
LUXSHARE ICT
立讯精密

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.

Terms	means	Definition
We/us, the Company or Luxshare ICT	means	Luxshare Precision Industry Co., Ltd.
Luxshare Limited	means	Luxshare Limited, founder and

		Ltd.
Liding Dongguan	means	Liding Electronic Technology (Dongguan) Co., Ltd.
LuxcaseICT 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.

AOA

any)	
Changes in controlling shareholder (if any)	No

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

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

□Yes ☑No

	2022	2021	Y/Y % Change	2020
Operating income (RMB)	214,028,394,291.44	153,946,097,790.40	39.03%	92,501,259,211.54
Net profit attributable to shareholders of the listed company (RMB)	9,163,104,849.54	7,070,520,386.57	29.60%	7,225,462,752.58
Net profit attributable to shareholders of the listed company after deduction of non-recurring gain or loss (RMB)	8,442,052,945.85	6,015,597,220.13	40.34%	6,088,901,850.86
Net cash flow from operating activities (RMB)	12,727,610,319.34	7,284,766,917.00	74.72%	6,873,211,486.05
Basic earnings per share (RMB/share)	1.29	1.01	27.72%	1.03
Diluted earnings per (RMB/share)	1.28	0.99	29.29%	1.01
Weighted average return on equity	23.00%	22.35%	Increase by 0.65 percentage points	30.29%
	December 31, 2022	December 31, 2021	Y/Y % Change	December 31, 2020
Total assets (RMB)	148,384,319,074.71	120,572,098,167.88	23.07%	70,012,753,551.75
Net assets attributable to shareholders of the listed company (RMB)	45,342,897,318.53	35,288,554,748.72	28.49%	28,101,816,234.56

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

□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.

□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.

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	41,599,710,846.10	40,361,448,994.51	63,291,092,079.16	68,776,142,371.67
Net profit attributable to shareholders of the listed company	1,803,320,580.17	1,980,710,225.65	2,616,244,464.13	2,762,829,579.59
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	1,523,761,959.82	1,868,038,609.22	2,586,792,722.51	2,463,459,654.30
Net cash flow from operating activities	1,278,178,911.17	1,144,968,241.78	538,167,178.29	9,766,295,988.10

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

☑ Applicable □ N/A

In RMB

Item	2022	2021	2020	Remark
Gain or loss on disposal of non-current assets (including allowance for impairment of assets that has been written off)	40,397,780.40	-57,241,855.39	-35,503,173.93	
Government grants recognized in profit or loss (excluding government grants that are closely related to the business of the Company and are provided in fixed amount or quantity continuously according to the applicable polices of the country)	602,294,263.90	853,542,165.37	450,749,695.89	
Interest in the fair value of the acquirees'				

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

As affected by global inflation, geopolitics and other factors in 2022, the consumer electronics industry remains challenging and the overall market demand is subdued. However, the integration of emerging technologies, including the future 5G, Internet of Things, artificial intelligence, health monitoring, virtual reality and new display, and new consumer electronics accelerates the upgrading of consumer electronic products, leads to new product forms, and continues to promote the growth of the consumer electronics market size.

(II) Communication and data center

Like the consumer electronics industry, the year of 2022 witnessed a challenging experience for the communications industry with the demand slowing in 2022 due to geopolitics, global inflation, global economic downturns and the impact of varying degrees of IC shortages on ODMs. However, in the long run, a series of technological innovations such as AIGC, the emergence of new technologies, and the commercialization and popularization of 5G in the future will put forward higher requirements for computing power and transmission. While promoting the expansion of the hardware terminal market, it will also further drive the rapid growth of related industries such as the Internet of Things, computing power networks, data centers, base station RF, power management, and thermal management. It is expected that the communications market will continue to maintain a rapid growth trend in the future.

(III) Automotive electronics

With the increasing demand for automobile safety, comfort and intelligence, the market size of new energy vehicles and intelligent vehicles is rapidly expanding. According to Clean Technica data, the number of traded global new energy vehicles exceeded 10 million for the first time, namely 10,091,164, a year-on-year increase of 56.4%, with a penetration rate being increased to 14%., it is expected to reach a key threshold of 50% by 2035. At the same time, the survey data from relevant institutions showed that the current global market penetration rate of new cars equipped with intelligent network connectivity functions is about 45%, and it is expected that the market size will reach approx. 60% by 2025. Given the rapid development of automobile electrification, networking and intelligence, the value chain and supply chain of new energy vehicles and intelligent vehicles are experiencing accelerated restructuring. With the entry of new players and emerging automakers, the automotive parts market has become diverse and the relatively closed supporting system is gradually being broken. Vehicle manufacturers are increasingly accepting and welcoming parts with strong competitiveness, especially in areas such as automotive wiring harness/connectors, vehicle electronics, intelligent cockpits, and automatic driving. Automotive parts companies with consumer experience have accumulated rapid iteration capabilities, cost control awareness, timely response experience and understanding of the ecosystem in consumer electronics products,

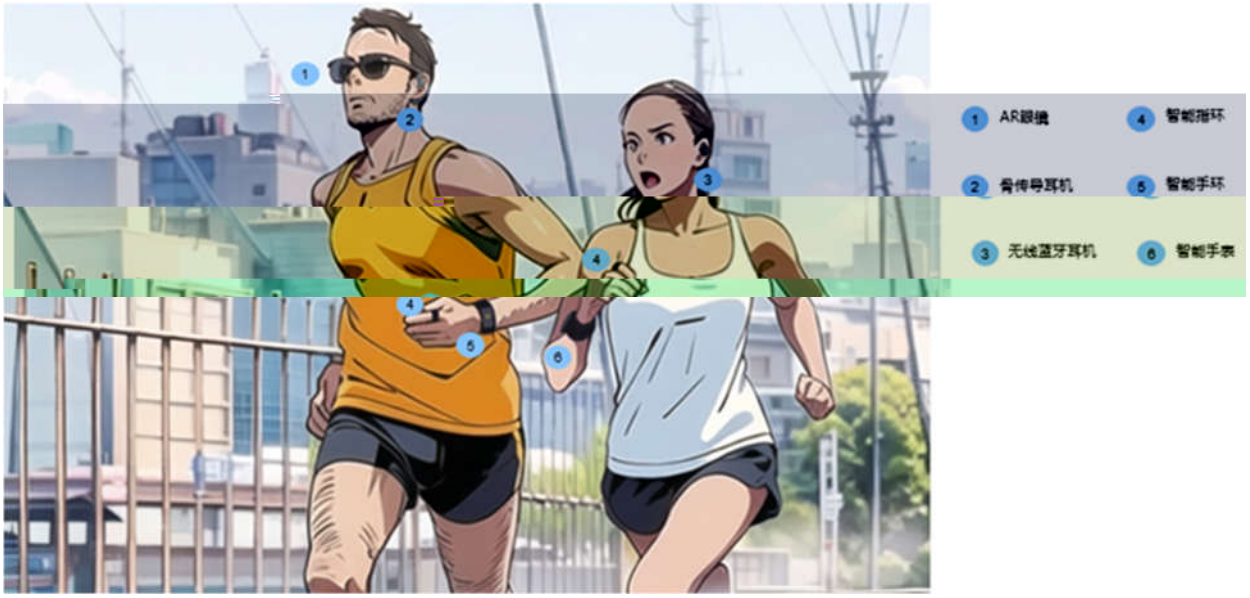
which has greatly helped vehicle manufacturers promote and apply new products and technologies, and enhance their competitiveness. At present, the electrification and intelligence of China's automotive market is showing high growth, with the development speed leading the world, which offers a platform for cultivation and development of Chinese Tier1 automotive companies to go global.

(IV) Our position in the industry

During the reporting period, we ranked first on the list of 2022 backbone enterprises in electronic components published by the China Electronic Components Association, and were awarded the honorable titles of "Top 500 Private Enterprises of China", "Top 500 Private Manufacturers of China", and "2022 Forbes China Most Innovative Companies",

7. Laptop 8. Bluetooth mouth	15. Security camera

2. In the intelligent wearable scenario, as consumers pay further attention to sports and health, we have deployed product interfaces such as AR glasses, bone conduction headphones, wireless bluetooth headphones, smart wristbands, and smart watches to track and monitor consumers' health data;



1.AR AR glass 2. bone conduction headphone 3. Wireless bluetooth headphone	4. Smart ring 5. Smart wristband 6. Smart watch

3. In the indoor home application scenario, we pay great attention to consumers' continuous pursuit of home life quality in areas such as entertainment, audio-visual, beauty and fitness. We have also fully deployed product interfaces such as smart vacuum cleaners, gamepads, smart adapters, electronic cigarettes, routers, smart speakers, e-readers, floor-cleaning robots, beauty devices, TAG trackers and VR;



1. Smart Vacuum cleaner	9. Smart speaker
2. Gamepad	10. Smart speaker robot
3. Smart adapter	11. E-reader
4. Power bank	12. Floor-cleaning robot
5. electronic cigarette	13. Beauty device
6. Smart socket	14.TAG TAG tracker
7. Mobile phone wireless charger	15.VR
8. Router	

4. We have extended the capability of different product interfaces in multiple application scenarios to outdoor application scenarios, so as to meet consumer demand for mobile device equipment and corresponding energy products through product lines such as outdoor power supply, self-balancing scooters, electric scooters, smart car locks, electric car chargers and smart helmets;



1. Outdoor power supply	4. Smart car lock
2. Self-balancing scooter	5. Electric motorcycle charger
3. Electric scooter	6. Smart helmet

5. In the computing center scenario, we have extended from multi-category components and modules to complete server assembly, and continue to provide original development and have a wide and deep patent layout in low-speed, high-speed IO interface optical and electric transmission, and power products. Further, we take the lead in the R&D of high-speed connection solution architecture matching high computing power data centers based on CPO/CPC technology. At the same time, with the constant increase in the amount of transmitted data, thermal management issues arise. Last year, we successfully deployed a thermal management system module, achieving vertical integration of complete data center solutions;



1.ACC/DAC	8. Hanger
2.SSIO	9. Water-cooled plate
3.HSIO	10. Fan
4.AOC	11. Heat sink
5.Transceiver	12. Temperature control solution
6. Optical fiber patch cord	13.UPS / / UPS single cabinet / lithium / double cabinet
7. Cable module	14. / Communication power supply: site plug-in cabinet, indoor/outdoor cabinet

6. In the RF communications scenario, we deeply integrated and focused on product lines such as antennas, CPE, tower amplifier and RF units;

1. Base station antenna	5.AAU
2. / Tower amplifier/combiner	6.pRRU
3. Remote radio unit	7. Indoor antenna
4. Repeater	8.CPE

7. Against the electrification, networking, and intellectualization of automobiles, we have extended our product layout to multiple-category product lines inside and outside the cockpit through more than a decade of R&D.

automobile manufacturer	
Wiring harness Wiring harness of the vehicle Special wiring harness Charge gun	Connector Low-voltage connector High-voltage connector High-speed connector Busbar
New energy DU BDU Inverter	Intelligent network Road test unit Vehicle communication unit Smart Antenna V2X
Smart cockpit Multimedia instrument Infotainment system AR-HUD DMS/OMS Domain controller Wireless charging USB Power network isolator	
Smart manufacturing Insert molding PCBA	

8. Starting with consumable products, we entered the medical product line. In reliance on our comprehensive abilities in light, sound, electricity, magnetism, heat, and RF in the consumer electronics and communications industries accumulated over the years, we have begun to rapidly integrate equipment product lines such as surgery and imaging.



Monitoring Wire used for oximeter Wire used for ECG machine Wire for temperature recording instrument
Surgery Wire used for anastomosis Wire for electric knife Anastomosis connector
Defibrillation External defibrillation wire Body-controlled defibrillation wire Parts of defibrillator
Internal device Imaging (ultrasound) MR Imaging (MR) In-machine wire of medical devices of all kinds Wire used for ultrasound transducer Magnetic resonance imaging coil cable

(1) Digital application stimulates new potential of intelligent manufacturing

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) Forward-looking layout opens up a new 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,

frontier technologies. Our R&D expenses are mainly divided into investment in cutting-edge technology and in product iteration. Our investment in cutting-edge technology mainly focuses on our medium- and long-term product and business planning layout. About 30% of the overall R&D expenses are invested in innovative research and development in cutting-edge technology areas such as underlying materials, processes, and production procedures, which contributes to enabling 30% of our products to enter the “unpopulated area” of the global industry in the next 20 years. Our investment in product iteration focuses on R&D investment from concept to NPI (New Product Introduction) of new solutions and products. Our R&D expenses and achievements have been continuously increasing. To be specific, our R&D expenses totaled RMB20.834 billion in the past three years, including RMB8.447 billion during the reporting period; in terms of our R&D achievements, we have a total of 4,526 invention patents, an increase of 46.47% from the end of 2021.

(IV) The “dual carbon” concept generates new green vitality

To achieve the “dual carbon” goal in our production and operation, we actively practice the concept of green and low-carbon development, and adhere to the strategy of “energy conservation and emission reduction and use of renewable energy as the main method and carbon offset as a supplement” to gradually achieve the organic combination of carbon neutrality in our own operation, industrial chain and value chain. As of the end of the reporting period, a total of our 43 plants passed ISO14001 environmental management system certification in 2008, 9 plants passed ISO 50001 energy management system certification, 11 plants were rated as national or provincial-level green factories, and 12 subsidiaries obtained UL 2799 zero waste to landfill certification with a platinum rating.

Based on 1.5°C target led by the Science Based Targets initiative (SBTi), we steadily advance the action plan for carbon accounting, reduction, and neutrality in accordance with the climate action plan roadmap. What’s more, we regularly review and adjust our climate change strategy based on actual business operations, and adopt such methods as low-carbon transformation of energy structure, optimization of waste emission management, rooftop photovoltaic construction, direct purchase of green electricity, and green energy investment to contribute to our green and sustainable development.

(V) Building hubs for talents

The core competencies of a company will be ultimately reflected in the soft power arising from in-depth integration and mutual nourishment of talents and corporate culture. Core talents are the basis for the sustainable development of a company and the cornerstone for cultivating the talents required by a company. We have adhered to the strategy of invigorating the business through talents, and continuously improved our talent echelon building system and talent pool mechanism. On the one hand, we vigorously recruit outstanding talents required in our development who recognize and conform to the distinctive characteristics of our corporate culture, to continuously augment our team of core talents. On the other hand, we continuously improve our talent training system and talent selection system. Along with the growth of our business, we continuously put forward new and reasonable requirements for our employees, encourage them to make self-breakthrough in the boundary of their capabilities, and continuously improve their personal competencies and management capabilities, to contribute new energy to our development. Under the nurture of our corporate culture of being pragmatic and enterprising, constantly striving for perfection, and fulfilling the missions, we provide the key employees with a vast space to exercise their talents, and effectively stimulate their sense of mission, sense of achievement and sense of

collective honor. At present, we have recruited outstanding talents in materials, automation, electronic information, molds, business management and other fields throughout the world, to create a talent pool for our sustainable development. We clearly know how to attract and retain talents. To develop a virtuous circle of people creating the environment and the environment creating people through in-depth integration of talents and corporate culture is our strongest core competency. Through effective talent mechanisms, we have sufficient talents in our traditional superior fields, and have laid the foundation for our rapid development in new areas and businesses.

