7,148,168,213.00 shares in total, with its registered capital amounting to RMB7,148,168,213.00. The Company’s registered office is located at 2/F, Block A, Sanyo New Industrial Zone, West Haoyi Community, Shajing Street, Bao’an District, Shenzhen, China, while its place of business is located at No. 313 North Ring Road, Qingxi Town, Dongguan City, Guangdong, China. The main business activities of the Company include production and operation of connecting wires, connectors, computer peripherals, and plastic hardware products. The Company’s parent company is Luxshare Limited, and its de facto controllers are WANG Laichun and WANG Laisheng.

The financial statements were approved by the Company’s board of directors on April 24, 2024 for issuance.

IV. Basis of preparation of financial statements

1. Basis of preparation

The Company has prepared its financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises - Basic Standard promulgated by the Ministry of Finance of the PRC, specific accounting standards, guidelines for application of accounting standards for enterprises, interpretation of accounting standards for enterprises and other relevant regulations successively promulgated (collectively, “Accounting Standards for Business Enterprises”) and the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports issued by China Securities Regulatory Commission.

2. Going concern

The Company prepares its financial statements on a going concern basis. The Company has the ability to continue as a going concern within 12 months from the end of the reporting period, and detected no major events that may affect such ability.

V. Significant accounting policies and accounting estimates

Reminders on specific accounting policies and accounting estimates:

The disclosed content already includes the specific accounting policies and accounting estimates formulated by the company based on its actual production and operation characteristics. Please refer to Note V, (11) Financial Instruments, Note V, (13) Inventories, Note V, (17) Property, Plant, and Equipment, Note V, (20) Intangible Assets, Note V, (27) Revenue, etc.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated and parent company’s financial positions as of December 31, 2023, and the consolidated and parent company’s operating results and cash flows for the year then ended.

2. Accounting period

The Company's accounting year is from January 1 to December 31 of each calendar year.

3. Operating cycle

The Company's operating cycle is 12 months.

4. Functional currency

The company adopts the Chinese Renminbi (RMB) as the functional currency for accounting purposes. The subsidiary companies under our company determine their functional currencies based on the primary economic environment in which they operate. For subsidiary companies located within mainland China, the functional currency is the Chinese Renminbi. For subsidiary companies located outside mainland China, they independently decide their functional currencies based on their primary economic environment, which mainly include the US Dollar, New Taiwan Dollar, Hong Kong Dollar, Vietnamese Dong, etc. The financial statements are presented in Chinese Renminbi.

5. Method for determining importance criteria and selection basis

Applicable N/A

Item	Significant Criteria
Significant individual provision for doubtful accounts receivable	Individual provision amount accounts for over 10% of the total provision for bad debts of various receivables and exceeds RMB 500 million
Significant contract liabilities with an aging of over one year	Individual contract liabilities with an aging of over 1 year account for over 10% of the total contract liabilities and exceed RMB 500 million
Significant accounts payable and other payables	Individual accounts payable/other payables with an aging of over 1 year account for over 10% of the total accounts payable/other payables and exceed RMB 1 billion
Significant construction in progress	Individual project budget exceeds RMB 500 million
Significant goodwill	Individual amount accounts for over 10% of the total goodwill and exceeds RMB 200 million
Significant non-wholly-owned subsidiaries	One of the total assets, operating income, or total profit (or absolute value of loss) individually or simultaneously accounts for over 10% of the corresponding item in the consolidated financial statements
Significant joint ventures or associates	The carrying amount of long-term equity investments in a single investee entity accounts for over 5% of the group's net assets and exceeds RMB 1 billion, or the investment profit or loss under the equity method for long-term equity investments accounts for over 10% of the group's consolidated net profit

6. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combination involving enterprises under common control: The assets and liabilities acquired by the absorbing party in a business combination (including goodwill formed through the acquisition by the ultimate controller of the absorbed party) are measured according to the carrying amount of the assets and liabilities of the absorbed party in the financial statements of ultimate controller on the combination date. The difference between the carrying amount of the net assets obtained in a business combination and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) is adjusted to the equity premium in the capital reserve. If the equity premium in the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combination not involving enterprises under common control: The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree. Where the cost of a business combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; where the cost of a business combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period. The acquiree's identifiable assets, liabilities and contingent liabilities that are acquired in the combination meeting the recognition criteria are measured at the fair value on the date of acquisition.

The costs incurred directly attributable to the business combination are recognized in profit or loss for the current period when incurred; the transaction costs for issue of equity securities or debt securities are recognized in the amount initially recognized of equity securities or debt securities.

7. Criterion of control and the preparation method of consolidated financial statements

1. Criterion of control

The scope of consolidated financial statements is determined on the basis of control, and includes those of the Company and all of its subsidiaries. "Control" means the power of the Company over the investee, through which the Company will enjoy variable returns by participating in the relevant activities and has the ability to use the power over the investee to affect the Company's return amount.

2. Consolidation procedures

The Company regards the entire enterprise group as an accounting entity and prepares the consolidated financial statements according to the uniformed accounting policies, reflecting the overall financial positions, operating results and cash flows of this enterprise group. The effects of other intragroup transactions (between the Company and its subsidiaries or between subsidiaries) are eliminated. Where the intragroup transactions show that relevant assets have suffered impairment losses, those losses are recognized fully. Where the accounting policies and periods adopted by all subsidiaries are not in line with those of the Company, the necessary adjustments are made to the financial statements of these subsidiaries based on the accounting policies and periods of the Company when preparing the consolidated financial statements.

The portions of owner's equities, net profits or losses and comprehensive income of subsidiaries for the period attributable to minority interests are separately presented in the consolidated balance sheet below the "owners' equity" line item, and in the consolidated income statement below the "net profit" and "total comprehensive income" as "minority interests". When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' share of the opening balance of owners' equity of the subsidiary, the excess is allocated against minority interests.

(1) Increase in subsidiaries or businesses

Where a subsidiary or business is acquired during the reporting period through a business combination involving enterprises under common control, operating results and cash flows of this subsidiary or business from the beginning of the period in which the combination takes place to the end of the reporting period are included in the consolidated financial statements. Meanwhile, the

adjustments are made to the opening balances of the consolidated financial statements and the relevant items of the comparative statement, and the combined reporting entity is deemed to have existed since the time when the ultimate controller begins to exercise control.

Where the Company becomes capable of exercising control over an investee under the common control due to additional investments or other reasons, for equity investments held before acquiring control of the absorbed party, the relevant gains or losses, other comprehensive income and other changes in net assets recognized during the period from the later of the date of acquisition of original equity or the date when the absorbing party and the absorbed party are under the common control until the combination date are respectively offset against opening balances of retained earnings during the comparative reporting period or profit or loss for the current period.

Where a subsidiary or business is acquired during the reporting period through a business combination not involving enterprises under common control, it is included in the consolidated financial statements from the date of acquisition based on the fair value of identifiable assets, liabilities and contingent liabilities determined on the date of acquisition.

Where the Company becomes capable of exercising control over an investee not under common control due to additional investments or other reasons, for the acquiree's equity held prior to the date of acquisition, the Company remeasures the fair value of the equity on the date of acquisition, and the difference between the fair value of the equity and its carrying amount is recognized in profit or loss for the current period. Where the acquiree's equity held prior to the date of acquisition involves other comprehensive income that can be reclassified to profit or loss and changes in other owners' equity under equity method, such other comprehensive income and changes are transferred to the income of the period in which the date of acquisition falls.

(2) Disposal of subsidiaries

① General disposal

When the Company loses control over the investee due to disposal of partial equity investments or other reasons, for the remaining equity investments after disposal, the Company remeasures the remaining equity investments after disposal at the fair value on the date when the Company loses its control. The difference between the sum of the consideration from disposal of equity and the fair value of remaining equity less the sum of an original subsidiary's share of net assets and goodwill continuously calculated from the date of acquisition or combination according to original shareholding ratio is recognized as the investment return for the period in which the control is lost. Other comprehensive income relating to the original subsidiary's equity investments that will be reclassified to profit or loss and changes in other owners' equity under the equity method is transferred into the investment income for the period when the control is lost.

② Disposal of subsidiaries by steps

Where the subsidiary's equity investments are disposed by steps through multiple transactions until the control is lost, and the terms and conditions of all transactions on disposal of the subsidiary's equity investments and the economic impact thereof fall within one or more of the following circumstances, it usually indicates that multiple transaction events belong a single package:

- i. these transactions are concluded simultaneously or after the influence on each other is considered;
- ii. these transactions as a whole can achieve a complete commercial result;
- iii. the occurrence of one transaction depends on that of at least one other transaction; and/or
- iv. a transaction is not economical alone, but economical when considered together with other transactions.

Where all transactions belong to a single package, the Company accounts for such transactions as one transaction to dispose of and lose its control over the subsidiary; however, the difference between the proceeds from each disposal before loss of control and the share owned by the Company in the net assets of the subsidiary in relation to the investment disposed of is recognized in other comprehensive income in the consolidated financial statements, which is wholly transferred to the profit or loss in the period in which the control is lost.

Where all transactions do not belong to a single package, prior to the loss of control, the Company accounts for such transactions as partial disposal of a subsidiary's equity investments in the event that the control is not lost; and when the control is lost, the Company accounts for such transactions in accordance with the general methods of disposal of subsidiaries.

(3) Acquisition of a subsidiary's minority equity

The difference between the long-term equity investments newly obtained by the Company due to acquisition of minority equity and its share of the subsidiary's net assets continuously calculated from the date of acquisition or combination according to new shareholding ratio is adjusted against the equity premium in the capital reserve in the consolidated balance sheet. If the equity premium in the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

(4) Partial disposal of the subsidiary's equity investments in the event that the control is not lost

The difference between the proceeds from disposal and the share owned by the Company in the net assets of the subsidiary in relation to the long-term equity investment disposed of that is calculated continuously from the date of acquisition or combination is adjusted against the equity premium in the capital reserve in the consolidated balance sheet. In case the equity premium in the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

8. Classification of joint arrangements and accounting treatment of joint operations

Joint arrangements are classified into joint operations and joint ventures.

Where a party to a joint arrangement enjoys relevant assets and assumes relevant liabilities of such an arrangement, this case belongs to a joint operation.

The Company recognizes the following items relating to its interest in the joint operation:

- (1) the assets held individually by the Company, and the Company's share of the assets held jointly;
- (2) the liabilities incurred individually by the Company, and the Company's share of the liabilities incurred jointly;
- (3) the Company's revenue from the sales of its share of output of the joint operation;
- (4) the Company's share of revenue from the sales of assets by the joint operation; and
- (5) the expenses incurred individually by the Company, and the Company's share of the expenses incurred jointly by the joint operation.

The Company accounts for investments in joint ventures using the equity method and the details are seen in Note "III. (14) Long-term equity investments".

9. Recognition of cash and cash equivalents

Cash comprises cash on hand and deposits of the Company that can be readily withdrawn on demand. Cash equivalents comprise short-term, highly liquid investments held by the Company that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Foreign currency transactions and translation of foreign currency financial statements**1. Foreign currency transactions**

The foreign currency transactions are recorded by translating the amount of a foreign currency into RMB at the spot exchange rate prevailing on the 1st of each month.

The balances of foreign currency monetary items are translated using the spot exchange rate at the balance sheet date. Exchange differences arising therefrom are recognized in profit or loss for the current period, except for exchange differences generated by specific-purpose borrowings in a foreign currency related to acquisition of qualifying assets, which should be accounted for according to the capitalization principles of borrowing costs.

2. Translation of financial statements denominated in foreign currencies

The asset and liability items in the balance sheet are translated at the spot exchange rates at the balance sheet date. Items of owners' equity except for "unappropriated profit" are translated at the spot exchange rates at the dates on which such items arose. Income and expenses in the income statement are translated at the exchange rates similar to the spot exchange rates at the dates of the transactions.

When the Company disposes of a foreign operation, it transfers the translation differences relating to translation of the financial statements of that foreign operation from the owners' equity to profit or loss for the current period.

11. Financial instruments

When the Company becomes a party to a financial instrument contract, a financial asset, liability or equity instrument is recognized.

1. Classification of financial instruments

Based on the Company's business model for managing financial assets and the cash flow characteristics of financial assets, the financial assets are classified into on initial recognition: financial assets measured at its amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

The Company classifies financial assets that meet the following criteria at the same time and are not designated as at fair value through profit or loss as the financial assets measured at amortized cost:

- the business model aims to collect contractual cash flows; and
- the contractual cash flows are generated only from payment of principal and interest on the outstanding principal.

The Company classifies financial assets that meet the following criteria at the same time and are not designated as at fair value through profit or loss as the financial assets (debt instruments) at fair value through other comprehensive income:

- the business model aims to collect contractual cash flows and sell such financial assets; and
- the contractual cash flows are generated only from payment of principal and interest on the outstanding principal.

The Company irrevocably designates the non-trading equity instruments as financial assets (equity instruments) at fair value through other comprehensive income on initial recognition. Such designation is made on the basis of a single investment, and the relevant investments meet the definition of an equity instrument from the issuer's perspective.

Except for the financial assets measured at amortized cost and the financial assets at fair value through other comprehensive income, the Company classifies all of other remaining financial assets as the financial assets at fair value through profit or loss. If the accounting mismatch can be eliminated or significantly reduced on initial recognition, the Company may irrevocably designate the financial assets that should have been classified as those measured at amortized cost or those at fair value through other comprehensive income as the financial assets at fair value through profit or loss.

On initial recognition, financial liabilities are classified into the following two categories: financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost.

A financial liability may be designated as at fair value through profit or loss on initial measurement if one of the following conditions is met:

- 1) the designation eliminates or significantly reduces accounting mismatch;
- 2) a group of financial liabilities or a group of financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, and information about the group is reported on that basis to the enterprise's key management personnel according to such risk management or investment strategy set out in official written documents; or
- 3) this financial liability contains embedded derivatives that need to be split separately.

Based on the aforementioned conditions, these financial liabilities designated by the Company mainly include: (to describe the specific designation in details)

2. Recognition and measurement of financial instruments

(1) Financial assets measured at amortized cost

The financial assets measured at amortized cost, including notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, are initially measured at fair value, and the relevant transaction costs are charged to the initially recognized amount; the accounts receivable that do not contain any significant financing component and are recognized by the Company without taking into consideration the significant financing components under the contracts with a term of less than one year are initially measured at the contractual trading price.

The interest calculated using the effective interest method during the holding period is recognized in the profit or loss for the current period.

On recovery or disposal of a financial asset, the difference between the proceeds and the carrying amount of the financial asset is recognized in profit or loss for the current period.

(2) Financial assets (debt instruments) at fair value through other comprehensive income

Financial assets (debt instruments) at fair value through other comprehensive income, including receivable financing and other debt investments, are initially measured at fair value, and the relevant transaction costs are recognized in initially recognized amount. These financial assets are subsequently measured at fair value, and changes in fair value other than the interest calculated using the effective interest method, impairment loss or gain and profit or loss on exchange are recognized in other comprehensive income.

On derecognition, the cumulative gain or loss previously included in other comprehensive income is removed out from other comprehensive income and recognized in profit or loss for the current period.

(3) Financial assets (equity instruments) at fair value through other comprehensive income

Financial assets (equity instruments) at fair value through other comprehensive income, including other equity investments, are initially measured at fair value, and the relevant transaction costs are recognized in initially recognized amount. These financial assets are subsequently measured at fair value, and changes in fair value are recognized in other comprehensive income. The dividends received are recognized in profit or loss for the current period.

On derecognition, the cumulative gain or loss previously included in other comprehensive income is removed out from other comprehensive income and included in retained earnings.

(4) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss, including held-for-trading financial assets, derivative financial assets and other non-current financial assets, are initially measured at fair value, and the relevant transaction costs are included in profit or loss for the current period. These financial assets are subsequently measured at fair value, and changes in fair value are included in profit or loss for the current period.

(5) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss, including held-for-trading financial liabilities and derivative financial liabilities, are initially measured at fair value, and the relevant transaction costs are recognized in profit or loss for the current period. These financial liabilities are subsequently measured at fair value, and changes in fair value are recognized in profit or loss for the current period.

On derecognition, the difference between their carrying amount and the consideration paid is included in profit or loss for the current period.

(6) Financial liabilities measured at the amortized cost

The financial liabilities measured at the amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, long-term payables, are initially measured at fair value, and the relevant transaction costs are charged to the initially recognized amount.

The interest calculated using the effective interest method during the holding period is recognized in the profit or loss for the current period.

On derecognition, the difference between the consideration paid and the carrying amount of these financial liabilities is recognized in profit or loss for the current period.

3. Termination recognition and transfer recognition of financial assets are based on relevant accounting standards and measurement methods

The Company derecognizes a financial asset when one of the following conditions is met:

- the contractual right to receive cash flows from the financial assets has expired;
- the financial asset has been transferred and all the risks and rewards of ownership of the financial asset are substantially transferred to the transferee; or

— the financial asset has been transferred, and the Company neither transferred nor retained a substantial portion of all risks and rewards incidental to the ownership of the financial asset, but did not retain control over the financial asset.

If the company modifies or renegotiates a contract with a counterparty, and such modification constitutes a substantive modification, the original financial asset is derecognized, and a new financial asset is recognized according to the modified terms.

When a financial asset is transferred, if the Company retains substantially all the risks and rewards of ownership of a financial asset, it does not derecognize the financial asset.

When the Company determines whether a transfer of a financial asset satisfies the derecognizing criteria prescribed above, it gives weight to the substance rather than form.

The Company divides a transfer of a financial asset into a transfer of the financial asset in its entirety or a transfer of part of the financial asset. For a transfer of a financial asset in its entirety that satisfies the derecognizing criteria, the difference between the following two amounts is recognized in profit or loss for the current period:

(1) the carrying amount of the financial asset transferred; and

(2) the sum of the consideration received from the transfer and (if the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income) any cumulative changes in fair value that was originally recognized in owners' equity.

If part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset in its entirety is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts. The difference between the following two amounts is recognized in profit or loss for the current period:

(1) the carrying amount allocated to the part derecognized; and

(2) the sum of the consideration received for the part derecognized and (if the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income) the amount of the part derecognized corresponding to the cumulative changes in fair value that was originally recognized in owners' equity.

A financial asset that does not qualify for derecognition continues to be recognized, and the consideration received is recognized as a financial liability.

4. Derecognition of financial liabilities

If the present obligations of a financial liability are discharged in part or whole, the financial liability or any part thereof is derecognized; an agreement between the Company and the creditor to replace the existing financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the existing financial liability and the recognition of a new financial liability.

A substantial modification to the terms of an existing financial liability or any part thereof is accounted for as an extinguishment of the existing financial liability or any part thereof, and the financial liability with modified terms is recognized as a new financial liability at the same time.

When the Company derecognizes a financial liability or any part thereof, it recognizes the difference between the carrying amount of the financial liability derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the current period.

If the Company repurchases part of a financial liability, it allocates the carrying amount of the financial liability in its entirety between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount of the financial liability derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the current period.

5. Method of determination of the fair value of financial assets and financial liabilities

If there is an active market for a financial instrument, the quoted price in the active market is used to establish the fair value of the financial instrument. If there is no active market for a financial instrument, a valuation technique is used to establish the fair value of the financial instrument. On valuation, the Company adopts the valuation technique which applies to the current circumstances and is supported by sufficient data available and other information, selects the input value consistent with the characteristics of the asset or

liability considered by the market participants in the transaction of the relevant asset or liability, and prioritizes using the relevant observable input value. The unobservable input value can be used only when the relevant observable input value cannot be obtained or it is impracticable to obtain the relevant observable input value.

6. Test and accounting treatment of impairment of financial tools

The Company estimates the expected credit losses of financial assets measured at amortized cost, financial assets (debt instruments) at fair value through other comprehensive income and financial guarantee contracts on a single or joint basis.

The Company comprehensively considers reasonable and well-founded information about past events, current conditions, and predictions of future economic conditions as well as the possibility of default to calculate the probability-weighted amount of the present value of the difference between cash flows receivable from contracts and cash flows expected to be recovered and include it in the expected credit loss.

For receivables and contract assets formed by transactions regulated by Enterprise Accounting Standards No. 14 - Revenue, regardless of whether they contain significant financing components, the company always measures their allowance for expected credit losses equivalent to the amount expected throughout the entire term.

For lease receivables formed by transactions regulated by Enterprise Accounting Standards No. 21 - Leases, the company chooses to measure its allowance for expected credit losses equivalent to the amount expected throughout the entire term.

For other financial instruments, the company evaluates the credit risk of the relevant financial instruments on each balance sheet date based on changes since initial recognition.

The Company compares the possibility of default at the balance sheet date with the possibility of default upon initial recognition, to determine the relative change in the default risks of financial instrument during the expected lifetime, and assess whether the credit risk of the financial instruments has increased significantly since initial recognition. If a financial instrument is past due for more than 30 days, the Company usually believes that credit risk of the financial instrument has increased significantly, unless there is clear evidence that credit risk of the financial instrument has not increased significantly since initial recognition.

If a financial instrument has low credit risk on the balance sheet date, the Company believes that credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument has significantly increased since initial recognition, the company measures its allowance for expected credit losses equivalent to the amount expected throughout the entire term. If the credit risk of a financial instrument has not significantly increased since initial recognition, the company measures its allowance for expected credit losses equivalent to the amount expected over the next 12 months. The increase or reversal of allowance for expected credit losses resulting from this is recognized as impairment losses or gains in the current period's profit or loss. For financial assets (debt instruments) measured at fair value with changes recognized in other comprehensive income, the allowance for expected credit losses is recognized in other comprehensive income, and impairment losses or gains are recognized in the profit or loss for the period without reducing the carrying amount of the financial asset in the balance sheet.

1) The basis for recognizing accounts receivable confirmation combinations is as follows:

Item	Combination Categories	Basis for determination
Accounts receivable	Combination 1: Bank acceptance draft	Acceptance draft types
Accounts receivable	Combination 2: Commercial acceptance draft	Acceptance draft types

Upon recognizing revenue, our company initially recognizes accounts receivable, which are then transferred to settle with commercial bills. In accordance with the principle of continuous aging calculation, the aging of accounts receivable is traced back to the corresponding starting date of accounts receivable for aging calculation.

2) The basis for determining the combination of accounts receivable is as follows:

Item	Combination Categories	Basis for determination
Accounts receivable	Combination 1: Individual provision	If there is objective evidence indicating that a financial asset has incurred credit impairment, our company makes an individual provision for impairment on that financial asset.
Accounts receivable	Combination 2: Aging combination	Our company refers to historical credit loss experience, combines it with current conditions and forecasts for future economic conditions, and prepares a table comparing the aging of accounts receivable with the expected credit loss rate for the entire duration. This is used to calculate the expected credit loss.

The company starts calculating the aging of accounts receivable when the conditions for revenue recognition are met and initially recognized. The actual aging period extends from the initial recognition date to the balance sheet date.

3) The basis for determining the combination of other receivables is as follows:

Item	Combination Categories	Basis for determination
Other accounts receivable	Combination 1: Individual provision	If there is objective evidence indicating that a financial asset has incurred credit impairment, our company makes an individual provision for impairment on that financial asset
Other accounts receivable	Combination 2: Aging combination	Our company refers to historical credit loss experience, combines it with current conditions and forecasts for future economic conditions, and prepares a table comparing the aging of other receivables with the expected credit loss rate for the entire duration. This is used to calculate the expected credit loss

The company starts calculating the aging of other receivables when they are initially recorded. The actual aging period extends from the initial recognition date to the balance sheet date.

4) The basis for confirming the combination of accounts receivable financing is as follows:

Item	Combination Categories	Basis for determination
Accounts receivable financing	Combination 1: Bank acceptance draft	Acceptance draft types

5) Criteria for determining individual provision for bad debt

The company utilizes available reasonable and substantiated forward-looking information to assess the risk of default of financial

instruments at the balance sheet date compared to the risk at the initial recognition date. This assessment involves considering whether there have been significant changes in the debtor's operating results, either actual or expected; whether there have been significant adverse changes in regulatory, economic, or technological environments; whether there have been significant changes in the value of collateral serving as security for the debt, or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor's economic incentives to repay according to the terms of the contract or affect the probability of default; whether there have been significant changes in the debtor's expected performance and repayment behavior, among other factors. Based on this analysis, the company determines that credit risk has significantly increased. The company also conducts a comprehensive analysis to assess whether the debtor is experiencing significant financial difficulties, has breached contracts or is in default, or if the debtor's financial difficulties have reduced the asset's liquidity, among other factors, to determine if impairment has occurred. If the company's customers or other debtors experience severe financial difficulties, defaults on repayments, and have not provided effective credit enhancements or other safeguards, the company conducts impairment testing separately for them, considering the risk of default and the expected credit loss rate for the entire duration. A provision for bad debts is then recognized based on the difference between the carrying amount of the financial asset and the present value of expected future cash flows.

The company directly writes down the carrying amount of the financial asset if it no longer reasonably expects to recover all or part of the contractual cash flows associated with the financial asset.

12. Contract Assets

1. Recognition method and criteria for contract assets

The company recognizes contract assets or contract liabilities on the balance sheet based on the relationship between performance obligations and customer payments. The right to consideration for goods transferred or services provided to customers (and where that right is conditional on factors other than the passage of time) is recognized as a contract asset. Contract assets and contract liabilities for the same contract are presented as a net amount. The unconditional right to consideration from customers (based solely on the passage of time) that the company holds is separately presented as accounts receivable.

2. Method for determining expected credit losses on contract assets and the accounting treatment

The method for determining expected credit losses on contract assets and the accounting treatment thereof are detailed in Note X 6 Methods for Testing and Accounting Treatment of Financial Instrument Impairment in this attachment.

13 Inventories

1. Classification and cost of inventories

Inventories are classified into: materials in transit, raw materials, revolving materials, goods on hand, products in process, goods sold, work in process - outsourced, contract performance cost, etc.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

2. Pricing methods of inventories transferred out

The Company delivers inventories at the price calculated using the weighted-average system monthly in arrears.

3. Inventory system

Adopts a perpetual inventory system.

4. Amortization method for low-value consumables and packaging materials

The company's inventory includes low-value consumables, packaging materials, etc. For high-value turnover materials, monthly amortization is carried out based on the estimated useful life upon issuance; for other low-value consumables, one-time amortization is carried out upon issuance; packaging materials are amortized using the one-time amortization method upon issuance.

5. Criteria for recognition and provision method of inventory impairment

At the balance sheet date, inventories are measured at the lower of cost or net realizable value. If the cost of inventories is higher than the net realizable value, a provision for decline in value of inventories is made. Net realizable value is the estimated selling price in the ordinary course of business less costs expected to be incurred until completion and the estimated costs necessary to make the sale and relevant taxes.

For finished products, goods on hand, materials available for sales and other merchandise inventories available for sales, in the ordinary production and operation process, their net realizable value is determined at the estimated selling price of these inventories less the estimated costs necessary to make the sale and relevant taxes; and for the inventories that need to be processed, in the ordinary production and operation process, their net realizable value is determined at the estimated selling price of finished products less the costs to be incurred until completion and the estimated costs necessary to make the sale and relevant taxes. The net realizable value of the inventories held to satisfy sales or service contracts is based on the contract price. If the quantity of inventories held is more than the quantity ordered in the sales contracts, the net realizable value of the excess portion of inventories is based on general selling prices.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value is higher than the carrying amount of inventories, the reversal is made to the extent of the amount originally provided for the decline in value of inventories. The amount of the reversal is recognized in profit or loss for the current period.

14. Held-for-sale assets

1. Hold-for-sale

The assets of which carrying amount is recovered mainly through sales (including through exchange of non-monetary assets with commercial substance) rather than continuous use of non-current assets or disposal groups are classified as the held-for-sale assets.

The Company classifies the non-current assets or disposal groups which meet all the following conditions as the held-for-sale assets:

(1) they can be sold immediately under current conditions according to the practice of sales of such assets or disposal groups in similar transactions; and

(2) the sale is very likely to happen, that is, the Company has made a resolution on a sale plan and obtained a confirmed purchase commitment, and such sale is expected to be completed within one year. The sale has been approved by the relevant authority or regulatory department of the Company if it is required to be so approved by the relevant provisions.

2. Termination of operations

Termination of operations is a distinguishable component that meets one of the following conditions and has been disposed of or classified as held for sale by the company:

(1) The component represents a separate major business or a separate major operating area.

(2) The component is part of a related plan to dispose of a separate major business or a separate major operating area.

(3) The component is a subsidiary acquired solely for resale.

Profit or loss from continuing operations and profit or loss from termination of operations are separately presented in the income statement. Impairment losses and reversals, operating losses, and gains from disposal related to termination of operations are reported as profit or loss from termination of operations. For termination of operations reported in the current period, the company reclassifies the information previously reported as profit or loss from continuing operations as profit or loss from termination of operations in the financial statements for the current period.

15. Long-term equity investments

1. Judgment criteria of joint control and significant influence

Joint control is the agreed sharing of control over an arrangement, and the relevant activities of such arrangement must be decided upon the unanimous consent of the parties sharing control. If the Company can exercise joint control over the investee along with other parties to joint ventures and enjoy rights over net assets of the investee, the investee is a joint venture of the Company.

Significant influence is the power to participate in the financial and operating policy decisions of an investee, but is not control or joint control with other parties over the establishment of those policies. If the Company can have significant influence over the investee, the investee is an associate of the Company.

2. Determination of initial investment cost

(1) Long-term equity investments formed by business combination

In case of a long-term equity investment of a subsidiary acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the Company's share of the carrying amount of the owners' equity of the absorbed party in the consolidated financial statements of the ultimate controller at the date of combination. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid for the combination is treated as an adjustment to the equity premium in the capital reserve. In case the equity premium in the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings. Where the Company becomes capable of exercising control over an investee under the common control due to additional investments or other reasons, the difference between the initial investment cost of the long-term equity investment recognized in the light of above principles and the sum of the carrying amount of the long-term equity investment prior to combination plus the carrying amount of new consideration paid for further acquisition of shares on combination date is adjusted to the equity premium. If the equity premium is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

In case of a long equity investment acquired through a business combination not involving enterprises under common control, the Company regards the cost of combination determined on the date of acquisition as the initial investment cost of the long-term equity investment. If the Company becomes capable of exercising control over an investee not under common control due to additional investments or other reasons, the initial investment cost is the sum of the carrying amount of the equity investment originally held and the new investment cost.

(2) Long-term equity investments obtained through forms other than business combination

For a long-term equity investment acquired by paying cash, the initial investment cost is the actual purchase price.

For a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of equity securities issued.

3. Subsequent measurement and determination of profit or loss

(1) Long-term equity investments accounted for using the cost method

The Company accounts for the long-term equity investments of the subsidiaries using the cost method, unless these investments meet the held-for-sale conditions. Except for cash dividends or profit distributions declared but undistributed included in the price or consideration actually paid on acquisition of investments, the Company recognizes its cash dividends or profit distributions declared by the investee as investment income in the current period.

(2) Long-term equity investments accounted for using the equity method

The long-term equity investments of associates and joint ventures are accounted for using the equity method. Where the initial investment cost of a long-term equity investment exceeds the Company's interest in the fair values of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost of the long-term equity investment. Where the initial investment cost is less than the Company's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

The Company respectively recognizes its share of the net profits or losses and other comprehensive income made by the investee

as investment income and other comprehensive income, and adjusts the carrying amount of the long-term equity investment accordingly. The carrying amount of the long-term equity investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributed to the Company. The Company adjusts the carrying amount of the long-term equity investment for other changes in owners' equity of the investee other than net profits or losses, other comprehensive income and profit distributions ("changes in other owners' equity"), and includes the corresponding adjustment in owners' equity.

For recognition of its share of the investee's net profits or losses or other comprehensive income and changes in other owners' equity, the Company recognizes its share of the investee's net profits and other comprehensive income after making appropriate adjustments based on the fair value of the investee's identifiable net assets at the date of acquisition in accordance with its accounting policies and period.

For unrealized profits or losses resulting from intragroup transactions between the Company and associates or joint ventures, the portion attributable to the Company is eliminated, and based on this, the investment income is recognized, unless the invested or sold assets constitute the business. The impairment loss of assets in the unrealized losses resulting from intragroup transactions between the Company and the investee is fully recognized.

The Company discontinues recognizing its share of net losses of the associate or joint venture after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of the Company's net investment in the associate or joint venture are reduced to zero, except to the extent that the Company has incurred obligations to assume additional losses. Where the associate or joint venture makes net profits subsequently, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

(3) Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the current period.

If, on partial disposal of long-term equity investments accounted for using the equity method, the remaining equity is still accounted for using the equity method, the portion previously included in other comprehensive income is accounted for on a pro-rata basis, with the same basis as the relevant assets or liabilities directly disposed of by the investee, and changes in other owners' equity are transferred to profit or loss for the current period on a pro-rata basis.

When the Company loses joint control or significant influence on the investee due to disposal of equity investments or other reasons, the original equity investment included in other comprehensive income due to the use of equity method is accounted for on the same basis as the relevant assets or liabilities directly disposed of by the investee when the equity method discontinues, and the changes in other owners' equity are fully transferred to profit or loss for the current period when the equity method discontinues.

Where the Company loses control over the investee due to disposal of partial equity investments, if in preparing separate financial statements, the Company can exercise joint control or significant influence on the investee by virtue of its remaining equity, the remaining equity switches to the equity method for accounting, and is adjusted as if it is accounted for using the equity method since acquisition. Other comprehensive income recognized prior to acquisition of the control on the investee is carried forward proportionally on the same basis as the investee's direct disposal of related assets or liabilities, and changes in other owners' equity recognized using the equity method are transferred to profit or loss for the current period on a pro-rata basis; if the Company cannot exercise joint control or significant influence on the investee by virtue of its remaining equity, the remaining equity is recognized as financial assets, and the difference between the fair value and the carrying amount on the date when the Company loses control is recognized in profit or loss for the current period, and other comprehensive income and changes in other owners' equity recognized prior to acquisition of the control on the investee are fully carried forward.

Where all transactions from disposal of equity investments in a subsidiary through multiple transactions by steps until the loss of control belong to a single package, the Company accounts for each transaction as a disposal of equity investments in a subsidiary and the loss of control; however, the difference between the proceeds from each disposal before loss of control and the carrying amount of the long-term equity investments corresponding to the equity disposed of is first recognized in other comprehensive income in separate financial statements and then transferred to the profit or loss in the period in which the control is lost. Where all transactions do not

belong to a single package, the Company accounts for each transaction respectively.