(1) Consumer electronics business

As affected by external factors such as geopolitics and global inflation in 2022, the consumer demand both at home and abroad declined to varying degrees. What's more, the production capacity of our important system manufacturers in central China was blocked in the fourth quarter, causing a short-term passive decline in our sales of some components and module products, thereby resulting in certain fluctuations in overall utilization rate. Despite severe external challenges, we consistently strengthened our strategic thinking, maintained firm strategic resolve, and enhanced strategic planning. With these efforts, we achieved breakthroughs in system assembly businesses such as smart mobile terminals, health wear, acoustic wear, as well as in core components and module products such as smart terminal display modules, system packaging, and voice coil motors. With strong product R&D capabilities, leading automation process development levels, efficient lean manufacturing capabilities, and high-quality delivery standards, we continue to receive high praise and full affirmation from core customers, leading to an annual increase in market share for product lines. In terms of new products and businesses, we fully recognize the development potential of industries such as human-machine interaction and virtual reality in different fields including industry, transportation, medical care, and entertainment in the future. During the reporting period, we actively made arrangements in this aspect and worked with top customers to make plans and seize the golden development opportunity of the next five years. Facing highly complex new product interfaces, we continue to conduct in-depth process analysis and technical decomposition to convert complex structures into multiple mature process flows, so as to help customers achieve product development and launch through sound, light, electricity, magnetism, and other technology empowerment.

(2) Automotive business

B " Given the further "electrification", "intelligence" and "networking" on the automotive industry in 2022, China's new energy vehicle industry is developing rapidly, and the proportion of automotive electronics in the manufacturing cost of the entire vehicle increases significantly. We replied on a strong intelligent manufacturing platform, en e oor ă Ţ f ”Ḥ Ŏ +

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intelligent cockpit domain controllers, LCD instruments, AR HUDs, and DMSs, etc.) have strong market demand, showing rapid growth in performance. What's more, Luxshare Limited, our controlling shareholder, purchased shares in Chery Holding Group Co., Ltd. and its subsidiaries ("Chery Group") on February 11, 2022. Meanwhile, in order to build a cutting-edge R&D design, mass production platform and export channels for our core automotive components and achieve the medium- and long-term goal of becoming a Tier1 manufacturer of automotive components, we and Chery Group signed a Strategic Cooperation Framework Agreement. Through complementary advantages with Chery Group, we rapidly improve our comprehensive ability as a Tier1 manufacturer of core automotive components, quickly optimize our products and increase product sales.

(3) Communication business

Our overall communication business showed rapid growth in 2022, but due to a series of geopolitical factors, many restrictions such as overseas business environment and industry access policies hindered our continuous expansion of system product business in North America. Nonetheless, we achieved fruitful results in core components such as electric connectors, optical connectors, optical modules, and air-cooled/liquid-cooled heat dissipation components in both domestic and overseas markets. Meanwhile, we have extensive and in-depth patent layouts in high-speed interconnect product-related technologies and actively leads or participates in the preparation of industry standards such as the CPO optical interconnect standards and the international standards for equipment professional interface QSFP112. Given the medium- and long-term rapid growth of global cloud service market, the new generation of information technologies, such as cloud computing, big data, the Internet of Things, and artificial intelligence are applied worldwide, further broadening the demand for related core components in the communication field. During the reporting period, we continued to strengthen our R&D investment in core components in the communication field and devoted ourselves to improving our basic capabilities of high/low-frequency electric connectors, optical connectors, optical modules, heat dissipation temperature control equipment, and RF communication products. With "application of a generation, development of a new generation and research of the newer generation" as the core product strategy, we have established a capability module for various fields. To further enhance vertical integration of industries, promote trans-sector technological convergence and increase coverage of product lines, we took control of TIME Interconnect Technology Limited through a tender offer on February 12, 2022, which further improves the strategic layout of our interconnect products in the fields of communications, medical care, automotive and industry.

In RMB

	2022		2021		Y/Y % change
	Amount	% of operating revenue	Amount	% of operating revenue	
Total operating revenue	214,028,394,291.44	100%	153,946,097,790.40	100%	39.03%
By segment					
Computer interconnect products and precision components	11,279,925,261.07	5.27%	7,856,595,729.78	5.10%	43.57%
Automotive interconnect products	6,149,359,869.13	2.87%	4,142,675,174.19	2.69%	48.44%

and precision components					
Communication interconnect products and precision components	12,834,368,214.51	6.00%	3,269,476,642.60	2.12%	292.55%
Consumer electronics	179,666,857,997.07	83.95%	134,637,995,600.46	87.46%	33.44%
Other connectors and other business	4,097,882,949.66	1.91%	4,039,354,643.37	2.62%	1.45%
By product					
Computer interconnect products and precision components	11,279,925,261.07	5.27%	7,856,595,729.78	5.10%	43.57%
Automotive interconnect products and precision components	6,149,359,869.13	2.87%	4,142,675,174.19	2.69%	48.44%
Communication interconnect products and precision components	12,834,368,214.51	6.00%	3,269,476,642.60	2.12%	292.55%
[redacted]	179,666,857,997.07	83.95%	134,637,995,600.46	87.46%	33.44%
[redacted]	4,097,882,949.66	1.91%	4,039,354,643.37	2.62%	1.45%
[redacted]					
[redacted]	20,224,747,347.20	9.45%	10,493,247,599.10	6.82%	92.74%
[redacted]	193,803,646,944.24	90.55%	143,452,850,191.30	93.18%	35.10%
[redacted]					
[redacted]	214,028,394,291.44	100.00%	153,946,097,790.40	100.00%	39.03%

Segment	Item	Unit	2022	2021	Y/Y % change
Computer interconnect products and precision components	Sales volume	KPCS	651,927	692,107	-5.81%
	Output	KPCS	691,581	735,779	-6.01%
	Inventories	KPCS	39,654	43,672	-9.20%
Automotive interconnect products and precision components	Sales volume	1,000 sets	323.444	233,339	38.62%
	Output	1,000 sets	352,333	256,542	37.34%
	Inventories	1,000 sets	28,889	23,203	24.50%
Communication interconnect products and precision components	Sales volume	KPCS	484,370	380,329	27.36%
	Output	KPCS	522,561	413,793	26.29%
	Inventories	KPCS	38,191	33,465	14.12%
Consumer electronics	Sales volume	KPCS	3,727,774	3,495,842	6.63%
	Output	KPCS	4,233,740	3,773,559	12.19%
	Inventories	KPCS	505,965	277,717	82.19%
Other connectors and other business	Sales volume	KPCS	385,129	467,754	-17.66%
	Output	KPCS	416,004	508,283	-18.16%
	Inventories	KPCS	30,874	40,529	-23.82%

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

☑Applicable □N/A

The sales volume of automotive interconnect products and precision components is primarily due to business growth, while the increase in inventory of consumer electronics is to meet the need for inventory reserves.

□Applicable ☑N/A

Segment

Segment

In RMB

Segment	Item	2022		2021		Y/Y % change
		Amount	% of operating cost	Amount	% of operating cost	
Computer interconnect products and precision components	Cost of sales	8,991,105,125.09	4.78%	6,296,204,929.34	4.66%	42.80%
Automotive interconnect products and precision	Cost of sales	5,159,940,778.89	2.75%	3,475,111,291.70	2.57%	48.48%

components						
Communication interconnect products and precision components	Cost of sales	11,405,956,391.67	6.07%	2,700,268,416.55	2.00%	322.40%
Consumer electronics	Cost of sales	159,057,762,186.53	84.64%	119,338,834,375.15	88.37%	33.28%
Other connectors and other business	Cost of sales	3,314,115,803.20	1.76%	3,237,917,280.14	2.40%	2.35%

Remark

None

☑Yes □No

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

No.	Name of supplier	Purchase amount (RMB)	% of annual purchase cost
1	Supplier 1	107,417,124,303.85	58.11%
2	Supplier 2	3,469,445,795.86	1.88%
3	Supplier 3	1,947,273,086.88	1.05%
4	Supplier 4	1,872,417,885.96	1.01%
5	Supplier 5	1,688,954,579.76	0.91%
Total	--	116,395,215,652.31	62.96%

Other information of major suppliers:

□Applicable ☑N/A

In RMB

	2022	2021	Y/Y % change	Reason of material change
Sales expenses	831,398,139.60	789,908,163.80	5.25%	Primarily due to increase in the scope of consolidation and business growth
General expenses	5,075,668,085.35	3,741,908,783.50	35.64%	Primarily due to increase in the scope of consolidation and business growth. Some R&D expenses are reclassified into general and administrative expenses
Financial expenses	882,721,138.77	554,665,874.05	59.14%	Primarily due to the increase in borrowing interest and the fluctuations in foreign exchange rates
R&D expenses	8,447,038,946.21	6,642,300,402.74	27.17%	Primarily due to increase in the scope of consolidation and R&D investments
Income tax expenses	667,318,205.34	322,238,643.64	107.09 %	Primarily due to increase in differences of the exercise prices of incentive shares and in total profits

☑Applicable □N/A

Description of major R&D project	Purpose	Progress	Objectives	Expected effect on the future development of Company
R&D of high-precision optical and sensor compound anti-shake camera motor	To add new structural design methods and introduce automated production equipment into key production processes, thereby improving production efficiency and stability	Completed and put into mass production	To achieve the mass production of project products	Through the implementation of this project, the R&D of high-precision optical and sensor compound anti-shake camera motors can help customers solve the problem of blurry photos, and improve the image stability of photos and videos, also break the monopoly of foreign giants in high-precision smartphone camera technology and reduce supply chain risks in the industry
R&D of high-precision low-pressure injection	Injection molding technology is a process in which molten	Completed and put into mass	To achieve the mass production of	Through the implementation of this project, the large-scale

molding technology for smartwatches	low-pressure injection molding material is injected, cooled, and separated under pressure to produce semi-finished or finished products of a certain shape. Low-pressure injection molding technology is a packaging process that uses low injection pressure to inject hot melt glue into the mold in a molten state and quickly (3-60 seconds) solidify it. The packaged products have the effects of insulation, temperature resistance, dust resistance, waterproofness, moisture resistance, impact resistance, shock absorption, and chemical corrosion resistance.	production	project products	industrialization can be achieved quickly with the help of our intelligent production experience, and through the deep upstream and downstream cooperation with domestic equipment and material suppliers, this project will become an important part of the "chain-building, chain-supplementing, chain-extending, and chain-strengthening" of the domestic consumer electronics industry, driving the development of the regional industry
R&D of bluetooth headset function module based on mobile phone positioning	To solve the current inconvenience in the use of wireless bluetooth headset, such as being easy to lose or difficulty in finding. This project mainly researches and develops a functional module for bluetooth headset that uses mobile phone positioning.	Completed consumer testing and being applied, and two of product processing designs have been granted the patent for utility model	To achieve the mass production of project products	The product is successfully researched and developed, and is granted the patent, and its application in the bluetooth headset can optimize the customers' product functions and enhance the product competitiveness
R&D of TWS headset body temperature monitoring and heart rate monitoring functions	To increase product functions and improve its performance	Completed	To realize the functional applications and obtain the patent	The product is successfully researched and developed, and is granted the patent, which can boost the product competitiveness and also enhance the value and leadership of the Company in the field of this product
R&D of wearable devices for digital biomarkers of depression screening, high-altitude sickness prevention, mobile stress detection and monitoring system	To increase product functions and improve its performance	Completed	To realize the functional applications and obtain the patent	The product is successfully researched and developed, and is granted the patent, which can boost the product competitiveness and also enhance the value and leadership of the Company in the field of this product
R&D of wearable devices for traffic accident prevention behavior detection, air quality detection, and application of dynamic sensors in vehicle navigation and positioning	To increase product functions and improve its performance	Partially completed	To realize the functional applications and obtain the patent	The product is successfully researched and developed, and is granted the patent, which can boost the product competitiveness and also enhance the value and leadership of the Company in the field of this product
R&D of wearable devices for virtual screen extension application,	To increase product functions and improve its performance	Completed	To realize the functional applications and	The product is successfully researched and developed, and is granted the patent, which can boost

smart housekeeper application, intelligent home fire monitoring system, integration of electronic nose technology for detecting health hazard gas			obtain the patent	the product competitiveness and also enhance the value and leadership of the Company in the field of this product
R&D of battery-free RFID tag antenna for cold chain logistics	To increase product functions and improve its performance	Completed	To realize the functional applications and obtain the patent	The product is successfully researched and developed, and is granted the patent, which can boost the product competitiveness and also enhance the value and leadership of the Company in the field of this product
R&D of millimeter wave transmitting receiver for sensing applications	To increase product functions and improve its performance	Completed	To realize the functional applications and obtain the patent	The product is successfully researched and developed, and is granted the patent, which can boost the product competitiveness and also enhance the value and leadership of the Company in the field of this product
R&D of all-in-one VR glass/VR all-in-one machine	All-in-one VR headset device, also known as VR all-in-one machine, allows users to fully experience 3D stereoscopic visual effects in a virtual world without any input or output devices. It provides a good user experience and is reasonably priced, so it has been widely promoted.	The R&D project has passed the design, debugging and verification stage	To achieve the application and mass production of the product	The advanced process will enhance our competitiveness in the industry, thereby laying the technical

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mode		production	the project product	and enhance business growth momentum
R&D of automotive MCU products	The R&D project has successfully enabled the control of power battery current output through automotive microcontrollers (MCUs), meeting international standards TIA/EIA-568D and IEC-60603-7. The electrical performance of the product has a 100% pass rate for conductivity, and IC chip has passed the functionality testing	In the stage of sample installation testing and validation	To achieve the mass production of the project product	This project will expand and improve automotive product lines and enhance business growth momentum
R&D of 48V light hybrid electric motor controller housing	To develop and apply 48V platform series products	Completed	To develop and apply 48V platform series products	Luxshare will gain irreplaceable experience in terms of entering the 48V mild hybrid field, and its subsequent similar products will have a leading advantage, which will improve its business competitiveness
Development of intelligent cockpit domain control based on 8155-chip	To achieve proprietary System-in-Package (SIP) and make breakthrough in the SIP technology	In the stage of sample	To achieve the mass production of the project product	The vertical integration will be further realized and the business competitiveness will be improved
Power isolation switch	To develop new products and technologies: To isolate the faulty part and provide a continuous and stable power supply to the active safety system in order to achieve Level 3 autonomous driving in case that automotive power supply or circuit is abnormal.	In the stage of sample	To achieve the mass production of the project product	This project will expand and improve automotive product lines and enhance business growth momentum
DMI water-cooled motor winding for stator	To enter the motor winding field and lay a foundation for producing motor assembly	In progress	To achieve the mass production of the project product and accumulate product experience	This project will expand and improve automotive product lines and enhance business growth momentum
New generation of high voltage connector	To optimize the process and improve product performance and design on the basis of the first-generation high-voltage connectors, take the lead in the industry, become the main product	In progress	To be applied in the more mass-produced automotive models	To fully enter the new energy vehicle market, Luxshare has a complete high-voltage connection solution
1200W vehicle front-mounted energy storage device	To enable energy storage products in the automotive field	The R&D project has passed the trial production debugging and verification stage	To achieve the mass production of the project product	The vehicle-grade energy storage products will be developed and the market for vehicle front-mounted energy will be explored