16. Investment properties

Measurement of investment properties

Measured at cost

Depreciation or amortization methods

The Company's investment property is property held to earn rentals or for capital appreciation or both, including land use rights that have been leased out, land use rights that are held and ready to be transferred after appreciation, and buildings that have been leased out (including those that are available for rental after being built by the Company itself or completion of development activities, and are being built or in progress for rental in the future).

Subsequent costs incurred for an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Company and the cost of the asset can be measured reliably. Subsequent costs that fail to meet the recognition criteria above are recognized in profit or loss in the period in which they are incurred.

The Company measures the existing investment properties using the cost model. For investment properties measured using cost model for measurement - the buildings available for rental follow the same depreciation policies as those of the Company's fixed assets, and land use rights available for rental follow the same amortization policies as those of intangible assets.

17. Fixed assets

(1) Recognition of fixed assets

Fixed assets are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives more than one accounting year. A fixed asset is recognized only when both of the following conditions are met:

- (1) it is probable that economic benefits associated with the fixed asset will flow to the enterprise; and
- (2) the cost of fixed assets can be measured reliably.

A fixed asset of the Company is initially measured at its cost, and in determining the cost of a fixed asset, the Company considers the effect of any expected costs of abandoning the asset at the end of its use.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the cost of the asset can be measured reliably; the carrying amount of the part to be replaced is derecognized; and all of other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

(2) Method of depreciation

Category	Method of depreciation	Estimated useful life (year)	Residual value rate	Annual depreciation rate (%)
Buildings	Straight-line method	20, 30 and 43	0, 1, 10	2.35-5
Machinery equipment	Straight-line method	3-15	1, 10	6-33
Auxiliary production equipment	Straight-line method	5-10	10	9-18
Transportation equipment	Straight-line method	3-5	1, 10	18-33

Mould equipment	Straight-line method	3-10	10	9-30
Office equipment	Straight-line method	3-5	1, 10	18-33
Computer equipment	Straight-line method	3-10	1, 10	10-33
Other equipment	Straight-line method	3-15	1, 10	6-33

The Company provides for depreciation of fixed assets by category using the straight-line method, and determines the depreciation rate on the category, estimated useful life and estimated net residual value of fixed assets. For fixed assets with the provision for impairment, the depreciation amount will be determined in the future based on the carrying amount after deduction of the provision for impairment and remaining useful life. If a fixed asset has various component parts which have different useful lives or provide benefits to the enterprise in different manners, these component parts are depreciated separately by selecting different depreciation rates or methods.

The depreciation methods, useful life, residual value rate, and annual depreciation rate for various types of fixed assets are as follows:

(3) Disposal of fixed assets

A fixed asset is derecognized when it is disposed of or when no future economic benefits are expected to be generated from its use or disposal. When a fixed asset is sold, transferred, retired or damaged, the Company recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes and fee in profit or loss for the current period.

18. Construction in progress

A construction in progress is measured at the actual cost incurred. Actual cost includes construction and installation fees, qualifying borrowing costs and other necessary expenses necessarily incurred for bringing the asset to working condition for its intended use. The construction in progress is transferred to fixed assets when meeting working conditions for its intended use and the Company begins to make provision from next month.

The standard and timing for capitalizing construction in progress into fixed assets for our company are as follows:

Category	Criteria and timing for transferring construction in progress to fixed assets
Real estate and buildings	<p>(1) The main construction project and supporting projects have substantially completed.</p> <p>(2) The construction project meets the predetermined design requirements and has been accepted by survey, design, construction, and supervision units.</p> <p>(3) It has passed inspections by external departments such as fire, land, and planning.</p> <p>(4) If the construction project reaches the predetermined usable state but has not yet undergone final settlement, it will be transferred to fixed assets based on the actual construction cost according to the estimated</p>

Category	Criteria and timing for transferring construction in progress to fixed assets
	value from the date it reaches the predetermined usable state.
Machinery and equipment requiring installation and commissioning	<p>(1) Relevant equipment and other supporting facilities have been fully installed.</p> <p>(2) The equipment has been debugged and can maintain normal stable operation for a period of time.</p> <p>(3) Production equipment is capable of producing qualified products steadily for a period of time.</p> <p>(4) The equipment has been accepted by asset management personnel and users.</p>

19. Borrowing costs

1. Recognition of capitalization of borrowing costs

Borrowing costs incurred by the company that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the relevant asset. The amounts of other borrowing costs incurred are recognized as an expense in the period in which they are incurred, and recorded into profit or loss for the current period.

Qualifying assets are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

2. Capitalization period of borrowing costs

Capitalization period is the period from the date of commencement of capitalization of borrowing costs to the date of cessation of capitalization, excluding any period over which capitalization is suspended.

The capitalization of borrowing costs can commence only when all of the following conditions are satisfied:

(1) expenditures for the asset are being incurred, and such expenditures include those expenditures incurred for the acquisition, construction or production of the qualifying asset that have resulted in payments of cash, transfer of non-cash assets, or the assumption of interest-bearing liabilities;

(2) borrowing costs are being incurred; and

(3) activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

When the qualifying asset being acquired, constructed or produced has become ready for its intended use or sale, the capitalization ceases.

3. Period over which capitalization is suspended

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months. However, capitalization of borrowing costs continues when the interruption is a necessary part of the process of preparing that asset for its intended use or sale. The borrowing costs incurred during these periods of interruption are recognized as profit or loss for the current period, and the capitalization of borrowing costs does not continue until the acquisition, construction or production of that asset is resumed.

4. Calculation methods of rate and amount of capitalization of borrowing cost

Where funds are borrowed under a specific-purpose borrowing for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs to be capitalized is the actual borrowing costs incurred for the current period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds.

Where funds are borrowed under general-purpose borrowings and are utilized for the acquisition, construction or production of a qualifying asset, the Company determines the amount of borrowing costs to be capitalized on such borrowings by multiplying a capitalization rate of the utilized general-purpose borrowings by the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the actual interest rates applicable to the general-purpose borrowings.

During the capitalization period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalized as part of the cost of the qualifying asset. The exchange differences arising from foreign currency borrowings and interest thereon other than specific-purpose borrowings denominated in foreign currency are recognized in profit or loss for the current period.

20. Intangible assets

(1) Service life of assets and its determination basis, estimation, amortization method, or review procedures

1. Pricing methods of intangible assets

(1) The Company initially measures an intangible asset at cost of acquisition;

The cost of a separately acquired intangible asset comprises its purchase price, related taxes and any directly attributable expenditure for preparing the asset for its intended use.

(2) Subsequent measurement

The Company analyzes and assesses the useful life of an intangible asset on its acquisition.

A finite-lived intangible asset is amortized during the period over which the asset generates economic benefits for the enterprise; an intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the enterprise, and is not be amortized.

2. Estimated useful lives of intangible assets with finite life

Item	Estimated useful life (year)	Amortization method	Residual value rate	Basis
Software	3-10	Straight-line method	None	Estimated period of benefit
Land use right	50	Straight-line method	None	Certificate of land use rights
Patent right	10	Straight-line method	None	Right term
Non-patent technology	10	Straight-line method	None	Estimated period of benefit
Others	6-18	Straight-line method	None	Estimated period of benefit

3. Basis for judgement of an intangible asset with indefinite useful life and procedures for review of useful life

The Company reviews the useful life of the indefinite intangible assets at the end of each period.

(2) Scope of capitalization for research and development (R&D) expenses and related accounting treatment methods.

1. The scope of capitalization for research and development (R&D) expenses includes personnel salaries related to R&D activities, materials consumed, related depreciation and amortization expenses, utilities, and other related expenses incurred during the R&D process.

2. Specific criteria for an internal research and development project that are classified into the research phase and the development phase

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Research phase: The company considers preparatory activities for further development activities as the research phase and expenses related to intangible asset research phase are recognized in the current period's profit or loss when incurred.

Development Phase: Activities conducted after completing the research phase are considered as the development phase.

3. Specific criteria of expenditure on the development phase qualifying for capitalization

Expenditure on the research phase is recognized in profit or loss for the period in which it is incurred. Expenditure on the development phase is recognized as an intangible asset only when the Company demonstrates that all of the following conditions are met; otherwise, it is recognized in profit or loss for the current period:

(1) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(2) the intention to complete the intangible asset and use or sell it;

(3) how the intangible asset will generate economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(4) the availability of adequate technical, financial and other resources to complete the development of and the ability to use or sell the intangible asset; and

(5) its ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

If the Company fails to discriminate between expenditure on the research phase and expenditure on the development phase, all expenditures on research and development are recognized in the profit or loss for the current period.

21. Impairment of long-term assets

Where any indication exists that long-term equity investments, investment properties measured at the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful life, oil and gas assets and other long-term assets may be impaired at the balance sheet date, the Company performs an impairment test thereon. If the result of the impairment test shows that the recoverable amount of an asset is lower than its carrying amount, the provision for impairment is made for the difference and the difference is included in the impairment loss. The recoverable amount of an asset is the higher of its fair value less disposal costs or the present value of the future cash flows expected to be derived from the asset. The provision for impairment of assets is calculated and recognized for an individual asset, and if it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the asset group to which the asset belongs. An asset group is the smallest identifiable group of assets that generates cash inflows.

Goodwill generated in a business combination, indefinite-lived intangible assets and intangible assets which do not meet the working conditions for its use are tested for impairment at least at the end of each year, irrespective of whether there is any indication that the asset may be impaired.

For the purpose of impairment testing of the Company, the carrying amount of goodwill generated in a business combination is, from the acquisition date, allocated on a reasonable basis to each of the related asset groups. If it is not possible to allocate to the related asset groups, it is allocated to each of the related sets of asset groups. Each of the related asset groups or sets of asset groups

shall be an asset group or a set of asset groups that is able to benefit from the synergies of the business combination.

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, there may be an indication that a related asset group or set of asset groups may be impaired. In such circumstances, the Company firstly tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, calculates its recoverable amount, compares the recoverable amount with the related carrying amount and recognizes any impairment loss. Then, the Company tests the asset group or set of asset groups to which goodwill has been allocated for impairment and compares its carrying amount and recoverable amount. When the recoverable amount is less than its carrying amount, the amount of impairment loss first reduces the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduces the carrying amount of other assets (other than goodwill) within the asset group or set of asset groups, pro rata on the basis of the carrying amount of each asset.

Once an impairment loss on the asset above is recognized, it will not be reversed in a subsequent period.

22. Long-term deferred expenses

Long-term deferred expenses mean those that have been incurred but should be amortized in the current period and the subsequent periods of more than one year.

The amortization period and method of expenses are shown as follows:

Item	Amortization method	Amortization period
Housing decoration fees	Straight-line method	Period of benefit
Others	Straight-line method	Period of benefit

23. Contract liabilities

The Company presents the contract assets or liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company presents the obligations to transfer goods or offer services to customers as the consideration received or receivable from customers as the contract liabilities. The Company lists the contract assets and liabilities under the same contract as net amount.

24. Employee benefits

(1) Accounting treatment of short-term benefits

The Company recognizes the short-term benefits actually incurred during the accounting period when the employees serve the Company as liabilities, and includes the same as part of the cost of related assets or in profit or loss for the current period.

The employee benefits corresponding to payments of social security contributions and housing funds for employees by the Company and the appropriation to labor union funds and employee education fees are determined on such provision basis and at such provision rate as stipulated during the period when the employees provide services for the Company.

The staff welfare incurred by the Company is stated as the amount actually incurred and recorded into profit or loss for the current period or cost of related assets; non-monetary benefits are measured at fair value.

(2) Accounting treatment of post-employment benefits

(1) Defined contribution plans

The Company pays basic endowment insurance and unemployment insurance for employees pursuant to the relevant regulations of the local government. The amounts payable therefor, during the accounting period when the employees serve the Company, are

calculated according to the payment base and proportion stipulated by the local regulations, which are recognized in profit or loss for the current period or the cost of related assets as liabilities.

(3) Accounting treatment of termination benefits

The Company recognizes the employment remuneration liabilities generated by termination benefits and records them into the profit or loss for the current period on the earlier of: when the Company cannot unilaterally withdraw the severance benefits provided as a result of the labor relationship termination plan or layoff proposal, or when it recognizes the costs or expenses related to the restructuring of the severance benefits payment.

25. Provisions

The Company recognizes an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (1) the obligation is a present obligation of the Company;
- (2) it is probable that an outflow of economic benefits from the Company will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of the expenditure required to settle the related present obligation.

Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole when the Company reaches the best estimate. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

Where there is a continuous range of the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. Under any other circumstances, the best estimate is accounted for as follows:

- where the contingency involves a single item, the best estimate is the most likely amount; or
- where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

Where all or some of the expenditure required to settle an estimated liability is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement does not exceed the carrying amount of the estimated liability.

The Company reviews the carrying amount of a provision at the balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

26. Share-based payment

A share-based payment of the Company is a transaction in which the Company grants equity instruments, or incurs liabilities for amounts that are determined based on the price of equity instruments, in return for services rendered by employees or other parties. A share-based payment of the Company is classified as either an equity-settled share-based payment or a cash-settled share-based payment.

1. Equity-settled share-based payment and equity instruments

An equity-settled share-based payment in exchange for services received from the employees is measured at the fair value of equity instruments granted to the employees. If the right under the share-based payment vests immediately following the grant, the Company, on grant date, recognizes related costs or expenses at an amount equal to the fair value of the equity instruments, with a corresponding increase in capital reserve. If the rights under the share-based payment do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, at each balance sheet date during the vesting period, the Company makes the best estimate of the number of equity instruments expected to vest, and based on this, recognizes the services received in the current period in the related costs or expenses at an amount equal to the fair value on the grant date, with a

corresponding increase in capital reserve.

If the terms of equity-settled share-based payment are modified, the services received are recognized at least pursuant to the unmodified terms. In addition, any modifications that increase the fair value of the equity instruments, or changes that are beneficial to employees on the modification date are recognized as an increase in services.

If the granted equity instrument is cancelled within the vesting period, the Company treats the cancellation of equity instrument granted as the accelerated exercise, and the amount to be recognized during the remaining vesting period is immediately charged to profit or loss for the current period, and the capital reserve is recognized at the same time. However, if a new equity instrument is granted, and on the grant date thereof, is deemed to replace the cancelled equity instrument, the substitute equity instrument granted is accounted for pursuant to the terms and conditions for accounting for original equity instrument.

27. Revenue

Disclosure of revenue recognition and measurement accounting policies adopted by business type.

The revenue is recognized at the time when the Company has discharged the performance obligations in the contract, that is, when the customer obtains the control of the related goods or services. Obtainment of the control of the related goods or services means the ability to direct the use of such goods or services and obtain substantially all of economic benefits from them.

If the contract has two or more performance obligations, the Company allocates the transaction price to each individual performance obligation on the inception of the contract by reference to relative standalone selling prices of goods or services promised thereby. The Company measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Company is entitled arising from the transfer of goods or services to the customer, excluding the amount collected on behalf of a third party and expected to be returned to the customer. The Company determines the transaction price with reference to the contract terms and in conjunction with past customary practices, and in doing so, considers variable consideration, significant financing components in the contract, non-cash consideration, consideration payable to customers and other factors. The Company determines the transaction price including variable consideration to the extent that it is highly probable that its inclusion will not result in a significant revenue reversal of accumulatively recognized revenue in the future when the uncertainty has been subsequently resolved. If there is a significant financing component in the contract, the Company determines the transaction price based on the presumed amount payable in cash when the customer obtains the control of goods or services, and amortizes the differences between the transaction price and the contract consideration using the actual interest method within the term of the contract.

When meeting one of the following criteria, it belongs to the obligation performed over time, otherwise it constitutes the obligation performed at a point in time:

- the customer obtains and consumes the economic benefits generated by the Company's performance when the Company performs the contract;
- the customer can control the products in progress in the performance of the contract by the Company; or
- the products produced in the process of the Company's performance have irreplaceable uses, and the Company has the right to collect payment for the cumulative performance that has been completed up to date throughout the term of the contract.

For the obligation performed over time, the Company recognizes the revenue based on the performance progress over time, unless the performance progress cannot be reasonably determined. The Company determines the progress of performance obligation by taking the nature of goods or services and using the output/input method. When the performance progress cannot be reasonably determined, and the costs incurred are expected to be recoverable, the Company recognizes the revenue to the extent of costs incurred until the performance progress can be reasonably determined.

For the obligation performed at a point in time, the Company recognizes the revenue at the point in time when the customer obtains the control of the related goods or services. When judging whether the customer has obtained the control of goods or services, the Company considers the following signs:

- the Company has the current right to receive payment for such goods or services, that is, the customer has the current obligation to make payment for such goods or services;
- the Company has transferred the legal ownership of such goods to the customer, that is, the customer has the legal ownership of such goods;
- the Company has transferred such goods to the customer physically, that is, the customer has taken possession of such goods physically;
- the Company has transferred major risks and rewards of ownership of such goods to the customer, that is, the customer has obtained major risks and rewards of ownership of such goods; and
- the customer has accepted such goods or services.

The company determines its role as a principal or agent based on whether it has control over the goods or services before transferring them to customers. If the company can control the goods or services before transferring them to customers, it acts as a principal and recognizes revenue based on the total amount received or receivable. Otherwise, if the company acts as an agent, it recognizes revenue based on the amount of commission or fees expected to be entitled to.

Different revenue recognition methods and measurement methods are applied for similar businesses with different operating models.

The Company organizes the production according to the sales contracts signed with or the orders placed by customers, and identifies the following models based on different geographical locations of customers and inventory management methods:

(1) General sales

For domestic sales, the Company ships goods to the delivery location designated by a customer, and recognizes the revenue after the customer has signed the receipt of the products; and for foreign sales, the goods are delivered according to specific trade terms, and the revenue is recognized at a point in time when the control is transferred.

(2) Supplier management inventory

Under this model, the Company ships the goods to the designated warehouse, the customer picks up the goods from the warehouse, and the revenue is recognized at a point in time when the control is transferred.

28. Contract costs

Contract costs include contract performance cost and contract acquisition costs.

The cost incurred by the Company to perform a contract is not be governed by the standards on inventories, fixed assets or intangible assets, and if meeting the following criteria, is recognized as an asset as the contract performance cost:

- such cost is directly related to an existing or expected contract;
- such cost increases the Company's future resources for fulfilling its performance obligations; and
- such cost is expected to be recovered.

If the incremental cost incurred by the Company to obtain a contract is expected to be recovered, it is recognized as an asset as the cost for contract acquisition.

The Company amortizes the asset related to the contract cost on the same basis as the recognition of the revenue of the goods or services related to the asset; provided that if the cost for contract acquisition is amortized for not more than one year, the Company includes it into the profit or loss for the current period in which it is incurred.

If the carrying amount of the asset related to the contract cost is higher than the difference between the following two amounts, the Company makes a provision for impairment of the excess and recognizes it as an impairment loss for the asset:

1. the remaining consideration expected to be obtained due to the transfer of the goods or services related to the asset; and
2. the cost to be incurred due to the transfer of the relevant goods or services.

If the impairment factors for prior periods have changed afterwards so that the above difference is higher than the carrying amount of the asset, the Company reverses a provision for impairment originally made and includes it in the profit or loss for the current period,

provided that the carrying amount after reverse should not exceed the carrying amount the asset would have reached on the date of reverse had the provision for impairment been not made.

29. Government grants

1. Category

Government grants are monetary assets or non-monetary assets from the government to the Company at no consideration. Government grants are classified into government grants related to assets and government grants related to income.

Government grants related to assets are government grants whose primary condition is that the Company should purchase, construct or otherwise acquire long-term assets. Government grants related to income are government grants other than those related to assets.

The specific standard based on which the Company classifies a grant as a government grant related to assets is that: the grant obtained by the Company is used to purchase, construct or otherwise acquire long-term assets.

The specific standard based on which the Company classifies a grant as a government grant related to income is that: government grants related to income are government grants other than those related to assets.

When classifying a grant whose subsidy object is not clearly specified in the government documents as a government grant related to assets or a government grant related to income, the Company judges whether the grant is used to purchase, construct or otherwise acquire long-term assets.

2. Recognition time point

When the Company actually receives the government grant, a government grant related to assets of the Company is recognized, and since the long-term assets are available for use, the Company equally amortizes the deferred income based on the estimated useful life of long-term assets and then transfers the same to the profit or loss for the current period.

When the Company actually receives the government grant, a government grant related to income of the Company is recognized, and the Company recognizes it in the non-operating income or other income over the periods in which the related costs are recognized if the grant is a compensation for related expenses or losses to be incurred by the Company in subsequent periods, and directly recognizes it in the non-operating income or other income for the current period on acquisition if the grant is a compensation for related expenses or losses incurred by the Company. The government grant is recognized when the Company meets the conditions attaching to the government grant and can receive the government grant.

3. Accounting treatment

The government grants related to assets are offset against the carrying amount of the related assets or recognized as deferred income. If a grant is recognized as deferred income, it is charged to profit or loss for the current period in a reasonable and systematic manner within the useful life of related assets (the grant related to the daily activities of the Company is recognized in other income, otherwise it is recognized in non-operating income);

The government grant related to income which is a compensation for related expenses or losses to be incurred by the Company in subsequent periods is recognized as the deferred income and charged to the profit or loss over the period when related costs or losses are recognized (the grant related to the daily activities of the Company is recognized in other income, otherwise it is recognized in non-operating income) or offset against related costs or losses; and the government grant related to income which is a compensation for related expenses or losses incurred by the Company is directly recognized in profit or loss for the current period (the grant related to the daily activities of the Company is recognized in other income, otherwise it is recognized in non-operating income) or offset against related costs or losses.

The policy-related preferential loan interest discounts obtained by the Company are accounted for separately according to the following two circumstances:

(1) If the finance department allocates the interest discount funds to the lending bank, and then the lending bank offers a loan to the Company at the policy-based preferential interest rate, the Company recognizes the loan amount actually received as the recorded

amount of the loan, and calculates the borrowing costs according to the loan principal and such policy-based preferential interest rate.

(2) If the finance department directly allocates the interest discount funds to the Company, the Company offsets the corresponding interest subsidy against the related borrowing costs.

30. Deferred tax assets/deferred tax liabilities

Income tax includes current and deferred tax. Except for the income tax arising from business combinations and transactions or events recognized directly in owners' equity (including other comprehensive income), the Company recognizes current tax and deferred tax in profit or loss for the current period.

The deferred tax assets and deferred tax liabilities are calculated and recognized based on the difference (temporary difference) between the tax base of assets and liabilities and the carrying amount of assets and liabilities.

A deferred tax asset is recognized for the deductible temporary difference to the extent that it is probable that future taxable income amounts will be available against which the deductible temporary difference can be utilized. A deferred tax asset is recognized for the carryforward of unused deductible losses and tax credits to the extent that it is probable that future taxable income amounts will be available against which the deductible losses and tax credits can be utilized.

A deferred tax liability is recognized for taxable temporary difference, except for special circumstances.

Special circumstances under which the deferred tax assets or deferred tax liabilities are not recognized for the taxable temporary difference include:

- the initial recognition of goodwill; and
- Transactions or events that neither constitute business combinations nor affect accounting profits and taxable income (or deductible losses) at the time of occurrence, and where the initial recognition of assets and liabilities does not result in the creation of temporary taxable differences and deductible temporary differences.

A deferred tax liability is recognized for the taxable temporary difference related to investments in subsidiaries, associates and joint ventures, unless the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred tax asset is recognized for the deductible temporary difference related to investments in subsidiaries, associates and joint ventures when it is probable that the temporary difference will reverse in the foreseeable future and taxable income amounts will be available in the future against which the deductible temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws.

The Company reviews the carrying amount of the deferred tax assets at the balance sheet date. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable income amounts will be available in future periods to allow the benefit of the deferred tax asset to be utilized. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable income amounts will be available.

The current tax assets and current tax liabilities are offset and presented on a net basis when the Company has the statutory right to settle on a net basis, and intends to settle on a net basis or to obtain assets and settle liabilities simultaneously.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset and presented on a net basis when both of the following conditions are satisfied:

- the taxpayer has the statutory right to settle the current tax assets and current tax liabilities on a net basis; and
- the deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax authority on the same taxpayer or different taxpayers, provided that during the period in which each material deferred tax asset and liability will be reversed, the taxpayer involved intends to settle the current tax assets and liabilities on a net basis or obtain assets and settle liabilities simultaneously.

31. Leases

(1) Accounting treatment method for lessees leasing

The term “lease” refers to an agreement whereby the lessor conveys to the lessee the right to use an asset for consideration in an agreed period of time. The Company shall assess whether a contract is a lease contract or contains a lease at the commencement date of the contract, which can be identified if one party to the contract conveys the right to use one or more identified assets for exchange of consideration in an agreed period of time.

If a contract contains several individual leases, the Company will split the contract and account for each individual lease separately. If a contract contains both lease and non-lease components, the lessee and the lessor will separate the lease and non-lease components.

1. The Company as a lessee

(1) Right-of-use assets

At the commencement date of the lease, the Company recognizes right-of-use assets for leases excluding short-term leases and leases of low-value assets. The right-of-use assets are initially measured at cost comprising the following:

the amount of the initial measurement of lease liability;

any lease payments made at or before the commencement date less any lease incentives received (if any);

any initial direct costs incurred to the Company; and

costs expected to be incurred to the Company for disassembly and removal of leased assets, restoration of the site where the leased asset is located, or recovery of the leased asset to the condition agreed upon under the terms of the lease, excluding costs incurred to produce inventories.

The right-of-use assets are depreciated by using a straight-line method subsequently. A leased asset is depreciated over its remaining useful life if the ownership of this leased asset can be reasonably obtained at the maturity date of the lease term, otherwise, the leased asset is depreciated over the shorter of its remaining useful life or the lease term.

The Company determines whether the right-of-use assets are impaired and accounts for the identified impairment losses in accordance with the principles stated in Note “III. (20) Impairment of long-term assets”.

(2) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities for leases excluding short-term leases and leases of low-value assets. The lease liabilities are initially measured at the present value of the outstanding lease payments including:

fixed payments (including in-substance fixed payments), less any lease incentives receivable (if any);

variable lease payments that are based on an index or a rate;

amounts expected to be payable by the Company for the guaranteed residual value;

the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and

payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company’s incremental borrowing rate is applied.

Interest expenses incurred to the lease liabilities over the term of the relevant lease are calculated by the Company based on fixed periodic interest rate, and recognized in the current profit or loss or the cost of the related assets.

Variable lease payments excluded from the measurement of lease liabilities are charged to profit or loss in the period when they are incurred or included in cost of related assets.

After the commencement date of the lease term, the Company will re-measure the lease liabilities and adjust relevant right-of-use assets in one of the following cases, and charge the difference to the current profit or loss if the carrying amount of the right-of-use assets is decreased to zero but that of the lease liabilities needs to be deducted further:

When there is a change in the assessment of a purchase option, lease renewal option or termination option, or the actual exercise of the aforementioned options is not consistent with the original assessment, the Company will re-measure the lease liabilities at the

present value of the modified lease payments discounted by using the revised discount rate; or

When there is a change in the in-substance fixed payments, the expected payable for the guaranteed residual value, or the index or rate used to determine the lease payments, the Company will re-measure the lease liabilities at the present value of the modified lease payments discounted by using the original discount rate. However, if the change in the lease payments is caused by the fluctuation of the floating interest, the present value shall be discounted by using the revised discount rate.

(3) Short-term leases and leases of low-value assets

The Company chooses not to recognize the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and recognize in the current profit or loss or the cost of the related assets payments associated with short-term leases and leases of low-value assets on a straight-line basis over the term of the relevant lease. Short-term leases are leases with a lease term of 12 months or less without a purchase option at the commencement date of leases. Leases of low-value assets are leases for which the single leased asset is of low value when it is brand new. The company classifies leases for individual lease assets with a fair value of no more than 40,000 yuan when new as low-value asset leases. Lease of an asset that is sub-leased or that is expected to be sub-leased by the Company is not included in the lease of low-value assets.

(4) Lease modification

The Company accounts for a lease modification as a separate lease if both of the following conditions exist:

The modification has increased the scope of the lease by adding the right to use one or more leased assets; and

The consideration for the lease increases equals to the standalone price for the increase in scope of lease and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

For a modification that is not accounted for as a separate lease, at the effective date of the modification, the Company will allocate the consideration in the modified contract, determine the lease term of the modified lease and re-measure the lease liabilities at the present value of the modified lease payments discounted by using the revised discount rate.

For modifications that decrease the scope of the lease or shorten the lease term, the Company decreases the carrying amount of the right-of-use asset accordingly, and recognizes a gain or loss arising from the partial or full termination of the lease into the current profit or loss. For other modifications resulting to a re-measurement of lease liabilities, the Company makes a corresponding adjustment to the carrying amount of right-of-use assets.

2. Accounting treatment method for lessors leasing

At the commencement date of the lease, the Company classifies leases as finance leases and operating leases. Finance leases refer to the leases to which the Company has transferred substantially all the risks and rewards of ownership of the leased assets regardless whether the ownership has transferred or not. All other leases are classified as operating leases. The Company, when acting as a sub-lease lessor, classifies the sub-leases based on the right-of-use assets arising from the original leases.

(1) Accounting treatment for operating lease

Rent receipts from operating lease are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating lease are capitalized when incurred, and are allocated to profit or loss on the same basis as rental income over the lease term. Variable lease payments not included in the rent receipts are recognized in profit or loss when incurred actually. An operating lease, if modified, is accounted for as a new lease from the effective date of the modification, with receipts in advance or rent receivables related to the lease before the modification recognized as the rent receipts of the new lease.

(2) Accounting treatment for finance lease

At the commencement date of the lease, the Company recognizes finance lease receivables and derecognizes assets held under finance leases. Lease receivables are presented at an amount equal to the net investment in the lease for the initial measurement. The net investment in the lease is the sum of any unguaranteed residual value and the present value of the rent receipts not received yet as of the commencement date of the lease discounted at the interest rate implicit in the lease.

Interest incomes over the term of the relevant lease are calculated and recognized by the Company based on fixed periodic interest rate. The Company accounts for derecognition and impairment of finance lease receivables in accordance with Note “III. (10) Financial instruments”.

Variable lease payments that are not included in the measurement of the net investment in the lease are recognized in profit or loss when incurred actually.

The Company accounts for a finance lease modification as a separate lease if both of the following conditions exist:

- The modification has increased the scope of the lease by adding the right to use one or more leased assets; and
- The consideration for the lease increases equals to the standalone price for the increase in scope of lease and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

For a modification to a finance lease that is not accounted for as a separate lease, the Company accounts for the modification as follows:

- if the lease would have been classified as an operating lease had the modification been in effect at the commencement date of the lease, the Company accounts for the lease modification as a new lease from the effective date of the modification, and measures the carrying amount of the leased asset as the net investment in the lease immediately before the effective date of the lease modification;

or

- if the lease would have been classified as a finance lease had the modification been in effect at the commencement date of the lease, the Company accounts for the lease modification in accordance with the requirements in Note “III. (10) Financial instruments - Policies on the contract modifications or re-negotiation”.

Sale and leaseback transactions

The Company assesses and determines whether the transfer of an asset in the sale and leaseback transactions is accounted for as a sale of that asset pursuant to the principles stated in Note “III. (26) Revenue”.

(1) The Company as a lessee

If the transfer of an asset in the sale and leaseback transactions satisfies the requirements to be accounted for as a sale of the asset, the Company, as a lessee, measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained, and recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor accordingly.

If the transfer of an asset in the sale and leaseback transactions does not satisfy the requirements to be accounted for as a sale of the asset, the Company, as a lessee, continues to recognize the transferred asset and a financial liability equal to the transfer proceeds. Please refer to Note “III. (10) Financial instruments” for accounting treatment of the financial liability.

(2) The Company as a lessor

If the transfer of an asset in the sale and leaseback transactions satisfies the requirements to be accounted for as a sale of the asset, the Company, as a lessor, accounts for the purchase of the asset and for the lease subject to the above policies stated in “2. The Company as a lessor”; and if the transfer of an asset in the sale and leaseback transactions does not satisfy the requirements to be accounted for as a sale of the asset, the Company, as a lessor, does not recognize the transferred asset and instead, recognizes a financial asset equal to the transfer proceeds. Please refer to Note “III. (10) Financial instruments” for accounting treatment of the financial asset.

32. Other significant accounting policies and accounting estimates

None

33. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Applicable N/A

In RMB

Content and reasons for changes in accounting policies.	Names of significant affected items in the financial statements.	Amount of impact
---	--	------------------

1. Significant Accounting Policy Change

(1) Implementation of Accounting Standards Interpretation No. 16 Accounting Treatment for Deferred Income Tax Exemption on Initial Recognition Arising from Single Transactions

On November 30, 2022, the Ministry of Finance issued the Notice on Printing and Issuing the Interpretation No. 16 of the Accounting Standards for Business Enterprises (No. 31 [2022] of the Ministry of Finance). The provision regarding the accounting treatment for deferred income tax exemption on initial recognition arising from single transactions, as outlined in Accounting Standards Interpretation No. 16, came into effect on January 1, 2023.

Interpretation No. 16 provides that the provisions of the Accounting Standards for Business Enterprises No. 18 - Income Tax on the exemption from the initial recognition of deferred income tax liabilities and deferred income tax assets shall not apply to a single transaction that is not a business combination, that does not affect accounting profits or the amount of taxable income (or deductible loss) upon the occurrence of a transaction, and in which the initially recognized assets and liabilities result in an equal amount of taxable temporary differences and deductible temporary differences (including lease transactions in which lease liabilities are initially recognized by the lessee on the lease inception date and included in the right-of-use assets, and transactions in which estimated liabilities are recognized and included in the relevant asset costs due to the disposal obligations of fixed assets, among others, hereinafter referred to as "single transactions to which this Interpretation applies"). As for the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in a transaction, the enterprise shall, in accordance with the Accounting Standards for Business Enterprises No. 18 - Income Tax and other relevant provisions, respectively recognize the corresponding deferred income tax liabilities and deferred income tax assets upon the occurrence of the transaction.

For a single transaction to which this Interpretation applies and which occurs from the beginning of the earliest period of presentation of financial statements when this Interpretation is implemented for the first time to the effective date of this Interpretation, and if taxable temporary differences and deductible temporary differences arise from the lease liabilities and right-of-use assets recognized as a result of a single transaction to which this Interpretation applies as well as the recognized estimated liabilities and corresponding assets relating to disposal obligations at the beginning of the earliest period of presentation of financial statements when this Interpretation is implemented for the first time, the enterprise shall make adjustments in accordance with the provisions of this Interpretation.