CRPS2000W	To be applied in the server power supplies	The R&D project has passed the design, debugging and verification stage	To meet the standard power supply for mainstream data centers	The expandable server communication track will have wide versatility
R&D of defibrillation cable harness for medical cardiopulmonary resuscitation devices	To enhance the stability of defibrillator cable harness and achieve the independent R&D	In the stage of trial production	To achieve the mass production of the project product	This project will enhance business growth momentum to increase our market share in the medical cables
R&D of ASM external high-speed connectors and cable components based on PCIe5.0	To solve the bottlenecks of speed upgrading and size limitations of existing external PCIE high-speed cables.	In the stage of mass production and delivery	To meet the PCIe 5.0 standard, with the possibility to meet PCIe 6.0 standard in the future, and promote the self-developed interface as a standard interface accepted by customers.	The interface is an external I/O interface independently developed by Luxshare Technologies, and Luxshare Technologies has proprietary IP ownership. The current upgrade in server interconnect solutions and the architectural changes brought by CXL will offer more opportunities for high-speed PCIe external interconnect solutions. Luxshare's ASM interconnect solutions have been recognized by domestic interconnect network customers and put into mass production.
OmniEdge CRE connectors	To solve the bottlenecks of the speed upgrading, size limitations and compatibility of existing internal PCIE high-speed cables.	In the stage of testing and verification	To meet the PCIe 5.0 standard, with the possibility to meet PCIe 6.0 standard in the future, and promote the self-developed interface as a standard interface accepted by customers.	The interface is an external I/O interface independently developed by Luxshare Technologies, and Luxshare Technologies has proprietary IP ownership. The interface has completed the T/CECA75-2022 standard under the China Electronics Component Association together with industry customers and other manufacturers. Multiple domestic and foreign customers are verifying Luxshare's CRE products. This solution will help customers solve current product problems and reduce quality risks.
PCIe Cable Riser & Module	DC-MHS and OCSP server modular solutions, Riser cables, and modules	Achieved the small patch delivery	To enable product performance to meet the PCIe 5.0 standard, with the possibility to meet PCIe 6.0 standard in the future, and enable module structure to be in line with the OCSP standardized chassis scheme in order to be delivered as an integrated unit.	In terms of Luxshare Technologies' Riser module, Luxshare Technologies is only one partner for OCSP I/O module of some top customers. The products meet the SI performance standards defined by top customers, comply with OCSP assembly structure standards, and can be delivered in modular form and assembled in L6 modules.
QSFP112 MSA product	To develop the next	In the stage of	To enter the	As a leading member of the QSFP

			laser light source, four optical signals can be distributed 3. To be compatible with the latest generation of software control interface protocols	3. Intensive layout and heat dissipation treatment
R&D of field-level 5G edge computing intelligent industrial gateway	To increase product functions and improve its performance	In the stage of small-scale trial production	To achieve the mass production of the project product	Leveraging the platform of 5G edge industrial gateways and the promotion of industrial interconnection and Industry 4.0, the project will increase the product market share
R&D of high-performance base station antennas for communication systems	To increase product functions and improve its performance	Product development has been completed	To improve miniaturization of base station antenna units, reduce the influence between high and low frequencies (decoupling), and increase the isolation of the array	The dual-frequency base station antenna of this project is currently the mainstream application direction in the market, with high applicability and broad market prospects.
R&D of 5G lightweight integrated filter	To reduce the volume and weight, and improve production efficiency of 5G filters in order to enhance the competitiveness of 5G filter products	In the stage of small batch production	To achieve the mass production of the project product	This project will expand market shares and enhance business growth momentum
Research based on a new energy power cable technology principle	The development of new energy technologies has continued to expand the market space for new energy charging guns and new energy vehicle charging plugs, and also promoted the demand for special power cable components	Completed, put into mass production and granted the patent for design The product has obtained the VDE/CCC/UL/UK/PSE/BIS and other national certifications	To achieve the mass production of the project product	This project will improve the product competitiveness
Processing and development of titanium alloy metal shell	To develop new products and technologies	The R&D project has completed mass production	To achieve the mass production of the project product	This project will expand the market shares and enhance the business growth momentum
Processing and				

Proportion of R&D personnel to total number of employees	7.77%	7.05%	0.72%
Education background of R&D personnel			
Undergraduate	8,327	5,602	48.64%
Master	332	302	9.93%
Other	9,762	10,199	-4.28%
Age of R&D personnel			
Below 30	9,417	7,377	27.65%
30-40	7,706	8,339	-7.59%

Particulars of R&D expenses:

	2022	2021	Y/Y % change
Amount of R&D expenses (RMB)	8,447,038,946.21	6,642,300,402.74	27.17%
Proportion of R&D expenses to operating revenue	3.95%	4.31%	-0.36%
Amount of R&D expenses capitalized (RMB)	0.00	0.00	0.00%
Proportion of capitalized R&D expenses to total R&D expenses	0.00%	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 2019:

□Applicable ☑N/A

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

□Applicable ☑N/A

In RMB

Item	2022	2021	Y/Y % change
Sub-total of cash inflows from operating activities	243,587,978,384.02	152,974,773,173.48	59.23%
Sub-total of cash outflows from operating activities	230,860,368,064.68	145,690,006,256.48	58.46%
Net cash flow from operating activities	12,727,610,319.34	7,284,766,917.00	74.72%

financing activities			
Net cash flows from financing activities	8,156,248,181.45	-389,928,093.08	-2,191.73%
Net increase in cash and cash equivalents	8,390,881,701.43	-1,543,267,723.26	-643.71%

Analysis of main causes of material changes in the related data

□Applicable ☑N/A

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

□Applicable ☑N/A

☑Applicable □N/A

In RMB

	Amount	% of total profit	Reason	Whether or not sustainable
Investment income	998,278,358.77	8.95%	Income from investments and wealth management products classified as financial assets at fair value through profit or loss	No
Gain or loss on changes in fair value	13,625,720.11	0.12%	Investment income on financial assets at fair value through profit or loss	No
Impairment loss on assets	-846,822,131.05	-7.59%	Impairment of inventories and fixed assets	No
Non-operating income	34,312,299.74	0.31%	Revenue from penalty for violations and recovery of scrap value of abandoned assets	No
Non-operating expenses	30,805,374.33	0.28%	Donations, compensations and penalties	No
Gain on disposal of assets	47,931,529.63	0.43%	Disposal of production equipment	No
Other gains	602,294,263.90	5.40%	Government grants related to income	No
Loss on credit impairment	-47,181,938.93	-0.42%	Loss allowance on accounts receivable	No

In RMB

	December 31, 2022		January 1, 2022		Y/Y % Change	Reason of material change
	Amount	% of total assets	Amount	% of total assets		
Cash and bank balances	19,367,209,441.41	13.05%	14,204,618,186.43	11.78%	1.27%	
Accounts receivable	26,043,354,859.19	17.55%	31,623,185,946.25	26.23%	-8.68%	Optimization of recoveries from customers

Contract assets		0.00%		0.00%	0.00%	
Inventories	37,363,329,476.66	25.18%	20,900,755,733.15	17.33%	7.85%	Some inventories have been sold in the first quarter of 2023 due to the expansion in scale of our operations and increase in inventory reserves
Investment properties	92,782,410.06	0.06%	59,000,690.72	0.05%	0.01%	Increase in housing rental
Long-term equity investments	2,000,007,642.66	1.35%	1,125,605,226.03	0.93%	0.42%	Recognition of income from investments in associates by equity method
Fixed assets	44,026,022,703.69	29.67%	34,113,259,322.43	28.29%	1.38%	Expansion in the scale of our operations

financial assets)								
2. Derivative financial assets	115,918,643.05	-88,878,993.60						27,039,649.45
4. Other investments in equity instruments	235,976,148.42		154,880,311.90		50,000,000.00	749,467.66		440,106,992.66
Subtotal of financial assets	2,343,094,253.46	13,625,720.11	154,880,311.90		8,440,295,501.05	9,158,522,293.95		1,793,373,492.57
Investment in equity instruments	5,700,000.00				30,000,000.00			35,700,000.00
Total	2,348,794,253.46	13,625,720.11	154,880,311.90		8,470,295,501.05	9,158,522,293.95		1,829,073,492.57
Financial liabilities	41,436.00	44,276,885.50						44,318,321.50

□Applicable ☑N/A

☑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	210,278,829.12	132,100,142.80	274,560,170.59	0.00	0.00	132,312,842.10	342,379,257.92	Investment in other equity instruments	Self-owned funds
Stock listed on domestic or overseas market	430755	SDMC	50,000,000.00	Fair value	0.00	22,480,000.00	19,108,000.00	50,000,000.00	0.00	22,480,000.00	72,480,000.00	Investment in other equity instruments	Self-owned fundsX

Forward	5,184.08	54,182.69	-1,282.78	1,827,774.31	1,777,380.88	55,577.51	1.23%
Option	397,843.68	2,454.98	-79.79	1,428,474.28	1,804,727.7	21,590.26	0.48%
Total	403,027.76	56,637.67	-1,362.57	3,256,248.59	3,582,108.58	77,167.77	1.71%
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	1) The actual loss from our investment in derivatives in the reporting period for the purpose of hedging is RMB -13.6257 million.						
Description of hedging effects	We conduct foreign exchange derivative transactions for the purpose of fixing costs, avoiding and preventing foreign exchange and interest rate risks. During the reporting period, our overall hedging effect was in line with expectations.						
Source of funds	Self-owned funds$SÀ `•0 ° Đ à " B B € 9y 36 • p $ P						
Analysis of risks associated with the derivatives held in the reporting period (including but without limitation to market risk, liquidity risk, credit risk, operational risk and legal risk) and related risk control measures	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 air ® Î ή я ת œe carefut ∩ ≤Ã						

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.

□Applicable ☑N/A

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

□Applicable ☑N/A

None of proceeds has been used during the reporting period

□Applicable ☑N/A

No material asset has been sold during the reporting period.

□Applicable ☑N/A

☑Applicable □N/A

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

In RMB 0'000

Company	Type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profits
Luxshare Precision Limited	Subsidiary	Purchase and sale of electronic products, data lines, connection lines, connectors, computer and peripherals, plastic and hardware products.	USD5,000,000	7,029,220.12	817,027.91	19,190,216.10	213,123.33	201,804.03

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 special electronic equipment, testing instruments, tools, molds, remote control dynamic models and related supplies and components; production and sale of power supply units and wireless transmission products; development of software; import and export of goods and technology. Licensed items: production of Class II medical devices; Class II value-added telecommunications services. General items: manufacturing of automotive components and accessories; research and development of automotive components; wholesale of automotive components and accessories; sale of automotive components and accessories; sale of mechanical components and spare parts; manufacturing of opto-electronic components; sale of opto-electronic 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.	RMB2,320,000,000	2,061,863.62	799,294.62	2,540,756.01	137,504.05	130,198.73
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 ≥ 0.02mm), precision cavity molds (precision ≥ 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, 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:	RMB6,264,312,296	3,134,856.93	1,270,000.39	7,418,680.74	216,407.84	200,061.82

		Manufacturing of mobile terminal devices; manufacturing of communication equipment; manufacturing of electronic components; manufacturing of forgings and powder metallurgy products; manufacturing of computer software, hardware, and peripheral devices; retail of computer software, hardware, and auxiliary equipment.						

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Lisen Precision Technology (Kunshan) Co., Ltd.	Joint venture	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Automotive Technology (Shanghai) Co., LTD	Joint venture	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Precision Industry (Hefei) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Shantou Luxshare Technologies Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
SUK-PLASTICS S.R.L.	Sale of shares	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Electronic Service (Zhejiang) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Xingning Luxshare Technology Co., Ltd. Luofu Branch	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Jiashan Luxshare Business Management Service Partnership (LP)	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Huiju Dachuang Information (Shanghai) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Precision Industry (Mingguang) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxcase Precision Technology (Kunshan) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Jiashan Luxshare Intelligent Equipment Co., Ltd.	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

□Applicable ☑N/A

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

On the basis of our core management's forward-looking plans in respect of market, products and customers, and through our employees' unremitting efforts to work conscientiously, fulfill all tasks and make innovations, we have made diversified, integrated and coordinated strategic deployments in the fields of consumer electronics, communication and automotive. In light of the new market situations, we clearly know that opportunities coexist with challenges, and will keep investing in the future, and give full play to our strong core competencies and advantages in various areas, to provide more core value for the industry and our customers.

In the next few years, the consumer electronics business will continue to occupy an important position in the Company. We will continue to implement and deepen the concept of vertical integration from components, modules to system, and strive to change the traditional supply ideas and approaches, restructure the supply chain and maximize the synergistic effect, to continue to improve our capability to create value for our customers and seek sustainable development. Meanwhile, with respect to certain core modules and processes, we will follow the strategic principle of "old products, new customers and new market", strive to extend and deepen the application of products, and increase their shares on different markets and among different customers, to further improve our ability

to prevent operating risks. In light of the general economic development trend of enhancing internal and external circulations, and the general background that huge demands for consumer electronic products will be stimulated, the smart consumer electronic products that change life with technology will grow vigorously. Our products include smart wearable, smart home, smart display, etc. We have strong comprehensive capabilities in respect of core components and system assembly for complete units, and have made full preparations for new products/businesses. In the field of AR/VR/MR, we will make complete and in-depth product deployment, leverage our remarkable advantages in production process, lean production, automation and other areas, and strive to make good achievements in the new area. In the field of communication interconnect, by focusing on technology development and combining the efforts of enterprises, universities and research institutes, we are leading the way in certain market segments in the world. In the future, we will adhere to the strategic principle of integrating “application, development and early research”, closely follow the market trends and frontier technologies, and strive to make all-round breakthroughs on more market segments. With respect to the radio frequency communication business, we will focus on the strategic plan of “core components + modules + system”, make continuous investments in design and R&D, improve the capability to produce core components on our own, and improve our internal operation efficiency in lean production, supply chain management and other areas through transformation and upgrading towards digitalization. Facing the business opportunities brought by “electrification”, “intelligentization” and “interconnection” of vehicles to Chinese automotive companies, we have established clear strategic objectives, that is, to focus on the Tier1 core component market. In the waves of electrification of automotive consumption, the stable supply pattern in the past will be broken, and comprehensive manufacturers that have rich experience in both the fields of consumer electronics and automotive will get more business opportunities. In the next few years, we will continue to apply our experience of precision manufacturing in the field of consumer electronics and communication and our capability to develop communication-level high speed transmission solutions to the automotive business, and give full play to our advantages. Meanwhile, we will continuously improve our Tier1 capabilities on the basis of cooperative vehicle ODM platform, and embrace the new challenges and new opportunities brought by the flourishing era of Smart EV.

3. Business plan for the next year

In 2022, we always stood in awe of market opportunities and challenges. We worked hard to fulfill all tasks and overcome all kinds of difficulties, while accomplishing the objectives established at the beginning of the year, and developed the business plan for the next year.

In the context of complicated and volatile external situation in 2023, we will always adhere to our main business and strive to accurately grasp the “changes” and “persistence” in the new development stage. By deeply understanding changes, overall trend and development opportunities, we will firmly seize the initiative of high-quality growth. In the future, we will continue to exploit our main business, and firmly implement the established business plans. While seeking new opportunities in respect of component, module and system solutions on the consumer electronics, smart mobile, smart wearable and other IoT markets, we will focus on the development of automotive, communication, industrial, energy, healthcare and other new markets, new materials, new processes, new applications and new technologies. With respect to entities and businesses newly acquired or incubated, we will fully leverage our strengths and give support in customer resources, supply chain resources, lean production, automation, digitalization, intelligentization, etc., in order to achieve the strategic objectives of rapid cultivation and benefit amplification.