As the company had already separately recognized deferred tax assets and deferred tax liabilities for lease liabilities and right-of-use assets in accordance with the new leasing standard, the implementation of Interpretation No. 16 did not have a significant impact on the company's financial position and operating results.

(2) Changes in significant accounting estimates

Applicable N/A

Content and reasons for changes in accounting policies.	Names of significant affected items in the financial statements.	Effective date of application	The effective date of application.
---	--	-------------------------------	------------------------------------

During this reporting period, there were no significant changes in accounting estimates for the company.

34. Key accounting estimates and judgments

In the application of accounting policies, the company, due to the inherent uncertainties in its operations, needs to make judgments, estimates, and assumptions regarding the measurement of items in the financial statements that cannot be accurately quantified.

These judgments, estimates, and assumptions are based on the company's management's historical experience and other relevant factors. They affect the reported amounts of income, expenses, assets, and liabilities, as well as disclosures of contingent liabilities at the balance sheet date. However, the actual results resulting from the uncertainty of these estimates may differ from the company management's current estimates, leading to significant adjustments to the carrying amounts of affected assets or liabilities in the future.

The company periodically reviews these judgments, estimates, and assumptions on a going concern basis. Changes in accounting estimates affect only the period of change, and their impact is recognized in the period of change. If they affect both the current period and future periods, their impact is recognized in both the period of change and future periods.

At the balance sheet date, the company needs to make judgments, estimates, and assumptions in the following significant areas of the financial statements:

(1) Revenue Recognition

As described in Note 3, (26) Revenue, the company's revenue recognition involves the following significant accounting judgments and estimates: identifying customer contracts; estimating the collectability of consideration from customers for goods transferred; identifying performance obligations in contracts; estimating variable consideration in contracts and the amount of cumulative revenue recognized to date that is likely to be reversed when related uncertainties are resolved; determining whether significant financing components exist in contracts; estimating the standalone selling price of each distinct performance obligation in contracts; determining whether performance obligations are satisfied over time or at a point in time; determining progress towards satisfaction of performance obligations, etc.

The company primarily relies on past experience and work to make these judgments, and these significant judgments and estimate changes may impact revenue, cost of goods sold, and income for the period, as well as the period's financial results, and may constitute significant impacts.

(2) Leasing

1. Lease Recognition

When determining whether a contract is a lease or contains a lease, the company evaluates whether there is an identified asset over which the customer has control for a certain period. In this assessment, consideration is given to the nature of the asset, substantive substitution rights, and whether the customer has the right to obtain almost all of the economic benefits generated by using the asset during that period and can direct the use of the asset.

2. Lease Classification

As a lessor, the company classifies leases as operating leases or finance leases. When making classifications, management analyzes and determines whether all risks and rewards related to the ownership of the leased asset have substantially transferred to the lessee.

3. Lease Liabilities

As a lessee, lease liabilities are initially measured at the present value of the lease payments unpaid at the commencement date of the lease term. When measuring the present value of lease payments, the company estimates the discount rate used and the lease term for leases with renewal or termination options. In assessing the lease term, the company considers all relevant facts and circumstances that bring economic benefits to the company from exercising the option, including expected changes in facts and circumstances between the commencement date of the lease term and the exercise date of the option. Different judgments and estimates may affect the recognition of lease liabilities and right-of-use assets and subsequently impact profit or loss in subsequent periods.

(3) Impairment of Financial Assets

The company assesses impairments of financial instruments using the expected credit loss model, which requires significant judgments and estimates based on all reasonable and supportable information, including forward-looking information. In making such judgments and estimates, the company infers expected changes in the credit risk of debtors based on historical data combined with changes in economic policies, macroeconomic indicators, industry risks, external market conditions, technological environments, and customer situations.

(4) Inventory Impairment Provision

In accordance with the inventory accounting policy, the company recognizes inventory impairment provisions for inventory with a cost higher than net realizable value and for obsolete and slow-moving inventory. Inventory impairment to net realizable value is based on an assessment of the salability of inventory and its net realizable value. Identifying inventory impairment requires management to make judgments and estimates based on obtaining conclusive evidence and considering factors such as the purpose of holding inventory and the impact of post-balance sheet events. Differences between actual results and original estimates will affect the carrying value of inventory and the recognition or reversal of inventory impairment provisions during the period when estimates are changed.

(5) Fair Value of Financial Instruments

For financial instruments with no active market, the company determines their fair value using various valuation methods, including discounted cash flow model analysis, etc. When valuing, the company estimates aspects such as future cash flows, credit risks, market volatility, and correlations, and selects appropriate discount rates. These related assumptions have uncertainties, and changes in them will affect the fair value of financial instruments. For equity instrument investments or contracts with quoted prices, the company does not consider cost as the best estimate of their fair value.

(6) Impairment of Long-term Assets

The company assesses whether there are indications of impairment for non-financial assets other than financial assets as of the balance sheet date. For intangible assets with uncertain useful lives, impairment tests are performed when there are indicators of impairment in addition to annual impairment tests. For other non-financial assets other than financial assets, impairment tests are conducted when there are indications that their carrying amounts may not be recoverable.

When the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and the present value of expected future cash flows, an impairment is recognized.

The net amount after deducting costs to sell from fair value is determined by reference to the sale agreement price of similar assets in fair transactions or observable market prices, minus incremental costs directly attributable to the disposal of the asset.

In estimating the present value of expected future cash flows, significant judgments are made regarding the production, selling price, relevant operating costs of the asset (or asset group), and the discount rate used in the calculation of present value. The company uses all relevant information available to estimate recoverable amount, including forecasts of production, selling prices, and relevant operating costs based on reasonable and supportable assumptions.

Goodwill is tested for impairment at least annually. This requires estimating the present value of future cash flows of the cash-generating units or groups of cash-generating units to which goodwill is allocated. In estimating the present value of future cash flows, the company needs to forecast the future cash flows generated by the cash-generating units or groups of cash-generating units and select appropriate discount rates to determine the present value of future cash flows.

(7) Depreciation and Amortization

The company depreciates and amortizes investment properties, property, plant, and equipment, and intangible assets using the straight-line method over their estimated useful lives after considering their residual values. The company periodically reviews the useful lives to determine the amount of depreciation and amortization expense to be recognized in each reporting period. The useful lives are determined by the company based on past experience with similar assets and anticipated technological changes. If there is a significant change in previous estimates, depreciation and amortization expenses will be adjusted in future periods.

(8) Deferred Tax Assets

The company recognizes deferred tax assets for all unused tax losses to the extent that it is probable that sufficient taxable profits will be available to offset the losses. This requires significant judgment by management to estimate the timing and amount of future taxable profits, considering tax planning strategies, to determine the amount of deferred tax assets to be recognized.

(9) Income Taxes

In the normal course of business, there is inherent uncertainty in the final tax treatment and calculation of certain transactions. Approval

from the tax authorities is required for some items to be deducted before tax. If the final determination of these tax matters differs from the originally estimated amount, the difference will affect the current income tax and deferred income tax recognized in the period of final determination.

VI. Taxes

1. Major categories of taxes and tax rates

Tax category	Taxation basis	Tax rate
Value added tax	VAT payable is the output tax based on the sales of goods and taxable labor income calculated pursuant to the tax law, net of the input tax that is allowed to be deducted in the current period	16%, 13%, 10%, 9%, 8%, 6%, 5%, 3%, 0%
Urban maintenance and construction tax	Subject to the actual payment of VAT and consumption tax	7%, 5%
Enterprise income tax	Subject to the taxable income amount	25%, 20%, 19%, 17%, 16.5%, 15%, 10%, 0%

Disclosure of taxpayers (if any) with different rates of enterprise income tax:

Taxpayer	Rate of enterprise income tax
Luxshare Precision Industry Co., Ltd.	15
Xiexun Electronic (Ji'an) Co., Ltd.	15
ASAP Technology (Jiangxi) Co., Ltd.	15
Lanto Electronic Limited	15
Bozhou Lanto Electronic Limited	15
Huzhou Jiuding Electronic Co., Ltd.	15
Luxshare Automation (Jiangsu) Ltd.	15
Merry Electronics (Suzhou) Co., Ltd.	15
Luxshare Electronic Technology (Kunshan) Co., Ltd.	15
Yongxin County Boshuo Electronics Co., Ltd.	15
Chuzhou Luxshare Precision Industry Co., Ltd.	15
Merry Electronics (Huizhou) Co., Ltd.	15
Fujian JK Wiring Systems Co., Ltd.	15
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	15
Jiangxi ASAP Electronic Co., Ltd.	15
Suzhou Luxshare Technology Co., Ltd.	15
Suining Luxshare Precision Industry Co., Ltd.	15

Luxshare Precision Industry (Baoding) Co., Ltd.	15
Luxshare Precision Industry (Shanxi) Co., Ltd.	15
Dongguan Xuntao Electronic Co., Ltd.	15
Kunshan Luxshare Precision Industry Co., Ltd.	15
Luxshare iTech (Zhejiang) Co., Ltd.	15
Shenzhen Luxshare Acoustics Technology Ltd.	15
Enshi Luxshare Precision Industry Co., Ltd.	15
Luxshare Precision Industry (Jiangsu) Co., Ltd.	15
Luxshare Electric (Shanghai) Co., Ltd.	15
Luxshare Technology (Kunshan) Co., Ltd.	15
Dongguan Luxshare Technology Co., Ltd.	15
Luxshare Precision Limited	Note 1
Luxshare Precision Technology Co., Ltd.	16.5
Taiwan Luxshare Precision Limited	20
ICT-LANTOLIMITED (HK)	Note 1
Luxshare Standard Limited (HK)	Note 1
Luxshare Technologies Limited	Note 1
LUXSHAREICT (Japan)	Note 2
Yunding Technology Co., Ltd.	Note 1
Luxis Technology Limited	Note 1
Luxshare Precision Investment Co., Ltd.	Note 1
SpeedTech Corp.	20
Luxshare India Private Limited	25
Luxshare Lanto India Private Limited	25
LuxshareICT, Inc.	Note 3
LUXSHARE-ICT EUROPE LIMITED	19
ICT Legend S. DE R.L. DE C.V.	30
Luxshare Technologies Mexico S. de R.L.de c.v.	30
Linkz Cables Mexico S.deR.L. de C.V.	30
SukkunststofftechnikGmbH	15
KoreaLuxshareICTCo.,Ltd	Note 4
Luxshare-ICT (Vietnam) Limited	10
Luxshare-ICT (Van Trung) Company Limited	10
Luxshare-ICT (Nghe An) Limited	0

Singapore Luxshare Co., Ltd.	17
Xuancheng Luxshare Precision Industry Co., Ltd.	15
Dongguan Huarong Communications Technology Co., Ltd.	15
Shenzhen Huarong Technology Co., Ltd.	15
TIME Interconnect Technology (Huizhou) Limited	15
Huaxun Industrial (Suzhou) Co., Ltd.	15
Lixin Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	15
TIME Interconnect Technology Limited	16.5
TIME Interconnect Investment Limited	16.5
Time Interconnect Investment Limited	0
TIME Interconnect (HK) Limited	16.5
TIME Interconnect Wiring Technology Co., Ltd.	16.5
TIME Interconnect Industrial Co., Ltd.	16.5
Huaxun Hong Kong Limited	16.5
Huaxun Cable Co., Ltd.	0
Linkz International Limited	16.5
HOVER MANUFACTURING COMPANY LIMITED	16.5
TIME Interconnect Server Technology Co., Ltd.	16.5
Other subsidiaries	25

2. Tax incentives

Corporate income tax

1. The Company was identified as a high-tech enterprise by the Science, Technology and Innovation Commission of Shenzhen Municipality, Finance Bureau of Shenzhen Municipality, and Shenzhen Tax Service, State Taxation Administration on December 23, 2021, with the High-tech Enterprise Certificate No. GR202144203830 valid for three years. As provided for in the Notice by the Ministry of Finance and the State Administration of Taxation on Preferential Policies for Enterprise Income Taxes Related to Enterprises' Technological Innovation and the Notice by the State Administration of Taxation on Issues Concerning the Implementation of Preferential Enterprise Income Taxes for High-tech Enterprises, the Company enjoys an enterprise income tax of 15% for 2023.

2. The subsidiary, Xiexun Electronic (Ji'an) Co., Ltd. ("Ji'an Xiexun"), was identified as a high-tech enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Finance Bureau, and Jiangxi Provincial Tax Service, State Taxation Administration on November 22, 2023, with the High-tech Enterprise Certificate No. GR202336001430 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

3. The subsidiary, ASAP Technology (Jiangxi) Co., Ltd. ("ASAP Jiangxi"), was identified as a high-tech enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Finance Bureau, and Jiangxi Provincial Tax Service, State Taxation Administration on December 14, 2022, with the High-tech Enterprise Certificate No. GR202236001286 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise

income tax rate of 15% for 2023.

4. The subsidiary, Lanto Electronic Limited (“Lanto Kunshan”), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 6, 2023, with the High-tech Enterprise Certificate No. GR202332005205 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

5. The sub-subsidiary, Bozhou Lanto Electronic Limited (“Lanto Bozhou”), was identified as a high-tech enterprise by the Anhui Provincial Department of Science and Technology, Department of Finance of Anhui Province, and Anhui Provincial Tax Service, State Taxation Administration on September 18, 2021, with the High-tech Enterprise Certificate No. GR202134001185 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

6. The sub-subsidiary, Huzhou Jiuding Electronic Co., Ltd. (“Huzhou Jiuding”), was identified as a high-tech enterprise by the Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service, State Taxation Administration and Local Taxation Bureau of Zhejiang Province on December 8, 2023, with the High-tech Enterprise Certificate No. GR202333009628 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

7. The subsidiary, Luxshare Automation (Jiangsu) Ltd. (“Luxshare Automation Jiangsu”), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 30, 2021, with the High-tech Enterprise Certificate No. GR202132006272 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

8. The sub-subsidiary, Merry Electronics (Suzhou) Co., Ltd. (“Meite Suzhou”), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 6, 2023, with the High-tech Enterprise Certificate No. GR202332001066 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

9. The subsidiary, Luxshare Electronic Technology (Kunshan) Co., Ltd. (“Luxshare Electronic Kunshan”), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 30, 2021, with the High-tech Enterprise Certificate No. GR202132006555 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

10. The sub-subsidiary, Yongxin County Boshuo Electronics Co., Ltd. (“Yongxin Boshuo”), was identified as a high-tech enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Finance Bureau, and Jiangxi Provincial Tax Service, State Taxation Administration on December 8, 2023, with the High-tech Enterprise Certificate No. GR202336002349 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

11. The subsidiary, Chuzhou Luxshare Precision Industry Co., Ltd. (“Luxshare Chuzhou”), was identified as a high-tech enterprise by the Anhui Provincial Department of Science and Technology, Department of Finance of Anhui Province, and Anhui Provincial Tax Service, State Taxation Administration on October 18, 2022, with the High-tech Enterprise Certificate No. GR202234002571 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

12. The sub-subsidiary, Merry Electronics (Huizhou) Co., Ltd. (“Merry Huizhou”), was identified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration on December 20, 2021, with the High-tech Enterprise Certificate No.

GR202144005561 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

13. The subsidiary, Fujian JK Wiring Systems Co., Ltd. (“Fujian JK”), was identified as a high-tech enterprise by the Fujian Provincial Department of Science and Technology, Fujian Provincial Department of Finance, and Fujian Provincial Tax Service, State Taxation Administration on December 28, 2023, with the High-tech Enterprise Certificate No. GR202335000667 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

14. The subsidiary, Jiangxi Luxshare Intelligent Manufacture Co., Ltd. (“Smart Manufacturing Jiangxi”), was identified as a high-tech enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Finance Bureau, and Jiangxi Provincial Tax Service, State Taxation Administration on November 3, 2021, with the High-tech Enterprise Certificate No. GR202136000345 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

15. The sub-subsiary, Jiangxi ASAP Electronic Co., Ltd. (“Boshuo Electronics”), was identified as a high-tech enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Finance Bureau, and Jiangxi Provincial Tax Service, State Taxation Administration on November 3, 2021, with the High-tech Enterprise Certificate No. GR202136000645 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

16. The sub-subsiary, Suzhou Luxshare Technology Co., Ltd. (“Suzou Luxshare Technology”), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 30, 2021, with the High-tech Enterprise Certificate No. GR202132006790 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

17. The sub-subsiary, Suining Luxshare Precision Industry Co., Ltd. (“Luxshare Suining”), is eligible for the tax policy on enterprise income tax for the western region as stipulated in the Announcement of the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on Continuing the Policy of Enterprise Income Tax for the Western Region Development" From January 1, 2021, to December 31, 2030, encouraged industry enterprises established in the western region are subject to a reduced enterprise income tax rate of 15%. Suining Luxshare Precision Industry Co., Ltd. is located in Suining City, Sichuan Province. Following the enterprise income tax policy for the western region, the company enjoys and declares taxes according to the encouraged industry enterprises in the western region. In the fiscal year 2023, the enterprise income tax is levied at a rate of 15%. Suining Luxshare was identified as a high-tech enterprise by the Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration on December 15, 2021, with the High-tech Enterprise Certificate No. GR202151003570 valid for three years.

18. The sub-subsiary, Luxshare Precision Industry (Baoding) Co., Ltd. (“Luxshare Baoding”), was identified as a high-tech enterprise by the Hebei Provincial Department of Science and Technology, Hebei Provincial Finance Bureau, and Hebei Provincial Tax Service, State Taxation Administration on November 22, 2022, with the High-tech Enterprise Certificate No. GR202213002272 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

19. The sub-subsiary, Luxshare Precision Industry (Shanxi) Co., Ltd. (“Luxshare Shanxi”), was identified as a high-tech enterprise by the Shanxi Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration on December 12, 2022, with the High-tech Enterprise Certificate No. GR202214000862 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

20. The sub-subsiary, Dongguan Xuntao Electronic Co., Ltd. (“Dongguan Xuntao”), was identified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, and

Guangdong Provincial Tax Service, State Taxation Administration on December 22, 2022, with the High-tech Enterprise Certificate No. GR202244014095 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

21. The subsidiary, Kunshan Luxshare Precision Industry Co., Ltd. (“Luxshare Kunshan”), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 6, 2023, with the High-tech Enterprise Certificate No. GR202332000097 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

22. The subsidiary, Luxshare iTech (Zhejiang) Co., Ltd. (“iTech Zhejiang”), was identified as a high-tech enterprise by the Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration on December 8, 2023, with the High-tech Enterprise Certificate No. GR202333005916 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

23. The subsidiary, Shenzhen Luxshare Acoustics Technology Ltd. (“Luxshare Electroacoustic”), was identified as a high-tech enterprise by the Science, Technology and Innovation Commission of Shenzhen Municipality, Finance Bureau of Shenzhen Municipality, and Shenzhen Tax Service, State Taxation Administration on December 12, 2023, with the High-tech Enterprise Certificate No. GR202344206957 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

24. The subsidiary, Enshi Luxshare Precision Industry Co., Ltd. (“Luxshare Enshi”), was qualified for tax reduction in accordance with the Announcement on the Continuation of Preferential Enterprise Income Tax Policies in the Western Region of China issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission which provided that enterprise income tax should be levied at a reduced rate of 15% on enterprises engaged in the encouraged industries in the western region for the period from January 1, 2021 to December 31, 2030. Since it is located at Enshi Tujia and Miao Autonomous Prefecture, Hubei Province where enterprises can apply the preferential enterprise income tax policies in the Western Region of China, it enjoys an enterprise income tax rate of 15% for 2023. Enshi Luxshare, on November 29, 2022, was recognized as a high-tech enterprise by the Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and the State Taxation Bureau of Hubei Province. It obtained the certificate number GR202242006527 for high-tech enterprise certification, valid for three years.

25. The sub-subsidiary, Xuancheng Luxshare Precision Industry Co., Ltd. (“Luxshare Xuancheng”), was identified as a high-tech enterprise by the Anhui Provincial Department of Science and Technology, Department of Finance of Anhui Province, and Anhui Provincial Tax Service, State Taxation Administration on September 18, 2021, with the High-tech Enterprise Certificate No. GR202134004975 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2023.

26. According to the Article 6 of Circular No. 151/2014/TT-BTC issued by the Ministry of Finance on October 10, 2014, Luxshare-ICT (Vietnam) Limited (“Luxshare Vietnam”) will be eligible for exemption from enterprise income tax for the first two years and 50% reduction for next four years if realizing the investment plan in the industrial park. Among them, Zone E obtained an Official Reply No. 619/CT-TTHT from the Tax Bureau of Bac Giang Province on February 28, 2018, confirming that Zone E has obtained the qualifications of enjoying exemption from enterprise income tax for the first two years and 50% reduction for next four years, and Luxshare Vietnam paid enterprise income tax at a 10% tax rate; and Zones T/U1 obtained an Official Reply No. 6555/CTBGI-TTHT from the Tax Bureau of Bac Giang Province on November 23, 2020, confirming that Zones T and U1 have obtained the qualifications of enjoying exemption from enterprise income tax for the first two years and 50% reduction for next four years and Luxshare Vietnam paid the enterprise income tax at a 10% tax rate in 2023.

27. According to the provisions of Article 14.1 of the Decree No. 85/2007/QĐ-TTg issued on June 11, 2007, any domestic and foreign organization and individual investing in any project based in the Southeast Economic Zone of Nghe An will enjoy the enterprise income tax rate of 10% for 15 years from the date when the investment project starts operation, and exemption from enterprise income

tax for 4 years from the date of taxable income and 50% reduction for next 9 years. Luxshare-ICT (Nghe An) Limited (“Luxshare Nghe An”) obtained the Official Reply No. 2417/CT-TTHT from the Tax Bureau of Nghe An Province on July 1, 2020, confirming that Luxshare Nghe An paid the enterprise income tax at a 0% tax rate in 2023.

28. According to the Article 6 of Circular No. 151/2014/TT-BTC issued by the Ministry of Finance on October 10, 2014, Luxshare-ICT (Van Trung) Company Limited (“Luxshare Van Trung”) is eligible for exemption from enterprise income tax for the first two years and 50% reduction for next four years if realizing the investment plan in the industrial park, and obtained an Official Reply No. 5675/CT-TTHT from the Tax Bureau of Bac Giang Province on October 13, 2020, confirming that Luxshare Van Trung paid the enterprise income tax at a 10% tax rate in 2023.

On March 20, 2023, the company received official document 1534/GXN-BCT from the Industrial and Commercial Bureau confirming the preferential treatment for auxiliary industry products 4 exempt 9 halved:

2020-2021-2023-2024: Corporate Income Tax (CIT) 0%; 2025-2032: CIT 10% reduced by half

The discount not received is regional: 2 exempt 4 halved.

29. Dongguan Huarong Communications Technology Co., Ltd. was identified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration on December 20, 2021, with the High-tech Enterprise Certificate No. GR202144005374 valid for three years. As provided for in the Notice by the Ministry of Finance and the State Administration of Taxation on Preferential Policies for Enterprise Income Taxes Related to Enterprises’ Technological Innovation and the Notice by the State Administration of Taxation on Issues Concerning the Implementation of Preferential Enterprise Income Taxes for High-tech Enterprises, it paid the enterprise income tax at a 15% tax rate in 2023.

30. Shenzhen Huarong Technology Co., Ltd. was identified as a high-tech enterprise by the Science, Technology and Innovation Commission of Shenzhen Municipality, Finance Bureau of Shenzhen Municipality, and Shenzhen Tax Service, State Taxation Administration on December 23, 2021, with the High-tech Enterprise Certificate No. GR202144200244 valid for three years. As provided for in the Notice by the Ministry of Finance and the State Administration of Taxation on Preferential Policies for Enterprise Income Taxes Related to Enterprises’ Technological Innovation and the Notice by the State Administration of Taxation on Issues Concerning the Implementation of Preferential Enterprise Income Taxes for High-tech Enterprises, it paid the enterprise income tax at a 15% tax rate in 2023.

31. TIME Interconnect Technology (Huizhou) Limited was identified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration on December 19, 2022, with the High-tech Enterprise Certificate No. GR202244004084 valid for three years. As provided for in the Notice by the Ministry of Finance and the State Administration of Taxation on Preferential Policies for Enterprise Income Taxes Related to Enterprises’ Technological Innovation and the Notice by the State Administration of Taxation on Issues Concerning the Implementation of Preferential Enterprise Income Taxes for High-tech Enterprises, it paid the enterprise income tax at a 15% tax rate in 2023.

32. Dongguan Luxshare Technology Co., Ltd. was certified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province, and the Guangdong Provincial Taxation Bureau of the State Administration of Taxation on December 22, 2022. It obtained the High-tech Enterprise Certificate with No. GR202244011952, valid for three years. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Enterprise Income Tax Preferential Policies for Enterprise Technological Innovation and the Notice of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Tax Policies for High-tech Enterprises, the company paid enterprise income tax at a rate of 15% for the year 2023.

33. On November 6, 2023, the subsidiary Luxshare Precision Industry (Jiangsu) Co., Ltd. (hereinafter referred to as "Jiangsu Luxshare") was certified as a high-tech enterprise by the Department of Science and Technology of Jiangsu Province, the Department of Finance of Jiangsu Province, and the Jiangsu Provincial Taxation Bureau of the State Administration of Taxation. It obtained Certificate No. GR202332004181, valid for three years. According to the relevant provisions of the national policy on preferential taxation for high-

tech enterprises, Jiangsu Luxshare paid enterprise income tax at a rate of 15% for the year 2023.

34. On December 12, 2023, the subsidiary Luxshare Electronic (Shanghai) Co., Ltd. (hereinafter referred to as "Shanghai Electronic") was certified as a high-tech enterprise by the Shanghai Municipal Science and Technology Commission, the Shanghai Municipal Finance Bureau, and the Shanghai Municipal Taxation Bureau of the State Administration of Taxation. It obtained Certificate No. GR202331006614, valid for three years. According to the relevant provisions of the national policy on preferential taxation for high-tech enterprises, Shanghai Electric paid enterprise income tax at a rate of 15% for the year 2023.

35. The subsidiary Luxshare Electronic Technology (Kunshan) Co., Ltd. (hereinafter referred to as "Luxshare Technology") was certified as a high-tech enterprise by the Jiangsu Provincial Science and Technology Department, the Jiangsu Provincial Finance Department, and the Jiangsu Provincial Taxation Bureau of the State Administration of Taxation on November 6, 2023. It obtained Certificate No. GR202332006405, valid for three years. According to the relevant provisions of the national policy on preferential taxation for high-tech enterprises, Lixin Technology paid enterprise income tax at a rate of 15% for the year 2023.

36. The subsidiary Dongguan Huarong Communications Technology Co., Ltd. (hereinafter referred to as "Huarong Communication") was certified as a high-tech enterprise by the Guangdong Provincial Science and Technology Department, the Guangdong Provincial Finance Department, and the Guangdong Provincial Taxation Bureau of the State Administration of Taxation on December 20, 2021. It obtained Certificate No. GR202144005374, valid for three years. According to the relevant provisions of the national policy on preferential taxation for high-tech enterprises, Huarong Communication paid enterprise income tax at a rate of 15% for the year 2023.

Value-added tax:

1. On September 3, 2023, the Ministry of Finance and the Taxation Bureau issued the Announcement on the Value-added Tax Incremental Deduction Policy for Advanced Manufacturing Enterprises (Announcement No. 43 of 2023 by the Ministry of Finance and the State Administration of Taxation). Advanced manufacturing enterprises refer to general taxpayers in the manufacturing industry among high-tech enterprises (including their non-legal person branch institutions). From January 1, 2023, to December 31, 2027, advanced manufacturing enterprises are allowed to deduct 5% of the deductible input VAT amount as an additional deduction against the payable value-added tax amount.

3. Others

Note 1. As per the tax law in Hong Kong, Hong Kong adopts a territorial source principle of taxation, under which only profits which have a source in Hong Kong are taxable there, while profits sourced elsewhere are not subject to Hong Kong gain tax. Luxshare Technologies Limited, Luxshare Standard Limited (HK), ICT-LANTOLIMITED (HK), Luxshare Precision Limited, Yunding Technology Co., Ltd., Luxis Technology Limited, and Luxshare Precision Investment Co., Ltd. are not required to pay income tax in Hong Kong.

Note 2. LUXSHAREICT (Japan) is entitled to the graded tax rate for the capital amounting to not more than JPY100 million. Corporate income tax (national tax): at 15% for the portion of taxable income within JPY8 million (inclusive), and at 23.2% for the portion in excess thereof. Local corporate income tax (national tax): at 10.3% of total corporate taxable income (national tax).

Note 3. The applicable tax rate of LuxshareICT, Inc (USA) is shown as follows:

	Applicable tax rate
Income tax (federal)	21%
Local tax (state)	8.84%

Note 4. The applicable tax rate of Korea Luxshare ICT Co., Ltd is shown as follows:

Total profits	Corporate tax	Local tax
Less than KRW200 million	10%	10% of corporate taxable income
KWR200 million~KWR20 billion	20%	

KWR20 billion~KWR300 billion	22%	
Above KWR300 billion	25%	

VII. Notes to items in consolidated financial statements

1. Cash and bank balances

In RMB

Item	Closing balance	Opening balance
Cash on hand	376,233.09	1,236,553.93
Bank deposit	29,683,776,087.56	17,311,181,875.58
Other cash and bank balances	3,935,387,136.86	2,054,791,011.90
Total	33,619,539,457.51	19,367,209,441.41
Including: Total amount of funds deposited abroad	4,220,620,462.47	3,147,696,598.47

Other descriptions:

2. Held-for-trading financial assets

In RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	1,720,764,175.32	1,353,266,499.91
Including:		
Derivative financial assets	92,485,140.01	27,039,649.45
Bank wealth management	1,628,279,035.31	1,326,226,850.46
Including:		
Total	1,720,764,175.32	1,353,266,499.91

Other descriptions:

3. Notes receivable

(1) Categorized presentation of notes receivable

In RMB

Item	Closing balance	Opening balance
Bank acceptance bill	254,212,467.87	853,752,545.27

Commercial acceptance bill	6,860,881.19	96,014,475.42
Total	261,073,349.06	949,767,020.69

(2) Classification and Disclosure of Bad Debt Provision Methods

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Including:										
Notes receivable for which bad-debt provision is made by group	261,103,603.98	100.00%	30,254.92	0.01%	261,073,349.06	950,067,937.26	100.00%	300,916.57	0.03%	949,767,020.69
Including:										
Bank Acceptance Bill	254,212,467.87	97.36%			254,212,467.87	853,752,545.27	89.86%			853,752,545.27
Commercial Acceptance Bill	6,891,136.11	2.64%	30,254.92	0.44%	6,860,881.19	96,315,391.99	10.14%	300,916.57	0.31%	96,014,475.42
Total	261,103,603.98	100.00%	30,254.92	0.01%	261,073,349.06	950,067,937.26	100.00%	300,916.57	0.03%	949,767,020.69

Provision for bad debts made by group: 30,254.92

In RMB

Description	Closing balance		
	Book balance	Bad-debt provision	Provision proportion
Commercial acceptance bill	6,891,136.11	30,254.92	0.44%
Total	6,891,136.11	30,254.92	

Descriptions on basis for determining the group:

If the bad-debt provision of notes receivable is made according to the general model of expected credit loss, please disclose the relevant information of bad-debt provision with reference to the disclosure method of other receivables:

Applicable N/A

(3) Bad-debt provision made, recovered or reversed in the current period

Bad-debt provision in the current period:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Commercial acceptance bill	300,916.57	30,254.92	300,916.57			30,254.92
Total	300,916.57	30,254.92	300,916.57			30,254.92

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable N/A

(4) Notes receivable that have been endorsed or discounted by the Company at the end of the period and have not yet matured on the balance sheet date

In RMB

Item	Derecognized amount at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bill		225,054,602.71
Total		225,054,602.71

4. Accounts receivable

(1) Disclosure by Aging

In RMB

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	23,580,290,365.01	26,139,064,957.15
Not overdue	23,209,441,667.74	25,384,591,004.45
1 to 60 days overdue	341,699,208.94	589,079,637.69
61 to 120 days overdue	16,518,539.98	148,720,229.30
121 to 180 days overdue	2,507,628.90	5,157,468.31
181 to 365 days overdue	10,123,319.45	11,516,617.40
1 to 2 years	1,807,300.60	11,327,849.47

2 to 3 years	1,834,977.79	2,104,454.48
More than 3 years	32,175,421.76	30,988,680.56
3 to 4 years	1,186,741.20	
More than 5 years	30,988,680.56	30,988,680.56
Total	23,616,108,065.16	26,183,485,941.66

(2) Classification and disclosure by bad debt provision method

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivable for which bad-debt provision is made individually	67,527,487.92	0.29%	67,527,487.92	100.00%		35,692,410.70	0.14%	35,692,410.70	100.00%	
Including:										
Amount accrued individually	67,527,487.92	0.29%	67,527,487.92	100.00%		35,692,410.70	0.14%	35,692,410.70	100.00%	
Provision on an individual basis	23,548,580,577.24	99.71%	44,098,688.17	0.19%	23,504,481,889.07	26,147,793,530.96	99.86%	104,438,671.77	0.40%	26,043,354,859.19
Including:										
Group by aging	23,548,580,577.24	99.71%	44,098,688.17	0.19%	23,504,481,889.07	26,147,793,530.96	99.86%	104,438,671.77	0.40%	26,043,354,859.19
Total	23,616,108,065.16	100.00%	111,626,176.09	0.47%	23,504,481,889.07	26,183,485,941.66	100.00%	140,131,082.47	0.54%	26,043,354,859.19

Provision for bad debts made individually: 67,527,487.92

In RMB

Description	Opening balance	Closing balance
-------------	-----------------	-----------------

	Book balance	Bad-debt provision	Book balance	Bad-debt provision	Provision proportion	Reason for provision
Entity 1			36,297,404.00	36,297,404.00	100.00%	Unrecoverable
Entity 2	30,988,680.56	30,988,680.56	30,988,680.56	30,988,680.56	100.00%	Unrecoverable
Entity 3	4,367,165.01	4,367,165.01				Unrecoverable
Entity 4	241,403.36	241,403.36	241,403.36	241,403.36	100.00%	Unrecoverable
Entity 5	95,161.77	95,161.77				
Total	35,692,410.70	35,692,410.70	67,527,487.92	67,527,487.92		

Provision for bad debts made by group:

In RMB

Description	Closing balance		
	Book balance	Bad-debt provision	Provision proportion
Undue	23,173,144,263.74	11,586,568.27	0.05%
1 to 60 days overdue	341,699,208.94	17,084,960.45	5.00%
61 to 120 days overdue	16,518,539.98	4,955,561.99	30.00%
121 to 180 days overdue	2,507,628.90	1,003,051.56	40.00%
181 to 365 days overdue	10,123,319.45	5,061,659.73	50.00%
1 to 2 years (excluding 1 year) overdue	1,807,300.60	1,626,570.54	90.00%
Over 2 years overdue	2,780,315.63	2,780,315.63	100.00%
Total	23,548,580,577.24	44,098,688.17	

Descriptions on basis for determining the group:

If the bad-debt provision for accounts receivable is made according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

Applicable N/A

(3) Bad-debt provision made, recovered or reversed in the current period

Bad-debt provision in the current period:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Accounts receivable	140,131,082.47		25,623,112.25	95,161.77	-2,786,632.36	111,626,176.09
Total	140,131,082.47		25,623,112.25	95,161.77	-2,786,632.36	111,626,176.09

Including significant amounts recovered or reversed from the current provision for bad debts:

In RMB

Entity name	Amount recovered or reversed	Reason for reversal	Recovery method	Basis for determining the provision ratio for the original bad debt reserve and its reasonableness

(4) Accounts receivable actually written off in the current period

In RMB

Item	Write-off amount

Including the write-off of significant accounts receivable:

In RMB

Entity name	Nature of accounts receivable	Write-off amount	Reasons for write-off	Procedures for write-off	Whether the funds are generated by related-party transactions

Descriptions on the write-off of accounts receivable:

(5) Accounts receivable with top five closing balance - by debtor

In RMB

Entity name	Closing balance of accounts receivable	Contractual assets ending balance	Closing balance of accounts receivable and contractual assets	The proportion of the total closing balance of accounts receivable and contractual assets	Closing balance of accounts receivable allowance for doubtful accounts and contractual asset impairment provision
Entity 1	6,394,834,173.91		6,394,834,173.91	27.08%	3,197,417.09
Entity 2	1,627,167,857.07		1,627,167,857.07	6.89%	813,583.93
Entity 3	1,496,918,767.33		1,496,918,767.33	6.34%	748,459.38
Entity 4	832,460,645.66		832,460,645.66	3.52%	416,230.32
Entity 5	653,347,880.69		653,347,880.69	2.77%	326,673.94
Total	11,004,729,324.66		11,004,729,324.66	46.60%	5,502,364.66

5. Receivables financing**(1) Accounts Receivable Financing Classification Representation**

In RMB

Item	Closing balance	Opening balance
Accounts receivable notes	587,585,009.82	
Total	587,585,009.82	

(2) End-of-period company pledged accounts receivable financing

In RMB

Item	End-of-period pledged amount
Accounts receivable notes	164,567,477.58
Total	164,567,477.58

(3) End-of-period company endorsed or discounted accounts receivable financing not yet due on the balance sheet date

In RMB

Item	End-of-period terminated recognition amount	End-of-period un-terminated recognition amount
Bank accepted bill	1,897,417,193.06	
Total	1,897,417,193.06	

(4) The actual write-off situation of accounts receivable financing for the current period

In RMB

Item	Write-off amount

Significant Accounts Receivable Financing Write-off Situation

In RMB

Unit Name	Nature of Funds	Write-off Amount	Write-off Reason	Execution of Write-off Procedure	Whether the funds are generated from related transactions

Write-off description:

(5) Other descriptions

6. Other receivables

In RMB

Item	Closing balance	Opening balance
Other receivables	322,407,052.71	431,123,451.91
Total	322,407,052.71	431,123,451.91

(1) Other Receivables**1) Classification of Other Receivables by Nature of Funds**

Nature of Funds	End-of-period Book Balance	Beginning-of-period Book Balance
Petty Cash	823,391.43	1,647,513.92
Deposits, Guarantees	88,785,715.85	99,930,933.45
Receivable Export Tax Refund	104,916,374.47	143,831,836.92
Advances	40,590,467.27	32,488,722.87
Proceeds from Fixed Asset Transfers		66,582.77
Others	92,142,220.12	158,490,656.80
Total	327,258,169.14	436,456,246.73

2) Disclosures by aging

In RMB

Aging	End-of-period Book Balance	Beginning-of-period Book Balance
1 Year or Less (Including 1 Year)	324,150,839.67	435,419,059.56
Not Overdue	321,911,620.10	413,437,541.79
Overdue 1 to 60 Days	501,138.07	19,869,688.91
Overdue 61 to 120 Days	71,769.00	562,100.70
Overdue 121 to 180 Days	313,632.50	449,021.36
Overdue 181 to 365 Days	1,352,680.00	1,100,706.80
1 to 2 Years	2,529,880.47	425,049.70
2 to 3 Years	100,000.00	140,420.00
Over 3 Years	477,449.00	471,717.47
3 to 4 Years	477,449.00	471,717.47
Total	327,258,169.14	436,456,246.73

3) Classification and disclosure by bad debt provision methodApplicable N/A

In RMB

Category	Closing balance					Opening balance				
	Book Balance		Bad Debt Provision		Book value	Book Balance		Bad Debt Provision		Book value
	Amount	Ratio	Amount	Provision Ratio		Amount	Ratio	Amount	Provision Ratio	
Provision for Bad Debts by Individual Item	2,177,340.03	0.67%	2,177,340.03	100.00%		2,177,340.03	0.50%	2,177,340.03	100.00%	
Including:										
Individual Item Provision	2,177,340.03	0.67%	2,177,340.03	100.00%		2,177,340.03	0.50%	2,177,340.03	100.00%	
Provision for Bad Debts by Group	325,080,829.11	99.33%	2,673,776.40	0.82%	322,407,052.71	434,278,906.70	99.50%	3,155,454.79	0.73%	431,123,451.91
Including:										
Ageing Analysis Combination	325,080,829.11	99.33%	2,673,776.40	0.82%	322,407,052.71	434,278,906.70	99.50%	3,155,454.79	0.73%	431,123,451.91
Total	327,258,169.14	100.00%	4,851,116.43	1.48%	322,407,052.71	436,456,246.73	100.00%	5,332,794.82	1.22%	431,123,451.91

Provision for Bad Debts by Individual Item: 2,177,340.03

In RMB

Name	Opening balance		Closing balance			
	Book Balance	Bad Debt Provision	Book Balance	Bad Debt Provision	Provision Ratio	Provision Reason
Entity 1	2,177,340.03	2,177,340.03	2,177,340.03	2,177,340.03	100.00%	Unrecoverable
Total	2,177,340.03	2,177,340.03	2,177,340.03	2,177,340.03		

Provision for Bad Debts by Group: 2,673,776.40

In RMB

Name	Closing balance		
	Book Balance	Bad debt provision	Provision ratio
Not Overdue	321,911,620.10	1,609,558.10	0.50%
Overdue 1 to 60 Days	501,138.07	5,011.38	1.00%
Overdue 61 to 120 Days	71,769.00	3,588.45	5.00%

Overdue 121 to 180 Days	313,632.50	31,363.25	10.00%
Overdue 181 to 365 Days	1,352,680.00	270,536.00	20.00%
1 Year Overdue (Excluding) to 2 Years	352,540.44	176,270.22	50.00%
Over 2 Years Overdue	577,449.00	577,449.00	100.00%
Total	325,080,829.11	2,673,776.40	

Determination of the Explanation for this Combination:

Provision for Bad Debts is made according to the Expected Credit Loss General Model.

In RMB

Bad Debt Provision	Phase I	Phase II	Phase III	Total
	Expected Credit Loss for the Next 12 Months	Lifetime Expected Credit Loss (No Credit Impairment Incurred)	Lifetime Expected Credit Loss (Credit Impairment Incurred)	
Balance as of January 1, 2023	5,332,794.82			5,332,794.82
Balance as of January 1, 2023 in this period				
Provision for this period	2,619,894.43			2,619,894.43
Other changes	-3,101,572.82			-3,101,572.82
Balance as of December 31, 2023	4,851,116.43			4,851,116.43

Criteria for stage classification and the provision ratios for bad debt reserves

Significant changes in the book balance of loss provisions for the current period

Applicable N/A

4) Provision, Recovery, or Reversal of Bad Debt Provision for the Current Period

Provision for Bad Debt for the Current Period:

In RMB

Category	Opening balance	Amount of Changes for the Current Period				Closing balance
		Provision	Recovery or Reversal	Write-off or Write-down	Others	
Aging Combination	5,332,794.82	2,619,894.43			-3,101,572.82	4,851,116.43
Total	5,332,794.82	2,619,894.43			-3,101,572.82	4,851,116.43

Significant Amounts of Bad Debt Provision Reversals or Recoveries for the Current Period:

In RMB

Name of the Entity	Amount of Recovery	Reason for Reversal	Method of Recovery	Basis and Rationality
--------------------	--------------------	---------------------	--------------------	-----------------------

	or Reversal			for Determining the Provision Ratio for Bad Debts
--	-------------	--	--	---

5) Other receivables categorized by the end-of-period balances of the top five debtors.

In RMB

Entity Name	Nature of the Funds	End-of-period Balance	Aging	The proportion of the end-of-period balance to the total amount of other receivables.	End-of-period balance of bad debt provision
Entity 1	Export tax rebate	104,916,374.47	Not overdue	32.06%	524,581.87
Entity 2	Equity transfer payment	47,500,000.00	Not overdue	14.51%	237,500.00
Entity 3	Security deposit	21,000,000.00	Not overdue	6.42%	105,000.00
Entity 4	Equity transfer payment	7,832,244.50	Not overdue	2.39%	39,161.22
Entity 5	Security deposit	7,082,700.00	Not overdue	2.16%	35,413.50
Total		188,331,318.97		57.54%	941,656.59

7. Prepayments

(1) Presentation of prepayments by aging

In RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	478,716,760.07	98.36%	578,774,779.64	98.67%
1 to 2 years	3,062,960.52	0.63%	5,930,449.93	1.01%
2 to 3 years	3,509,779.84	0.72%	1,250,070.12	0.21%
Over 3 years	1,413,440.93	0.29%	622,565.54	0.11%
Total	486,702,941.36		586,577,865.23	

Reasons for untimely settlement of prepayments in significant amount with aging over 1 year:

(2) Prepayments with top five closing balance - by prepayment beneficiary

Prepayment receiver	Closing balance	Proportion in total closing balance of prepayments (%)
Entity 1	66,334,219.41	13.63

Prepayment receiver	Closing balance	Proportion in total closing balance of prepayments (%)
Entity 2	61,176,743.49	12.57
Entity 3	53,454,012.53	10.98
Entity 4	19,433,795.26	3.99
Entity 5	18,967,120.24	3.90
Total	219,365,890.93	45.07

Other descriptions:

8. Inventories

Whether the Company needs to comply with the disclosure requirements for the real estate industry

No

(1) Classification of inventories

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value
Raw material	7,122,401,927.24	471,624,816.03	6,650,777,111.21	8,805,902,241.24	254,491,258.28	8,551,410,982.96
Products in process	5,171,213,240.36	176,099,689.81	4,995,113,550.55	4,968,545,535.84	41,453,287.63	4,927,092,248.21
Goods on hand	17,873,073,315.30	363,208,839.96	17,509,864,475.34	23,761,428,325.93	464,323,619.78	23,297,104,706.15
Revolving materials	137,193,748.06		137,193,748.06	319,286,571.44		319,286,571.44
Contract performance cost	466,878,832.49	116,430,069.76	350,448,762.73	97,678,729.66		97,678,729.66
Goods sold	80,403,021.27	1,180,800.02	79,222,221.25	112,857,920.38	995,408.89	111,862,511.49
Materials in transit	27,648,149.64		27,648,149.64	38,828,113.69		38,828,113.69

Work in process - outsourced	7,662,300.57		7,662,300.57	21,425,447.80	1,359,834.74	20,065,613.06
Total	30,886,474,534.93	1,128,544,215.58	29,757,930,319.35	38,125,952,885.98	762,623,409.32	37,363,329,476.66

(2) Provision for decline in value of inventories and provision for impairment of contract performance cost

In RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Others	Reversal or write off	Others	
Raw material	254,491,258.28	396,338,296.94		180,397,886.60	-1,193,147.41	471,624,816.03
Products in process	41,453,287.63	166,615,905.32		33,614,492.15	-1,644,989.01	176,099,689.81
Inventory items	464,323,619.78	446,816,763.79		547,457,325.51	474,218.10	363,208,839.96
Contract fulfillment costs		116,430,069.76				116,430,069.76
Shipped goods	995,408.89	185,391.13				1,180,800.02
Work in process - outsourced	1,359,834.74			1,359,834.74		
Total	762,623,409.32	1,126,386,426.94		762,829,539.00	-2,363,918.32	1,128,544,215.58

Provision for inventory impairment by group

In RMB

Combination name	Ending			Beginning		
	Closing balance	Falling price reserves	Provision ration of falling price reserve	Opening balance	Falling price reserves	Provision ration of falling price reserve

Criteria for calculating the reserve for inventory decline price by combination

9. Non-current assets maturing within one year

Item	Closing balance	Opening balance
Time deposits maturing within one year	1,047,566,017.54	
Total	1,047,566,017.54	

(1) Debt investments that mature within one year□Applicable N/A**(2) Other debt investments that mature within one year**□Applicable N/A**10. Other current assets**

In RMB

Item	Closing balance	Opening balance
Input tax to be deducted	2,106,402,441.64	2,019,719,088.95
large-amount deposit note	709,769,171.50	107,450,138.93
Income tax prepaid	61,578,636.66	69,527,937.14
Duty forward	36,279,446.62	
Others	6,048,704.65	507,429.07
Total	2,920,078,401.07	2,197,204,594.09

Other descriptions:

11. Debt investments**(1) Situation of debt investment**

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Principal				1,620,000,000.00		1,620,000,000.00
Interest				119,251,540.45		119,251,540.45
Total				1,739,251,540.45		1,739,251,540.45

Changes in reserves for impairment of debt investments in the current period

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
------	-----------------	----------	----------	-----------------

12. Investments in other equity instruments

In RMB

Project name	Closing balance	Opening balance	Gains recognized as other comprehensive income in the current period	Loss recognized in other comprehensive income in the current period	Gains accrued to other comprehensive income at the end of the current period	Loss accrued to other comprehensive income at the end of the period	Dividend income recognized for the period	Reasons specified as measured at fair value and for which changes are included in other comprehensive income
Beijing XiaoLong Technology Co., Ltd.	9,049,791.33	10,773,818.02		1,724,026.69		950,208.67		Not for short-term trading purposes
Beijing Hui Bo Jin Technology Co., Ltd.	9,846,904.41	10,783,500.71		936,596.30		153,095.59		Not for short-term trading purposes
Jingtuo Liyin Technology (Beijing) Co., Ltd.	3,356,343.85	2,983,866.23	372,477.62		356,343.85			Not for short-term trading purposes
Zhejiang Tony Electronics Co., Ltd.	172,691,671.36	342,379,257.92		128,502,839.20	156,725,739.38			Not for short-term trading purposes
Shenzhen Huaxida Technology Co., Ltd.	28,138,181.82	72,480,000.00		44,341,818.18		21,861,818.18		Not for short-term trading purposes
Asia-Pacific Emerging Industries Venture Capital Co., Ltd.	1,039,358.55	706,549.78	332,808.77		307,552.75			Not for short-term trading purposes
Shenzhen Shifang Sports Technology Co., Ltd.	25,000,000.00							Not for short-term trading purposes
Total	249,122,251.32	440,106,992.66	705,286.39	175,505,280.37	157,389,635.98	22,965,122.44		

Termination acknowledgement exists in the current period

In RMB

Project name	Cumulative gains transferred to retained earnings	Cumulative losses transferred to retained earnings	Reasons for termination of confirmation
Zhejiang Tony Electronics Co., Ltd.	37,783,386.82		Disposal of partial stock equity

Disclosure of non-trading equity instrument investments for the current period.

In RMB

Project name	Recognized dividend income	Cumulative gain	Cumulative loss	Amount transferred from other comprehensive income to retained earnings	Reasons specified as measured at fair value and for which changes are included in other comprehensive income	Other reasons for transferring comprehensive income to retained earnings

Other descriptions:

13. Long-term equity investments

In RMB

Investee	Opening balance (book value)	Opening balance	Increase and decrease in the current period							Closing balance (book value)	Closing balance of provision for impairment		
			Additional investment	Reduced investment	Investment profit or loss recognized under equity method	Others comprehensive income adjustment	Others changes in equity	Declared cash dividends or profits	Provision for impairment			Others	
I. Joint ventures													
Riyimao Industrial Co., Ltd.	119,066,960.41				15,859,552.50						-2,049,012.90	132,877,500.01	
Subtotal	119,066,960.41				15,859,552.50						-2,049,012.90	132,877,500.01	
II. Associates													
Subtotal of associates	1,915,313,290.71	34,372,608.46	235,000,000.00		2,028,502,057.39	-7,598,398.15	-35,597,677.30				-1,182,423.15	4,134,436,849.50	34,372,608.46
Subtotal	1,915,313,290.71	34,372,608.46	235,000,000.00		2,028,502,057.39	-7,598,398.15	-35,597,677.30				-1,182,423.15	4,134,436,849.50	34,372,608.46

Total	2,034,380,251.12	34,372,608.46	235,000,000.00		2,044,361,609.89	-7,598,398.15	-35,597,677.30			-3,231,436.05	4,267,314,349.51	34,372,608.46
-------	------------------	---------------	----------------	--	------------------	---------------	----------------	--	--	---------------	------------------	---------------

Determining the recoverable amount by subtracting the disposal costs from the fair value

Applicable N/A

Determining the recoverable amount by the present value of expected future cash flows

Applicable N/A

Reasons for the significant differences between the above information and the information used or external information used in impairment tests in previous years

Reasons for significant differences between the information used in impairment tests in previous years and the actual situation in the current year

Other descriptions:

14. Other non-current financial assets

In RMB

Item	Closing balance	Opening balance
Stock investment	35,700,000.00	35,700,000.00
Total	35,700,000.00	35,700,000.00

Other descriptions:

15. Investment properties

(1) Investment properties measured at cost

Applicable N/A

In RMB

Item	Buildings	Land use right	Construction in progress	Total
I. Original carrying amount				
1. Opening balance	88,325,184.67	18,216,793.02		106,541,977.69
2. Increase in the current period	357,334.67	328,822.92		686,157.59
(1) Purchase				
(2) Transferred from				

inventories\fixed assets\construction in progress				
(3) Increase in business combination				
(4) Others	357,334.67	328,822.92		686,157.59
3. Decrease in the current period	71,655,597.57	6,472,952.20		78,128,549.77
(1) Disposal	71,655,597.57	6,472,952.20		78,128,549.77
(2) Other transfer out				
4. Closing balance	17,026,921.77	12,072,663.74		29,099,585.51
II. Accumulated depreciation and amortization				
1. Opening balance	13,759,567.63			13,759,567.63
2. Increase in the current period	423,659.58			423,659.58
(1) Provision or amortization	327,662.40			327,662.40
(2) Increase in business combination	95,997.18			95,997.18
3. Decrease in the current period	8,437,577.94			8,437,577.94
(1) Disposal	8,437,577.94			8,437,577.94
(2) Other transfer out				
4. Closing balance	5,745,649.27			5,745,649.27
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance				
IV. Book value				

1. Closing book value	11,281,272.50	12,072,663.74		23,353,936.24
2. Opening book value	74,565,617.04	18,216,793.02		92,782,410.06

Determining the recoverable amount by subtracting the disposal costs from the fair value

Applicable N/A

Determining the recoverable amount by the present value of expected future cash flows

Applicable N/A

Reasons for the significant differences between the above information and the information used or external information used in impairment tests in previous years

Reasons for significant differences between the information used in impairment tests in previous years and the actual situation in the current year

Other descriptions:

16. Fixed assets

In RMB

Item	Closing balance	Opening balance
Fixed assets	44,560,506,279.62	44,026,022,703.69
Fixed asset clearance		
Total	44,560,506,279.62	44,026,022,703.69

(1) Fixed assets

In RMB

Item	Buildings	Office equipment	Machinery equipment	Computer equipment	Auxiliary production equipment	Transportation equipment	Other equipment	Mould equipment	Total
I. Original carrying amount									
1. Opening balance	13,363,674,979.58	348,923,944.21	32,046,639,146.51	378,144,995.23	2,960,204,186.00	94,727,461.82	9,188,808,043.60	5,897,963,482.80	64,279,086,239.75
2. Increase in the	1,436,850,613.87	102,497,803.68	5,172,845,249.69	31,094,374.78	624,906,054.64	14,749,924.56	3,535,385,856.71	874,213,023.20	11,792,542,901.13

current period									
1) Purchase	237,692,262.35	95,971,543.92	4,178,527,094.77	30,610,450.72	513,710,051.82	12,759,444.67	2,483,112,485.85	380,262,836.92	7,932,646,171.02
2) Transferred from construction in progress	1,121,416,016.74	4,159.29	974,351,416.54	217,707.66	74,895,324.73	1,699,203.54	1,032,336,602.87	490,089,454.73	3,695,009,886.10
3) Increase in business combination									
(4) Others	77,742,334.78	6,522,100.47	19,966,738.38	266,216.40	36,300,678.09	291,276.35	19,936,767.99	3,860,731.55	164,886,844.01
3. Decrease in the current period	50,134,681.31	10,229,692.28	1,652,955,339.91	42,107,567.15	204,344,211.09	9,872,532.26	312,816,584.10	327,295,480.89	2,609,756,088.99
1) Disposal or scrap	16,759,483.13	9,976,074.27	843,596,384.74	20,807,712.78	162,247,527.53	9,768,706.00	182,299,464.66	194,408,280.01	1,439,863,633.12
(2) Others	33,375,198.18	253,618.01	809,358,955.17	21,299,854.37	42,096,683.56	103,826.26	130,517,119.44	132,887,200.88	1,169,892,455.87
4. Closing balance	14,750,390,912.14	441,192,055.61	35,566,529,056.29	367,131,802.86	3,380,766,029.55	99,604,854.12	12,411,377,316.21	6,444,881,025.11	73,461,873,051.89
II. Accumulated depreciation									
1. Opening balance	2,364,415,146.93	162,894,220.17	10,132,127,638.78	174,691,015.13	1,046,642,736.76	51,242,564.18	3,569,014,319.36	2,259,730,286.23	19,760,757,927.54
2. Increase in the current period	732,446,472.56	70,692,422.21	4,632,494,310.12	53,006,714.00	648,319,706.10	12,098,377.43	2,078,853,735.38	1,482,814,147.87	9,710,725,885.67
1) Provision	709,628,538.89	64,176,498.05	4,610,848,476.83	52,831,481.56	623,131,581.58	12,064,262.96	2,067,302,007.50	1,479,296,748.19	9,619,279,595.56
(2) Transferred	22,817,933.67	6,515,924.16	21,645,833.29	175,232.44	25,188,124.52	34,114.47	11,551,727.88	3,517,399.68	91,446,290.11

d from investment properties (3) Increase in business combination(1) Provision										
(2) Transferred from investment properties	11,399,108.48	3,995,272.70	514,617,890.14	24,167,091.50	154,903,320.68	4,865,690.74	114,310,893.38	231,592,130.31	1,059,851,397.93	
(1) Disposal or scrap	8,000,538.73	3,858,790.93	325,059,511.62	4,913,091.38	137,740,766.94	3,329,797.51	65,835,470.30	132,266,683.76	681,004,651.17	
(2) Others	3,398,569.75	136,481.77	189,558,378.52	19,254,000.12	17,162,553.74	1,535,893.23	48,475,423.08	99,325,446.55	378,846,746.76	
4. Closing balance	3,085,462,511.01	229,591,369.68	14,250,004,058.76	203,530,637.63	1,540,059,122.18	58,475,250.87	5,533,557,161.36	3,510,952,303.79	28,411,632,415.28	
III. Provision for impairment										
1. Opening balance	63,256,923.55	1,861,367.25	347,496,049.28	259,852.81	10,156,494.51	42,534.87	26,091,492.31	43,140,893.94	492,305,608.52	
2. Increase in the current period		4,126.30	149,592,837.36	1,152,035.53	17,422,103.12		27,602,804.54	2,360,812.13	198,134,718.98	
(1) Provision		4,126.30	144,040,465.07	1,149,231.13	17,422,103.12		26,702,570.04	2,357,938.29	191,676,433.95	
(2) Others			5,552,372.29	2,804.40			900,234.50	2,873.84	6,458,285.03	
3. Decrease in the current period		1,854,243.98	146,742,174.94	94,153.81	19,086,408.06		9,253,966.26	23,675,023.46	200,705,970.51	
(1) Disposal or scrap		58,288.51	146,740,870.50	94,153.81	16,979,837.45		9,253,324.43	21,122,430.08	194,248,904.78	

(2) Others		1,795,955 .47	1,304.44		2,106,570 .61		641.83	2,552,593 .38	6,457,065 .73
4. Closing balance	63,256,92 3.55	11,249.57	350,346,7 11.70	1,317,734 .53	8,492,189 .57	42,534.87	44,440,33 0.59	21,826,68 2.61	489,734,3 56.99
IV. Book value									
1. Closing book value	11,601,67 1,477.58	211,589,4 36.36	20,966,17 8,285.83	162,283,4 30.70	1,832,214 ,717.80	41,087,06 8.38	6,833,379 ,824.26	2,912,102 ,038.71	44,560,50 6,279.62
2. Opening book value	10,936,00 2,909.10	184,168,3 56.79	21,567,01 5,458.45	203,194,1 27.29	1,903,404 ,954.73	43,442,36 2.77	5,593,702 ,231.93	3,595,092 ,302.63	44,026,02 2,703.69

(2) Fixed assets without title certificate

In RMB

Item	Book value	Reasons for not obtaining the title certificate
Plant, office and dormitory buildings of Fujian JK	7,220,008.93	Note 1
Changshu Luxshare Factory and Auxiliary Building Project	785,432,113.14	The certificate is undergoing the formalities
Suzhou Meite Cadre Training Center	955,897.08	The certificate is undergoing the formalities
The certificate is undergoing the formalities Plants A and B of Luxshare Dongguan	50,693,626.67	The certificate is undergoing the formalities
Plant and Dormitory of Electronic Technology	125,169,613.27	The certificate is undergoing the formalities
Phase VI Plant of ASAP Technology	88,125,876.44	The certificate is undergoing the formalities
New plant of LuxcaseICT Yancheng	74,915,032.07	The certificate is undergoing the formalities

Other descriptions:

Note 1: The land occupied by the staff dormitory is in nature an allotted land, the use right of which was acquired by the Company by means of transfer through agreement in line with relevant regulations at that time. The property title formed based on the allotted land use right is not allowed to be transferred unless the allocated land use right is converted to paid land use right. However, the existing land use right cannot be transferred by agreement, as a result of which the property title to the staff dormitory building has not been transferred to Fujian JK.

In RMB

17. Construction in progress

In RMB

Item	Closing balance	Opening balance
Construction in progress	2,226,217,016.31	2,695,377,794.32
Total	2,226,217,016.31	2,695,377,794.32

(1) Construction in progress

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Plant construction	1,147,091,150.13		1,147,091,150.13	1,757,877,949.76		1,757,877,949.76
Equipment installation project	702,303,869.84		702,303,869.84	630,505,432.98		630,505,432.98
Mould improvement	178,571,369.63		178,571,369.63	77,734,469.29		77,734,469.29
Others	198,250,626.71		198,250,626.71	229,259,942.29		229,259,942.29
Total	2,226,217,016.31		2,226,217,016.31	2,695,377,794.32		2,695,377,794.32

(2) Changes in significant constructions in progress for the current period

In RMB

Item	Budget	Opening balance	Increase in the current period	Amount transferred to fixed assets in the current period	Other decrease in the current period	Closing balance	Proportion of accumulated project investment in budget	Project progress	Amount of accumulated capitalized interest	Including: Amount of current capitalized interest	Current interest capitalization rate	Source of funds
Plant construction of Luxshare Changshu	3,760,327,831.39	1,189,282,930.08	760,411,746.25	1,390,352,012.03		559,342,664.30	62.23%	62.00%				Others

Equip ment installa tion project of Luxsh are Chang shu	1,142, 834,25 1.00	245,34 6,465. 69	37,156 ,420.9 8	266,10 9,110. 17	5,637, 188.13	10,756 ,588.3 7	48.00 %	50.00 %				Others
Vietna m plant project	805,61 8,010. 28	11,273 ,342.5 8		11,273 ,342.5 8			100.00 %	100.00 %				Others
Yi'an project constr uction	1,491, 869,00 6.92	161,98 8,668. 98	1,307, 857,45 3.99	936,71 5,559. 68		533,13 0,563. 29	64.26 %	64.26 %				Others
Total	7,200, 649,09 9.59	1,607, 891,40 7.33	2,105, 425,62 1.22	2,604, 450,02 4.46	5,637, 188.13	1,103, 229,81 5.96						

(3) Impairment test of construction in progress□Applicable N/A**18. Right-of-use assets****(1) Situations of right-of-use asset**

In RMB

Item	Buildings	Machinery equipment	Transportation equipment	Total
I. Original carrying amount				
1. Opening balance	1,161,016,114.04	8,954,945.31	140,235.69	1,170,111,295.04
2. Increase in the current period	170,397,024.42	47,612,973.87	1,078,518.46	219,088,516.75
(1) New leases	160,984,962.16	47,612,973.87	1,075,676.55	209,673,612.58
(2) Others	9,412,062.26		2,841.91	9,414,904.17
3. Decrease in the current period	450,498,747.31	53,590,996.25		504,089,743.56
(1) Transfer out to fixed assets	35,318,482.08	1,747,953.03		37,066,435.11
(2) Disposal	415,180,265.23	51,843,043.22		467,023,308.45

4. Closing balance	880,914,391.15	2,976,922.93	1,218,754.15	885,110,068.23
II. Accumulated depreciation				
1. Opening balance	220,152,500.80	8,168,065.58	40,914.00	228,361,480.38
2. Increase in the current period	149,802,109.13	32,194,017.60	164,066.57	182,160,193.30
(1) Provision	144,033,638.76	32,194,017.60	163,328.57	176,390,984.93
(2) Others	5,768,470.37		738.00	5,769,208.37
3. Decrease in the current period	136,396,448.18	37,979,125.36		174,375,573.54
(1) Disposal	129,805,899.01	37,979,125.36		167,785,024.37
(2) Others	6,590,549.17			6,590,549.17
4. Closing balance	233,558,161.75	2,382,957.82	204,980.57	236,146,100.14
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
4. Closing balance				
IV. Book value				
1. Closing book value	647,356,229.40	593,965.11	1,013,773.58	648,963,968.09
2. Opening book value	940,863,613.24	786,879.73	99,321.69	941,749,814.66

(2) Situations of impairment test of the right to use assets

Applicable N/A

Other descriptions:

19. Intangible assets

(1) Intangible assets

In RMB

Item	Land use right	Patent right	Non-patent technology	Software	Other	Total
I. Original carrying amount						
1. Opening balance	2,433,471,958.29	194,363,877.67	94,473,253.38	376,376,284.59	108,431,904.34	3,207,117,278.27
2. Increase in the current period	81,858,575.62	2,151,532.00	38,136,201.23	101,286,460.32	2,217,360.82	225,650,129.99
(1) Purchase	66,189,101.89	2,145,190.80	36,831,406.85	84,449,943.74	267,160.45	189,882,803.73
(2) Internal R&D						
(3) Increase in business combination						
(4) Other increases	15,669,473.73	6,341.20	1,304,794.38	16,836,516.58	1,950,200.37	35,767,326.26
3. Decrease in the current period	17,315,931.44	118,150.00	16,327,282.36	41,140,345.27	313,677.50	75,215,386.57
(1) Disposal		118,150.00	508,609.61	39,168,200.38	167,798.61	39,962,758.60
(2) Others	17,315,931.44		15,818,672.75	1,972,144.89	145,878.89	35,252,627.97
4. Closing balance	2,498,014,602.47	196,397,259.67	116,282,172.25	436,522,399.64	110,335,587.66	3,357,552,021.69
II. Accumulated amortization						
1. Opening balance2. Increase in the current period4. Closing balance						
II. Accumulated amortization1. Opening balance2. Increase in the current period4. Closing balance	235,085,224.75	32,275,155.70	42,988,312.96	183,727,565.49	17,356,965.70	511,433,224.60
II. Accumulated amortization	63,004,328.62	42,837,581.49	32,172,371.20	98,256,378.31	10,180,423.12	246,451,082.74

(1) Provision	62,800,649.59	42,833,973.43	28,908,970.37	88,715,602.53	9,869,974.39	233,129,170.31
(2) Other increase	203,679.03	3,608.06	3,263,400.83	9,540,775.78	310,448.73	13,321,912.43
3. Decrease in the current period	12,834,394.20	118,150.00	12,411,161.46	37,873,660.89	164,022.96	63,401,389.51
(1) Disposal		118,150.00	479,189.99	36,830,306.69	25,169.80	37,452,816.48
(3) Other decrease	12,834,394.20		11,931,971.47	1,043,354.20	138,853.16	25,948,573.03
4. Closing balance	285,255,159.17	74,994,587.19	62,749,522.70	244,110,282.91	27,373,365.86	694,482,917.83
III. Provision for impairment						
1. Opening balance						
2. Increase in the current period						
(1) Provision						
3. Decrease in the current period						
(1) Disposal						
4. Closing balance						
IV. Book value						
1. Closing book value	2,212,759,443. 30	121,402,672.48	53,532,649.55	192,412,116.73	82,962,221.80	2,663,069,103. 86
2. Opening book value	2,198,386,733. 54	162,088,721.97	51,484,940.42	192,648,719.10	91,074,938.64	2,695,684,053. 67

The proportion of intangible assets formed through internal R&D in the balance of intangible assets at the end of this period is 0.00%.

(2)

Impairment test of intangible assets

Applicable N/A

20. Goodwill

(1) Original carrying amount of goodwill

In RMB

Investee name or event forming goodwill	Opening balance	Increase		Decrease		Closing balance
		Formed by business combination	Others	Disposal	Others	
ASAP Technology (Jiangxi) Co., Ltd.	42,325,745.85					42,325,745.85
Kunshan Lanto Electronic Limited	376,682,429.24					376,682,429.24
Bozhou Lanto Electronic Limited	9,564,372.61					9,564,372.61
M&A of KERTONG goodwill	53,174,339.31					53,174,339.31
Fujian JK Wiring Systems Co., Ltd.	17,717,209.29					17,717,209.29
Huzhou Jiuding Electronic Co., Ltd.	1,730,318.45					1,730,318.45
SpeedTech Corp.	26,656,146.69					26,656,146.69
Luxshare Electronic Technology (Kunshan) Co., Ltd.	4,582,880.91					4,582,880.91
Suk kunststofftechnik GmbH	9,552,894.63					9,552,894.63
Merry Electronics (Suzhou) Co., Ltd.	8,570,588.06					8,570,588.06
Merry Electronics (Huizhou) Co.,	6,575,713.14					6,575,713.14

Ltd.						
Merry Electronics (Shanghai) Co., Ltd.	454,304.97					454,304.97
Castle Rock, Inc.	8,303,254.98					8,303,254.98
Taiqiao Investment Co., Ltd.	441,595.93					441,595.93
Luxcase Precision Technology (Yancheng) Co., Ltd.	814,784,800.96					814,784,800.96
Zhejiang Puxing Electronic Technology Co., Ltd.	804,455.51					804,455.51
Caldigit Holding(Cayman)	41,765,582.41					41,765,582.41
Taihan Precision Co., Ltd.	9,972,872.88					9,972,872.88
TIME Interconnect Technology Limited	175,669,057.02					175,669,057.02
Shenzhen Huarong Technology Co., Ltd.	157,013,624.50					157,013,624.50
Total	1,766,342,187.34					1,766,342,187.34

(2) Provision for impairment of goodwill

In RMB

Investee name or event forming goodwill	Opening balance	Increase		Decrease		Closing balance
		Provision	Other	Disposal	Other	
Merry Electronics (Suzhou) Co., Ltd.	8,570,588.06					8,570,588.06

Suk kunststofftechnik GmbH	9,552,894.63					9,552,894.63
Merry Electronics (Shanghai) Co., Ltd.	454,304.97					454,304.97
Fujian JK Wiring Systems Co., Ltd.	17,717,209.29					17,717,209.29
Zhejiang Puxing Electronic Technology Co., Ltd.			804,455.51			804,455.51
Total	36,294,996.95		804,455.51			37,099,452.46

(3) Specific method of determining the recoverable amount

Determining the recoverable amount by subtracting the disposal costs from the fair value

Applicable N/A

Determining the recoverable amount by the present value of expected future cash flows

Applicable N/A

Reasons for the significant differences between the above information and the information used or external information used in impairment tests in previous years

Note 1: The goodwill of the Company is formed by business combinations not involving enterprises under common control in previous years and this year. On the balance sheet date, the Company conducted impairment tests on goodwill. The recoverable amount of the asset group involved in goodwill is determined according to the present value of the future cash flow of the asset group and the net realizable value. The management determines the growth rate and gross margin based on the macro market environment, historical experience and the development stage forecast of product segments involved in different asset groups. Depending on the different asset groups involved, the growth rate used in the forecast for the current year is -10.50%-16.24%, the gross margin is 3.00%-45.00%, and the discount rate is 3.21%-11.01%. The parameters used in goodwill impairment test of major asset groups are as follows:

Asset group name	Gross margin	Growth rate	Discount rate
Kunshan Lanto Electronic Limited	11.00%- 11.62%	1.00%-2.10%	10.58%
Shenzhen Kertong Industrial Co., Ltd.	24.00%- 25.98%	14.56%- 15.76%	10.38%
Luxcase Precision Technology (Yancheng) Co., Ltd.	4.55%-4.73%	14.00%- 15.20%	10.49%
Shenzhen Huarong Technology Co., Ltd.	3.00%-3.00%	1.00%-1.30%	11.01%

Explanation 2: Converge Technology Limited is a Hong Kong-listed company. The recoverable amount is determined by subtracting the disposal costs from the fair value.

Reasons for significant differences between the information used in impairment tests in previous years and the actual situation in the current year.

None.

21. Long-term deferred expenses

In RMB

Item	Opening balance	Increase in the current period	Amortization amount in the current period	Other reduced amount	Closing balance
House decoration fees	683,275,646.67	136,043,949.17	348,995,154.67		470,324,441.17
Others	127,637,883.05	110,764,591.94	118,460,913.01		119,941,561.98
Total	810,913,529.72	246,808,541.11	467,456,067.68		590,266,003.15

Other descriptions:

22. Deferred tax assets / deferred tax liabilities

(1) Deferred tax assets that are not offset

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	1,143,132,621.04	224,368,274.81	657,614,145.51	120,807,667.80
Unrealized profit of internal transaction	541,695,019.14	96,205,468.40	547,139,157.01	83,055,862.59
Deductible losses	3,129,088,911.68	474,034,583.26	4,720,193,354.02	720,299,236.63
Share-based payment	1,029,585,993.98	163,582,703.34	622,032,254.71	108,660,230.06
Tax and accounting difference for depreciation of fixed assets	642,643,662.15	160,660,915.54	162,109,310.74	40,527,327.69
Government grants	590,824,033.43	94,809,630.59	632,820,537.44	100,039,648.41
Exchange differences of foreign operations	68,848,999.67	13,769,799.93	33,377,229.80	6,675,445.96
Lease liability	410,088,669.15	71,535,638.48	112,433,079.83	18,929,003.15

Changes in the fair value of other equity instruments	22,965,122.40	3,444,768.36		
Valuation of derivative financial instruments	12,795,763.95	3,198,940.99	26,587,015.00	3,988,052.25
Dismissal welfare	2,231,853.00	446,370.60	1,801,352.50	360,270.50
Unused vacation bonus	2,649,530.00	529,906.00	4,402,578.27	660,386.74
Others	122,671,291.67	23,352,718.56	144,569,697.93	21,685,454.69
Total	7,719,221,471.26	1,329,939,718.86	7,665,079,712.76	1,225,688,586.47

(2) Deferred tax liabilities that are not offset

In RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Assets valuation appreciation of business combination not involving enterprises under common control	613,468,097.18	138,602,301.85	1,063,081,733.74	155,352,276.68
Changes in fair value of other investments in equity instruments	156,725,739.33	23,508,860.90	347,049,284.20	52,057,392.63
Accelerated depreciation of fixed assets	5,334,807,068.28	821,130,904.46	7,762,570,628.34	1,174,529,672.69
Accumulative recognition of overseas investment interests by equity method	1,032,240,690.00	206,448,138.00	852,318,046.60	170,463,609.32
Valuation of derivative financial instruments	452,705,163.11	71,282,964.19	274,939,615.85	48,638,903.32
Right-of-use assets	380,058,524.89	65,285,746.10	98,762,595.73	17,106,305.46
Unrealized exchange gains	64,324,553.60	9,648,683.04		
Support funds allocated by the government	13,883,542.73	2,082,531.41	14,271,238.70	2,140,685.81
Prepaid pension	6,748,781.00	1,349,756.20	6,459,206.85	1,291,841.37
Others	5,895,798.70	1,580,971.04	14,249,026.72	2,170,795.18
Total	8,060,857,958.82	1,340,920,857.19	10,433,701,376.73	1,623,751,482.46

(3) Deferred tax assets or liabilities presented in net amount after offsetting

In RMB

Item	Offset amount between deferred tax assets and liabilities at the end of the period	Closing balance of deferred tax assets or liabilities after offset	Offset amount between deferred tax assets and liabilities at the beginning of the period	Opening balance of deferred tax assets or liabilities after offset
Deferred tax assets	456,995,883.46	872,943,835.40	17,106,305.46	1,208,582,281.01
Deferred tax liabilities	456,995,883.46	883,924,973.73	17,106,305.46	1,606,645,177.00

23. Other non-current assets

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Certificates of deposit and time deposits	8,363,006,126.99		8,363,006,126.99			
Prepayments for equipment, project and land	1,416,220,632.39		1,416,220,632.39	1,663,116,059.58		1,663,116,059.58
Advance equity purchase margin	141,654,000.00		141,654,000.00			
Prepaid pension	6,748,719.45		6,748,719.45	6,459,206.83		6,459,206.83
Others	4,014,634.09		4,014,634.09	6,684,645.92		6,684,645.92
Total	9,931,644,112.92		9,931,644,112.92	1,676,259,912.33		1,676,259,912.33

Other descriptions:

24. Assets whose ownership or use is restricted

In RMB

Item	End of the period				Beginning of the period			
	Book balance	Book value	Restricted case	Restricted type	Book balance	Book value	Restricted type	Restricted case

			d t y p e					
Monetary funds	3,935,387,136.86	3,935,387,136.86	D e p o s i t	Limited by the issuance of bills, letters of credit	2,054,791,011.90	2,054,791,011.90	Deposit	Limited by the issuance of bills, letters of credit
Notes receivable	164,567,477.58	164,567,477.58	P l e d g e	Notes receivable pledge financing	469,338,331.89	469,338,331.89	Pledge	Notes receivable pledge financing
Fixed assets	635,803,443.15	635,803,443.15	M o r t g a g e	Fixed assets mortgage financing	1,596,425,969.25	1,596,425,969.25	Mortgage	Fixed assets mortgage financing
Intangible assets	401,674,060.39	401,674,060.39	P l e d g e	Land use right pledge financing	547,767,902.77	547,767,902.77	Pledge	Land use right pledge financing
Accounts receivable					1,049,804,176.80	1,049,804,176.80	Pledge	Accounts receivable pledge financing
Equity investment					5,781,943,543.70	5,781,943,543.70	Pledge	Equity pledge financing
Trading financial assets					60,000,000.00	60,000,000.00	Pledge	Transactional financial asset pledge financing
Other non-current assets	2,874,097,749.98	2,874,097,749.98	P l e d g e	Limited by the issuance of bills, letters of credit				
Total	8,011,529,867.96	8,011,529,867.96			11,560,070,936.31	11,560,070,936.31		

Other descriptions:

25. Short-term borrowings**(1) Classification of Short-term borrowings**

In RMB

Item	Closing balance	Opening balance
Pledge loans	4,260,029,345.26	1,284,267,389.38
Mortgage loans	171,321,000.00	294,954,654.15
Guaranteed loans	550,036,618.19	897,638,187.36
Credit loans	15,532,795,277.02	12,435,039,438.04
Total	20,514,182,240.47	14,911,899,668.93

Descriptions on classification of short-term borrowings:

26. Held-for-trading financial liabilities

In RMB

Item	Closing balance	Opening balance
Held-for-trading financial liabilities	117,942,421.18	44,318,321.50
Including:		
Held-for-trading bonds issued		41,436.00
Derivative financial liabilities	117,942,421.18	44,276,885.50
Including:		
Total	117,942,421.18	44,318,321.50

Other descriptions:

27. Notes payable

In RMB

Category	Closing balance	Opening balance
Commercial acceptance draft	168,339.81	
Bank acceptance bill	492,417,560.22	515,054,217.52
Total	492,585,900.03	515,054,217.52

The total amount of notes payable due but unpaid at the end of this period is RMB0.00. The reason for the unpaid maturity is.

28. Accounts payable**(1) Presentation of accounts payable**

In RMB

Item	Closing balance	Opening balance
Within 1 year	45,810,846,164.38	49,695,071,669.97
1-2 years	78,664,332.26	74,344,408.63
2-3 years	12,249,724.48	9,178,439.03
More than 3 years	6,755,074.31	7,889,034.91
Total	45,908,515,295.43	49,786,483,552.54

(2) Significant accounts payable with aging over 1 year or overdue

In RMB

Item	Closing balance	Reasons for non-payment or carrying forward

Other descriptions:

29. Other payables

In RMB

Item	Closing balance	Opening balance
Dividends payable	11,894,022.29	15,089,486.78
Other payables	394,783,918.24	457,790,709.70
Total	406,677,940.53	472,880,196.48

(1) Interest payable

Item	Closing balance	Opening balance
Common stock dividend	11,894,022.29	15,089,486.78
Total	11,894,022.29	15,089,486.78

Other descriptions, including significant dividends payable that have not been paid for more than 1 year, should disclose the reasons for non-payment:

(2) Other payables**1) Presentation of other payables by nature**

In RMB

Item	Closing balance	Opening balance
Within 1 year	373,822,808.71	437,302,630.87
1 -2 years	7,536,142.05	3,828,361.57
2 -3 years	2,845,498.74	11,160,503.01
Over 3 years	10,579,468.74	5,499,214.25
Total	394,783,918.24	457,790,709.70

2) Other payables in the top five closing balances aggregated by counterparty

Other descriptions:

30. Contract liabilities

In RMB

Item	Closing balance	Opening balance
Goods payments received in advance	243,566,923.42	501,765,453.24
Total	243,566,923.42	501,765,453.24

Significant contractual liabilities older than 1 year

In RMB

Item	Closing balance	Reasons for non-repayment or carry-forward
------	-----------------	--

Amount of and reason for significant changes in book value during the reporting period

In RMB

Item	Change amount	Reason for change
------	---------------	-------------------

31. Employee benefits payable**(1) Presentation of employee benefits payable**

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term benefits	2,342,044,143.27	17,938,012,648.19	17,971,644,511.47	2,308,412,279.99
II. Post-employment benefits - defined	26,031,119.21	1,039,587,523.62	1,043,928,351.07	21,690,291.76

contribution plan				
III. Termination benefits	60,500.00	15,963,144.94	15,807,224.94	216,420.00
Total	2,368,135,762.48	18,993,563,316.75	19,031,380,087.48	2,330,318,991.75

(2) Presentation of short-term benefits

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance and subsidy	2,303,342,360.89	16,547,791,329.28	16,574,894,848.65	2,276,238,841.52
2. Employee welfare	6,515,232.20	85,664,849.56	85,767,093.55	6,412,988.21
3. Social insurance premium	21,145,736.14	448,482,748.52	455,407,250.78	14,221,233.88
Including: Medical insurance premium	18,863,295.63	383,592,643.71	389,831,076.50	12,624,862.84
Employment injury insurance premium	1,332,166.31	34,298,511.91	34,387,939.77	1,242,738.45
Maternity insurance premium	950,274.20	30,591,592.90	31,188,234.51	353,632.59
4. Housing provident fund	5,026,232.09	309,818,975.91	310,055,560.19	4,789,647.81
5. Trade union funds and staff education funds	3,005,344.46	24,697,378.06	25,255,200.10	2,447,522.42
8. Other short-term benefits	3,009,237.49	521,557,366.86	520,264,558.20	4,302,046.15
Total	2,342,044,143.27	17,938,012,648.19	17,971,644,511.47	2,308,412,279.99

(3) Presentation of defined contribution plan

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance premium	25,313,173.90	1,003,732,063.84	1,007,967,001.31	21,078,236.43
2. Unemployment insurance premium	717,945.31	35,855,459.78	35,961,349.76	612,055.33
Total	26,031,119.21	1,039,587,523.62	1,043,928,351.07	21,690,291.76

Other descriptions:

32. Taxes payable

In RMB

Item	Closing balance	Opening balance
Value added tax	132,476,622.34	178,562,778.85
Enterprise income tax	561,049,186.85	357,553,487.54
Individual income tax	77,002,005.54	60,744,264.97
Urban maintenance and construction tax	46,681,016.77	54,221,444.33
Property tax	41,139,838.65	26,963,503.04
Education surcharges	28,316,821.64	32,686,140.44
Local education surcharges	18,936,169.14	21,777,325.55
Land use tax	5,206,233.88	2,338,741.28
Stamp duty	50,252,147.37	48,783,498.15
Disability insurance	49,635,583.88	49,582,574.67
Others	10,628,649.12	8,171,415.10
Total	1,021,324,275.18	841,385,173.92

Other descriptions:

33. Non-current liabilities due within one year

In RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	2,688,496,752.82	828,839,225.82
Bonds payable due within one year	49,591,565.40	224,130,860.43
Lease liabilities due within one year	129,207,552.67	179,282,344.89
Total	2,867,295,870.89	1,232,252,431.14

Other descriptions:

34. Other current liabilities

In RMB

Item	Closing balance	Opening balance
Short-term bonds payable	802,722,191.78	3,840,115,068.49
Payable for purchase returns	46,968,630.49	38,288,770.18
Entrusted loans	10,417,821.56	68,866,600.31
Unconfirmed instrument	24,834,420.45	

Short-term tickets payable	40,012,542.80	
Others	7,746,196.22	9,766,686.26
Total	932,701,803.30	3,957,037,125.24

Increase and decrease in short-term bonds payable:

In RMB

Bond name	Face value	Nominal interest rate	Issue date	Bond maturity	Amount of issue	Opening balance	Issue date	Bond maturity	Amount of issue	Opening balance		Closing balance	Default or not
Short-term bonds payable	100.00	2.40%	2022/6/15	270 days	1,000,000.00	1,012,953.424.66		4,800,000.00		1,017,753.424.66			No
Short-term bonds payable	100.00	2.20%	2022/7/14	270 days	1,200,000.00	1,212,223.561.64		7,305,205.48		1,219,528.767.12			No
Short-term bonds payable	100.00	2.15%	2022/7/21	270 days	800,000.00	807,633.972.60		5,089,315.07		812,723.287.67			No
Short-term bonds payable	100.00	2.15%	2022/7/28	270 days	800,000.00	807,304.109.59		5,419,178.08		812,723.287.67			No
Short-term bonds payable	100.00	2.77%	2023/4/21	90 days	1,200,000.00		1,200,000.00	8,173,770.49		1,208,173.770.49			No
Short-term bonds payable	100.00	2.42%	2023/5/23	178 days	800,000.00		800,000.00	9,415,519.13		809,415.519.13			No
Short-term bonds payable	100.00	2.70%	2023/11/15	177 days	800,000.00		800,000.00	2,722,191.78				802,722.191.78	No
Total					6,600,000.00	3,840,115.068.49	2,800,000.00	42,925,180.03		5,880,318.056.74		802,722.191.78	

Other descriptions:

35. Long-term borrowings

(1) Classification of long-term borrowings

In RMB

Item	Closing balance	Opening balance
Pledge loans	181,159,890.80	3,163,203,834.77
Mortgage loans	1,605,792,188.08	1,992,850,059.15
Guaranteed loans	72,496,000.00	791,766,506.32
Credit loans	10,179,323,211.04	3,257,492,660.70
Total	12,038,771,289.92	9,205,313,060.94

Descriptions on classification of long-term borrowings:

Other descriptions, including interest rate range:

36. Bonds payable

(1) Bonds payable

In RMB

Item	Closing balance	Opening balance
Convertible bonds	2,799,499,850.29	2,689,623,546.98
Total	2,799,499,850.29	2,689,623,546.98

(2) Increase and decrease in bonds payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

In RMB

Bond name	Face value	Nominal interest rate	Issue date	Bond maturity	Amount of issue	Opening balance	Issue date	Bond maturity	Amount of issue	Opening balance		Closing balance	Default or not
Convertible bonds of Luxshare	100.00		2020/11/3	6 years	3,000,000.00	2,689,623.546.98		15,000.00	104,018.900.07	9,000,000.00	142,596.76	2,799,499,850.29	No
Total					3,000,000.00	2,689,623.546.98		15,000.00	104,018.900.07	9,000,000.00	142,596.76	2,799,499,850.29	

		00.00	46.98		00	0.07	0		50.29	
--	--	-------	-------	--	----	------	---	--	-------	--

(3) Description of convertible corporate bonds

37. Lease liabilities

In RMB

Item	Closing balance	Opening balance
Lease payment	600,566,123.03	863,481,119.65
Minus: Unrecognized financing costs	-48,077,234.37	-62,742,078.14
Total	552,488,888.66	800,739,041.51

Other descriptions:

38. Provisions

In RMB

Item	Closing balance	Opening balance	Reason
Product quality warranty	642,733.24	682,513.39	
Total	642,733.24	682,513.39	

Other descriptions, including major assumptions and estimation descriptions related to significant provisions:

39. Deferred income

In RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Government grants	665,910,095.66	118,233,376.14	188,819,870.75	595,323,601.05	
Total	665,910,095.66	118,233,376.14	188,819,870.75	595,323,601.05	--

Other descriptions:

40. Other non-current liabilities

In RMB

Item	Closing balance	Opening balance
Others	1,471,770.36	324,039.05
Total	1,471,770.36	324,039.05

Other descriptions:

41. Share capital

In RMB

	Opening balance	Increase and decrease (+, -)					Closing balance
		New shares issued	Stock dividend	Shares converted from capital reserve	Others	Subtotal	
Total shares	7,099,908,64 7.00	48,256,556.0 0			3,010.00	48,259,566.0 0	7,148,168,21 3.00

Other descriptions:

Other descriptions: The Company's share capital increased by RMB 48,259,566.00 in the current period, including 48,256,556 shares exercised by the stock option incentive recipients at their sole discretion, and 3,010 shares converted from convertible bonds. After the said exercise and conversion, the Company's share capital increased to 7,148,168,213.00 shares.

42. Other equity instruments

(1) Basic information on preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period

The 10th meeting of the fourth session of the Board of Directors of the Company reviewed and passed the Proposal on Clarifying the Specific Plan for the Public Issuance of Convertible Corporate Bonds. The Company received the Approval for the Public Issuance of Convertible Corporate Bonds to Luxshare Precision Industry Co., Ltd. issued by the China Securities Regulatory Commission on February 19, 2020 (CSRC Permit [2020] No. 247), approving the Company to publicly issue convertible corporate bonds with a total face value of RMB 3,000 million, with a term of 6 years. The RMB 3,000 million convertible corporate bonds of the Company were listed and traded on the Shenzhen Stock Exchange on November 3, 2020, with the bond abbreviation "Luxshare Convertible Bonds" and the bond code "128136".

(2) Changes in preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period

In RMB

Outstanding	Opening	Increase	Decrease	Closing
-------------	---------	----------	----------	---------

financial instruments	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Convertible bonds		527,319,637.88				30,617.60		527,289,020.28
Total		527,319,637.88				30,617.60		527,289,020.28

Descriptions on the increase and decrease in other equity instruments in the current period, the reasons for the changes, and the basis for relevant accounting treatment:

Other descriptions:

43. Capital reserve

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share capital premium)	3,422,693,029.12	1,008,533,620.81		4,431,226,649.93
Other capital reserve	229,933,832.62	731,177,177.72	380,393,026.35	580,717,983.99
Total	3,652,626,861.74	1,739,710,798.53	380,393,026.35	5,011,944,633.92

Other descriptions, including those on the increase and decrease for the current period and the reasons for the change:

Capital reserve - share capital premium increased by RMB 1,008,533,620.81 in the current period, including an increase of RMB 498,442,142.52 from stock option exercise, a transfer of RMB 380,393,026.35 from other capital reserve through stock option exercise, a conversion of RMB 170,204.36 from convertible bonds, and an increase of RMB 129,528,247.58 by other ways;

Capital reserve - the increase in other capital reserve in the current period is due to the cost of share-based payment increased by RMB 731,177,177.72, and the decrease therein is due to the transfer of other capital reserve to share capital premium.

44. Other comprehensive income

In RMB

Item	Opening balance	Amount recognized in the current period						Closing balance
		Amount of income before tax in the current period	Less: amount previously included in other comprehensive income and transferred to profit or loss for the current period	Less: amount previously included in other comprehensive income and transferred to retained earnings for the current	Less: income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	

				period				
I. Other comprehensive income that cannot be reclassified into profit or loss	294,744,93 3.12	- 174,594,42 5.38		37,783,386. 82	- 31,937,428. 44	- 180,440,38 3.76		114,304,54 9.36
Changes in fair value of other investments in equity instruments	294,744,93 3.12	- 174,594,42 5.38		37,783,386. 82	- 31,937,428. 44	- 180,440,38 3.76		114,304,54 9.36
II. Other comprehensive income to be reclassified into profit or loss	356,713,38 3.13	- 348,883,54 7.50				- 322,255,75 5.61	- 26,627,791. 90	34,457,627. 52
Translation difference of foreign currency financial statements	356,713,38 3.13	- 348,883,54 7.50				- 322,255,75 5.61	- 26,627,791. 90	34,457,627. 52
Total other comprehensive income	651,458,31 6.25	- 523,477,97 2.88		37,783,386. 82	- 31,937,428. 44	- 502,696,13 9.37	- 26,627,791. 90	148,762,17 6.88

Other descriptions, including those on the adjustment for conversion of the effective part of profit or loss of cash flow hedging into the initial recognition amount of the hedged item:

45. Special reserve

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Safety production expenses	2,094,879.61	32,093,607.36	30,660,117.17	3,528,369.80
Total	2,094,879.61	32,093,607.36	30,660,117.17	3,528,369.80

Other descriptions, including those on the increase and decrease for the current period and the reasons for the change:

46. Surplus reserve

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	1,121,072,698.83	322,447,486.64		1,443,520,185.47
Total	1,121,072,698.83	322,447,486.64		1,443,520,185.47

Description of surplus reserve, including those on increase and decrease for the current period and the reasons for the change:

47. Undistributed profits

In RMB

Item	Current Period	Prior Period
Undistributed profits at the end of prior period before adjustment	32,288,416,277.22	24,040,637,144.00
Undistributed profits at the beginning of the period after adjustment	32,288,416,277.22	24,040,637,144.00
Add: Net profits attributable to the owners of the parent company in the current period	10,952,656,702.16	9,163,104,849.54
Less: Apportion to statutory surplus reserve	322,447,486.64	135,911,192.22
Common stock dividends payable	926,948,678.85	779,270,547.26
Others	-35,295,097.36	143,976.84
Undistributed profits at the end of the period	42,026,971,911.25	32,288,416,277.22

Details of adjustment of undistributed profits at the beginning of the period:

- 1) The undistributed profits at the beginning of the period affected by the retroactive adjustment as stipulated in the Accounting Standards for Business Enterprises and new regulations newly promulgated relating thereto amounted to RMB0.00.
- 2) The undistributed profits at the beginning of the period affected by the changes in accounting policies amounted to RMB0.00.
- 3) The undistributed profits at the beginning of the period affected by the correction of major accounting errors amounted to RMB0.00.
- 4) The undistributed profits at the beginning of the period affected by changes in the scope of consolidation due to business combination involving enterprises under common control amounted to RMB0.00.
- 5) The undistributed profits at the beginning of the period affected by other adjustments amounted to RMB0.00.

48. Operating income and operating costs

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
------	---	---------------------------------------

	Income	Cost	Income	Cost
Principal business	229,308,417,348.68	203,310,851,043.48	211,943,848,653.92	186,111,713,122.60
Other business	2,597,042,481.15	1,730,449,415.11	2,084,545,637.52	1,817,167,162.78
Total	231,905,459,829.83	205,041,300,458.59	214,028,394,291.44	187,928,880,285.38

If the lower of audited nets profits including and excluding non-recurring profit or loss is negative

Yes No

Breakdown of operating revenue and operating costs

In RMB

Classification of contract	Segment 1		Segment 2				Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
Business type								
Including:								
Merchandise sales revenue	231,905,459,829.83	205,041,300,458.59					231,905,459,829.83	205,041,300,458.59
Classified by operating area								
Including:								
Type of market or customer								
Including:								
Contract type								
Including:								
Classified by time of transfer of goods								
Including:								
Confirm at a certain point	231,905,459,829.83	205,041,300,458.59					231,905,459,829.83	205,041,300,458.59
Classified								

by contract term								
Including:								
Classified by contract term								
Including:								
Total	231,905,459,829.83	205,041,300,458.59					231,905,459,829.83	205,041,300,458.59

Information related to performance obligations:

Item	Time of performance or fulfillment of obligations	Key payment terms	Nature of the company's commitment to transfer goods	Whether they are the primary obligor	Amounts expected to be refunded to customers by the company	The type of quality assurance provided by the company and related obligations
------	---	-------------------	--	--------------------------------------	---	---

Other descriptions:

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the incomes corresponding to the contracts signed whose performance has not been commenced or completed amount to RMB0.00, of which RMB is expected to be recognized in, RMB is expected to be recognized in, and RMB is expected to be recognized in.

Information related to variable consideration in contracts:

Significant contract amendments or significant adjustments in transaction prices.

In RMB

Item	Accounting treatment methods	Amount of impact on revenue.
------	------------------------------	------------------------------

Other descriptions:

49. Taxes and surcharges

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Urban maintenance and construction tax	135,828,066.62	134,237,633.10
Education surcharges	74,879,240.47	82,084,208.17
Property tax	94,893,905.31	75,088,009.87
Land use tax	12,471,189.05	9,681,156.59
Vehicle and vessel use tax	63,832.43	66,685.43

Stamp duty	156,855,629.56	119,933,691.80
Local education surcharges	50,692,853.69	43,726,505.69
Others	9,130,512.93	11,507,549.02
Total	534,815,230.06	476,325,439.67

Other descriptions:

50. Management expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Personnel expenses	2,955,300,979.92	2,752,635,462.67
Depreciation and amortization expenses	1,141,476,216.54	780,606,889.02
Materials and consumables	436,597,420.45	613,926,759.41
Office expenses	241,922,242.64	194,254,096.88
Repair and miscellaneous purchases	157,359,307.86	182,254,970.23
Utilities	65,353,249.13	70,926,413.34
Leasing expenses	116,187,241.86	65,448,985.07
Travel and transportation expenses	42,414,743.05	39,010,434.62
Other expenses	386,245,592.81	376,604,074.11
Total	5,542,856,994.26	5,075,668,085.35

Other descriptions:

51. Selling expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Employee benefits	598,361,422.40	547,517,120.77
Storage and lease expenses	30,444,556.09	36,541,171.64
Consumables and miscellaneous purchases	18,734,939.68	31,804,228.22
Business entertainment expenses	34,681,627.31	25,994,673.80
Depreciation and amortization	19,007,296.20	14,527,746.62
Travel expenses	23,367,644.53	13,269,371.79
Material expenditure	16,493,491.17	10,789,563.43
Transportation expenses	6,688,139.24	5,306,607.96
Employee benefits	18,527,534.76	7,002,044.68
Storage and lease expenses	1,162,239.79	1,558,957.69
Consumables and miscellaneous purchases	121,555,530.46	137,086,653.00
Business entertainment expenses	889,024,421.63	831,398,139.60

Other descriptions:

52. R&D expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Personnel benefits	4,474,219,036.60	4,296,689,104.43
Mould and material cost	1,223,716,713.86	1,659,569,732.34
Depreciation and amortization	1,071,507,770.65	894,098,153.77
Consumables and miscellaneous	298,285,961.53	564,831,528.23
Repair and inspection	373,156,578.61	341,779,541.87
Service fees	206,099,670.82	225,595,394.86
Water and electricity	126,487,095.42	132,921,844.25
Transportation and travel expenses	55,143,408.18	35,267,611.83
Commercial insurance	4,193,418.58	3,153,481.73
Lease fee	72,638,748.64	64,081,121.07
Other expenses	283,319,129.96	229,051,431.83
Total	8,188,767,532.85	8,447,038,946.21

Other descriptions:

53. Financial expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Interest expenses	1,376,870,146.38	1,038,070,641.24
Including: interest cost of lease liabilities		
Less: Interest income	-1,005,580,557.62	-504,344,274.59
Foreign exchange gains or losses	72,796,425.87	337,513,015.17
Others	38,783,312.39	11,481,756.95
Total	482,869,327.02	882,721,138.77

Other descriptions:

54. Other incomes

In RMB

Sources of other incomes	Amount recognized in the current period	Amount recognized in the prior period
Government subsidies	791,098,788.52	596,775,248.61

Input tax credit offset	20,559,877.99	
Withholding personal income tax processing fees	13,530,448.56	5,519,015.29
Total	825,189,115.07	602,294,263.90

55. Income from changes in fair value

In RMB

Sources of income from changes in fair value	Amount recognized in the current period	Amount recognized in the prior period
Held-for-trading financial assets	210,346,832.18	13,625,720.11
Including: Income from changes in fair value of derivative financial instruments	210,346,832.18	13,625,720.11
Total	210,346,832.18	13,625,720.11

Other descriptions:

56. Investment income

In RMB

Long-term equity investment income accounted for using the equity method	2,044,361,609.89	794,759,492.42
Investment income from disposal of long-term equity investment		22,800,675.95
Investment income from disposal of held-for-trading financial assets	279,341,611.63	525,062,938.11
Dividends from other equity instrument investments during holding period	264,713.32	212,413.30
Gains from derecognition of financial assets measured at amortized cost.	-741,342,548.75	-400,156,146.02
Interest income from fixed deposits/large certificates of deposit/financial investments	188,657,405.35	55,598,985.01
Total	1,771,282,791.44	998,278,358.77

Other descriptions:

None.

57. Impairment losses of credit

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Bad debt loss of notes receivable	270,661.65	-297,668.79
Bad debt loss of accounts receivable	25,623,112.25	-45,942,584.71
Bad debt loss of other receivables	-2,619,894.43	-941,685.43
Total	23,273,879.47	-47,181,938.93

Other descriptions:

58. Impairment losses of assets

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
I. Loss of inventory depreciation and impairment loss of contract performance cost	-1,126,386,426.94	-613,236,634.12
IV. Impairment loss of fixed assets	-191,676,433.95	-233,585,496.93
X. Impairment loss of goodwill	-804,455.51	
Total	-1,318,867,316.40	-846,822,131.05

Other descriptions:

59. Income from disposal of assets

In RMB

Sources of income from asset disposal	Amount recognized in the current period	Amount recognized in the prior period
Income from disposal of fixed assets	121,555,370.09	44,833,504.83
Income from disposal of intangible assets	53,313.42	-10,551.92
Income from disposal of right-of-use assets	1,258,494.01	3,108,576.72
Total	122,867,177.52	47,931,529.63

60. Non-operating income

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period	Amount included in non-recurring profit or loss for the current period
Income from compensation for breach of contract	70,247,182.56	16,376,930.09	70,247,182.56
Income from asset retirement	5,791,215.56	5,538,035.76	5,791,215.56
Others	17,420,629.28	12,397,333.89	17,420,629.28
Total	93,459,027.40	34,312,299.74	93,459,027.40

61. Non-operating expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period	Amount included in non-recurring profit or loss for the current period
External donation	11,692,180.78	1,279,333.00	11,692,180.78
Asset retirement loss	22,307,439.97	13,071,784.99	22,307,439.97
Compensation, liquidated damages and fines	14,784,120.05	6,424,974.87	14,784,120.05
Others	19,551,144.99	10,029,281.47	19,551,144.99
Total	68,334,885.79	30,805,374.33	68,334,885.79

Other descriptions:

62. Income tax expenses

(1) Income tax expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Current income tax expense	1,024,939,081.02	657,866,108.46
Deferred income tax expense	-383,109,737.84	9,452,096.88
Total	641,829,343.18	667,318,205.34

(2) Reconciliation of income tax expenses to the accounting profit

In RMB

Item	Amount recognized in the current period
Total profits	12,885,042,486.31

Income tax expense calculated based on statutory/applicable tax rate	1,933,491,772.90
Effect of different tax rates of subsidiaries operating in other jurisdictions	-189,779,320.46
Effect of adjustment on income tax for prior period	-13,915,839.15
Effect of non-taxable income	-301,762,515.51
Effect of non-deductible cost, expense and loss	57,627,081.37
Effect of utilizing deductible loss not recognized for deferred tax assets for prior period	-434,036,917.84
Effect of deductible temporary difference or deductible loss not recognized for deferred tax assets for the current period	310,496,195.13
Change in the balance of opening deferred tax assets/liabilities caused by tax rate adjustment	244,000.92
Additional deduction of R&D expenses (presented in negative)	-633,930,614.80
Difference from exercise of stock option	-71,252,929.20
Additional deduction of expenses used for disable persons	-6,146,223.87
Others	-9,205,346.31
Income tax expenses	641,829,343.18

Other descriptions:

63. Other comprehensive income

Please refer to Note 44.