In the field of consumer electronics, we will continue to explore existing customers and products, and consolidate the foundation. On this basis, we will use our comprehensive development capabilities of underlying technologies and processes accumulated in the field of consumer electronics to continuously empower and differentiate products. In addition, through the stacking of our multi-category components and module products, we will create more ecological combinations in different application scenarios, including upgrading the functions of existing products, and deeply empowering the integration of complex processes and multiple technologies for new product interfaces. In addition, we will deeply analyze our existing service capabilities from the perspectives of core components, modules and system-level products of different terminal products, conduct in-depth research on and offer precise services to different customers with different needs and different scale volumes. Meanwhile, in reliance on forward-looking predictions of demand for consumer electronics and continuous improvement of existing consumer pain points, we will make

breakthroughs take the lead in red ocean competition while overtaking competitors on a bend in the blue ocean exploration.

With respect to the automotive field, we will continue to cooperate with our domestic and foreign brand customers in the development of components. Capitalizing on our customer platform, product matrix and manufacturing capabilities accumulated in the consumer electronics and communication fields, and on the basis of automotive “nervous” system, we will further expand the product lines of connectors, new energy, smart cabin, smart interconnect and other products. Meanwhile, in reliance on the vehicle ODM platform jointly established with Chery and possible cooperation with more platforms in the future, we will continue to expand more frontier R&D, design and mass production platforms and accesses to the overseas market, so as to win an opportunity to grow from 0 to 1. Also, we will leverage our advantages to take part in the competition and to have our tier-1 products demonstrate more inherent value in the market competition, and are committed to achieving our medium- and long-term goal of becoming a Tier1 supplier of global automotive components in the next three five-year.

In the communication field, the global AI boom is expected to drive the market demand for servers and related components and modules with computing power at the core. In the future, with the large-scale launch of multimodal pre-trained models and related derivative applications, such as natural language processing (NLP) and computer vision (CV) in the AI+GC era, the massive data flow will increasingly depend on high-performance computing power and high-speed networks of data centers, which also provides new opportunities for the development of high-speed interconnection technology. Facing innovative market opportunities, we will deeply analyze the core value of the industrial chain, accurately grasp the key links that truly have the entry barriers and technological autonomy, and target domestic and overseas top customers having demand to quickly form differentiated competitive advantages. Under the guidance of this strategy, we will continue to strengthen R&D and innovation of related core technologies in the fields such as network communication and base station radio frequency, accurately grasp the transformation trend of emerging technologies of core components in data/super-computing centers such as electrical connection, optical connection and air-cooled/liquid-cooled heat dissipation components, strive to improve the ability to provide high value-added products and services to global leading customers, and open up more growth curves for the Company.

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

As of December 31, 2022, our equity-debt ratio was 60.38%. In 2023, 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 numerous uncertainties existing in the global macro environment at present, such as the trade frictions between China and the United States, worsening geopolitical situation and extensive geopolitical struggles. Adverse factors in the macroeconomic environment might increase the downward pressure on the global economy, and lead to elevated inflation in major developed economies, which will significantly suppress household income, purchasing power, and consumption demand. 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 RMB85,046,280,900, RMB143,452,850,200 and RMB193,803,646,900 in 2020, 2021 and 2022, representing 91.94%, 93.18% and 90.55% of our revenue from main business respectively. Because China implements the managed floating rate system, the foreign exchange rates fluctuate along with the

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.

☑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 13, 2022	Company meeting room at No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Communication by telephone	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 13, 2022 published on www.cninfo.com.cn on February 13, 2022
February 22, 2022	Company meeting room at No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Communication by telephone	Institution	Institutional investors	Introduction about our private placement of shares in 2022	Refer to the Record of Investor Relations Activity dated February 23, 2022 published on www.cninfo.com.cn on February 22, 2022
April 28, 2022	Company meeting room at No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Communication by telephone	Institution	Institutional investors	Introduction about our operating status in 2021 and the first quarter of 2022	Refer to the Record of Investor Relations Activity dated April 28, 2022 published on www.cninfo.com.cn on April 30, 2022
May 6, 2022	Company meeting	Others	Others	Investor	Our performance	Refer to the Record

	room at No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong				briefings in 2021	of Investor Relations Activity dated May 6, 2022 published on www.cninfo.com.cn on May 7, 2022
May 18, 2022	Company meeting room at No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	On-site investigation and research	Others	Investor	Communications at our annual general meeting of shareholders	Refer to the Record of Investor Relations Activity dated May 18, 2022 published on www.cninfo.com.cn on May 19, 2022
August 28, 2022	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 2022 and general situation	Refer to the Record of Investor Relations Activity dated August 28, 2022 published on www.cninfo.com.cn on August 30, 2022
October 30, 2022	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 2022	Refer to the Record of Investor Relations Activity dated October 30, 2022 published on www.cninfo.com.cn on October 31, 2022

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 restrain 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 Manage

(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 form 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.

□Applicable ☑N/A

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 2022	Extraordinary general meeting of shareholders	47.05%	March 09, 2022	March 10, 2022	A total of seven proposals, including the Proposal on the Company's Compliance with the Conditions for Private Placement of Shares, were approved by vote, as disclosed in our Announcement No. 2022-021.
Annual general meeting of shareholders in	Annual general meeting of shareholders	45.89%	May 18, 2022	May 19, 2022	A total of 12 proposals, including 2021 Work Report of the Board of Directors, were approved by vote,

2021					as disclosed in our Announcement No. 2022-047.
Second extraordinary general meeting of shareholders in 2022	Extraordinary general meeting of shareholders	57.98%	September 23, 2022	September 24, 2022	A total of 2 proposals, including Proposal on Application for Offering Super Short-term Commercial Papers, were approved by vote, as disclosed in our Announcement No. 2022-081.
Third extraordinary general meeting of shareholders in 2022	Extraordinary general meeting of shareholders	46.20%	December 1, 2022	December 2, 2022	A total of three proposals, including the Proposal on the 2022 Stock Option Incentive Plan (Draft) of Luxshare Precision Industry Co., Ltd. and the Summary Thereof, were approved by vote, as disclosed in our Announcement No. 2022-102.

□Applicable ☑N/A

Name	Title	Status	Sex	Age	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	Chairman of the Board of Directors & General Manager	Incumbent	Female	56	February 22, 2009	May 18, 2024						
WANG Laisheng	Vice Chairman of the Board of Directors	Incumbent	Male	59	February 22, 2009	May 18, 2024	5,227,700	7,030,910			12,258,610	Additional shares acquired by self-owned funds

WANG Tao	Director & Deputy General Manager	Incumbent	Male	38	May 21, 2021	May 18, 2024	128,030	601,626			729,656	Additional shares acquired as a result of exercise of incentive share options
LI Wei	Director & Deputy General Manager	Incumbent	Male	43	May 21, 2021	May 18, 2024		506,989			506,989	Additional shares acquired as a result of exercise of incentive share options
ZHANG Ying	Independent director	Incumbent	Female	60	May 22, 2018	May 18, 2024						
LIU Zhonghua	Independent director	Incumbent	Male	58	May 18, 2021	May 18, 2024						
SONG Yuhong	Independent director	Incumbent	Female	52	May 18, 2021	May 18, 2024						
XIA Yanrong	Chairman of the Board of Supervisors	Incumbent	Female	42	December 19, 2017	May 18, 2024						
MO Rongying	Supervisor	Incumbent	Female	43	May 22, 2018	May 18, 2024						
YI Peizan	Supervisor	Incumbent	Female	38	February 22, 2009	May 18, 2024						
HUANG Dawei	Board Secretary & Deputy General Manager	Incumbent	Male	51	May 25, 2018	May 21, 2024	439.390	219,695			659,085	Additional shares acquired as a result of exercise of incentive share options
WU Tiansong	CFO	Incumbent	Male	53	April 15, 2019	May 21, 2024	665.843	85,000			750,843	Additional shares acquired as a result of exercise of incentive share options

Total	--	--	--	--	--	--	6,460,963	8,444,220	0	0	14,905,183	--

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

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, 56 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 Chairman of Guangdong Federation of Industry & Commerce; 2022 Guangdong 3.8 Red Flag Bearer; Invited Vice Chairman of China Association of Women Entrepreneurs; is now our Chairman of the Board of Directors and General Manager; Ms. WANG Laichun worked in Sanyo (Shekou) from 1984 to 1986 and in the Wiring Business Unit of Foxconn, a subsidiary of Hon Hai Group, for nearly ten years since 1988, and left Foxconn in 1997 to start her own business. 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. through Luxshare Limited and acted as its Chairman of the Board of Directors.

Mr. WANG Laisheng, 59 years old, resident of Hong Kong, China; 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, 43 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, 38 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, 60 years old, Chinese nationality; Doctor of Laws, Wuhan University; postdoctoral fellowship in law, Chinese Academy of Social Sciences; associate professor of the Shenzhen University Law School. 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, and has acted as X Î R cesx& ü

Guangzhou Yuexiu Financial Holding Group Co., Ltd.

Ms. SONG Yuhong, 51 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 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

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	Luxshare Electronic Technology (Kunshan) Co., Ltd.	Chairman	March 18, 2014		No
WANG Laichun	Luxcase Precision Technology (Yancheng) Co., Ltd.	Chairman	February 3, 2021		No
WANG Laichun	Xiexun Electronic (Ji'an) Co., Ltd.	Vice Chairman of the Board of Directors	November 12, 2005		No
WANG Laichun	Fujian JK Wiring Systems Co., Ltd.	Chairman	June 18, 2012		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	Lishen Smart Manufacturing Technology (Shenzhen) Co., Ltd.	Chairman	February 3, 2021		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	Donguan Xuntao Electronic Co., Ltd.	Vice Chairman of the Board of Directors	July 10, 2012		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	Xingning Luxshare Precision Industry Co., Ltd.	Managing Director	November 19, 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
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	SGIS Songshan Co., Ltd.	Independent director	June 25, 2019	October 17, 2022	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 Smart Manufacturing (Rugao) Co., Ltd.	Managing Director & General Manager	December 1, 2020		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 Yanrong	Luxshare Precision Industry (Suzhou) Co., Ltd.	Supervisor	February 18, 2019		No
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
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	October 12, 2012		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

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 † w̃ Ď ơ thf † я

Session	Date of meeting	Date of disclosure	Resolution of the meeting
The 7th meeting of the 5th Board of Directors	February 21, 2022	February 22, 2022	Refer to the Announcement on Resolutions of the 7th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the ***Securities Times*** (Announcement No. 2022-006)
The 8th meeting of the 5th Board of Directors	April 27, 2022	April 28, 2022	Refer to the Announcement on Resolutions of the 8th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the ***Securities Times*** (Announcement No. 2022-031)
The 9th meeting of the 5th Board of Directors	July 6, 2022	July 7, 2022	Refer to the Announcement on Resolutions of the 9th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the ***Securities Times*** (Announcement No. 2022-053)
The 10th meeting of the 5th Board of Directors	August 25, 2022	August 26, 2022	Refer to the Announcement on Resolutions of the 10th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the ***Securities Times*** (Announcement No. 2022-065)
The 11th meeting of the 5th Board of Directors	September 15, 2022	September 16, 2022	Refer to the Announcement on Resolutions of the 11th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the ***Securities Times*** (Announcement No. 2022-076)
The 12th meeting of the 5th Board of Directors	October 28, 2022	October 29, 2022	Refer to the Announcement on Resolutions of the 12th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn and the ***Securities Times*** (Announcement No. 2022-092)
The 13th meeting of the 5th Board of Directors	November 11, 2022	November 14, 2022	Refer to the Announcement on Resolutions of the 13th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and the Shanghai ***Securities News*** (Announcement No. 2022-094)
The 14th meeting of the 5th Board of Directors	December 5, 2022	December 6, 2022	Refer to the Announcement on Resolutions of the 14th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and the Shanghai ***Securities News*** (Announcement No. 2022-104)

Attendance of the directors at meetings of the Board of Directors and general meetings of shareholders							
Director	No. of board	No. of board	No. of board	No. of board	No. of board	Whether or not	No. of

	meetings attended during the reporting period	meetings present in person	meetings present by means of communication equipment	meetings present by proxy	meetings absent from	having been absent from two consecutive board meetings	general meetings of shareholders attended
WANG Laichun	8	2	6	0	0	No	4
WANG Laisheng	8	3	5	0	0	No	4
LI Wei	8	2	6	0	0	No	4
WANG Tao	8	2	6	0	0	No	4

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

Audit Committee	LIU Zhonghua, ZHANG Ying and SONG Yuhong	3	October 25, 2022	Considered the Work Report of the Internal Audit Department for the Third Quarter of 2022.	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	2	February 22, 2022	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.		

Remuneration and Appraisal Committee	ZHANG Ying, LIU Zhonghua and SONG Yuhong	2	September 24, 2022	Considered the Performance Appraisal Measures for the 2021 Stock Option Incentive Plan.	Pursuant to 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 Performance Appraisal Measures for the 2021 Stock Option Incentive Plan, determined that the Measures reflected and produced the effect of incentive and fairness, and unanimously approved the Proposal.		
Strategy Committee	WANG Laichun, ZHANG Ying and LIU Zhonghua	1	March 09, 2022	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 2021, reported our 2022 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.	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.		

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.

Number of current employees of the parent at the end of the reporting period (person)	579
Total number of current employees of the major subsidiaries at the end of the reporting period (person)	236,353
Total number of current employees at the end of the reporting period (person)	236,932
Total number of salaried employees during the reporting period (person)	236,932
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	198,549
Sales staff	2,628
Technical staff	18,421
Financial staff	438
Administrative staff	16,896
Total	236,932
Education	
Degree of education	Number of employees (person)
Undergraduate	16,196
College	22,508
Secondary specialized school, senior middle school and below	198,228
Total	236,932

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 an 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.

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.

□Applicable ☑N/A

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 8th meeting of the 5th Board of Directors and the 2021 annual general meeting of shareholders, we proposed to distribute to all shareholders a cash dividend of RMB1.10 (inclusive of tax) per 10 shares on the basis of the total share capital of 7,084,301,477 shares, totaling RMB779,273,162.47. 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 1,153,099 shares, from 7,084,301,477 shares at the time of disclosure of the proposal to 7,085,454,576 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 2021 was

adjusted as follows: to distribute to all shareholders a cash dividend of RMB1.099820 (inclusive of tax) per 10 shares on the basis of the total share capital of 7,085,454,576 shares, totaling RMB779,272,465.17 (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
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)	1.3
Share capital based on which the distribution proposal was made (share)	7,130,392,419
Amount of cash dividends (RMB) (inclusive of tax)	926,951,014.47
Amount of cash dividends distributed in other ways (such as share repurchase) (RMB)	0.00
Total amount of cash dividends (including other ways) (RMB)	926,951,014.47
Distributable profit (RMB)	6,970,581,669.73
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 2022 Profit Distribution Proposal is as follows: to distribute to all shareholders a cash dividend of RMB1.30 (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 (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.	

☑Applicable □N/A

On December 3, 2021, we held the 6th meeting of the fifth Board of Directors and the 6th 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 24, 2021 to September 23, 2022. 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. 2021-105). 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 July 6, 2022, due to the equity distribution for 2021, the exercise price for the stock options granted but not yet exercised under the 2018 stock option incentive plan was adjusted from RMB10.17 per share to RMB10.06 per share. For details, please refer to the Announcement on Adjustment of the Exercise Prices under the 2018, 2019 and 2021 Stock Option Incentive Plans and Cancellation of Some Stock Options under the 2019 Stock Option Incentive Plan (Announcement No. 2022-056).

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 Adjustment of the Exercise Quantity and Cancellation of Some Sock Options under the 2018 Stock Option Incentive Plan and the Proposal on Achievement of Vesting Conditions for the Fourth Exercise Period of the 2018 Stock Option Incentive Plan. Due to the resignation of grantees or their failure to meet the assessment standards, we adjusted the exercise quantity under the 2018 Stock Option Incentive Plan accordingly and cancelled 1,230,044 stock options granted but not exercised. The number of grantees subject to the stock option incentive plan was changed from 1,653 to 1,607, and the quantity of stock options granted but not exercised was changed from 60,875,365 to 59,645,321. For details, please refer to the Announcement on Adjustment of the Exercise Quantity and Cancellation of Some Stock Options under the 2018 Stock Option Incentive Plan and (Announcement No. 2022-107). Meanwhile, the grantees meeting these vesting conditions may exercise options in the fourth 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 on Exercise at Their Sole Discretion in the Fourth Vesting Period under 2018 Stock Option Incentive Plan (Announcement No. 2022-110). During the reporting period, the grantees exercised their options to purchase 15,164,369 shares in total within the fourth vesting period of the 2018 Stock Option Incentive Plan.

On July 2, 2021, we held the 2nd meeting of the fifth Board of Directors and the 2nd 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 15, 2021 to April 21, 2022. 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. 2021-069). During the reporting period, the grantees exercised their options to purchase 1,573,156 shares in total within the second vesting period of the stock options in initial grant under the 2019 Stock Option Incentive Plan.

On February 21, 2022, we held the 7th meeting of the fifth Board of Directors and the 7th meeting of the fifth Board of Supervisors, deliberating and approving the Proposal on Adjustment of the List of Grantees in Reserved Grant and Option Quantity as well as Cancellation of Some Options under the 2019 Stock Option Incentive Plan and the Proposal on Achievement of Vesting Conditions for the Second Vesting Period under the 2019 Stock Option Incentive Plan. Due to the resignation of grantees or their

failure to meet the assessment standards, we adjusted the exercise quantity of reserved grant under the 2019 Stock Option Incentive Plan accordingly and cancelled 599,316 stock options granted but not exercised. The number of grantees subject to the stock option incentive plan was changed from 250 to 239, and the quantity of stock options granted but not exercised was changed from 16,547,958 to 15,948,642. For details, please refer to the Announcement on Adjustment of the List of Grantees in Reserved Grant and Option Quantity as well as Cancellation of Some Options under the 2019 Stock Option Incentive Plan (Announcement No. 2022-008). Meanwhile, 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 March 3, 2022 to November 25, 2022. For details, please see the Suggestive Announcement on Exercise at Their Sole Discretion in the Second Vesting Period in Reserved Grant under 2019 Stock Option Incentive Plan (Announcement No. 2022-018). During the reporting period, the grantees exercised their options to purchase 3,955,702 shares in total within the second vesting period in reserved grant under the 2019 Stock Option Incentive Plan.

On July 4, 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 Third Vesting Period of the Initial Grant under 2019 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 July 22, 2022 to April 21, 2023. For details, please see the Suggestive Announcement on Exercise at Their Sole Discretion in the Third Vesting Period of the Initial Grant under 2019 Stock Option Incentive Plan (Announcement No. 2022-060). During the reporting period, the grantees exercised their options to purchase 12,824,126 shares in total within the third vesting period in initial grant under the 2019 Stock Option Incentive Plan.

On July 6, 2022, due to the equity distribution for 2021, and resignation, failure to meet the performance appraisal criteria or other reasons on the part of the grantees, we adjusted the exercise price and quantity under the 2019 stock option incentive plan as follows: 639,291 stock options first granted but not yet exercised were cancelled, the number of grantees was adjusted from 332 to 322, the number of stock options granted but not exercised was adjusted from 49,032,311 to 48,393,020, and the exercise price of stock options subject to initial or reserved grant was changed from RMB13.59 per share to RMB13.48 per share. For details, please refer to the Announcement on Adjustment of the Exercise Prices under the 2018, 2019 and 2021 Stock Option Incentive Plans and Cancellation of Some Stock Options under the 2019 Stock Option Incentive Plan (Announcement No. 2022-056).

On July 6, 2022, due to the equity distribution for 2021, the exercise price for the stock options granted but not yet exercised under the 2021 stock option incentive plan was adjusted from RMB35.87 per share to RMB35.76 per share. For details, please refer to the Announcement on Adjustment of the Exercise Prices under the 2018, 2019 and 2021 Stock Option Incentive Plans and Cancellation of Some Stock Options under the 2019 Stock Option Incentive Plan (Announcement No. 2022-056).

On September 14, 2021, we held the 11th meeting of the fifth Board of Directors and the 11th meeting of the fifth Board of Supervisors, deliberating and approving the Proposal on Granting Stock Options to Grantees in Reserved Grant under the 2021 Stock Option Incentive Plan, whereby it was determined that the grant date of reserved stock options would be September 15, 2022 and 13.101 million stock options would be granted to 365 eligible grantees. For details, please refer to the Announcement on Granting Stock Options to Grantees in Reserved Grant under the 2021 Stock Option Incentive Plan (Announcement No. 2022-078).

On October 19, 2022, we completed the registration of reserved grant under our 2021 Stock Option Incentive Plan, and granted 12.7858 million registered stock options, representing 0.18% of our total share capital. There are 356 grantees, the abbreviation and code of stock options are JLC5 and 037297, respectively. For details, please refer to the Announcement on Completion of Registration of Reserved Grant under the 2021 Stock Option Incentive Plan (Announcement No. 2022-086).

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).

During the reporting period, the grantees exercised their options at their sole discretion to purchase 44,157,507 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 options held	No. of additional stock options granted during the reporting period	No. of shares exercisable during the reporting period	No. of shares exercised during the reporting period	Exercise price of shares exercised during the reporting period (RMB per share)	Closing balance of stock options held	Market price at the end of the reporting period (RMB per share)	Opening balance of restricted shares held	No. of shares vested during the reporting period	No. of additional restricted shares granted during the reporting period	Grant price of restricted shares (RMB per share)	Closing balance of restricted shares held
WANG Tao	Director & Deputy General Manager	675,985.00		337,992.00	168,996.00	13.5900	506,989.00	31.7500					
WANG Tao	Director & Deputy General Manager	1,297,891.00		865,261.00	432,630.00	10.0600	865,261.00	31.7500					
WANG Tao	Director & Deputy General Manager		1,000,000.00			30.3500	1,000,000.00	31.7500					
LI Wei	Director & Deputy General Manager	675,985.00		337,992.00	168,996.00	13.5900	506,989.00	31.7500					
LI Wei	Director & Deputy General Manager	1,013,978.00		675,986.00	337,993.00	10.1700	675,985.00	31.7500					
LI Wei	Director & Deputy General Manager		1,000,000.00			30.3500	1,000,000.00	31.7500					

HUANG Dawei	Board Secretary & Deputy General Manager	659,085.00		439,390.00	219,695.00	10.1700	439,390.00	31.7500					
HUANG Dawei	Board Secretary & Deputy General Manager		500,000.00			30.3500	500,000.00	31.7500					
WU Tianson g	CFO	263,634.00		131,817.00		10.0600	263,634.00	31.7500					
WU Tianson g	CFO	405,593.00		135,198.00	85,000.00	13.4800	320,593.00	31.7500					
WU Tianson g	CFO		400,000.00			30.3500	400,000.00	31.7500					
Total	--	4,992,151.00	2,900,000.00	2,923,636.00	1,413,310.00	--	6,478,841.00	--	0	0	0	--	0

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.

□Applicable ☑N/A

□Applicable ☑N/A

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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.

□Yes ☑No

Company	Integration plan	Progress of integration	Problems encountered during integration	Solutions adopted	Progress of solution	Subsequent solution
TIME Interconnect Technology Limited	Completed	Completed	None	N/A	N/A	N/A

Date of disclose of the self-assessment report on internal controls in its entirety	April 28, 2023
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	68.46%
Ratio of total operating revenue of the entities covered by the assessment to total operating revenue recorded in the consolidated financial statements of the Company	69.08%

Criteria for determination of deficiencies		
Category	Financial reporting	Non-financial reporting
Qualitative criteria	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	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

	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.	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.
Quantitative criteria	1. Material weakness: (1) amount of misstated operating revenue ≥ 0.5% of total operating revenue; (2) amount of misstated profit ≥ 0.5% of total profit; (3) amount of misstated assets ≥ 0.5% of total assets; (4) amount of misstated owners' equity ≥ 0.5% of total owners' equity. 2. Significant deficiency: (1) 0.2% of total operating revenue ≤ amount of misstated operating revenue < 0.5% of total operating revenue; (2) 0.2% of total profit ≤ amount of misstated profit < 0.5% of total profit; (3) 0.2% of total assets ≤ amount of misstated assets < 0.5% of total assets; (4) 0.2% of total owners' equity ≤ 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 < 0.2% 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.	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 t x illi3 ¡ d 3 fenalt e&posed by

☑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, 2022.	
Disclosure of the internal control audit report	Disclosed
Date of disclose of the audit report on internal controls in its entirety	April 28, 2023
Disclosure reference of the audit report on internal controls in its entirety	Internal Control Audit Report 2022 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

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.

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

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 discharge standards of the sewage treatment plant comply with the Level B provided in Table 1 of Water Quality Standards for Discharge into Urban Sewers (GB/T31962-2015). 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).

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).

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.

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 Water Pollutants for Electronic Industry, such Standard shall apply. In this project, the 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 (GB21900-2008).

3. Emission standards of noise pollution

W 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 18597-2001) and the Amendment (Announcement No. 36 of 2013 of the Ministry of Environmental Protection).

Environmental protection administrative permits

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.

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.

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.

Pollution Permit No.:

Pollution Permit No.: 91320900MA1R8A0N2B001V Valid period: From February 23, 2023 to February 22, 2028.

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

Approval and reply of environmental assessment:

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

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;

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.

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.

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 Precision Technology (Yancheng) Co., Ltd.	Air pollutants	SO2	Treated exhaust gas meets the standards and is emitted at high altitude	16	Plant roof, and both east and west sides	3.04	Integrated Emission Standard of Air Pollutants (DB32/4041-2021) and the Emission Standard of Boiler Air Pollutants (DB32-4385-2022)	0.82	/	/

Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	NOx	Treated exhaust gas meets the standards and is emitted at high altitude	19	Plant roof, and both east and west sides	21.01	Discharge Standard of Electroplating Pollutants (GB21900-2008) and the Emission Standard of Boiler Air Pollutants

Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Chemical oxygen demand	Pipe discharge	1	Main outlet of sewage station	41.75	Integrated Discharge Standard (GB8978-1996)	Wastewater Standard	92.53	729.32	/

Luxcase Precision Technology (Yancheng) Co., Ltd.	Reuse of heavy metal wastewater	Total copper	Reuse without discharge	1	Without discharge	0	Discharge Standard of Electroplating Pollutants (GB21900-2008)	0	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Reuse of heavy metal wastewater	Total chromium	Reuse without discharge	1	Without discharge	0	Discharge Standard of Electroplating Pollutants (GB21900-2008)	0	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Oil mist	Treated exhaust gas meets the standards and is emitted at high altitude	63	Plant roof	0.2	Integrated Emission Standard of Air Pollutants (DB31_933-2015)	0.213	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Particulate matter	Treated exhaust gas meets the standards and is emitted at high altitude	6	Plant roof	2.7	Integrated Emission Standard of Air Pollutants (DB31_933-2015)	0.845	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	VOCs	Treated exhaust gas meets the standards and is emitted at high altitude	3	Plant roof	3.7	Integrated Emission Standard of Air Pollutants (DB31_933-2015)	0.037	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Oil smoke	Treated exhaust gas meets the standards and is emitted at high altitude	1	Plant roof	0.6	Integrated Emission Standard of Air Pollutants (DB31_933-2015)	0.004	/	/

Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	PH value	Pipe discharge	1	Main outlet of sewage station	7.4	Integrated Wastewater Discharge Standard (DB31-199-2018)	/	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Suspended solids	Pipe discharge	1	Main outlet of sewage station	15	Integrated Wastewater Discharge Standard (DB31-199-2018)	5.895	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Petroleum	Pipe discharge	1	Main outlet of sewage station	0.54	Integrated Wastewater Discharge Standard (DB31-199-2018)	0.124	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	COD	Pipe discharge	1	Main outlet of sewage station	49	Integrated Wastewater Discharge Standard (DB31-199-2018)	18.69	33.842	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Ammonia nitrogen	Pipe discharge	1	Main outlet of sewage station	2.13	Integrated Wastewater Discharge Standard (DB31-199-2018)	0.233	1.0527	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Anionic surfactant	Pipe discharge	1	Main outlet of sewage station	0.07	Integrated Wastewater Discharge Standard (DB31-199-2018)	0.009	/	/

Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Total phosphorus	Pipe discharge	1	Main outlet of sewage station	0.42	Integrated Wastewater Discharge Standard (DB31-199-2018)	0.14	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Total nitrogen	Pipe discharge	1	Main outlet of sewage station	3.1	Integrated Wastewater Discharge Standard (DB31-199-2018)	1.358	5.25	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	BOD5	Pipe discharge	1	Main outlet of sewage station	31.6	Integrated Wastewater Discharge Standard (DB31-199-2018)	5.772	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	NOx (anode)	Treated exhaust gas meets the standards and is emitted at high altitude	2	A2/A14	2.25	Discharge Standard of Electroplating Pollutants (GB21900-2008)	3.423	11.987	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	NOx (boiler)	Treated exhaust gas meets the standards and is emitted at high altitude	3	A2/A14/waste water treatment station	32	(Tong Zheng Ban Fa {2020} No. 34)	1.451	11.987	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Particulate matter (boiler)	Treated exhaust gas meets the standards and is emitted at high altitude	3	A2/A14/waste water treatment station	4.575	Table 3 of Emission Standard of Boiler Air Pollutants (GB13271-2014)	0.224	8.698	/

Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	SO2 (boiler)	Treated exhaust gas meets the standards and is emitted at high altitude	1	A2/A14/waste water treatment station	13	Table 3 of Emission Standard of Boiler Air Pollutants (GB13271-2014)	0.048	4.854	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Particulate matter	Treated exhaust gas meets the standards and is emitted at high altitude	22	A2/A3/A14/A15/A16/A17 wastewater treatment station and hazardous waste warehouse	2.973	Integrated Emission Standard of Air Pollutants (GB31572-2015)	4.359	8.698	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Non-methane hydrocarbon	Treated exhaust gas meets the standards and is emitted at high altitude	18	A1/A2/A3/A14/A16/A17 wastewater treatment station and hazardous waste warehouse	1.626	Integrated Emission Standard of Air Pollutants (GB31572-2015)	5.577	8.948	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Ammonia	Treated exhaust gas meets the standards and is emitted at high altitude	2	Wastewater treatment station and hazardous waste warehouse	0.7525	Emission Standard of Odorous Pollutants (GB14554-93)	0.07	0.388	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Alkali mist	Treated exhaust gas meets the standards and is emitted at high altitude	1	Wastewater treatment station	0.95	Emission Standard of Air Pollutants (DB31/933-2015)	0.044	0.099	/

Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Sulfuric acid mist	Treated exhaust gas meets the standards and is emitted at high altitude	4	A2/A14/waste water treatment station/hazardous waste warehouse	0.43	Discharge Standard of Electroplating Pollutants (GB21900-2008)	0.219	0.508	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Nickel and its compounds	Treated exhaust gas meets the standards and is emitted at high altitude	2	A2/A14	0.0016	Integrated Emission Standard of Air Pollutants (GB31572-2015)	0.00057	0.00463	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Benzene series of matters	Treated exhaust gas meets the standards and is emitted at high altitude	2	A1	0.01575	Integrated Emission Standard of Air Pollutants (GB31572-2015)	0.008	0.034	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Phosphoric acid mist	Treated exhaust gas meets the standards and is emitted at high altitude	2	A2/A14	/	Integrated Emission Standard of Air Pollutants (DB31/933-2015)	0.031	/	/

Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	PH	Pipe discharge	1	Main outlet of sewage station	/	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	/	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Suspended solids	Pipe discharge	1	Main outlet of sewage station	10.523	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	2.571	19.791	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Chemical oxygen demand	Pipe discharge	1	Main outlet of sewage station	9.619	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	2.125	98.956	/

Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Ammonia nitrogen	Pipe discharge	1	Main outlet of sewage station	0.113	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	0.026	9.896	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Total phosphorus	Pipe discharge	1	Main outlet of sewage station	1.067	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	0.165	0.990	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Total nitrogen	Pipe discharge	1	Main outlet of sewage station	7.086	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	2.251	29.687	/

Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Biochemical oxygen demand	Pipe discharge	1	Main outlet of sewage station	2.209	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	0.477	19.791	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Total aluminum	Pipe discharge	1	Main outlet of sewage station	0.091	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	0.019	0.297	/

Treatment of pollutants

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, NOx, 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".