64. Items in the cash flow statement

(1) Cash related to operating activities

Other cash received related to operating activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Special subsidies and grants	730,512,293.94	729,647,415.38
Lease income	86,864,463.17	30,878,939.74
Interest income	1,005,580,557.62	504,344,274.59
Non-operating income	83,854,908.45	28,383,594.53
Recovery of current accounts and disbursements	2,344,231,763.48	1,388,046,955.47
Total	4,251,043,986.66	2,681,301,179.71

Descriptions on other cash received related to operating activities:

(2) Other cash paid related to operating activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Selling expenses	239,741,364.82	263,930,838.26
General and administrative expenses	1,354,873,317.36	1,414,021,613.64
R&D expenses	1,079,345,043.17	984,376,384.20
Inter-company transactions	1,342,835,159.67	1,234,314,047.35
Transferred to restricted funds	2,554,396,002.20	1,000,000,000.00
Non-operating expenses	46,027,445.82	17,733,589.34
Handling charges	38,783,312.39	11,481,756.95
Total	6,656,001,645.43	4,925,858,229.74

Descriptions on other cash paid related to operating activities:

(3) Cash related to investing activities

Other cash received related to investing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Reversal of restricted funds	427,650,270.00	715,017,358.71
Recovery of suppliers' borrowings		30,000,000.00
Total	427,650,270.00	745,017,358.71

Significant cash receipts related to investing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
------	---	---------------------------------------

Descriptions on other cash received related to investing activities:

Other cash paid related to investing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Transferred to restricted funds		427,650,270.00
Payment for acquisition of equity deposits	140,474,000.00	
Net cash paid for disposal of subsidiaries		385,253.59
Others		
Total	140,474,000.00	428,035,523.59

Significant cash payments related to investing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
------	---	---------------------------------------

Descriptions on other cash paid relating to investing activities:

(3) Cash related to financing activities

Other cash received related to financing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Short-term financing bonds	2,800,000,000.00	6,600,000,000.00
Reversal of restricted funds	701,054,171.58	
Taxes withheld from shareholder for reduction of shares		921,511,778.98
Other	30,370,799.83	5,960,996.25
Total	3,531,424,971.41	7,527,472,775.23

Descriptions on other cash received related to financing activities:

Other cash paid related to financing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Short-term financing bonds	5,800,000,000.00	4,400,000,000.00
Borrowings returned to minority shareholders		1,953,239,500.00
Taxes prepaid for shareholder for reduction of shares		921,511,778.98
Transferred to restricted funds		700,123,698.63
Lease fee	203,632,926.89	159,062,113.35
Financing charges	6,203,470.61	4,184,658.23
Total	6,009,836,397.50	8,138,121,749.19

Descriptions on other cash paid related to financing activities:

Changes in liabilities generated from financing activities

Applicable N/A

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
------	-----------------	----------	----------	-----------------

65. Supplementary information to cash flow statement

(1) Supplementary information to cash flow statement

In RMB

Supplementary information	Current period	Prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profits	12,243,213,143.13	10,490,676,778.96
Add: Provision for impairment of assets	1,295,593,436.93	894,004,069.98
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	9,619,607,257.96	7,233,705,585.39
Depreciation of right of use assets	176,390,984.93	168,866,435.84
Amortization of intangible assets	233,129,170.31	170,869,522.76
Amortization of Long-term deferred expenses	467,456,067.68	395,513,128.13
Loss from disposal of fixed assets, intangible assets and other long-term assets (“-” means income)	-122,867,177.52	-47,931,529.63
Loss from fixed assets retirement (“-” means income)	16,516,224.41	7,533,749.23
Loss from changes in fair value (“-” means income)	-210,346,832.18	-13,625,720.11
Financial expenses (“-” means income)	1,376,870,146.38	1,038,070,641.24
Investment loss (“-” means income)	-1,771,282,791.44	-998,278,358.77
Decrease in deferred income tax assets (“-” means increase)	339,083,213.97	-316,866,043.97
Increase in deferred tax liabilities (“-” means decrease)	-694,171,671.54	326,646,031.03
Decrease in inventories (“-” means increase)	7,239,478,351.05	-15,791,020,357.63
Decrease in operating receivables (“-” means increase)	2,054,810,808.92	6,415,757,847.29
Increase in operating accounts payable (“-” means decrease)	-4,658,419,921.83	2,753,688,539.60
Other		
Net cash flow from operating activities	27,605,060,411.16	12,727,610,319.34
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets acquired under finance		

leases		
3 . Net changes in cash and cash equivalents:		
Closing balance of cash	29,684,152,320.65	17,312,418,429.51
Less: Opening balance of cash	17,312,418,429.51	8,921,536,728.08
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	12,371,733,891.14	8,390,881,701.43

(2) Composition of cash and cash equivalents

In RMB

Item	Closing balance	Opening balance
I. Cash	29,684,152,320.65	17,312,418,429.51
Including: Cash on hand	376,233.09	1,236,553.93
Bank deposits available for payment at any time	29,683,776,087.56	17,311,181,875.58
III. Closing balance of cash and cash equivalents	29,684,152,320.65	17,312,418,429.51

(3) Restricted cash and cash equivalents included in cash and cash equivalents

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period	Reasons for still being classified as cash and cash equivalents

(4) Cash and cash equivalents not classified as monetary funds

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period	Reasons for not being classified as cash and cash equivalents
Other monetary funds	3,935,387,136.86	2,054,791,011.90	Restricted cash due to opening bills, letters of credit, etc.
Total	3,935,387,136.86	2,054,791,011.90	

Other descriptions:

(5) Other significant activity explanations**66. Foreign currency monetary items****(1) Foreign currency monetary items**

In RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			18,713,530,707.15
Including: USD	2,596,502,767.98	7.0827	18,390,250,154.74
EUR	3,870,452.81	7.8592	30,418,662.73
HKD	72,294,436.24	0.9062	65,514,664.01
JPY	31,612,655.09	0.0502	1,587,366.25
TWD	798,000,181.98	0.2314	184,657,242.11
VND	126,579,190.95	0.0003	36,923.15
KRW	2,082,492,112.80	0.0055	11,482,861.51
GBP	64,783.34	9.0411	585,712.66
INR	306,403,430.86	0.0855	26,191,365.27
SGD	488,609.06	5.3772	2,627,348.62
MXN	426,659.90	0.4181	178,406.10
Accounts receivable			14,254,413,067.37
Including: USD	2,008,564,201.57	7.0827	14,226,057,670.45
EUR	823,666.02	7.8592	6,473,356.01
HKD	19,751,279.30	0.9062	17,899,004.32
TWD	17,212,776.97	0.2314	3,983,036.59
Accounts receivable			392,981,525.32
Including: USD			
EUR			
HKD	79,999,998.63	0.9062	72,497,598.76
TWD	1,384,978,075.02	0.2314	320,483,926.56
Other receivables			152,513,272.42
Including: USD	18,846,909.45	7.0827	133,487,005.53
EUR	1,129,258.50	7.8592	8,875,068.40
HKD	3,278,527.45	0.9062	2,971,067.15
JPY	35,227,117.28	0.0502	1,768,859.24
TWD	15,032,972.00	0.2314	3,478,629.72
VND	228,072,060.34	0.0003	66,528.62

KRW	149,985,819.73	0.0055	827,021.81
INR	11,996,496.49	0.0855	1,025,460.52
MXN	32,599.54	0.4181	13,631.43
Short-term borrowings			510,175,658.40
Including: USD	60,022,209.58	7.0827	425,119,303.80
HKD	52,443,728.10	0.9062	47,525,555.28
TWD	162,190,143.99	0.2314	37,530,799.32
Accounts payable			27,193,453,315.89
Including: USD	3,833,979,042.12	7.0827	27,154,923,361.62
EUR	1,341,989.97	7.8592	10,546,967.57
HKD	1,766,637.16	0.9062	1,600,961.93
JPY	193,719,449.15	0.0502	9,727,234.70
TWD	53,608,131.98	0.2314	12,404,921.74
GBP	2,731.46	9.0411	24,695.40
INR	49,428,789.54	0.0855	4,225,172.93
Other payables			74,389,437.43
Including: USD	8,044,044.73	7.0827	56,973,555.61
EUR	25,599.96	7.8592	201,195.21
HKD	5,258,795.18	0.9062	4,765,625.37
JPY	7,707,951.13	0.0502	387,039.35
TWD	29,340,615.00	0.2314	6,789,418.31
KRW	147,420,790.71	0.0055	812,878.24
GBP	37,625.57	9.0411	340,176.54
INR	235,179.34	0.0855	20,103.13
MXN	9,803,768.35	0.4181	4,099,445.67

Other descriptions:

(2) Descriptions on overseas business entities, including, with respect to significant overseas business entities, disclosure of their overseas main business place, functional currency and selection basis, and the reasons for changes in functional currency (if any).

Applicable N/A

67. Lease

(1) Company as lessee

Applicable N/A

Variable lease payments not included in lease liability measurement

Applicable N/A

Lease expense for short-term leases or low-value assets with simplified treatment

Applicable N/A

Item	Amount recognized in the current period	Amount recognized in the prior period
Interest expense on lease liabilities	27,150,426.74	44,537,265.44
Simplified short-term lease expenses recognized in the cost of related assets or in current period profit or loss	201,471,466.53	141,495,257.7
Simplified lease expenses for low-value assets recognized in the cost of related assets or in current period profit or loss (excluding short-term lease expenses for low-value assets)		
Variable lease payments not included in lease liability measurement recognized in the cost of related assets or in current period profit or loss		
Including: Portion generated from sale and leaseback transactions		
Income from subleasing right-of-use assets acquired		
Income from subleasing right-of-use assets acquired	405,104,393.42	300,557,370.62
Related profit or loss generated from sale and leaseback transactions		
Cash inflows from sale and leaseback transactions		
Cash inflows from sale and leaseback transactions		

Sale and leaseback transactions involved

None.

68. Others

None.

VIII. R&F Expenditures

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Personnel benefits	4,474,219,036.60	4,296,689,104.43
Mould and material cost	1,223,716,713.86	1,659,569,732.34
Depreciation and amortization	1,071,507,770.65	894,098,153.77
Consumables and miscellaneous	298,285,961.53	564,831,528.23
Repair and inspection	373,156,578.61	341,779,541.87
Service fees	206,099,670.82	225,595,394.86
Water and electricity	126,487,095.42	132,921,844.25
Transportation and travel expenses	55,143,408.18	35,267,611.83
Commercial insurance	4,193,418.58	3,153,481.73
Lease fee	72,638,748.64	64,081,121.07
Other expenses	283,319,129.96	229,051,431.83
Total	8,188,767,532.85	8,447,038,946.21
Including: Expense research and development costs	8,188,767,532.85	8,447,038,946.21

IX. Changes in scope of consolidation**1. Business combination not involving enterprises under common control****(1) Business combination not involving enterprises under common control in the current period**

In RMB

Name of combined party	Proportion of equity acquired in the business combination	Basis for constituting the business combination under the same control	Combination date	Basis for determining the combination date	Income of the combined party from the beginning of the current period to the combination date	Net profits of the combined party from the beginning of the current period to the combination	Income of the combined party during the comparison period	Net profits of the combined party during the comparison period
------------------------	---	--	------------------	--	---	---	---	--

						date		
--	--	--	--	--	--	------	--	--

Other descriptions:

2. Business combination involving enterprises under common control

(1) Business combination involving enterprises under common control in the current period

In RMB

Name of combined party	Equity ratio obtained in business combination	Basis for business combination involving enterprises under common control	Combination date	Basis for determining the combination date	Income of the combined party from the beginning of the current period to the combination date	Net profit of the combined party from the beginning of the current period to the combination date	Income of the combined party during the comparison period	Net profit of the combined party during the comparison period

Other descriptions:

None.

3. Changes in consolidation scope for other reasons

Descriptions on changes in the scope of consolidation for other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related situations:

The Company's changes in scope of consolidation caused by newly established subsidiaries in 2023 are stated as follows:

Company	Date of establishment
Luxshare Precision Industry (Huzhou), Ltd.	2023/1/1
TIME Interconnect Technology Limited	2023/1/10
Kunshan TIME Interconnect Technology Limited	2023/1/19
Luxshare Technologies International, Inc.	2023/3/24
Linkz Cables Mexico S.DE R.L. DE C.W.	2023/4/14
ICT Legend S. DE R.L. DE C.V.	2023/5/8
Lixin Precision Intelligent Manufacturing (Shantou) Co., Ltd.	2023/6/19
Luxshare Precision Industry (Anhui) Co., Ltd.	2023/7/21
Luxshare Technologies Mexico S. de. R.L.de c.v.	2023/8/14
Luxshare Technologies (Vietnam)Co., ltd	2023/8/29
Dongguan Luxshare Holdings Co., Ltd.	2023/9/5
Luxcase Precision Technology (Vietnam)Co., Ltd.	2023/11/10

Changes in the scope of consolidation resulting from the subsidiary's dissolution in 2023 are as follows:

Company name	Date of cancelation
Kunshan Luxshare Precision Mould Co., Ltd.	2023/2/6
Henan Leader Precision Industry Co., Ltd.	2023/6/21

4. Others

Other changes in the scope of consolidation include the absorption merger of Xuande Technology Co., Ltd. with Taiqiao Investment Co., Ltd. during the year. Xuande Technology Co., Ltd. assumed its assets and liabilities, and Taiqiao Investment Co., Ltd. was dissolved.

X. Equity in other entities

1. Equity in subsidiaries

(1) Composition of the enterprise group

In RMB

Luxshare Precision Technology Co., Ltd.	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding ratio		Method of acquisition
					Direct	Indirect	
Luxshare Precision Technology Co., Ltd.	USD 9 million and RMB 100 million	Hong Kong	Hong Kong	Investment consulting	100.00%		Establishment
Taiwan Luxshare Precision Limited	NT\$618.758 million	Taiwan	Taiwan	Marketing business		100.00%	Establishment
Luxshare ICT, Inc.	USD 2 million	United States	United States	Marketing business		100.00%	Establishment
Luxshare-ICT Europe Limited	GBP 100	UK	UK	Marketing business		100.00%	Establishment
Luxshare Precision Limited	USD 5 million	Hong Kong	Hong Kong	Trade	100.00%		Establishment
Yunding Technology Co., Ltd.	USD 7.58853 million	Hong Kong	Hong Kong	Investment consulting		100.00%	Establishment
Huzhou Jiuding Electronic Co., Ltd.	RMB 30,800,000	Huzhou	Huzhou	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control

LUXSHARE-ICT Japan Ltd.	JPY 80 million	Japan	Japan	Marketing business		80.00%	Establishment
Korea LuxshareICT Co., Ltd	KRW 545,750,000	Korea	Korea	Marketing business		100.00%	Establishment
Luxshare India Private Limited	NPR557,500,000	India	Chennai	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Investment Co., Ltd.	USD 100	Hong Kong	Hong Kong	Investment consulting		100.00%	Establishment
Luxis Technology Limited	USD 1.5 million	Hong Kong	Hong Kong	Trade		100.00%	Establishment
Luxshare Liantao (India) Co., Ltd.	INR 1.4 million	India	India	Processing and manufacturing		100.00%	Establishment
TIME Interconnect Technology Limited	HKD 19.45952 million	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under common control
Huaxun Cable Co., Ltd.	HKD 8.39 million	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under common control
Linkz International Limited	HKD 10,000	Hong Kong	Hong Kong	Trade		70.95%	Business combination involving enterprises not under common control
Huaxun Industrial (Suzhou) Co., Ltd.	USD 30 million	Kunshan	Kunshan	Processing and manufacturing		70.95%	Business combination involving enterprises not under

							common control
Huaxun Hong Kong Limited	HKD 10 million	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under common control
Lingxun Wire Industry (Shanghai) Co., Ltd.	USD 15 million	Shanghai	Shanghai	Processing and manufacturing		67.40%	Business combination involving enterprises not under common control
Haohe Manufacturing Co., Ltd.	HKD 8 million	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under common control
Haohe (Kunshan) Electronic Material Co., Ltd.	HKD 30 million	Kunshan	Kunshan	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
Kunshan Deqin Machinery Co., Ltd.	RMB 10 million	Kunshan	Kunshan	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
Time Interconnect Investment Limited	HKD 77,934	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under

							common control
TIME Interconnect (HK) Limited	HKD 10,000	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Technology (Huizhou) Limited	USD 28.60286 million	Huizhou	Huizhou	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Industrial Co., Ltd.	HKD 2 million	Hong Kong	Hong Kong	Trade		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Wiring Technology Co., Ltd.	HKD 68.935877 million	Hong Kong	Hong Kong	Trade		70.95%	Business combination involving enterprises not under common control
Huizhou Chuangxiang Technology Co., Ltd.	RMB 140,525,010	Huizhou	Huizhou	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
Huiju Robot Technology (Shanghai) Co., Ltd.	RMB 12.939 million	Shanghai	Shanghai	Processing and manufacturing		70.95%	Business combination involving enterprises

							not under common control
Huizhi Software Technology (Huizhou) Co., Ltd.	RMB 680,389	Huizhou	Huizhou	Software sales and services		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Wiring Technology (Huizhou) Co., Ltd.	RMB29.9753 million	Huizhou	Huizhou	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Server Technology Co., Ltd.	HKD 10,000	Hong Kong	Hong Kong	Trade		70.95%	Business combination involving enterprises not under common control
Dachuang Precision Intelligent Manufacture (Dongguan) Co., Ltd.	RMB 200,000,000	Dongguan	Dongguan	Processing and manufacturing		70.95%	Establishment
Dachuang Precision Intelligent Manufacture (Kunshan) Co., Ltd.	RMB 200,000,000	Kunshan	Kunshan	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
Huiju Dachuang Information (Shanghai) Co., Ltd.	RMB 50 million	Shanghai	Shanghai	Processing and manufacturing		70.95%	Establishment
TIME Interconnect Technology Limited	RMB 50 million	Wan'an	Wan'an	Processing and manufacturing		70.95%	Establishment

Kunshan TIME Interconnect Technology Limited	RMB 250,000,000	Kunshan	Kunshan	Processing and manufacturing		70.95%	Establishment
Linkz Cables Mexico S.deR.L. de C.V.	MXN 50,000	Mexico	Mexico	Processing and manufacturing		70.95%	Establishment
Singapore Luxshare Co., Ltd.	USD 700,000	Singapore	Singapore	Marketing business		100.00%	Establishment
ICT Legend S. DE R.L. DE C.V.	MXN 246,109,367	Mexico	Mexico	Processing and manufacturing		100.00%	Establishment
ICT-LANTO LIMITED(HK)	USD 153,290,322	Hong Kong	Hong Kong	Trade	100.00%		Business combination involving enterprises not under common control
Xuande Technology Co., Ltd.	NTD 1.719573 billion	Taiwan	Taiwan	Processing and manufacturing		31.15%	Business combination involving enterprises not under common control
Castle Rock, Inc.	NTD 104,000,000	Taiwan	Taiwan	Processing and manufacturing		12.46%	Business combination involving enterprises not under common control
Cyber Acoustics, LLC(USA)	USD 310,400	United States	United States	Trade		21.81%	Business combination involving enterprises not under common control

Caldigit Holding Limited	USD 3 million	United States	Cayman Islands	Investment consulting		12.46%	Business combination involving enterprises not under common control
Taihan Precision Co., Ltd.	NTD 1,500,000,000	Taiwan	Taiwan	Processing and manufacturing		9.14%	Business combination involving enterprises not under common control
Luxshare-ICT (Vietnam) Limited	VND 2.8056336 trillion	Vietnam	Vietnam	Processing and manufacturing		100.00%	Establishment
Luxshare-ICT (Van Trung) Company Limited	#N/A	Vietnam	Vietnam	Processing and manufacturing		100.00%	Establishment
Luxshare-ICT (Nghe An) Limited	VND 2.663 trillion	Vietnam	Vietnam	Processing and manufacturing		100.00%	Establishment
Kunshan Luxshare Precision Industry Co., Ltd.	RMB 508,000,000	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Industry (Baoding) Co., Ltd.	RMB 70 million	Baoding	Baoding	Processing and manufacturing		100.00%	Establishment
Xuancheng Luxshare Precision Industry Co., Ltd.	RMB 100,000,000	Xuancheng	Xuancheng	Processing and manufacturing		100.00%	Establishment
Luxshare Electronic (Shanghai) Co., Ltd.	RMB 100,000,000	Shanghai	Shanghai	Processing and manufacturing		88.00%	Establishment
Luxshare Precision Industry (Jiangsu) Co., Ltd.	RMB 50 million	Liyang	Liyang	Processing and manufacturing		100.00%	Establishment
Yancheng Luxshare Precision Industry Co., Ltd.	RMB 50 million	Yancheng	Yancheng	Processing and manufacturing		100.00%	Establishment

Luxshare Precision Industry (Hefei) Co., Ltd.	RMB 20 million	Hefei	Hefei	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Hubei) Co., Ltd.	RMB 50 million	Macheng	Macheng	Processing and manufacturing		100.00%	Establishment
Luxshare Automotive Technology (Shanghai) Co., Ltd.	RMB 20 million	Shanghai	Shanghai	Processing and manufacturing		90.00%	Establishment
Luxshare Precision Industry (Wuhu) Co., Ltd.	RMB 20 million	Wuhu	Wuhu	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Anhui) Co., Ltd.	RMB 50 million	Fuyang	Fuyang	Processing and manufacturing		100.00%	Establishment
Kunshan Lanto Electronic Limited	RMB 2.32 billion	Kunshan	Kunshan	Processing and manufacturing	100.00%		Business combination involving enterprises not under common control
Bozhou Lanto Electronic Limited	RMB 130,000,000	Bozhou	Bozhou	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
Bozhou Xuntao Electronic Limited	RMB 2 million	Bozhou	Bozhou	Processing and manufacturing		100.00%	Establishment
Suining Luxshare Precision Industry Co., Ltd.	RMB 20 million	Suining	Suining	Processing and manufacturing		100.00%	Establishment
Merry Electronics (Suzhou) Co., Ltd.	USD 91.836735 million	Suzhou	Suzhou	Processing and manufacturing		51.00%	Business combination involving enterprises not under

							common control
Beijing Luxshare Acoustic Technology Co., Ltd.	RMB 10 million	Beijing	Beijing	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Shanxi) Co., Ltd.	RMB 90 million	Changzhi	Changzhi	Processing and manufacturing		100.00%	Establishment
Changzhi Luxshare Precision Industry Co., Ltd.	RMB 20 million	Changzhi	Changzhi	Processing and manufacturing		100.00%	Establishment
Suzhou Lanto Electronic Co., Ltd.	RMB 180,000,000	Suzhou	Suzhou	Processing and manufacturing		100.00%	Establishment
Wan'an Xiexun Electronic Co., Ltd.	RMB 40 million	Wan'an	Wan'an	Processing and manufacturing	100.00%		Establishment
Xiexun Electronic (Ji'an) Co., Ltd.	RMB 114,718,979.44	Ji'an	Ji'an	Processing and manufacturing	100.00%		Business combination involving enterprises not under common control
ASAP Technology (Jiangxi) Co., Ltd.	RMB 100,924,134	Ji'an	Ji'an	Processing and manufacturing		93.90%	Business combination involving enterprises not under common control
Yongxin County Boshuo Electronic Co., Ltd.	RMB 20 million	Yongxin County	Yongxin County	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
Xinyu Xiexun Electronic Co., Ltd.	RMB 11 million	Xinyu	Xinyu	Processing and manufacturing		100.00%	Establishment

Jiangxi ASAP Electronic Co., Ltd.	RMB 10 million	Ji'an	Ji'an	Processing and manufacturing		100.00%	Establishment
Fujian JK Wiring Systems Co., Ltd.	USD 5.6 million	Fuzhou	Fuzhou	Processing and manufacturing	55.00%		Business combination involving enterprises not under common control
Jianou JK Wiring Systems Co., Ltd.	RMB 4 million	Jian'ou	Jian'ou	Processing and manufacturing		55.00%	Establishment
Luxshare Electronic Technology (Kunshan) Co., Ltd.	RMB 2.2 billion	Kunshan	Kunshan	Processing and manufacturing	100.00%		Business combination involving enterprises not under common control
Shenzhen Luxshare Acoustics Technology Ltd.	RMB 28 million	Shenzhen	Shenzhen	Processing and manufacturing	100.00%		Establishment
Fengshun Luxshare Precision Industry Co., Ltd.	RMB 10 million	Fengshun	Fengshun	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Industry (Chuzhou), Ltd.	RMB 758,000,000	Chuzhou	Chuzhou	Processing and manufacturing	100.00%		Establishment
Luxshare New Energy (Anhui) Co., Ltd.	RMB 180,000,000	Chuzhou	Chuzhou	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Mingguang) Co., Ltd.	RMB 50 million	Chuzhou	Chuzhou	Processing and manufacturing		100.00%	Establishment
SuK Kunststofftechnik GmbH	ERU 25,564	Germany	Germany	Processing and manufacturing	100.00%		Business combination involving enterprises not under

							common control
Luxshare Automation (Jiangsu) Ltd.	RMB 30 million	Kunshan	Kunshan	Processing and manufacturing	70.00%		Business combination involving enterprises not under common control
Dongguan Luxshare Precision Industry Co., Ltd.	RMB 1 billion	Dongguan	Dongguan	Processing and manufacturing	100.00%		Establishment
Guangdong Luxshare & Merry Electronics Co., Ltd.	RMB 200,000,000	Dongguan	Dongguan	Processing and manufacturing		51.00%	Establishment
Merry Electronics (Huizhou) Co., Ltd.	RMB 100,000,000	Huizhou	Huizhou	Processing and manufacturing		51.00%	Business combination involving enterprises not under common control
Merry Electronics (Shanghai) Co., Ltd.	RMB 1.65963 million	Shanghai	Shanghai	Trade		51.00%	Business combination involving enterprises not under common control
Xingning Luxshare Electronic Co., Ltd.	RMB 8.5 million	Xingning	Xingning	Processing and manufacturing		100.00%	Establishment
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	RMB 1 billion	Ji'an	Ji'an	Processing and manufacturing	100.00%		Establishment
Shenzhen Luxshare Standard Co., Ltd.	RMB 30 million	Shenzhen	Shenzhen	Processing and manufacturing	70.00%		Establishment
Luxshare Standard Limited (HK)	USD 1.45764 million	Hong Kong	Hong Kong	Processing and manufacturing		70.00%	Establishment

Luxshare Precision Industry (Enshi) Co., Ltd.	RMB 100,000,000	Enshi	Enshi	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Industry (Suzhou) Co., Ltd.	RMB 130,000,000	Suzhou	Suzhou	Processing and manufacturing	100.00%		Establishment
Luxshare iTech (Zhejiang) Co., Ltd.	RMB 730,000,000	Jiashan	Jiashan	Processing and manufacturing	100.00%		Establishment
Luxshare Electronic Service (Zhejiang) Co., Ltd.	RMB 50 million	Jiashan	Jiashan	Processing and manufacturing		100.00%	Establishment
Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.	RMB 1.3 billion	Changshu	Changshu	Processing and manufacturing	100.00%		Establishment
Dongguan Luxshare Technology Co., Ltd.	RMB 571,106,365.50	Dongguan	Dongguan	Processing and manufacturing	93.90%		Establishment
Luxshare Technologies Limited	RMB 5 million	Hong Kong	Hong Kong	Processing and manufacturing		93.90%	Establishment
Dongguan Xuntao Electronic Co., Ltd.	RMB 539,817,955.50	Dongguan	Dongguan	Processing and manufacturing		93.90%	Business combination involving enterprises not under common control
Xingning Luxshare Technology Co., Ltd.	RMB 5 million	Xingning	Xingning	Processing and manufacturing		93.90%	Establishment
Suzhou Luxshare Technology Co., Ltd.	RMB 200,000,000	Kunshan	Kunshan	Processing and manufacturing		93.90%	Establishment
Hangzhou Xuntao Technology Co., Ltd.	RMB 25 million	Hangzhou	Hangzhou	Processing and manufacturing		93.90%	Establishment
Zhejiang Puxing Electronic Technology Co., Ltd.	RMB 14.6 million	Zhejiang	Zhejiang	Processing and manufacturing		65.73%	Business combination involving enterprises

							not under common control
Dongguan Luxshare Smart-Link Technology Co., Ltd.	RMB 80 million	Dongguan	Dongguan	Processing and manufacturing		93.90%	Establishment
Shenzhen Huarong Technology Co., Ltd.	RMB 12.5 million	Shenzhen	Shenzhen	Processing and manufacturing		71.39%	Business combination involving enterprises not under common control
Dongguan Huarong Communications Technology Co., Ltd.	RMB 20 million	Dongguan	Dongguan	Processing and manufacturing		71.39%	Business combination involving enterprises not under common control
Dongguan Huarong Supply Chain Management Co., Ltd.	RMB 10 million	Dongguan	Dongguan	Processing and manufacturing		71.39%	Business combination involving enterprises not under common control
Dongguan Changlong Communications Technology Co., Ltd.	RMB 2 million	Dongguan	Dongguan	Processing and manufacturing		71.39%	Business combination involving enterprises not under common control
Luxshare Technology Co., Ltd. (Huizhou)	RMB 100,000,000	Huizhou	Huizhou	Processing and manufacturing		65.73%	Establishment
Shenzhen Sanhe Rongyu Technology Co., Ltd.	RMB 1 million	Shenzhen	Shenzhen	Processing and manufacturing		93.90%	Business combination involving enterprises not under

							common control
Shantou Luxshare Technologies Co., Ltd.	RMB 100,000,000	Shantou	Shantou	Processing and manufacturing		93.90%	Establishment
Luxshare Technologies International, Inc.	USD 1 million	United States	United States	Marketing business		93.90%	Establishment
Luxshare Technologies (Vietnam)Co., Ltd	VND 105.3 billion	Vietnam	Vietnam	Processing and manufacturing		93.90%	Establishment
Luxshare Technologies Mexico S. de. R.L.de c.v.	MXN 40,000	Mexico	Mexico	Processing and manufacturing		93.90%	Establishment
Changshu Luxshare Industrial Investment Management Co., Ltd.	RMB 660,000,000	Changshu	Changshu	Investment consulting	100.00%		Establishment
Rugao Luxshare Corporate Management Services Partnership (Limited Partnership)	RMB 2.2 billion	Rugao	Rugao	Investment consulting		100.00%	Establishment
Lianxun Intelligent Equipment (Rugao) Co., Ltd.	RMB 2.201 billion	Rugao	Rugao	Equipment rent and sales		100.00%	Establishment
Yancheng Luxshare Corporate Management Services Partnership (Limited Partnership)	RMB 2.2 billion	Yancheng	Yancheng	Investment consulting		9.09%	Establishment
Luxshare Intelligent Equipment (Yancheng) Co., Ltd.	RMB 2.201 billion	Yancheng	Yancheng	Equipment rent and sales		9.14%	Establishment
Jiashan Luxshare Business Management Service Partnership (LP)	RMB 2.2 billion	Jiashan	Jiashan	Investment consulting		9.09%	Establishment
Jiashan Luxshare Intelligent Equipment Co., Ltd.	RMB 2.201 billion	Jiashan	Jiashan	Equipment rent and sales		9.14%	Establishment

Kunshan Luxshare Enterprise Management Development Co., Ltd.	RMB 200,000,000	Kunshan	Kunshan	Investment consulting	100.00%		Establishment
Kunshan Luxshare Corporate Services (Limited Partnership)	RMB 2.2 billion	Kunshan	Kunshan	Investment consulting		9.09%	Establishment
Luxshare Intelligent Equipment Co., Ltd. (Kunshan)	RMB 2.201 billion	Kunshan	Kunshan	Equipment rent and sales		9.14%	Establishment
Luxshare Precision Technology (Xi'an) Co., Ltd.	RMB 50 million	Xi'an	Xi'an	Processing and manufacturing		93.90%	Establishment
Luxshare Electronic Technology (Enshi) Co., Ltd.	RMB 245,000,000	Enshi	Enshi	Processing and manufacturing	100.00%		Establishment
Luxis Technology (Kunshan) Co., Ltd.	RMB 245,000,000	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Luxcase Precision Technology (Yancheng) Co., Ltd.	RMB 6.264312296 billion	Yancheng	Yancheng	Processing and manufacturing	49.75%		Business combination involving enterprises not under common control
Ri Pei Computer Accessory (Shanghai) Co., Ltd.	RMB 30.848 million	Shanghai	Shanghai	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	RMB 1.437684 billion	Jiashan	Jiashan	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control

Ri Ming Computer Accessory Co., Ltd. (Shanghai)	RMB 638,928,568	Shanghai	Shanghai	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Sheng-Rui Electronic Technology Limited (Shanghai)	RMB 63.603 million	Shanghai	Shanghai	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	RMB 2.5 billion	Rugao	Rugao	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Caseteck Singapore PTE. LTD.	USD 730,000	Singapore	Singapore	Trade		49.75%	Business combination involving enterprises not under common control
Luxshare Smart Manufacturing Co., Ltd. (Rugao)	RMB 100,000,000	Rugao	Rugao	Processing and manufacturing		49.75%	Establishment
Luxcase Precision Technology Co., Ltd. (Kunshan)	RMB 500,000,000	Kunshan	Kunshan	Processing and manufacturing		49.75%	Establishment
Luxcase Precision Technology (Vietnam)Co., Ltd.	VND 172.8 billion	Vietnam	Vietnam	Processing and manufacturing		49.75%	Establishment
Luxcase Precision Technology Co., Ltd. (Kunshan)	RMB 300,000,000	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment

Luxis Precision Intelligent Manufacture (Shantou) Co., Ltd.	RMB 100,000,000	Shantou	Shantou	Trade		100.00%	Establishment
Luxshare Intelligent Manufacture Service (Kunshan) Co., Ltd.	RMB 200,000,000	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Liding Electronic Technology (Dongguan) Co., Ltd.	RMB 250,000,000	Dongguan	Dongguan	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Technology (Nanjing) Co., Ltd.	RMB 50 million	Nanjing	Nanjing	Processing and manufacturing	100.00%		Establishment
Fengshun Luxshare Intelligent Manufacture Co., Ltd.	RMB 250,000,000	Fengshun	Fengshun	Processing and manufacturing	100.00%		Establishment
Lisen Precision Technology (Kunshan) Co., Ltd.	RMB 170,000,000	Kunshan	Kunshan	Processing and manufacturing	76.47%		Establishment
Luxshare Precision Industry (Huzhou), Ltd.	RMB 250,000,000	Huzhou	Huzhou	Processing and manufacturing	100.00%		Establishment
Dongguan Luxshare Holdings Co., Ltd.	RMB 200,000,000	Dongguan	Dongguan	Investment consulting	100.00%		Establishment

Descriptions on the difference between the shareholding ratio and the voting right ratio in the subsidiary:

Basis for holding half or less voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

Basis for the control of significant structured entities included in the consolidation scope:

Basis for determining whether a company is an agent or a principal:

Other descriptions:

(2) Significant non-wholly-owned subsidiaries

In RMB

Name of subsidiary	Shareholding ratio of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared and distributed to minority shareholders in the current period	Balance of minority interest at the end of the period

Luxcase Precision Technology (Yancheng) Co., Ltd.	50.25%	987,343,269.80		7,584,967,985.49
---	--------	----------------	--	------------------

Descriptions on the difference between the shareholding ratio of minority shareholders and their voting right ratio in the subsidiary:

Other descriptions:

(3) Main financial information of significant non-wholly-owned subsidiaries

In RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Luxcase Precision Technology (Yancheng) Co., Ltd.	25,423,036.04	10,372,710.92	35,795,747.03	20,145,946.85	541,754,886.17	20,687,701.73	21,717,382.02	10,085,761.92	31,803,143.95	18,462,805.71	299,403,365.43	18,762,209.07

In RMB

Name of subsidiary	Amount recognized in the current period				Amount recognized in the prior period			
	Operating income	Net profits	Total comprehensive incomes	Cash flow from operating activities	Operating income	Net profits	Total comprehensive incomes	Cash flow from operating activities
Luxcase Precision Technology (Yancheng)	79,079,113,772.15	1,965,034,291.16	2,067,110,420.31	6,533,472,194.48	74,186,807,358.22	1,943,749,080.02	2,044,371,435.54	5,913,355,569.06

Other descriptions:

Other descriptions:

2. Transactions in which the share of owners' equity in the subsidiary changes and still controls the subsidiary

(1) Descriptions on changes in the shares of owners' equity in subsidiaries

(2) Impact of transactions on minority interest and owners' equity attributable to the parent company

In RMB

--	--

Acquisition cost/ disposal consideration	
--Cash	
-- Fair value of non-cash assets	
Total acquisition cost/ disposal consideration	
Less: share of subsidiaries' net assets calculated by the proportion of acquired/disposed equity shares	
Difference	
Including: Adjustment to capital reserve	
Adjustment to surplus reserve	
Adjustment to undistributed profits	

Other descriptions:

3. Equity in joint ventures or associates

(1) Summary financial information of insignificant joint ventures and associates

In RMB

	Closing balance/Amount recognized in the current period	Opening balance/Amount recognized in the prior period
Joint ventures:		
Total book value of investment	132,877,500.01	119,066,960.41
Total amount of the following items calculated according to shareholding ratio		
--Net profit	15,859,552.50	23,777,786.12
--Other comprehensive income		2,113,184.27
--Total comprehensive income	15,859,552.50	25,890,970.39
Associates:		
Total book value of investment	4,100,064,241.04	1,880,940,682.25
Total amount of the following items calculated according to shareholding ratio		
--Net profit	2,028,502,057.39	770,981,706.30
--Other comprehensive income	-7,598,398.15	-65,915.00
--Total comprehensive income	2,020,903,659.24	770,915,791.30

Other descriptions:

XI. Government Grants

1. Government grants recognized as receivables at the end of the reporting period

Applicable N/A

Reasons for not receiving government grants as expected at the anticipated timing

Applicable N/A

2. Liabilities related to government grant

Applicable N/A

In RMB

Accounting subjects	Opening balance	Amount of new subsidies for the current period	Amount of non-operating income recognized for the current period	Amount transferred to other income for the current period	Other changes for the current period	Closing balance	Related to assets/income
Deferred revenue	665,910,095.66	118,233,376.14		188,819,870.75		595,323,601.05	Related to assets

3. Government grants recognized in the current period's profit or loss

Applicable N/A

In RMB

Accounting subject	Amount recognized in the current period	Amount recognized in the prior period
Other income - Directly recorded	602,278,917.77	426,692,467.71
Offset financial expenses - Directly recorded	10,000,000.00	
Other income - Transfer from deferred income	188,819,870.75	175,601,796.19
Total	801,098,788.52	602,294,263.90

Other descriptions:

XII. Risks associated with financial instruments

1. Types of risks generated by financial instruments

1. Credit risk

Credit risks refer to the risks that one party to a financial instrument suffers financial losses due to the failure of the other party to perform its obligations. The customer credit risks mainly faced by the Company come from credit sale. Before signing a new contract,

the Company will assess the credit risks generated by new customers from perspectives such as external credit rating and, in some cases, bank credit certification (when the same is available). The Company has a credit limit, which is the maximum amount without additional approval, for each customer.

The Company ensures that its overall credit risk is within the controllable range through quarterly monitoring of credit rating of existing customers and monthly review of aging analysis of accounts receivable. Customers are grouped according to their credit characteristics when the credit risks from them are monitored. Customers rated as “high risk” will be placed on the restricted customer list, and only with additional approval can the Company sell them on credit in the future period, otherwise they must be required to pay the corresponding amount in advance.

2. Liquidity Risk

Liquidity risk refers to the risk of funds shortage when an enterprise is obligated to settle its obligations by delivering cash or other financial assets.

Our company's policy is to ensure sufficient cash to repay maturing debts. Liquidity risk is centrally controlled by our company's finance department. The finance department monitors cash balances, marketable securities that can be liquidated at any time, and rolling forecasts of cash flows for the next 12 months to ensure that the company has sufficient funds to repay debts under all reasonable forecasts. Simultaneously, it continuously monitors compliance with loan agreements, obtains commitments from major financial institutions to provide sufficient standby funds to meet short-term and long-term funding needs.

The financial liabilities of our company are listed below based on undiscounted contractual cash flows by maturity date:

Item	Closing balance						
	Immediate repayment	Within 1 year	1-2 years	2-5 years	More than 5 years	Total undiscounted contract amount	Book value
Notes payable		492,585,900.03				492,585,900.03	492,585,900.03
Accounts payable		45,908,515,295.43				45,908,515,295.43	45,908,515,295.43
Other payables		406,677,940.53				406,677,940.53	406,677,940.53
Short-term loan		20,514,182,240.47				20,514,182,240.47	20,514,182,240.47
Short-term loan		2,867,295,870.89				2,867,295,870.89	2,867,295,870.89
Long-term loan			1,905,178,810.77	9,770,446,879.15	363,145,600.00	12,038,771,289.92	12,038,771,289.92
Other current liabilities (short-term)		802,722,191.78				802,722,191.78	802,722,191.78

financi ng notes)							
Tot		70,991,9	1,905,1	9,770,4	363,14	83,030,7	83,030,7
al		79,439.13	78,810.77	46,879.15	5,600.00	50,729.05	50,729.05

As of the end of this reporting period, the balance of lease liabilities of the company amounted to RMB 681,696,441.33, with an amount due within 1 year of RMB 129,207,552.67.

3. Market risks

Market risks of financial instruments refer to the risks that the fair value or future cash flow of financial instruments will fluctuate due to market price changes, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates.

Fixed-rate and floating-rate interest-bearing financial instruments expose our company to fair value interest rate risk and cash flow interest rate risk, respectively. Our company determines the proportion of fixed-rate and floating-rate instruments based on market conditions and maintains an appropriate mix of fixed and floating-rate instruments through regular reviews and monitoring. When necessary, our company utilizes interest rate swap instruments to hedge interest rate risk.

(2) Exchange rate risk

Exchange rate risk refers to the risk that the fair value of financial instruments or future cash flow will fluctuate due to the change in foreign exchange rate.

The company continues to monitor the scale of foreign currency transactions and foreign currency assets and liabilities to minimize exposure to foreign exchange risk. Additionally, the company may enter into forward foreign exchange contracts or currency swap agreements to mitigate exchange rate risk. For the current and prior periods, the company has not entered into any forward foreign exchange contracts or currency swap agreements.

The foreign exchange risk faced by the company primarily stems from financial assets and financial liabilities denominated in US dollars. The amounts of foreign currency financial assets and foreign currency financial liabilities converted into Renminbi are detailed in foreign currency monetary items.

(3) Other price risks

Other price risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to market price changes other than exchange rate risk and interest rate risk.

The other price risk faced by the company primarily arises from investments in various equity instruments, exposing the company to the risk of fluctuations in equity instrument prices.

Item	Closing balance	Balance at the end of last year
Other investments in equity instruments	200,829,853.18	414,859,257.92
Total	200,829,853.18	414,859,257.92

2. Financial assets

(1) Classification by transfer method

Applicable N/A

In RMB

Transfer methods	Nature of transferred financial assets	Amount of transferred financial assets	Termination confirmation status	Basis for termination confirmation judgment
Sale	Accounts receivable	17,945,216,138.03	Termination confirmed	Transfer of risks and reward
Discounting, endorsement	Receivables financing	4,579,914,056.32	Termination confirmed	Transfer of risks and reward
Discounting, endorsement	Notes receivable	337,335,907.43	Not terminated	
Total		22,862,466,101.78		

(2) Financial assets terminated due to transfer

Applicable N/A

In RMB

Item	Methods of financial asset transfer	Amount of financial assets terminated for recognition	Gains or losses related to termination recognition
Accounts receivable	Sale	17,945,216,138.03	-601,291,208.81
Receivables financing	Discounting, endorsement	4,579,914,056.32	-140,051,339.94
Total		22,525,130,194.35	-741,342,548.75

(3) Continued involvement in transferred financial assets

Applicable N/A

In RMB

Item	Asset transfer method	Amount of assets formed due to continued involvement	Amount of liabilities formed due to continued involvement
Notes receivable	Discounting, endorsement	225,054,602.71	225,054,602.71
Total		225,054,602.71	225,054,602.71

Other descriptions

XIII. Disclosure of fair value

1. Closing fair value of assets and liabilities measured at fair value

In RMB

Item	Closing fair value			
	Level I	Level II	Level I	Total
I. Continuous fair value measurement	--	--	--	--
(I) Held-for-trading financial assets		92,485,140.01	1,628,279,035.31	1,720,764,175.32
1. Financial assets at fair value through profit or loss		92,485,140.01	1,628,279,035.31	1,720,764,175.32
(3) Derivative financial assets		92,485,140.01		92,485,140.01
(4) Others			1,628,279,035.31	1,628,279,035.31
(III) Investment in other equity instruments	172,691,671.36		76,430,579.96	249,122,251.32
(VI) Receivables financing			587,585,009.82	587,585,009.82
(VII) Other non-current financial assets			35,700,000.00	35,700,000.00
1. Total assets continuously measured at fair value			35,700,000.00	35,700,000.00
(1) Investment in equity instruments			35,700,000.00	35,700,000.00
Total assets continuously measured at fair value	172,691,671.36	92,485,140.01	2,327,994,625.09	2,593,171,436.46
(VI) Held-for-trading financial liabilities		117,942,421.18		117,942,421.18
Derivative financial liabilities		117,942,421.18		117,942,421.18
Total liabilities continuously measured at fair value		117,942,421.18		117,942,421.18
II. Non-continuous fair value measurement	--	--	--	--

2. Basis for determining the market price of the items continuously and not continuously measured at fair value at level I

Level I inputs are quoted market price (unadjusted) in an active market for an identical asset or liability available at

the date of measurement.

3. Valuation technology and qualitative and quantitative information of important parameters used in the items continuously and not continuously measured at fair value at level II.

Level II inputs are inputs other than quoted market price (Level I) that are directly or indirectly observable for the asset or liability.

4. Valuation technology and qualitative and quantitative information of important parameters used in the items continuously and not continuously measured at fair value at level III

Level III inputs are unobservable inputs for the asset or liability.

5. Adjustment information between the opening book value and the closing book value, and the sensitivity analysis of unobservable parameters for items continuously measured at fair value at level III

6. For items continuously measured at fair value, if there is conversion between different levels in the current period, the reasons for the conversion and the policy for determining the conversion time point

7. Changes in valuation technology in the current period and reasons for changes

8. Fair value of financial assets and financial liabilities not measured at fair value

9. Others

XIV. Related parties and related-party transactions

1. The parent company of the Company

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding ratio of the parent company in the Company	Voting rights ratio of the parent company in the Company
Luxshare Limited	Hong Kong	Industry	HKD10,000	38.15%	38.15%

Descriptions on the parent company of the Company

As of December 31, 2023, Luxshare Limited has pledged 39.38% of shares it held.

The ultimate controller of the Company is WANG Laichun and WANG Laisheng.

Other descriptions:

2. Subsidiaries of the Company

Please refer to Note “X. Equity in other entities” for details of the Company’s subsidiaries

3. Joint ventures and associates of the Company

Please refer to Note “X Equity in joint ventures or associates” for details of the Company’s significant joint ventures or associates.

Other joint ventures or associates that have related-party transactions with the Company in the current period or formed a balance due to related-party transactions with the Company in the prior period are as follows:

Name of joint venture or associate	Relationship with the Company
Riyimao Industrial Co., Ltd.	Joint-stock company of a majority-owned sub-subsiidiary of the Company
Assem Technology Co., Ltd.	Joint-stock company of a majority-owned sub-subsiidiary of the Company
Xuande Energy Co., Ltd.	Joint-stock company of a majority-owned sub-subsiidiary of the Company
Lihao Optoelectronics Technology (Nantong) Co., Ltd.	Joint-stock company of a majority-owned subsidiary of the Company
Xinhao Photoelectric Technology (HK) Limited	Joint-stock company of a majority-owned subsidiary of the Company
MERRY & LUXSHARE (VIETNAM) CO., Ltd.	Joint-stock company of the Company’s subsidiary
Zhuhai Kinwong Flexible Circuit Co., Ltd.	Associates of the Company
Lisheng Automotive Technology (Guangzhou) Co., Ltd.	Associates of the Company

Other descriptions:

4. Other related parties

Name of other related parties	Relationship between other related parties and the Company
BCS Automotive Technology (Shenzhen) Co., Ltd.	An enterprise controlled by the Company’s parent company
BCS Automotive Technology (Suzhou) Co., Ltd.	An enterprise controlled by the Company’s parent company
Luxsan Technology (Kunshan) Co., Ltd.	An enterprise controlled by the Company’s parent company
Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd.	An enterprise controlled by the Company’s parent company
Luxsan Investment (Jiangsu) Co., Ltd.	An enterprise controlled by the Company’s parent company
Luxsan Intelligent Equipment (Kunshan) Co., Ltd.	An enterprise controlled by the Company’s parent company
LUXSAN TECHNOLOGY LIMITED	An enterprise controlled by the Company’s parent company

BCS Automotive Interface Solutions GmbH (Germany)	An enterprise controlled by the Company's parent company
BCS Automotive Interface Solutions US, LLC (USA)	An enterprise controlled by the Company's parent company
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	An enterprise controlled by the Company's parent company
BCS Automotive Interface Solutions s.r.o. (Czech)	An enterprise controlled by the Company's parent company
BCS-AIS Ensembles Mexico S. de R.L.de C.V. (Mexico)	An enterprise controlled by the Company's parent company
Guangzhou Luxvisions Innovation Technology Limited	Other related party of the Company
Luxvisions Innovation (Ji'an) Co., Ltd.	Other related party of the Company
Luxvisions Innovation Technology Co., Ltd.	Other related party of the Company
LUXVISIONS INNOVATION TECHNOLOGY LIMITED	Other related party of the Company
Xinguang Energy Technology (Anhui) Co., Ltd.	Other related party of the Company
Dongguan Terry Leather Co., Ltd.	Other related party of the Company
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Other related party of the Company
Teleray (Hong Kong) International Company Limited	Other related party of the Company
Dongguan Gaowei Optical Electronics Co., Ltd.	Other related party of the Company
Shangrao City Luxvisions Innovation Technology Co., Ltd.	Other related party of the Company
Xinhao Photoelectric Technology (HK) Limited	Other related party of the Company
COWELL OPTIC ELECTRONICS LTD	Other related party of the Company
Chery Automobile Co., Ltd.	Other related party of the Company
Chery Automobile Henan Co., Ltd.	Other related party of the Company
Chery Commercial Vehicle (Anhui) Co., Ltd.	Other related party of the Company
Terry Precision Corporation	Other related party of the Company
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Other related party of the Company
Xinhao Photoelectric Technology Limited	Other related party of the Company
Xunmu Information Technology (Shanghai) Co., Ltd.	An enterprise controlled by the Company's parent company
Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	An enterprise controlled by the Company's parent company

Other descriptions:

5. Related-party transactions

(1) Related-party transactions of purchasing and selling goods, rendering and accepting services

Purchasing goods/accepting services

In RMB

Related party	Related-party transactions	Amount recognized in the current period	Approved transaction limit	Whether the transaction limit is exceeded	Amount recognized in the prior period
Riyimao Industrial Co., Ltd.	Processing services	8,666,666.79		No	19,083,384.89
Assem Technology Co., Ltd.	Equipment and appliances	517,891.33		No	1,642,783.57

Assem Technology Co., Ltd.	Other services	25,501,235.88		No	1,015,414.60
Assem Technology Co., Ltd.	Purchasing goods	443,692.28		No	20,623,798.84
BCS Automotive Technology (Shenzhen) Co., Ltd.	Purchasing fixed assets	221,636.87		No	
BCS Automotive Technology (Suzhou) Co., Ltd.	Purchasing goods	18,700,732.83	45,000,000.00	No	23,441,183.61
Guangzhou Luxvisions Innovation Technology Limited	Purchasing goods			No	573,252.39
Guangzhou Luxvisions Innovation Technology Limited	Service fees	3,663,133.48		No	2,365,923.22
Guangzhou Luxvisions Innovation Technology Limited	Equipment	76,318.48		No	9,050.00
Luxvisions Innovation Technology (Ji'an) Limited	Service fees	33,849.06		No	
Luxvisions Innovation Technology Limited	Equipment and appliances	429,489.75		No	
Luxvisions Innovation Technology Limited	Rent and utilities			No	844,931.03
LUXVISIONS INNOVATION TECHNOLOGY LIMITED	Purchasing goods	457,613.05		No	
LUXVISIONS INNOVATION TECHNOLOGY LIMITED	Equipment and appliances	914,452.98		No	
Luxsan Technology (Kunshan) Co., Ltd.	Purchasing goods			No	311,176,270.99
Luxsan Precision Intelligent Manufacture	Utilities	9,658,090.82		No	36,498,229.20

(Kunshan) Co., Ltd.					
Luxsan Investment (Jiangsu) Co., Ltd.	Purchasing goods	39,528,673.28	130,000,000.00	No	
LUXSAN TECHNOLOGY LIMITED	Purchasing goods	1,189,126,782.26	1,200,000,000.00	No	1,037,899,802.32
MERRY & LUXSHARE (VIET NAM) CO.,LTD	Purchasing goods	71,739,173.68		No	63,555,616.23
BCS Automotive Interface Solutions GmbH (Germany)	Purchasing goods	36,595,812.14	70,000,000.00	No	33,585,700.71
BCS Automotive Interface Solutions US, LLC (USA)	Purchasing goods	92,923.55	100,000,000.00	No	
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	Purchasing goods	5,410,212.91		No	
Xinguang Energy Technology (Anhui) Co., Ltd.	Outsourcing fees	900,429.00		No	
Lihao Optoelectronics Technology (Nantong) Co., Ltd.	Purchasing goods	4,320,397.20		No	336,203.20
Dongguan Terry Leather Co., Ltd.	Purchasing goods			No	802,216.95
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Purchasing goods	39,367,448.03		No	1,139,462.18
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Service fees	890,219.06		No	
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Purchasing fixed assets	1,726,385.36		No	
Teleray (Hong Kong) International Company Limited	Purchasing goods	2,709,161.11		No	943,970.54
Xunmu Information	Purchasing goods			No	9,763,593.17

Technology (Shanghai) Co., Ltd.					
Dongguan Gaowei Optical Electronics Co., Ltd.	Service fees	11,517,032.81		No	2,474,770.49
Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	Rent and utilities	2,389,436.16		No	1,022,581.35

Selling goods/rendering services

In RMB

Related party	Related-party transactions	Amount recognized in the current period	Amount recognized in the prior period
Assem Technology Co., Ltd.	Other services	2,546,700.11	1,026,668.20
Shangrao City Luxvisions Innovation Technology Co., Ltd.	Selling goods	122,520.00	
Guangzhou Innovation Luxvisions Technology Limited	Equipment and apparatus	534,229.50	
Guangzhou Innovation Luxvisions Technology Limited	Selling goods	132,801,682.91	4,182,806.58
BCS Automotive Technology (Suzhou) Co., Ltd.	Selling goods	396,983,841.26	394,380,063.81
Luxvisions Innovation Tech Limited	Service fees	495,622.71	
BCS Automotive Interface Solutions GmbH (Germany)	Selling goods	6,727,835.59	533,646.76
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	Selling goods	27,529,559.67	
BCS Automotive Interface Solutions US, LLC (USA)	Selling goods	24,226,761.76	1,383,127.79
BCS Automotive Interface Solutions s.r.o. (Czech)	Selling goods	94,165.76	
Luxsan Technology (Kunshan) Co., Ltd.	Selling goods	78,602,371.08	643,619,515.80
Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd.	Selling goods	36,934,393.03	55,980,332.83
Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd.	Selling goods	230,417,667.66	
LUXSAN TECHNOLOGY	Selling fixed assets	8,550,535.36	

LIMITED			
Luxsan Investment (Jiangsu) Co., Ltd.	Selling goods	5,047,357.29	
LUXSAN TECHNOLOGY LIMITED	Selling goods and service fees	832,394,772.18	19,117,778.28
Xunmu Information Technology (Shanghai) Co., Ltd.	Selling goods	3,200.00	14,868,596.51
MERRY & LUXSHARE(VIET NAM) CO.,LTD	Selling goods	36,766,791.14	15,844,650.03
MERRY & LUXSHARE(VIET NAM) CO.,LTD	Service fees	16,173,198.52	15,994,272.36
Lihao Optoelectronics Technology (Nantong) Co., Ltd.	Selling goods	19,675,233.05	3,922,201.00
Xinhao Photoelectric Technology (HK) Limited	R&D and marketing consulting fees	258,979.73	4,287,145.58
BCS Automotive Technology (Shenzhen) Co., Ltd.	Selling goods		550.00
Xinguang Energy Technology (Anhui) Co., Ltd.	Selling goods	12,998,999.82	
Xinhao Photoelectric Technology Limited	Service fees	195,600.00	
Dongguan Gaowei Optical Electronics Co., Ltd.	Selling goods	8,059,987.00	991,782.45
Dongguan Gaowei Optical Electronics Co., Ltd.	Service fees	148,944.09	
Lisheng Automotive Technology (Guangzhou) Co., Ltd.	Selling goods	1,337,518.57	
COWELL OPTIC ELECTRONICS LTD	Selling goods	47,483,807.36	117,926,402.49
Chery Automobile Co., Ltd.	Selling goods	102,949,356.35	28,562,202.47
Chery Automobile Co., Ltd.	Service fees	404,966.04	
Chery Automobile Henan Co., Ltd.	Selling goods	-479,403.24	559,356.88
Chery Commercial Vehicle (Anhui) Co., Ltd.	Selling goods	18,196,506.19	220,361.59
Dongguan Terry Leather Co., Ltd.	Selling goods	690,004.06	
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Selling goods	11,724.37	10,550.18
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Selling goods	1,764,651.29	112,247.00
Terry Smart Manufacturing	Selling fixed assets	2,000.00	

(Dongguan) Technology Co., Ltd.			
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Service fees	353,771.00	

Descriptions on related-party transactions of purchasing and selling goods, and rendering and accepting services

On February 21, 2023, the Company held the 15th meeting of the fifth session of Board of Directors, deliberating and approving the Proposal on the Prediction of Increase in Daily Related-party Transactions of the Company in 2023:

to purchase goods from BCS Automotive Technology (Suzhou) Co., Ltd. in the amount of up to RMB 45,000,000.00;

to purchase goods from BCS Automotive Interface Solutions GmbH (Germany) in the amount of up to RMB 70,000,000.00;

to purchase goods from LUXSAN TECHNOLOGY LIMITED in the amount of up to RMB 1,200,000,000.00;

to purchase goods from Luxsan Investment (Jiangsu) Co., Ltd. in the amount of up to RMB 130,000,000.00;

to purchase goods from BCS Automotive Interface Solutions US, LLC (USA) in the amount of up to RMB 100,000,000.00;

to sell goods to BCS Automotive Technology (Suzhou) Co., Ltd. in the amount of up to RMB 850,000,000.00

to sell goods/provide labor to LUXSAN TECHNOLOGY LIMITED in the amount of up to RMB 1,800,000,000.00;

to sell goods to Cowell Optic Electronics Limited in the amount of up to RMB 360,000,000.00;

to sell goods to Luxsan Intelligent Equipment (Kunshan) Co., Ltd. in the amount of up to RMB 350,000,000.00;

to sell goods to Luxsan Investment (Jiangsu) Co., Ltd. in the amount of up to RMB 55,000,000.00;

to sell goods to BCS Automotive Interface Solutions US, LLC (USA) in the amount of up to RMB 40,000,000.00;

(2) Related-party lease

The Company acts as the lessor:

In RMB

Name of lessee	Types of leased assets	Lease income recognized in the current period	Lease income recognized in the prior period
----------------	------------------------	---	---

The Company acts as the lessee:

In RMB

Lessor	Category of leased	Expenses related to short-term leases and low-	Variable lease payments through profit or loss not	Paid rent	Assumed interest expenses of lease liabilities	Added right-of-use assets
--------	--------------------	--	--	-----------	--	---------------------------

	assets	value assets leases subject to simplified treatment, if any		included in the measurement of lease liabilities, if any							
		Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period
Luxsan Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	Fixed assets and buildings					30,600,000.00			2,615,051.89		
Luxsan Investment (Jiangsu) Co., Ltd.	Fixed assets and buildings							1,984,124.96			
Luxvisions Innovation (Ji'an) Co., Ltd.	Fixed assets and buildings					2,415,740.00		51,827.16	170,770.30		17,685,567.07

Descriptions on related-party leases

(3) Remuneration of key managers

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Compensation of key managers	12,830,400.00	13,665,822.35
Share-based payment of key managers	12,019,751.67	3,842,203.80

(4) Other related-party transactions**6. Accounts receivable and payable of related parties****(1) Receivables**

In RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad-debt provision	Book balance	Bad-debt provision
Accounts receivables					
	BCS Automotive Interface Solutions GmbH(Germany)	1,324,482.00	662.24		
	BCS Automotive Interface Solutions Romania s.r.l. (Romania)	14,600,815.64	7,300.41		
	BCS Automotive Interface Solutions US,LLC(USA)	20,232,577.86	10,116.29	24,913.91	12.46
	BCS Automotive Interface Solutions s.r.o.(Czech)	83,825.90	41.91		
	COWELL OPTIC ELECTRONICS LTD	92,216.75	46.11	89,178,452.13	44,589.23
	LUXSAN TECHNOLOGY LIMITED	250,986,471.18	125,493.24	3,036,189.27	1,518.09
	MERRY & LUXSHARE(VIETNAM) CO.,LTD	20,589,657.46	10,294.83	8,503,901.75	4,251.95
	XINHAO PHOTOELECTRIC TECHNOLOGY (HK)	43,319.52	21.66		
	Assem Technology Co., Ltd.	1,412,127.29	706.06	335,321.60	167.66
	Dongguan Gaowei Optical Electronics Co., Ltd.	8,992,751.31	4,496.38		
	Guangzhou Luxvisions Innovation Technology Limited	137,683,353.53	68,841.68	3,407,360.47	1,703.68
	Lisheng Automotive	1,511,395.99	755.70		

	Technology (Guangzhou) Co., Ltd.				
	Lihao Optoelectronics Technology (Nantong) Co., Ltd.	1,272,105.69	636.05		
	BCS Automotive Technology (Shenzhen) Co., Ltd.			621.50	0.31
	BCS Automotive Technology (Suzhou) Co., Ltd.	302,574,007.23	151,287.00	321,616,341.01	160,808.17
	Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd.			32,616,026.16	16,308.01
	Luxsan Technology (Kunshan) Co., Ltd.			173,086,093.05	86,543.05
	Luxsan Investment (Jiangsu) Co., Ltd.	2,962,511.55	1,481.26		
	Luxsan Intelligent Equipment (Kunshan) Co., Ltd.	184,417,695.50	92,208.85		
	Chery Automobile Co., Ltd.	50,708,439.08	25,354.22	6,792,611.72	3,396.31
	Chery Automobile Henan Co., Ltd.	408.97	0.20	632,073.27	316.04
	Chery Commercial Vehicle (Anhui) Co., Ltd.	19,452,711.52	9,726.36	249,008.60	124.50
	Shangrao City Luxvisions Innovation Technology Co., Ltd.	118,085.00	59.04		
	Xinhao Photoelectric Technology (HK) Limited	207,336.00	103.67		
	Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	2,371,233.21	1,185.62	126,839.11	63.42
	Xinguang Energy Technology	15,854,406.07	7,927.20		

	(Anhui) Co., Ltd.				
	Xunmu Information Technology (Shanghai) Co., Ltd.			2,848,819.77	1,424.41
Other receivables					
	BCS Automotive Interface Solutions GmbH(Germany)	4,150,973.34			
	BCS Automotive Interface Solutions US,LLC(USA)	1,835,605.65			
	COWELL OPTIC ELECTRONICS LTD	566,896.90	2,834.48		
	MERRY & LUXSHARE (VIET NAM) CO.,LTD	54,214.88	271.07	83,591.01	417.96
	Xinhao Photoelectric Technology (HK) Limited	126,709.50	633.55	19,207.53	96.04
	Dongguan Gaowei Optical Electronics Co., Ltd.	10,121.46	50.61		
	Guangzhou Luxvisions Innovation Technology Limited	6,620,554.60	33,102.77		
	Lihao Optoelectronics Technology (Nantong) Co., Ltd.			3,922,636.50	19,613.18
	BCS Automotive Technology (Suzhou) Co., Ltd.	183,851.00	919.26	5,699,756.88	28,498.78
	Luxsan Technology (Kunshan) Co., Ltd.			9,349.09	46.75
	Teleray (Hong Kong) International Company Limited	373,541.60	1,867.71		
	Xuande Energy Co., Ltd.			164,996.62	824.98

Prepayments					
	BCS Automotive Interface Solutions GmbH(Germany)	16,758.58		10,761,181.73	
	BCS Automotive Interface Solutions Romania s.r.l. (Romania)	8,626,289.64			
	BCS Automotive Interface Solutions US,LLC(USA)	1,468,031.23			
Notes receivable					
	Bisaisi Automotive Technology (Suzhou) Co., Ltd.			12,071,807.98	

(2) Payables

In RMB

Item	Related party	Closing book balance	Opening book balance
Accounts payable			
	BCS Automotive Interface Solutions Romania s.r.l. (Romania)	2,729.66	
	BCS Automotive Interface Solutions US,LLC(USA)	10,064,934.58	
	BCS Automotive Interface Solutions GmbH(Germany)		382,381.23
	LUXSAN TECHNOLOGY LIMITED	338,536,004.32	907,791,605.59
	LUXVISIONS INNOVATION TECHNOLOGY LIMITED	585,128.90	
	MERRY & LUXSHARE (VIET NAM) CO.,LTD	43,589,524.60	13,129,894.24
	Assem Technology Co., Ltd.	11,442,488.98	6,958,457.33
	Dongguan Gaowei Optical Electronics Co., Ltd.		2,404,063.04
	Guangzhou Luxvisions Innovation Technology Limited	1,217,397.22	149,969.97
	Xinguang Energy Technology (Anhui) Co., Ltd.	713,564.13	
	Lihao Optoelectronics	3,012,052.57	267,949.42

	Technology (Nantong) Co., Ltd.		
	Luxvisions Innovation (Ji'an) Co., Ltd.	4,380.00	1,811,805.00
	Luxvisions Innovation Technology Limited		75,514.52
	Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	892,581.04	1,112,875.90
	BCS Automotive Technology (Suzhou) Co., Ltd.	9,829,821.10	7,368,354.63
	Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd.		80,467,446.67
	Luxsan Technology (Kunshan) Co., Ltd.		1,054,198.48
	Luxsan Investment (Jiangsu) Co., Ltd.	38,169,781.48	
	Riyimao Industrial Co., Ltd.	5,532,481.51	9,959,460.45
	Teleray (Hong Kong) International Company Limited	2,520,685.43	899,233.35
	Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	14,283,178.83	1,653,291.06
	Xunmu Information Technology (Shanghai) Co., Ltd.		1,154,129.50
Other payables			
	Luxsan Investment (Jiangsu) Co., Ltd.	1,982,319.68	
	Riyimao Industrial Co., Ltd.		9,196.33
	Teleray (Hong Kong) International Company Limited	166,040.61	44,737.19
	BCS-AIS Ensembles Mexico S. de R.L.de C.V. (Mexico)	563,387.00	
Contract liabilities			
	BCS Automotive Interface Solutions US,LLC(USA)	15,150.91	9,387.26
Lease liabilities			
	Luxvisions Innovation (Ji'an) Co., Ltd.		17,024,178.30
	Luxsan Precision Intelligent Manufacture (Kunshan) Co.,		65,504,587.32

	Ltd.		
--	------	--	--

XV. Share-based payment

1. General situation of share-based payment

Applicable N/A

In RMB

Categories of recipients:	Grants awarded this period		Exercised this period		Unlocked this period		Expired this period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Sales personnel			3,788,322.00	34,205,994.87			1,044,487.00	9,341,404.83
Administrative personnel			29,127,569.00	237,593,903.49			10,144,021.00	94,435,598.93
Research and development personnel			12,279,289.00	108,593,127.99			10,001,181.00	99,629,513.39
Total			45,195,180.00	380,393,026.35			21,189,689.00	203,406,517.15

Outstanding stock options or other equity instruments issued at the end of the period.