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”.

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.

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);

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 (GB16297-1996). 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 dust, after treatment by wet dust collector, can be discharged in steady compliance with standards.

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".

Environmental self-monitoring program

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.

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.

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.

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.

Emergency plan for abrupt environmental pollution accidents

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.

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.

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

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

The total amount of investment related to environmental protection equipment was about RMB15.2 million and the total amount of monthly environmental protection tax that is declared on a quarterly basis was RMB154,000.00 in 2022.

The total amount of investment related to environmental protection equipment was about RMB12.688 million and the total amount of monthly environmental protection tax that is declared on a quarterly basis was RMB166.92 in 2022.

The investment in environmental protection was about RMB12 million and the paid environmental protection tax was RMB15,840.15 in 2022.

The total amount of investment related to environmental protection equipment was about RMB14.32 million and the total amount of monthly environmental protection tax that is declared on a quarterly basis was RMB13,884.00 in 2022.

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

☑Applicable □N/A

Improvement project	Program	Investment (RMB0’000)	Income (0’000 kwh)
Optimization of solar hot water system	Utilization of solar energy waste system	25	157
Energy saving optimization of air conditioning system	Switch to cooling main engine to improve efficiency	18	57
Yinrui Energy Saving	Intelligent control of air conditioning for high efficiency operation	0	113
Energy saving of exhaust gas tower	Energy saving control of exhaust gas tower	0	993

Improvement project	Program	Investment (RMB0’000)	Income (0’000 kwh)
Compressed air leakage improvement	Compressed air leakage improvement	0	66
CNC machine centralized pressure conversion	Independent small transformer of CNC replaced by centralized pressure conversion	0	23

Replacement of air compressors	Conventional adsorption dryers replaced by zero-loss suction dryers	0	44
Replacement by energy saving lamps	Ordinary lamps replaced by high-efficiency LED lamps	0	9.9

Improvement project	Program	Investment (RMB0'000)	Annual power savings (kwh)	Annual cost savings (RMB)
Lighting improvement	Based on the change in the plant workshop process and staff's actual needs for dormitory occupancy, it makes rectification and optimization in the areas of sufficient or excessive lighting, opens or removes isolation control	3167.0	128206	96154
Exhaust gas equipment control	Base on the actual production scale of workshop production, it adjusts downward the operation frequency of exhaust gas equipment while the demand of production is met	0	663888	497916
Air conditioning temperature control	Based on the outdoor temperature and workshop demand, it reasonably adjusts the air conditioning supply temperature to reduce the equipment operating load	0	967936	725952
BGA clean room temperature and humidity control	Through the understanding of the product process, 50% ± 5 has seriously exceeded the product demand standard, and after active discussion with the department heads, it confirms that it controls the temperature and humidity within 55% ± 15 based on the product standard demand	0	3388256	2541192
Nitrogen piping improvement	It connects the nitrogen pipelines in the plant in a reasonable manner to achieve interconnection of pipelines in the whole plant, so as to avoid "big horse pulling small car" in single region supply and lead to energy waste.	0	1526000	1144500
Improvement of A6/A14 air pressure pipeline interconnection	It connects the pipelines of Buildings A14/A16 to reduce the cost of power generation during power outages and add an efficient safeguard in case of sudden emergencies.	0	1062160	796620
Improvement of excessive temperature program of the clean room	It adds split-type air conditioner to reduce the operating load of the air conditioning units and reduce operating energy consumption	10200	4391712	3293784

B and C	ice water and cooling water inlet and outlet temperatures		
Air compressor room linkage control system and frequency conversion energy saving improvement	Installation of online monitoring of air pressure systems, joint control and deployment of air compressors	0	477
Clean room air pressure replaced by vacuum suction	Switch air pressure to vacuum generator	0	57.6
Centralized control of clean room lighting	It sets the opening area and time to achieve automatic control of light and reduce waste based on the production demand	0	21.91

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

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).

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.

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.

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 (Zhejian ¤ i T Ingas andand OneiashanY t ם ם

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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 394,605.79 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 117,404.85 tons of carbon dioxide equivalent.

The Company’s 2022 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.

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.

☑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	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: 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 shareholders for the losses (if any) arising therefrom according to the law. 7. From the date of issuing this Letter of	February 21, 2022	Long-term	Ongoing

	Commitment until the completion of this non-public

	WANG Laisheng; WU Tiansong; XIONG Tengfang; XU Huaibin, XUE Haigao; YE Yiling; ZHANG Ying		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, 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.			
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; WANG Laichun; WANG Laisheng	Other commitments	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: 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 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			

			investors, we/I are/am willing to compensate for such losses according to the law. 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.			
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	Each of all directors and executives of the Company hereby commitments as follows: (1) I will not transfer benefits to any other entity or individual without compensation or on unfair terms,			

			my powers, or infringe on the interest of the Company.			
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	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			

	Laichun; WANG Laisheng	occupation of funds	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.			
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 the business of the Issuer or any entity controlled by the Issuer in or outside China. We will use our i Ŏ ş î Ď Ğ w ת			

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			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.			
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.	April 11, 2022	October 11, 2022	Fulfilled
Other commitments	Luxshare Limited	Other commitments	Luxshare Limited, as the controlling shareholder of the Company, hereby undertakes not to sell any share of the Company through the stock trading system within 12 months after the completion of this disposal.	February 3, 2021	February 2, 2022	Fulfilled
Whether the commitments have been fulfilled on time?	Yes					
If any commitment is overdue, explain specific reasons for the incomplete performance and detailed plan of next steps	N/A					

□ Applicable ☑N/A

□ Applicable ☑N/A

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

purposes.

□ Applicable ☑N/A

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

□ Applicable ☑N/A

□ Applicable ☑N/A

□ Applicable ☑N/A

The Company has no changes in accounting policies and accounting estimates or correction of significant accounting errors during the reporting period.

☑Applicable □N/A

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

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)	234.6
Consecutive years in which the domestic accounting firm has provided auditing service	15
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	4

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

☑No

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

pplicable □N/A

ngaged BDO China Shu Lun Pan Certified Public Accountants LLP as our internal control auditor.

Applicable ☑N/A

Applicable ☑N/A

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

Applicable □ N/A

Background	Amount claimed (RMB'000)

☑Applicable □ N/A

Counterparty	Relationship	Type	Related-party transactions	Pricing principle	Transaction price	Amount (in RMB0’000)	% of the total amount of the same type of transactions	Approved limit of transaction amount (in RMB0’000)	Whether or not exceed the approved limit	Method of settlement	Market price available for the same type of transactions	Date of disclosure	Information disclosure available at
BCS Suzhou	Related legal person	Purchase of goods from related party	Purchasing goods	Market-set prices	Fair market price	2,344.12	0.02%	5,000	No	Bank transfer	Fair market price	August 26, 2022	Announcement No.: 2022-071
Luxsan Kunshan	Related legal person	Purchase of goods from related party	Purchasing goods	Market-set prices	Fair market price	31,117.62	0.21%	35,000	No	Bank transfer	Fair market price	August 26, 2022	Announcement No.: 2022-071
Luxsan Hong Kong	Related legal person	Purchase of goods from related party	Purchasing goods	Market-set prices	Fair market price	103,789.98	0.72%	105,000	No	Bank transfer	Fair market price	August 26, 2022	Announcement No.: 2022-071
BCS Suzhou	Related legal person	Sales of goods to related persons	Sales of goods	Market-set prices	Fair market price	39,438	0.26%	40,000	No	Bank transfer	Fair market price	February 22, 2022	Announcement No.: 2022-012
Luxsan Kunshan	Related legal person	Sales of goods to related persons	Sales of goods	Market-set prices	Fair market price	64,361.95	0.42%	65,000	No	Bank transfer	Fair market price	February 22, 2022	Announcement No.: 2022-012
Gaowei Hong Kong	Related legal person	Sales of goods to related persons	Sales of goods	Market-set prices	Fair market price	11,792.64	0.08%	12,000	No	Bank transfer	Fair market price	April 28, 2022	Announcement No.: 2022-040
Total				--	--	252,844.31	--	262,000	--	--	--	--	--

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

□ Applicable ☑N/A

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

□ Applicable ☑N/A

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

□ Applicable ☑N/A

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

□ Applicable ☑N/A

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

□ Applicable ☑N/A

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

□ Applicable ☑N/A

No such case during the reporting period.

□ Applicable ☑N/A

No such case during the reporting period.

□ Applicable ☑N/A

No such case during the reporting period.

☑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?	Whether or not provided for a related party
Guarantees provided by ...										
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		

Total amount of guarantee approved to be provided for subsidiaries during the reporting period (B1)		Total actual amount of guarantees for subsidiaries within the reporting period (B2)	69,646
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (B3)	626,117.54	Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)	69,646

Guarantees provided by subsidiaries for each other										
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.		69.65	June 21, 2022	69.65	Joint and several guarantee			Six months from the expiration date of main debts	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		8,932.7	September 4, 2020	60.17	Joint and several guarantee			Continuing Security	No	Yes
Linkz International Limited		5,806.26	December 14, 2020	0	Joint and several guarantee			Continuing Security	No	Yes
TIME Interconnect Industrial Co., Ltd.		3,126.45	June 27, 2017	0	Joint and several guarantee			Continuing Security	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		2,679.81	June 25, 2021	0	Joint and several guarantee			Continuing Security	No	Yes

TIME Interconnect Industrial Co., Ltd.		2,704.46	June 25, 2021	0	Joint and several guarantee			Continuing Security	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		7,146.16	January 28, 2021	0	Joint and several guarantee			Continuing Security	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		5,627.6	April 1, 2021	0	Joint and several guarantee			Continuing Security	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		5,359.62	January 13, 2022	0	Joint and several guarantee			Continuing Security	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		7,146.16	October 9, 2020	951.19	Joint and several guarantee			Continuing Security	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		803.94	September 27, 2021	0	Joint and several guarantee			Continuing Security	No	Yes

Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		1,253.63	September 27, 2021	0	Joint and several guarantee			Continuing Security	No	Yes
TIME Interconnect Technology Limited		6,252.89	November 15, 2021	3,796.4	Joint and several guarantee			Continuing Security	No	Yes
TIME Interconnect Industrial Co., Ltd.		7,146.16	October 2, 2019	0	Joint and several guarantee			Continuing Security	No	Yes
TIME Interconnect Technology (Huizhou) Limited		5,000	April 27, 2020	3,246.91	Joint and several guarantee			Continuing Security	No	Yes
TIME Interconnect Technology (Huizhou) Limited		6,000	January 1, 2018	4,727.54	Joint and several guarantee			December 31, 2023	No	Yes
TIME Interconnect Technology (Huizhou) Limited		10,800	January 24, 2022	2,450	Joint and several guarantee			January 23, 2025	No	Yes
TIME Interconnect Technology (Huizhou) Limited		10,000	June 1, 2022	4,800	Joint and several guarantee			Three years after expiration of the debt performanc e period	No	Yes
Huaxun Industrial (Suzhou) Co., Ltd.		5,000	July 1, 2021	2,010.33	Joint and several guarantee			June 30, 2024	No	Yes

Huaxun Industrial (Suzhou) Co., Ltd.		10,000	August 4, 2021	4,955.02	Joint and several guarantee			August 3, 2026	No	Yes
Huaxun Industrial (Suzhou) Co., Ltd.		4,000	November 10, 2021	763.54	Joint and several guarantee			Three years after expiration of the debt performanc e period		
Huaxun Industrial (Suzhou) Co., Ltd.		11,000	January 12, 2022	10,025.42	Joint and several guarantee			Three years after expiration of the debt performanc e period	No	Yes
Huaxun Industrial (Suzhou) Co., Ltd.		3,000	April 6, 2022	2,998.67	Joint and several guarantee			April 5, 2025	No	Yes
Huaxun Industrial (Suzhou) Co., Ltd.		5,500	June 1, 2022	4,531.71	Joint and several guarantee			June 1, 2025	No	Yes
Huaxun Industrial (Suzhou) Co., Ltd.		8,000	July 20, 2022	3,394.02	Joint and several guarantee			Three years after expiration of the debt performanc e period	No	Yes

Linkz International Limited, TIME Interconnect Industrial Co., Ltd., TIME Interconnect Wiring Technology Co., Ltd. and TIME Interconnect Server Technology Co., Ltd.		15,185.59	September 5, 2022	3,573.08	Joint and several guarantee			Continuing Security	No	Yes
Total guarantee quota approved for subsidiaries within the reporting period (C1)										

Total amount guaranteed (D+E+F)	69,646

Particulars of the guarantees provided using complex method:

N/A

( )

☑Applicable □ N/A
pplicable

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	□ F plicable	Self-owned funds	132,622.69	132,622.69	0	0
Total					

□ Applicable ☑N/A

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

□ Applicable ☑N/A

Unit: Share

	Before the cha				After the change	
	Number	P			umber	Proportion
I. Non-tradable shares	6,152,646				1,178,885	0.16%
1. Shares held by the State						
2. Shares held by State-owned corporations						
3. Shares held by other domestic investors	96,02				927,483	0.01%
Incl.: Shares held by domestic non-State-owned corporations						
Shares held by domestic natural persons	96				927,483	0.01%
4. Shares held by foreign investors	6,05				10,251,402	0.15%
Incl.: Shares held by foreign corporations						
Shares held by foreign natural persons	6,0				10,251,402	0.15%
II. Tradable shares	7,065,				104,305,123	99.84%
1. RMB-denominated ordinary shares	7,065				104,305,123	99.84%
2. Foreign currency-denominated shares listed domestically						
3. Foreign currency-denominated shares listed overseas						
4. Others						
III. Total shares						

Supervisors of the Company on December 3, 2021.

3. Deliberation and approval by the 7th meeting of the fifth Board of Directors and the 7th meeting of the fifth Board of Supervisors of the Company on February 21, 2022.

4. 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 4, 2022.

5. 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.

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 15, 2021 to April 21, 2022.

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 24, 2021 to September 23, 2022.

3. Period in which the stock options vested in the second vesting period in reserved grant under the 2019 stock option incentive plan may be exercised by the relevant grantees: From March 3, 2022 to November 25, 2022.

WU Tiansong	499,382	0	63,750	563,132	Lock-up shares for senior officers	The restricted conditions are released according to the requirements on the lock-up shares for senior officers
Total	6,152,646	0	5,026,239	11,178,885	--	--

□ Applicable ☑N/A

☑Applicable □ N/A

1. Upon review and approval by the 2nd meeting of the fifth Board of Directors, the 6th meeting of the fifth Board of Directors, the 6th meeting of the fifth Board of Directors, the 7th meeting of the fifth Board of Directors, the 9th meeting of the fifth Board of Directors, and the 14th meeting of the fifth Board of Directors of the Company, the vesting conditions for the second vesting period in initial grant under 2019 stock option incentive plan, the third vesting period under 2018 stock option incentive plan, the second vesting period in reserved grant under 2019 stock option incentive plan, the third vesting period in initial grant under 2019 stock option incentive plan, and the fourth 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 44,157,507 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 3,737.

□ Applicable ☑N/A

Unit: Share

Total number of ordinary shareholders at the end of the reporting period	291,302	Total ordinary shareholders as of the end of the month prior to the disclosure date of annual report	340,682	Total number of	

Securities Clearing Company Limited	person					8		
China Securities Finance Corporation Limited	Domestic non-stated owned corporation	1.19%	84,428,888			84,428,888		
Central Huijin Investment Ltd.	Stated owned corporation	0.82%	58,041,012			58,041,012		
China Merchants Bank Co., Ltd. - Ruiyuan Growth Value Hybrid Securities Investment Fund	Domestic non-stated owned corporation	0.68%	48,141,116	-5157183		48,141,116		
Pegatron Technology (Shanghai) Co Ltd	Domestic non-stated owned corporation	0.56%	39,845,105			39,845,105		
E Fund - Agricultural Bank of China - E Fund Zhongzheng Financial Asset Management Plan	Domestic non-stated owned corporation	0.54%	38,656,343			38,656,343		
China AMC-Agricultural Bank of China - China AMC Zhongzheng Financial Asset Management Plan	Domestic non-stated owned corporation	0.54%	38,576,831			38,576,831		
Zhong Ou Fund - Agricultural Bank of China - Zhong Ou Zhongzheng Financial Asset Management Plan	Domestic non-stated owned corporation	0.54%	38,557,184			38,557,184		
Yinhua Fund - Agricultural Bank of China - Yinhua Zhongzheng Financial Asset Management Plan	Domestic non-stated owned corporation	0.54%	38,508,814			38,508,814		
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

among top 10 holders of tradable ordinary shares and top 10 ordinary shareholders	
Engagement by top 10 ordinary shareholders in margin trading (if any) (Note 4)	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

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	August 27, 1999		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.

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	Himself	Hong Kong	No
WANG Laisheng	Himself	Hong Kong	No
Main occupations and titles	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. 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		

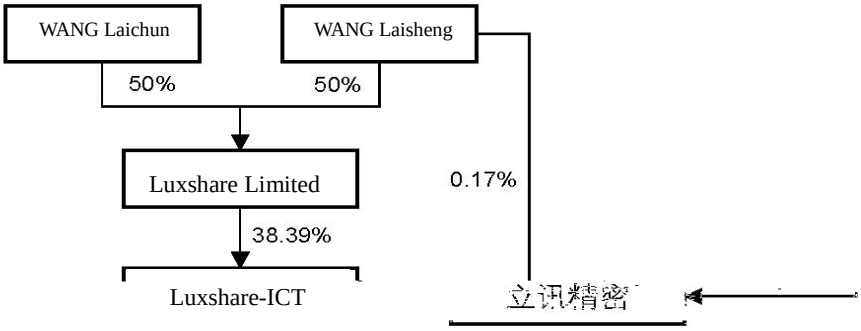
	Limited in 1999, and in 2004, Mr. WANG Laisheng and Ms. WANG Laisheng jointly established founded Luxshare Precision Industry (Shenzhen) Co., Ltd. (now known as "Luxshare Precision Industry Co., Ltd.").
Whether or not control any other company listed on a domestic or foreign stock exchange in the past 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 any trust or other ways of asset management?

□ Applicable ☑N/A

□ Applicable ☑N/A

□ Applicable ☑N/A

□ Applicable ☑N/A

Progress of share repurchase:

□ Applicable ☑N/A

Progress of sales of repurchased shares through call auction:

□ Applicable ☑N/A

□ Applicable ☑N/A

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

☑Applicable □ N/A

□ Applicable ☑N/A

The Company had no enterprise bonds during the reporting period.

□ Applicable ☑N/A

The Company had no corporate bonds during the reporting period.

☑Applicable □ N/A

In RMB

Bond name	Bond abbreviation	Bond code	Issue date	Start date	Maturity date	Bond balance	Interest rate	Principal and interest payment method	Trading venue
Phase I ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	22 Luxshare-ICT SCP001	012281625	April 24, 2022	April 26, 2022	October 21, 2022	800,000,000.00	2.62%	A lump sum payment of principal and interest at maturity	Interbank bond market
Phase II ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	22 Luxshare-ICT SCP002	012281922	May 25, 2022	May 26, 2022	November 22, 2022	500,000,000.00	2.2%	A lump sum payment of principal and interest at maturity	Interbank bond market
Phase III	22	01228197	May 30,	May 31,	November	500,000,	2.15%	A lump	Interbank

ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Luxshare-ICT SCP003	4	2022	2022	25, 2022	000.00		sum payment of principal and interest at maturity	bond market
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	22 Luxshare-ICT SCP004 (STAR Market Notes)	012282152	June 15, 2022	June 17, 2022	May 14, 2023	1,000,000,000.00	2.4%	A lump sum payment of principal and interest at maturity	Interbank bond market
Phase V ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	22 Luxshare-ICT SCP005 (STAR Market Notes)	012282246	June 23, 2022	June 24, 2022	December 21, 2022	1,000,000,000.00	2.15%	A lump sum payment of principal and interest at maturity	Interbank bond market
Phase ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	22 Luxshare-ICT SCP006	012282491	July 2022					ncipal and interest at maturity	Interbank bond market
Phase VII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR	22 Luxshare-ICT SCP007 (STAR Market Notes)	012282585	July 21, 2022	July 22, 2022	April 18, 2023	800,000,000.00	2.15%	A lump sum payment of principal and interest at maturity	Interbank bond market

Market Notes)									
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	800,000,000.00	2.15%	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									

Bonds overdue but not yet repaid

□ Applicable ☑N/A

2022 of Luxshare Precision Industry Co., Ltd.	Accountants LLP	West 4th Ring, Haidian District, Beijing			
Phase I ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Golden Credit Rating International Co., Ltd.	1101, 1102 and 1103 Units, 11/F, South Block, Building 1, Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase II ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	China Bohai Bank Co., Ltd.	218 Haihe East Road, Hedong District, Tianjin, China	None	HUANG Guihong	0755-36991314
Phase II ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Beijing Han Kun (Shenzhen) Law Firm	20/F, Tower 3, Jiali Construction Square, the 4th Central Road No. 1, Futian District, Shenzhen	None	TONG Linwen	0755-36806500
Phase II ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10/F, Building 7, Courtyard 16, Middle Road of West 4th Ring, Haidian District, Beijing	LI Jing and ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase II ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Golden Credit Rating International Co., Ltd.	1101, 1102 and 1103 Units, 11/F, South Block, Building 1, Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase II ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Interbank Market Clearing House Co., Ltd.	33-34/F, Oriental International Financial Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662
Phase III ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Bank of Shanghai Co., Ltd.	168 Yincheng Middle Road, Shanghai	None	DU Zhong	021-68476774
Phase III ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Beijing Han Kun (Shenzhen) Law Firm	20/F, Tower 3, Jiali Construction Square, the 4th Central Road No. 1, Futian District, Shenzhen	None	TANG Jianghua	0755-36806500
Phase III	BDO China Shu	10/F, Building 7,	LI Jing and ZHEN	ZHU Jiandi	010-88210608

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					010-62299850
		et, Beijing			
	terbank Market House	33-34/F, Or Int	None	XIE Zhong	021-63326662

financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	Co., Ltd.	Financial Plaza, 318 Zhongshan South Road, Shanghai			
Phase V ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	Bank of Shanghai Co., Ltd.	168 Yincheng Middle Road, Shanghai	None	DU Zhong	021-68476774
Phase V ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	China Merchants Bank Co., Ltd.	China Merchants Bank Building, No. 7088 Houhai Avenue, Shenzhen	None	LUO Yingying	0755-88026159
Phase V ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	Beijing Han Kun (Shenzhen) Law Firm	20/F, Tower 3, Jiali Construction Square, the 4th Central Road No. 1, Futian District, Shenzhen	None	TONG Linwen	0755-36806500
Phase V ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	BDO China Shu Lun Pan Certified Public Accountants LLP	10/F, Building 7, Courtyard 16, Middle Road of West 4th Ring, Haidian District, Beijing	LI Jing and ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase V ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	Golden Credit Rating International Co., Ltd.	1101, 1102 and 1103 Units, 11/F, South Block, Building 1, Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase V ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	Interbank Market Clearing House Co., Ltd.	33-34/F, Oriental International Financial 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 Building, No. 7088 Houhai Avenue, Shenzhen	None	LUO Yingying	0755-88026159
Phase VI ultra-short-term	Beijing Han Kun (Shenzhen) Law	20/F, Tower 3, Jiali Construction	None	TONG Linwen	0755-36806500

financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Firm	Square, the 4th Central Road No. 1, Futian District, Shenzhen			
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10/F, Building 7, Courtyard 16, Middle Road of West 4th Ring, Haidian District, Beijing	LI Jing and ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Golden Credit Rating International Co., Ltd.	1101, 1102 and 1103 Units, 11/F, South Block, Building 1, 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.	Interbank Market Clearing House Co., Ltd.	33-34/F, Oriental International Financial 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. (STAR Market Notes)	Bank of Shanghai Co., Ltd.	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. (STAR Market Notes)	Beijing Han Kun (Shenzhen) Law Firm	20/F, Tower 3, Jiali Construction Square, the 4th Central Road No. 1, Futian District, Shenzhen	None	GUO Qilin	0755-36806500
Phase VII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	BDO China Shu Lun Pan Certified Public Accountants LLP	10/F, Building 7, Courtyard 16, Middle Road of West 4th Ring, Haidian District, Beijing	LI Jing and ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase VII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	Golden Credit Rating International Co., Ltd.	1101, 1102 and 1103 Units, 11/F, South Block, Building 1, Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase VII ultra-short-term financing bonds in 2022 of Luxshare	Interbank Market Clearing House Co., Ltd.	33-34/F, Oriental International Financial Plaza, 318 Zhongshan	None	XIE Zhong	021-63326662

Precision Industry Co., Ltd. (STAR Market Notes)		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 Building, No. 7088 Houhai Avenue, Shenzhen	None	LUO Yingying	0755-88026159
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Beijing Han Kun (Shenzhen) Law Firm	20/F, Tower 3, Jiali Construction Square, the 4th Central Road No. 1, Futian District, Shenzhen	None	TONG Linwen	0755-36806500
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10/F, Building 7, Courtyard 16, Middle Road of West 4th Ring, Haidian District, Beijing	LI Jing and ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Golden Credit Rating International Co., Ltd.	1101, 1102 and 1103 Units, 11/F, South Block, Building 1, 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.	Interbank Market Clearing House Co., Ltd.	33-34/F, Oriental International Financial Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662

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

□ Yes ☑No

In RMB

Name of bond project	Total proceeds	Used amount	Unused amount	Operation of special account for proceeds (if any)	Rectifications of use of the proceeds in violation of laws and regulations (if any)	Comply with the usage, use plan and other agreements as promised in the prospectus?
Phase I ultra-short-term financing bonds in 2022 of Luxshare Precision	800,000,000.00	800,000,000.00	0.00	Normal	N/A	Yes

Industry Co., Ltd.						
Phase II ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	500,000,000.00	500,000,000.00	0.00	Normal	N/A	Yes
Phase III ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	500,000,000.00	500,000,000.00	0.00	Normal	N/A	Yes
Phase IV ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	1,000,000,000.00	1,000,000,000.00	0.00	Normal	N/A	Yes
Phase V ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	1,000,000,000.00	1,000,000,000.00	0.00	Normal	N/A	Yes
Phase VI ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	1,200,000,000.00	1,200,000,000.00	0.00	Normal	N/A	Yes
Phase VII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)	800,000,000.00	800,000,000.00	0.00	Normal	N/A	Yes
Phase VIII ultra-short-term	800,000,000.00	800,000,000.00	0.00	Normal	N/A	Yes

financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.						

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

□ Applicable ☑N/A

□ Applicable ☑N/A

□Applicable ☑N/A

(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

		bonds	period	period (RMB)	period
1	China Construction Bank Corporation - Zhong Ou New Blue Chip Flexible Allocation Hybrid Securities Investment Fund	Others	1,971,939	214,834,866.29	6.57%
2	Hua Chuang Securities Co., Ltd.	Stated owned corporation	1,038,866	113,180,295.24	3.46%
3	ICBC Credit Suisse Tianfeng Convertible Bond Fixed Income Pension Product - Bank of China Limited	Others	888,242	96,770,412.93	2.96%
4	China Minsheng Banking Corp., Ltd. ICBC Credit Suisse Tianyi Bonds-type Securities Investment Fund	Others	821,495	89,498,594.27	2.74%
5	Fuguo Fuyi Enterprising Fixed Income Pension Product - Industrial and Commercial Bank of China Limited	Others	672,134	73,226,310.76	2.24%
6	UBS AG	Foreign legal person	624,992	68,090,378.43	2.08%
7	National Social Security Fund 1005 Portfolio	Others	602,980	65,692,259.08	2.01%
8	China Construction Bank Corporation - Xinhua Zengyi Bond-type Securities Investment Fund	Others	601,234	65,502,039.36	2.00%
9	Northeast Securities Co., Ltd.	Stated owned corporation	518,683	56,508,438.12	1.73%
10	The Hongkong and Shanghai Banking Corporation Limited	Foreign legal person	504,811	54,997,139.21	1.68%

□ Applicable ☑N/A

According to the Credit Rating Report (Lian He [2022] No. 4227) issued by China Lianhe Credit Rating Co., Ltd. on June 22, 2022, 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.