Applicable N/A

Categories of recipients:	Outstanding stock options issued at the end of the period.		Outstanding equity instruments issued at the end of the period.	
	Range of exercise prices	Remaining contract term	Range of exercise prices	Remaining contract term
Sales personnel	9.93-35.63	1-3 years		
Management personnel	9.93-35.63	1-3 years		
Research and development personnel	9.93-35.63	1-3 years		

2. Payment situation settled by equity

Applicable N/A

In RMB

Method for determining the fair value of equity instruments granted on the grant date	Black-Scholes module
Key parameters for determining the fair value of equity instruments granted on the grant date	Historical volatility, risk-free rate
Basis for determining the number of equity instruments eligible for exercise	The company determines based on factors such as the equity instruments corresponding to the incentive objects in employment, and forecasts of the company's future annual performance
Reasons for significant differences between current period estimates and prior period estimates	None
Accumulated amount of share-based payments settled in equity recognized in capital reserve	2,173,438,344.17
Total expenses recognized for share-based payments settled in equity for the current period	780,664,929.64

Other descriptions:

(1) On September 25, 2018, the Proposal on Granting Stock Options to Grantees under the 2018 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd. was approved upon deliberation at the 5th meeting of the fourth session of Board of Directors of the Company. Accordingly, the Company granted 97.50 million of stock options to 1,899 eligible grantees at the exercise price of RMB17.58 per share. After 12 months from the date on which the registration of grants was completed, grantees meeting the exercise conditions would exercise the options in five periods, with a proportion of 20% for each period, in the following 60 months; According to the Proposal on Achievement of the Exercise Conditions for the Second Exercise Period under the 2018 Stock Option Incentive Plan approved upon deliberation at the 27th meeting of the fourth session of Board of Directors of the Company held on December 2, 2020, given that the exercise condition for the second exercise period under the 2018 Stock Option Incentive Plan had been matured, it was agreed that 1,718 grantees of the 2018 Stock Option Incentive Plan would independently exercise their options at the exercise price of RMB10.28 per share, with the estimated stock options to be exercised numbering 31,212,577 (the actual number of stock options to be exercised shall be subject to registered number by Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.)

(2) On April 22, 2019, the Company held the 9th meeting of the fourth session of Board of Directors, deliberating and approving the Proposal on Granting Stock Options to Initial Grantees under the 2019 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., whereby it was determined that 50,076,000 stock options would be granted to 348 eligible grantees and 12,519,000 stock options would be reserved for future granting. The stock options initially granted under this incentive plan was RMB 23.36 per share.

(3) On November 27, 2019, the Company held the 13th meeting of the fourth session of Board of Directors, deliberating and approving the Proposal on Grant of Stock Options to Grantees in Reserved Grant under the 2019 Stock Option Incentive Plan, pursuant to which the Company granted 16,274,700 stock options to 263 eligible grantees at an exercise price of RMB17.93 per share, and after 12 months from the date on which the registration of grants was completed, grantees meeting the exercise conditions would exercise the stock options in five periods, with a proportion of 20% for each period, in the following 60 months.

(4) On December 3, 2021, the Company held the 6th meeting of the fifth session of Board of Directors, deliberating and approving the Proposal on Granting Stock Options to Grantees under the 2021 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., whereby it was determined that 52,419,000 stock options would be granted to 1,097 eligible grantees on December 3, 2021 as the grant date of the incentive plan. The exercise price of stock options initially granted under this incentive plan was RMB 35.87 per share. Since 22 original grantees resigned from the Company and 3 original grantees gave up all stock options to be granted to them for personal reasons, the number of grantees subject to this stock option incentive was changed from 1,097 to 1,072 and the quantity of stock options granted was changed from 52,419,000 to 52,092,000.

On September 15, 2022, the Company held the 11th meeting of the fifth session of Board of Directors and the 11th meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Grant of Stock Options to Grantees in Reserved

Grant under the 2021 Stock Option Incentive Plan, whereby it was determined that 13,101,000 stock options would be granted to 365 eligible grantees on September 15, 2022 as the grant date of the reserved stock options. The exercise price of reserved stock options under this incentive plan was RMB 35.76 per share. Since 9 original grantees resigned from the Company or gave up all stock options to be granted to them for personal reasons, the number of grantees subject to this stock option incentive was changed from 365 to 356 and the quantity of stock options granted was changed from 13,101,000 to 12,785,800.

(5) On December 15, 2022, the Company held the 14th meeting of the fifth session of Board of Directors, deliberating and approving the Proposal on Grant of Stock Options to Grantees under the 2022 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., whereby it was determined that 172,021,000 stock options would be granted to 3,759 eligible grantees on December 5, 2022 as the grant date of the reserved stock options. The exercise price of stock options initially granted under this incentive plan was RMB 30.35 per share. Since 254 original grantees resigned from the Company or gave up all stock options to be granted to them for personal reasons, the number of grantees subject to this stock option incentive was changed from 3,759 to 3,505 and the quantity of stock options granted was changed from 172,021,000 to 168,513,000.

3. Share-based payment settled in cash

Applicable N/A

4. Stock-based compensation expense for the current period

Categories of recipients:	Share-based payment expenses settled by equity	Share-based payment expenses settled in cash
Sales personnel	57,851,529.29	
Management personnel	394,024,707.00	
Research and development personnel	328,788,693.35	
Total	780,664,929.64	

Other descriptions:

5. Others

None

XVI. Commitments and contingencies

1. Significant commitments

Significant commitments on the balance sheet date

On December 16, 2023, the company entered into an agreement with Qorvo Semiconductor Limited ("Qorvo Semiconductor") to acquire 100% equity of Qorvo Semiconductor (Singapore) Limited ("Qorvo Singapore") and Qorvo Semiconductor (Hong Kong) Limited ("Qorvo Hong Kong"). As of December 31, 2023, the company paid a \$20,000,000 equity acquisition deposit to Qorvo Semiconductor.

2. Contingencies

(1) Significant contingencies on the balance sheet date

The Company has no significant contingencies to be disclosed.

(2) Notes shall be made if the Company has no significant contingencies that need to be disclosed

The Company has no significant contingencies to be disclosed.

3. Others

None.

XVII. Events after the balance sheet date

1. Profit distribution

Dividend to be distributed per 10 shares (RMB)	3.00
Number of dividends per 10 shares declared after deliberation and approval (RMB)	3.00
Profit sharing scheme	According to the resolution of the 24th meeting of the fifth session of the Board of Directors of the Company, the Company distributed profits in the current year, based on the total share capital of 7,178,011,313 shares, and paid cash dividends of RMB 3 (including tax) for every 10 shares to all shareholders, and paid a total cash dividend of RMB 2,153,403,393.90 (including tax). The remaining undistributed profits are carried forward to be distributed in subsequent years.

2. Description of other events after the balance sheet date

1. According to the resolution of the 23rd meeting of the fifth session of the Board of Directors of the company, the company plans to apply for a total comprehensive credit line of RMB 42 billion from 8 banks. The final approved credit line by the banks shall prevail, including RMB loans, bank acceptance bills, letters of credit, guarantees, forward foreign exchange, and other credit varieties in both domestic and foreign currencies. The credit lines mentioned above all have a term of one year.

In RMB

XVIII. Other significant events**1. Segment information****1) Basis of Segments Determination and Accounting Policies**

None.

(2) Financial Information of Segments

In RMB

Item		Offset among segments	Total
None			

(3) If the company has no reporting segments, or is unable to disclose the total assets and liabilities of each reporting segment, it shall explain the reasons

The Group determines operating segments based on internal organizational structure, management requirements, and internal reporting systems, and discloses segment information based on operating segments.

Operating segments refer to components of the Group that simultaneously meet the following conditions: (1) the component generates revenue and incurs expenses in its daily activities; (2) the Group's management can regularly evaluate the operating results of the component to determine resource allocation and performance evaluation; (3) the Group can obtain relevant accounting information such as financial condition, operating results, and cash flows of the component. If two or more operating segments have similar economic characteristics and meet certain conditions, they are combined into one operating segment.

As over 90% of the Group's revenue and performance originate from the electronics product business, segment information is not presented.

(4) Other descriptions

None.

XVIX. Notes to key items in financial statements of the parent company**1. Accounts receivable****(1) Disclosure by Aging**

In RMB

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	5,233,442,091.29	6,134,043,494.78
Not overdue	5,227,457,238.25	6,113,655,873.43
1 to 60 days overdue	5,937,121.62	13,695,933.00
61 to 120 days overdue	47,731.42	812,899.90
121 to 180 days overdue		1,603,021.06
181 to 365 days overdue		4,275,767.39
1 to 2 years	670,086.81	11,076,680.31
2 to 3 years	1,832,777.87	925,835.14
More than 3 years	242,560.49	242,560.49
More than 5 years	242,560.49	242,560.49
Total	5,236,187,516.46	6,146,288,570.72

(2) Classification and disclosure by bad debt provision method

Category	Closing balance					Opening balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Accounts receivable for which bad-debt provision is made individually	241,403.36	0.01%	241,403.36	100.00%			241,403.36	0.01%	241,403.36	100.00%
Including:										
Entity 1	241,403.36	0.01%	241,403.36	100.00%			241,403.36	0.01%	241,403.36	100.00%
Accounts receivable for which bad-debt	5,235,946,113.10	99.99%	3,509,490.81	0.07%	5,232,436,622.29	6,146,047,167.36	100.00%	15,127,587.81	0.25%	6,130,919,579.55

provision is made by group										
Including:										
Group by aging	1,531,093,301.52	29.24%	3,509,490.81	0.23%	1,527,583,810.71	1,092,897,234.00	17.78%	15,127,587.81	1.38%	1,077,769,646.19
Related party group in the scope of consolidation	3,704,852,811.58	70.75%			3,704,852,811.58	5,053,149,933.36	82.21%			5,053,149,933.36
Total	5,236,187,516.46	100.00%	3,750,894.17	0.07%	5,232,436,622.29	6,146,288,570.72	100.00%	15,368,991.17	0.25%	6,130,919,579.55

Provision for bad debts made individually: 241,403.36

In RMB

Description	Opening balance		Closing balance			
	Book balance	Bad-debt provision	Book balance	Bad-debt provision	Provision proportion	Reason for provision
Entity 1	241,403.36	241,403.36	241,403.36	241,403.36	100.00%	Unrecoverable
Total	241,403.36	241,403.36	241,403.36	241,403.36		

Provision for bad debts on a portfolio basis: 3,509,490.81

In RMB

Description	Closing balance		
	Book balance	Bad-debt provision	Provision proportion
Undue	1,522,604,426.67	761,302.17	0.05%
1 to 60 days overdue	5,937,121.62	296,856.08	5.00%
61 to 120 days overdue	47,731.42	14,319.43	30.00%
121 to 180 days overdue			
181 to 365 days overdue			
1 to 2 years (excluding 1 year) overdue	670,086.81	603,078.13	90.00%
Over 2 years overdue	1,833,935.00	1,833,935.00	100.00%
Total	1,531,093,301.52	3,509,490.81	

Descriptions on basis for determining the group:

If the bad-debt provision for accounts receivable is made according to the general model of expected credit loss, please refer to the

disclosure method of other receivables to disclose the relevant information of bad debt provision:

Applicable N/A

(3) Bad-debt provision made, recovered or reversed in the current period

Bad-debt provision in the current period:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recover or reversal	Write off	Other	
Provision on an individual basis	241,403.36					241,403.36
Provision on a group basis	15,127,587.81		11,618,097.00			3,509,490.81
Total	15,368,991.17		11,618,097.00			3,750,894.17

Including significant amounts reversed or recovered from the current provision for bad debts:

In RMB

Entity name	Amount recovered or reversed	Reason for reversal	Recovery method	Basis for determining the provision ratio for the original bad debt reserve and its reasonableness

(4) Account receivables and contractual assets in the top five closing balances collected by defaulter

In RMB

Entity name	Closing balance of accounts receivable	Contractual assets ending balance	Closing balance of accounts receivable and contractual assets	The proportion of the total closing balance of accounts receivable and contractual assets	Closing balance of accounts receivable allowance for doubtful accounts and contractual asset impairment provision
Entity 1	1,410,537,935.66		1,410,537,935.66	26.94%	
Entity 2	1,128,080,418.34		1,128,080,418.34	21.54%	
Entity 3	566,349,132.29		566,349,132.29	10.82%	
Entity 4	420,454,730.26		420,454,730.26	8.03%	210,227.37
Entity 5	306,627,206.33		306,627,206.33	5.86%	
Total	3,832,049,422.88		3,832,049,422.88	73.19%	210,227.37

2. Other receivables

In RMB

Item	Closing balance	Opening balance
Dividends receivable	522,000,000.00	150,000,000.00
Other receivables	53,065,087.05	100,596,765.44
Total	575,065,087.05	250,596,765.44

(1) Dividends receivable**1) Classification of dividends receivable**

In RMB

Item (or Investee)	Closing balance	Opening balance
Luxshare Precision Industry (Chuzhou), Ltd.		150,000,000.00
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	500,000,000.00	
Dongguan Leader Precision Industry Co., Ltd.	22,000,000.00	
Total	522,000,000.00	150,000,000.00

2) Significant dividends receivable with aging over 1 year

In RMB

Item (or Investee)	Closing balance	Aging	Reasons for non-recovery	Whether there is impairment and its judgment basis

(2) Other receivables**1) Classification of other receivables by nature**

In RMB

Nature of receivables	Closing book balance	Opening book balance
Reserve fund	12,800.00	8,000.00
Security deposit	5,818,945.78	5,692,864.47
Others	47,500,000.00	95,013,902.20
Current account		385,572.60

Total	53,331,745.78	101,100,339.27
-------	---------------	----------------

2)

2) Disclosures by aging

Aging	Closing balance	Opening balance
1 Year or Less (Including 1 Year)	53,331,745.78	101,100,339.27
Not Overdue	53,331,745.78	101,100,339.27
Total	53,331,745.78	101,100,339.27

3) Bad-debt provision

In RMB

Category	Closing balance					Opening balance				
	Book Balance		Bad Debt Provision		Book value	Book Balance		Bad Debt Provision		Book value
	Amount	Ratio	Amount	Provision Ratio		Amount	Ratio	Amount	Provision Ratio	
Including:										
Provision for Bad Debts by Individual Item	53,331,745.78	100.00%	266,658.73	0.50%	53,065,087.05	101,100,339.27	100.00%	503,573.83	0.50%	100,596,765.44
Including:										
Ageing Analysis Combination	53,331,745.78	100.00%	266,658.73	0.50%	53,065,087.05	100,714,766.67	99.62%	503,573.83	0.50%	100,211,192.84
Combined internal related party combinations						385,572.60	0.38%			385,572.60
Total	53,331,745.78	100.00%	266,658.73	0.50%	53,065,087.05	101,100,339.27	100.00%	503,573.83	0.50%	100,596,765.44

Provision for bad debts on a portfolio basis: 266,658.73

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision ratio
Aging combination (not overdue)	53,331,745.78	266,658.73	0.50%
Total	53,331,745.78	266,658.73	

Descriptions for determining the basis of the combination:

Provision for doubtful accounts according to the general model of expected credit losses:

In RMB

Bad-debt provision	Stage I	Stage II	Stage III	Total
	12 -month ECL	Lifetime ECL (without credit impaired)	Lifetime ECL (with credit unimpaired)	
Balance as at January 1, 2023	503,573.83			503,573.83
Balance as at January 1, 2023 in the current period				
Reversal	236,915.10			236,915.10
Balance as at December 31, 2023	266,658.73			266,658.73

Criteria for stage classification and the provision ratios for bad debt reserves

Changes in book balance of provision for loss with significant changes in the current period

Applicable N/A

4) Bad-debt provision made, recovered or reversed in the current period

Bad-debt provision in the current period:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recover or reversal	Write off	Other	
Group by aging	503,573.83		236,915.10			266,658.73
Total	503,573.83		236,915.10			266,658.73

Including significant amounts reversed or recovered from the current provision for bad debts:

In RMB

Entity name	Amount reserved or recovered	Reason for reversal	Recovery method	Basis and rationality of determining the ratio of the original bad debt reserve
-------------	------------------------------	---------------------	-----------------	---

5) Other receivables with top five closing balance - by debtor

In RMB

Entity name	Nature of receivables	Closing balance	Aging	Proportion in total closing balance of other receivables	Closing balance of bad-debt provision
Entity 1	Equity transfer funds	47,500,000.00	Undue	89.07%	237,500.00
Entity 2	Security deposit	4,216,931.94	Undue	7.91%	21,084.66
Entity 3	Security deposit	412,839.90	Undue	0.77%	2,064.20
Entity 4	Security deposit	298,575.04	Undue	0.56%	1,492.88
Entity 5	Security deposit	228,968.00	Undue	0.43%	1,144.84
Total		52,657,314.88		98.74%	263,286.58

3. Long-term equity investments

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	23,305,219,310.74	28,560,179.80	23,276,659,130.94	22,124,109,565.86	28,560,179.80	22,095,549,386.06
Investment in joint ventures and associates	359,712,752.90	34,372,608.46	325,340,144.44	271,906,254.31	34,372,608.46	237,533,645.85
Total	23,664,932,063.64	62,932,788.26	23,601,999,275.38	22,396,015,820.17	62,932,788.26	22,333,083,031.91

(1) Investment in subsidiaries

In RMB

Investee	Opening balance (book value)	Opening balance of provision for	Increase and decrease in the current period				Closing balance (book value)	Closing balance of provision for
			Additional investment	Reduced investment	Provision for	Others		

		impairment			impairment			impairment
BSC Technology (Jiangxi) Co., Ltd.	279,587,122.38		6,423,949.12	287,443,078.94			-1,432,007.44	
Xiexun Electronic (Ji'an) Co., Ltd.	248,697,661.66		10,598,861.14				259,296,522.80	
Suining Luxshare Precision Industry Co., Ltd.	2,513,272.40		909,096.64				3,422,369.04	
Luxshare Precision Technology Co., Ltd.	158,059,935.32						158,059,935.32	
ICT-LANTO LIMITED	987,362,500.26						987,362,500.26	
Luxshare Precision Limited	32,423,829.90		2,487,457.98				34,911,287.88	
Kunshan Liantao Electronics Co., Ltd.	3,396,010,970.46		285,641,450.74				3,681,652,421.20	
Dongguan Leader Precision Industry Co., Ltd.	65,586,759.64		3,489,441.47				69,076,201.11	
Kunshan Luxshare Precision Industry Co., Ltd.	519,241,909.62		4,353,678.56				523,595,588.18	
Wan'an Xiexun Electronic Co., Ltd.	40,503,741.58		606,767.70				41,110,509.28	
Fujian JK Wiring Systems Co., Ltd.	97,148,970.19		435,273.64				97,584,243.83	
Xingning Luxshare Technology Co., Ltd.	672,878.18		421,922.46				1,094,800.64	
Luxshare Precision	785,589,532.99		4,327,691.29				789,917,224.28	

Industry (Chuzhou), Ltd.								
SuK Kunststofftechnik GmbH	33,746,516.14						33,746,516.14	
Fengshun Luxshare Precision Industry Co., Ltd.	10,162,220.53		79,519.73				10,241,740.26	
Shenzhen Luxshare Acoustics Technology Ltd.	7,210,499.84	28,560,179.80	2,982,440.79				10,192,940.63	28,560,179.80
Dongguan Luxshare Precision Industry Co., Ltd.	1,034,817.364.24		10,205,393.26				1,045,022.757.50	
Luxshare Automation (Jiangsu) Ltd.	65,015,912.05		25,437,925.54				90,453,837.59	
Shenzhen Luxshare Smart Life Co., Ltd.	21,000,000.00						21,000,000.00	
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	1,117,959.148.52		13,745,772.05	25,392,558.04			1,106,312.362.53	
Dongguan Xuntao Electronic Co., Ltd.	- 10,363,501.49		4,449,330.66				- 5,914,170.83	
Luxshare Electronic Technology (Kunshan) Co., Ltd.	2,270,465.789.36		74,967,684.18				2,345,433.473.54	
Luxshare Precision Components (Kunshan) Co., Ltd.	106,126,860.87		298,782.09				106,425,642.96	

Luxshare Precision Industry (Enshi) Co., Ltd.	102,776,306.15		1,929,129.83				104,705,435.98	
Yongxin County Boshuo Electronics Co., Ltd.	1,107,331.70		687,788.37				1,795,120.07	
LUXSHAR E-ICT Japan Ltd.	3,140,913.42			247,583.13			2,893,330.29	
Taiwan Luxshare Precision Limited	173,086,776.55		44,276,251.37				217,363,027.92	
Luxshare-ICT,inc.	46,596,940.81		19,607,273.66				66,204,214.47	
Korea Luxshare-ICT Co.,Ltd.	5,836,242.62		437,978.32				6,274,220.94	
LUXSHAR E-ICT EUROPE LIMITED	182,206.32						182,206.32	
Mette Electronics (Suzhou) Co., Ltd.	11,737,053.90		11,240,385.59				22,977,439.49	
Kunshan-Luxshare RF Technology Co., Ltd.	30,888,796.67		9,190,613.04				40,079,409.71	
Merry Electronics (Huizhou) Co., Ltd.	3,255,101.86		1,700,194.54				4,955,296.40	
Jiangxi Boshuo Electronic Co., Ltd.	1,972,318.72			36,355.14			1,935,963.58	
Luxshare Precision Industry (Baoding)	1,409,585.32		1,598,662.56				3,008,247.88	

Co., Ltd.								
Luxshare Precision Industry (Shanxi) Co., Ltd.	2,532,431.6 1		2,723,066.4 3				5,255,498.0 4	
Dongguan Luxshare Smart-Link Electronic Technology Co., Ltd.	611,892.33		472,501.45				1,084,393.7 8	
Guangdong Luxshare & Merry Electronics Co., Ltd.	1,058,103.7 3						1,058,103.7 3	
Bozhou Lanto Electronic Limited	6,317,324.9 2		4,337,125.9 3				10,654,450. 85	
Yancheng Luxshare Precision Industry Co., Ltd.			331,513.63				331,513.63	
Huzhou Jiuding Electronic Co., Ltd.	2,111,090.4 7		1,655,777.9 1				3,766,868.3 8	
Xinyu Xiexun Electronic Co., Ltd.	4,339,715.1 3		714,872.61				5,054,587.7 4	
Luxshare Precision Industry (Suzhou) Co., Ltd.	130,000.00 0.00						130,000.00 0.00	
Luxshare iTech (Zhejiang) Co., LTD.	802,931.68 2.14		53,822,543. 71				856,754.22 5.85	
Bozhou Xuntao Electronic Limited	260,249.46		18,013.92				278,263.38	
Dongguan	906,784.68		317,637.34				1,224,422.0	

Luxshare Technology Co., Ltd.	9.18		4.82				34.00	
Xuancheng Luxshare Precision Industry Co., Ltd.	20,548,360.76		11,779,871.40				32,328,232.16	
Beijing Luxshare Acoustic Technology Co., Ltd.	7,510,289.72		10,221,477.29				17,731,767.01	
Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.	1,441,333,131.87			28,828,248.87			1,412,504,883.00	
Xingning Luxshare Electronic Co., Ltd.	221,447.92		192,933.60				414,381.52	
Xuande Technology Co., Ltd.	2,291,092.92		2,372,391.90				4,663,484.82	
Luxshare Technology Co., Ltd.	4,288,174.77			1,966,491.97			2,321,682.80	
Changshu Luxshare Industrial Investment Management Co., Ltd.	161,667,000.00		1,700,000.00				163,367,000.00	
Kunshan Luxshare Enterprise Management Development Co., Ltd.	200,000,000.00						200,000,000.00	
Luxshare Precision	184,220.25		475,778.69				659,998.94	

Industry (Jiangsu) Co., Ltd.								
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	12,642,132.79		17,514,816.85				30,156,949.64	
Luxcase Precision Technology (Yancheng) Co., Ltd.	5,770,757,306.69		6,031,638.14				5,776,788,944.83	
Luxis Technology (Kunshan) Co., Ltd.	246,946,030.99		1,123,661.60				248,069,692.59	
Luxshare Electronic Technology (Enshi) Co., Ltd.	35,000,000.00		10,000,000.00				45,000,000.00	
Liding Electronic Technology (Dongguan) Co., Ltd.	251,575,973.77		1,369,961.40				252,945,935.17	
Luxshare Technology (Xi'an) Co., Ltd.	28,601,994.98		24,305,561.29	52,296,326.86			611,229.41	
Lixin Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	305,165,600.10		17,736,147.75				322,901,747.85	
Luxshare Precision Technology (Nanjing) Co., Ltd.	24,775,706.44		27,703,274.00				52,478,980.44	
Luxshare Electronic (Shanghai) Co., Ltd.	4,480,333.87		3,727,250.63				8,207,584.50	
Ri Ming Computer	21,156,714.		18,154,296.				39,311,010.	

Accessory (Shanghai) Co., Ltd.	43		25				68	
Ri Pei Computer Accessory (Shanghai) Co., Ltd.	575,113.62			575,113.61			0.01	
Shengrui Electronic Technology (Shanghai) Co., Ltd.	47,348.33		552,405.00				599,753.33	
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	12,158,105.97		7,922,152.19				20,080,258.16	
LUXSHAR E-ICT (VIETNAM) LIMITED	572,247.51		1,438,993.32				2,011,240.83	
Hangzhou Xuntao Technology Co., Ltd.	6,075,602.47		8,557,832.00				14,633,434.47	
Dachuang Precision Intelligent Manufacture (Kunshan) Co., Ltd.	15,703,722.77		6,938,871.64				22,642,594.41	
Fengshun Luxshare Intelligent Manufacture Co., Ltd.	2,104,000.00		247,896.00				250,000.00	
Luxshare Electronic Technology (Kunshan) Co., Ltd.	5,000,000.00		30,500,000.00				35,500,000.00	
Suzhou Luxshare Technology Co., Ltd.	2,454,628.88		2,499,509.75				4,954,138.63	
Yancheng Luxshare Corporate Management Services Partnership	47,147.95			47,147.95				

(Limited Partnership)								
Luxshare Precision Industry (Wuhu) Co., Ltd.	144,254.59		1,714,980.74				1,859,235.33	
Dongguan Huarong Communications Technology Co., Ltd.	31,881.21		589,722.54				621,603.75	
Luxshare Precision Components (Kunshan) Co., Ltd.	321,813.49		7,994,737.69				8,316,551.18	
Zhejiang Puxing Electronic Technology Co., Ltd.	66,287.67		773,367.00				839,654.67	
Luxshare Thermal Technology (Huizhou) Co., Ltd.	1,699,063.35		3,029,427.71				4,728,491.06	
Luxshare Automotive Technology (Shanghai) Co., Ltd.	4,103.52		560,482.19				564,585.71	
Luxshare Precision Industry (Huzhou), Ltd.	299,659.78		519,665.42				819,325.20	
Luxshare Precision (Yunzhong) Co., Ltd.	531,336.23		1,368,220.53				1,899,556.76	
Shenzhen Huarong Technology Co., Ltd.	90,908.80		1,060,617.60				1,151,526.40	
Dongguan Luxshare Holdings Co., Ltd.			131,800.00				131,800.00	
Shantou			7,332.16				7,332.16	

Luxshare Technologies Co., Ltd.												
TIME Interconnect Technology Limited			956,470.98								956,470.98	
Kunshan TIME Interconnect Technology Limited			680,207.74								680,207.74	
Luxshare Precision Industry (Anhui) Co., Ltd.			69,312.21								69,312.21	
Luxshare Precision Industry (Huzhou), Ltd.			39,550,000.00								39,550,000.00	
CASETEK SINGAPORE PTE.LTD.			1,289,759.72								1,289,759.72	
Luxcase Precision Technology (Kunshan) Co., Ltd.			559,415.27								559,415.27	
Luxshare Precision Industry (Mingguan) Co., Ltd.			460,628.47								460,628.47	
Total	22,095,549,386.06	28,560,179.80	1,577,942,649.39	396,832,904.51							23,276,659,130.94	28,560,179.80

(2) Investment in joint ventures and associates

In RMB

Investee	Opening balance (book value)	Opening balance of provision for	Increase and decrease in the current period								Closing balance (book value)	Closing balance of provision for
			Additi onal invest ment	Reduc ed invest ment	Invest ment profit or loss recogn	Other compr ehensi ve incom	Other change s in equity	Declar ed cash divide nds or	Provisi on for impair ment	Others		

		impairment			ized under equity method	e adjustment		profits				impairment	
I. Joint ventures													
II. Associates													
Siliconch	21,778,148.76				2,180,802.19							23,958,950.95	
Zhuhai Kinwong Flexible Circuit Co., Ltd.	215,755,497.09	34,372,608.46			-26,477,181.93							189,278,315.16	34,372,608.46
Lisheng Automotive Technology (Guangzhou) Co., Ltd.			112,500,000.00		-397,121.67							112,102,878.33	
Subtotal	237,533,645.85	34,372,608.46	112,500,000.00		-24,693,501.41							325,340,144.44	34,372,608.46
Total	237,533,645.85	34,372,608.46	112,500,000.00		-24,693,501.41							325,340,144.44	34,372,608.46

The recoverable amount is determined based on the present value of estimated future cash flows.

Applicable N/A

In RMB

Item	Book value	Recoverable amount	Impairment amount	Method of determining fair value and disposal costs	Key parameters	Criteria for determining key parameters
------	------------	--------------------	-------------------	---	----------------	---

The recoverable amount is determined based on the present value of estimated future cash flows.

Applicable N/A

In RMB

Item	Book value	Recoverable amount	Impairment amount	Forecast period duration	Key parameters for the forecast	Key parameters for the stable period	Criteria for determining key parameters
------	------------	--------------------	-------------------	--------------------------	---------------------------------	--------------------------------------	---

					period		for the stable period
--	--	--	--	--	--------	--	-----------------------

Reasons for differences between the aforementioned information and the information used in previous years' impairment tests or external information:

None.

Reasons for significant discrepancies between the information used in previous years' impairment tests and the actual situation in the current year:

(3) Other descriptions

4. Operating income and operating costs

In RMB

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Income	Cost	Income	Cost
Principal business	10,632,214,770.04	10,025,885,162.48	12,732,437,422.46	11,987,063,338.40
Other business	145,744,213.41	64,294,879.18	220,376,313.08	64,760,595.99
Total	10,777,958,983.45	10,090,180,041.66	12,952,813,735.54	12,051,823,934.39

Income related information:

In RMB

Contract classification	Segment 1		Segment 2				Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs
By product types								
Including:								
Contract classification								
By geographic areas of operations								
Including:								
By markets or customers								
Including:								
By contract								

types								
Including:								
By the period of transferring products								
Including:								
By contract term								
Including:								
By sales channel								
Including:								
Total								

In RMB

In RMB

Information related to performance obligations:

Item	Time of performance or fulfillment of obligations	Key payment terms	Nature of the company's commitment to transfer goods	Whether they are the primary obligor	Amounts expected to be refunded to customers by the company	The type of quality assurance provided by the company and related obligations

Other descriptions

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the incomes corresponding to the contracts signed whose performance has not been commenced or completed amount to RMB0.00, of which RMB is expected to be recognized in , RMB is expected to be recognized in , and RMB is expected to be recognized in .

Significant contract amendments or significant adjustments in transaction prices.

In RMB

Item	Accounting treatment methods	Amount of impact on revenue.

Other descriptions:

5. Investment income

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Long-term equity investment income accounted for using the cost method	3,436,245,988.83	1,300,000,000.00
Long-term equity investment income accounted for using the equity method	-24,693,501.41	16,056,804.17
Investment income from disposal of held-for-trading financing assets	-48,976,370.39	
Long-term equity investment income accounted for using the cost method	93,809,534.50	77,056,640.91
Dividend income earned during the holding period of other equity instruments.	264,713.32	212,413.30
Income from wealth management products	879,726.47	11,308,785.90
Gains from derecognition of financial assets measured at amortized cost.	-39,618,411.95	-43,522,172.22
Total	3,417,911,679.37	1,361,112,472.06

6. Others

XX. Supplementary information

1. Breakdown of non-recurring profit and loss for the current period

Applicable N/A

In RMB

Item	Amount	Remarks
Profit or loss from disposal of non-current assets	106,350,953.11	
Government grants recognized in the current profit or loss (except for the government grants which are closely related to the company's normal business operations and gained at a fixed amount or quantity according to national uniform standards)	791,098,788.52	
Except for effective hedging business related to the company's normal business operations, profit or loss from changes in fair value arising from the holding of held-for-trading financial assets and liabilities, and investment income from disposal of held-for-trading financial assets and liabilities, and available-for-sale financial assets	488,375,997.34	
Profit or loss on assets under entrusted investment or management	189,969,851.82	

Other non-operating income and expenses except the above items	41,640,366.02	
Other profit and loss items satisfying the definition of non-recurring profit and loss	-601,026,495.49	
Less: Affected quantum of income tax	158,749,222.86	
Affected quantum of minority interest	90,557,090.29	
Total	767,103,148.17	--

Details of other profit and loss satisfying the definition of non-recurring profit and loss

Applicable N/A

The early termination recognition of investment income primarily pertains to financial assets.

Description of classifying non-recurring profit and loss items enumerated in the Explanatory Announcement No.1 for Public Company Information Disclosures – Non-recurring Profits and Losses as recurring profit and loss items

Applicable N/A

2. Return on equity and earnings per share

Profit in the reporting period	Weighted average return on equity	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	21.61%	1.54	1.53
Net profit after deduction of non-recurring profit and loss attributable to ordinary shareholders of the Company	20.25%	1.43	1.42

3. Accounting data differences under domestic and foreign accounting standards

(1) Differences of net profit and net assets in financial reports disclosed according to International Accounting Standards and Chinese Accounting Standards at the same time

Applicable N/A

(2) Difference of net profit and net asset in financial reports disclosed according to overseas accounting standards and Chinese Accounting Standards at the same time

Applicable N/A

(3) Descriptions on the reasons for the differences of accounting data under the accounting standards at home and abroad, and the name of the overseas institution if difference adjustment is made to the data audited by an overseas audit institution

None

4. Others

None