□ Applicable ☑N/A

□ Applicable ☑N/A

□ Yes ☑No

In RMB0’000

Item	December 31, 2022	December 31, 2021	Y/Y% Change
Current ratio	1.1830	1.1154	6.06%
Equity-debt ratio	60.38%	62.03%	-1.65%
Quick ratio	0.6824	0.7930	-13.95%
	2022	2021	Y/Y% Change
Net profit, excluding non-recurring profit and loss	844,205.29	601,559.72	40.34%
EBITDA - total debt ratio	60.45%	59.02%	1.43%
Interest coverage ratio	11.75	13.41	-12.38%
Cash interest coverage ratio	14.99	14.59	2.74%
EBITDA-to-interest coverage ratio	19.43	21.47	-9.50%
Rate of loans due and repaid	100.00%	100.00%	0.00%
Rate of interest due and paid	100.00%	100.00%	0.00%

Audit opinion	Standard Unqualified Opinion
Signing date of audit report	April 27, 2023
Auditor	BDO China Shu Lun Pan Certified Public Accountants LLP
Auditor report document number	Xin Kuai Shi Bao Zi [2023] No. ZB10828
Name of certified public accountants	LI Jing and DAN Jie

Xin Kuai Shi Bao Zi [2023] No. ZB10828

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, 2022, 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, 2022, and the consolidated and parent company's operating results and cash flows for the year then ended.

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.

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:

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.	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; 2. Sample the product sales revenue to make test thereof according to different regions and customers: check supporting documents related to revenue

In 2022, Luxshare Precision's operating income presented in its consolidated financial statements amounted to RMB214,028,394,300.00. 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

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.

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 re

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

Prepared by: Luxshare Precision Industry Co., Ltd.

December 31, 2022

In RMB

Item	December 31, 2022	January 1, 2022
Current assets:		
Cash and bank balances	19,367,209,441.41	14,204,618,186.43
Balances with clearing agencies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	1,353,266,499.91	2,107,118,105.04
Derivative financial assets		
Notes receivable	949,767,020.69	307,836,634.64
Accounts receivable	26,043,354,859.19	31,623,185,946.25
Receivable financing		
Prepayments	586,577,865.23	406,016,492.61
Premiums receivable		
Amounts receivable under reinsurance contracts		
Reinsurer’s share of insurance contract reserves		
Other receivables	431,123,451.91	598,456,702.88
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	37,363,329,476.66	20,900,755,733.15
Contract assets		
Held-for-sale assets		
Non-current assets due within one		

year		
Other current assets	2,197,204,594.09	2,161,055,820.73
Total current assets	88,291,833,209.09	72,309,043,621.73
Non-current assets:		
Loans and advances to customers		
Debt investments	1,739,251,540.45	1,464,279,206.63
Other debt investments		
Long-term receivables		
Long-term equity investment	2,000,007,642.66	1,125,605,226.03
Other investments in equity instruments	440,106,992.66	235,976,148.42
Other non-current financial assets	35,700,000.00	5,700,000.00
Investment properties	92,782,410.06	59,000,690.72
Fixed assets	44,026,022,703.69	34,113,259,322.43
Construction in progress	2,695,377,794.32	3,685,336,499.02
Bearer biological assets		
Oil and gas assets		
Right-of		

Deferred income	665,910,095.66	538,556,944.18
Deferred tax liabilities	1,606,645,177.00	1,272,092,467.86
Other non-current liabilities	324,039.05	1,207,763.79
Total non-current liabilities	14,969,237,474.53	9,958,755,591.47
Total liabilities	89,600,449,377.52	74,789,454,618.31
Owners' equity:		
Share capital	7,099,908,647.00	7,050,485,477.00
Other equity instruments	527,319,637.88	527,358,025.98
Including: Preferred shares		
Perpetual bonds		
Capital reserve	3,652,626,861.74	2,719,695,281.67
Less: Treasury shares		
Other comprehensive income	651,458,316.25	-35,801,471.29
Special reserve	2,094,879.61	1,018,784.75
Surplus reserve	1,121,072,698.83	985,161,506.61
General risk reserve		
Unappropriated profit	32,288,416,277.22	24,040,637,144.00
Total owners' equity attributable to equity holders of the parent company	45,342,897,318.53	35,288,554,748.72
Minority interests	13,440,972,378.66	10,494,088,800.85
Total owners' equity	58,783,869,697.19	45,782,643,549.57
Total liabilities and owners' equity	148,384,319,074.71	120,572,098,167.88

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

In RMB

Item	December 31, 2022	January 1, 2022
Current assets:		
Cash and bank balances	2,470,873,229.56	999,340,773.61
Held-for-trading financial assets	425,160,741.00	597,571,722.08
Derivative financial assets		
Notes receivable	96,318,451.09	162,983,735.09
Accounts receivable	6,130,919,579.55	2,901,625,168.21
Receivable financing		

Prepayments	153,214,652.87	475,784,600.82
Other receivables	250,596,765.44	635,052,127.84
Including: Interest receivable		
Dividends receivable	150,000,000.00	211,543,626.19
Inventories	365,123,547.22	278,795,156.21
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	6,550,429,892.93	1,025,701,494.05
Total current assets	16,442,636,859.66	7,076,854,777.91
Non-current assets:		
Debt investments	509,574,733.25	371,512,328.76
Other debt investments		
Long-term receivables		
Long-term equity investment	22,333,083,031.91	21,334,608,802.17
Other investments in equity instruments	436,416,576.65	231,075,109.79
Other non-current financial assets	614,489,717.42	572,768,124.91
Investment properties		
Fixed assets	156,454,801.57	154,033,992.55
Construction in progress	6,477,655.44	16,062,240.56
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	60,287,106.95	66,189,643.97
Intangible assets	312,566,547.35	71,279,533.82
Development expenditure		
Goodwill	53,174,339.31	53,174,339.31
Long-term deferred expenses		0.00
Deferred tax assets	5,787,962.17	9,473,895.76
Other non-current assets	2,465,600.00	41,620,656.64
Total non-current assets	24,490,778,072.02	22,921,798,668.24
Total assets	40,933,414,931.68	29,998,653,446.15
Current liabilities:		
Short-term borrowings	1,000,555,555.56	1,892,374,226.82

Held-for-trading financial liabilities	12,958,840.00	
Derivative financial liabilities		

Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,069,645,567.93	3,080,149,716.35
Less: Treasury shares		
Other comprehensive income	294,991,891.50	162,951,644.67

Selling expenses	831,398,139.60	789,908,163.80

continuing operation		
1. Net profit from continuing operations (Net loss is indicated by “-”)	10,490,676,778.96	7,820,610,306.19
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	9,163,104,849.54	7,070,520,386.57
2. Net profit attributable to non-controlling interests	1,327,571,929.42	750,089,919.62
VI. Other comprehensive income, net of tax	647,909,759.47	-23,685,660.51
Other comprehensive income attributable to owners of the parent company, net of tax	687,259,787.54	8,916,331.77
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	131,579,091.87	81,705,917.80
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	131,579,091.87	81,705,917.80
4. Changes in fair value of enterprises’ own credit risks		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss	555,680,695.67	-72,789,586.03
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	555,680,695.67	-72,789,586.03

Investment income (Loss is indicated by “-”)	1,361,112,472.06	2,268,732,708.25
Including: Income from investments in associates and joint ventures	16,056,804.17	-4,411,361.63
Income from derecognition of financial assets measured at amortized cost (Loss is indicated by “-”)	-43,522,172.22	-41,003,477.92
Net exposure hedging income (Loss is indicated by “-”)		
Income from changes in fair value (Loss is indicated by “-”)	16,705,913.20	2,187,784.65
Impairment losses of credit (Loss is indicated by “-”)	-8,375,363.61	-1,373,983.35
Impairment losses of assets (Loss is indicated by “-”)	-4,468,874.95	-3,339,894.30
Income from disposal of assets (Loss is indicated by “-”)	-192,009.60	15,567.99
II. Operating profit (Loss is indicated by “-”)	1,361,331,545.53	2,519,635,405.51
Add: Non-operating income	4,192,819.73	299,873.15
Less: Non-operating expenses	248,053.30	528,129.00
III. Total profit (Total losses are indicated by “-”)	1,365,276,311.96	2,519,407,149.66
Less: Income tax expenses	6,164,389.77	-1,529,939.13
IV. Net profit (Net loss is indicated by “-”)	1,359,111,922.19	2,520,937,088.79
(I) Net profit from continuing operation (Net loss is indicated by “-”)	1,359,111,922.19	2,520,937,088.79
(II) Net profit from discontinued operations (Net loss is indicated by “-”)		
V. Other comprehensive income, net of tax	132,040,246.83	82,216,629.66
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	132,040,246.83	82,216,629.66
1. Changes from re-measurement of defined benefit plans		

that loss	
inv	82,216,629.66

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	9,595,383,015.24	7,258,087,295.46
Other cash receipts relating to operating activities	2,681,301,179.71	2,646,521,521.99
Sub-total of cash inflows from operating activities	243,587,978,384.02	152,974,773,173.48
Cash payments for goods purchased and services received	204,048,286,382.64	125,194,510,007.35
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		

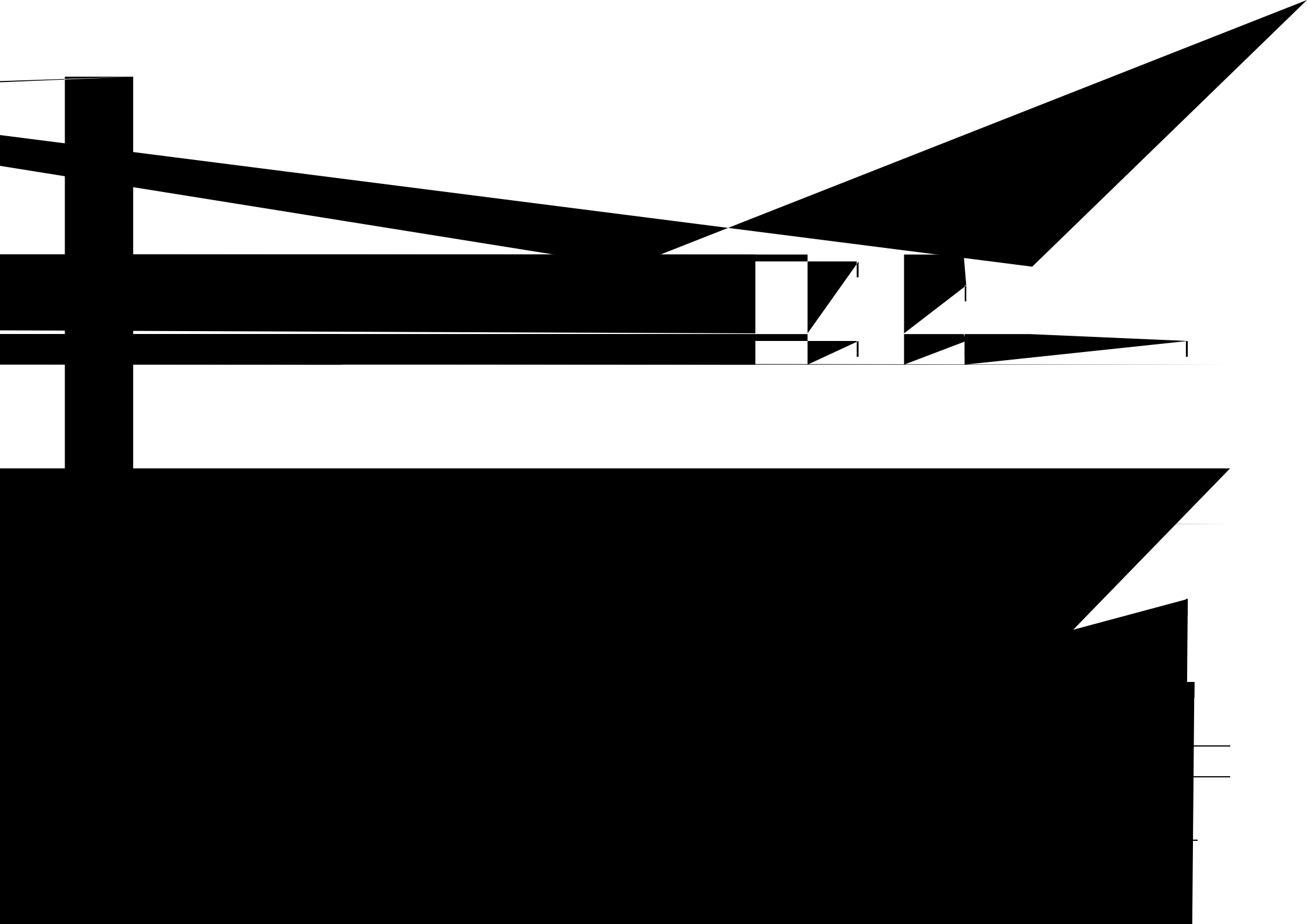
Sub-total of cash outflows from investing activities	23,364,287,513.52	67,483,404,233.19
Net cash flow from investing activities	-13,326,365,843.11	-8,379,661,985.78
III. Cash flows from financing activities:		
Cash receipts from capital contributions	1,596,922,470.96	2,387,352,799.19
Including: Cash receipts from capital contributions from minority owners of subsidiaries	1,030,300,000.00	1,800,900,000.00
Cash receipts from borrowings	67,739,900,243.50	35,452,570,746.25
Other cash receipts relating to financing activities	7,527,472,775.23	4,705,930,595.98
Sub-total of cash inflows from financing activities	76,864,295,489.69	42,545,854,141.42
Cash repayments of borrowings	58,773,171,168.15	38,074,504,796.63
Cash payments for distribution of dividends or profits or settlement of interest expenses	1,796,754,390.90	1,399,755,112.12
Including: Payments for distribution of dividends or profits to minority owners of subsidiaries		
Other cash payments relating to financing activities	8,138,121,749.19	3,461,522,325.75
Sub-total of cash outflows from financing activities	68,708,047,308.24	42,935,782,234.50
Net cash flow from financing activities	8,156,248,181.45	-389,928,093.08
IV. Effect of foreign exchange rate changes on cash and cash equivalents	833,389,043.75	-58,444,561.40
V. Net increase in cash and cash equivalents	8,390,881,701.43	-1,543,267,723.26
Add: Opening balance of cash and cash equivalents	8,921,536,728.08	10,464,804,451.34
VI. Closing balance of cash and cash equivalents	17,312,418,429.51	8,921,536,728.08

In RMB

Item	2022	2021
I. Cash flows from operating activities:		
Cash receipts from the sales of goods and the rendering of services	10,929,088,841.65	14,258,035,135.82
Receipts of tax refunds	169,862,322.46	295,360,510.43
Other cash receipts relating to operating activities	12,206,141,292.86	10,782,694,066.14
Sub-total of cash inflows from operating activities	23,305,092,456.97	25,336,089,712.39
Cash payments for goods purchased and services received	12,697,462,668.02	14,298,865,162.82
Cash payments to and on behalf of employees	224,427,747.93	177,817,539.81
Payments of various types of taxes	21,569,336.18	29,081,311.32
Other cash payments relating to operating activities	10,060,056,726.22	9,840,822,402.98
S[redacted] oper[redacted]	23,003,516,478.35	24,346,586,416.93
Net cash[redacted]	301,575,978.62	989,503,295.46
II. Cash flo[redacted]		
Cash rece[redacted] recovery of invest[redacted]	2,711,452,000.00	11,776,296,929.96
Cash receipts fr[redacted] income	1,448,310,422.70	2,106,637,671.03
Net cash receipts from[redacted] fixed assets, intangible assets a[redacted] long-term assets	467,498.85	7,640,613.84
Net cash receipts from disposal[redacted] subsidiaries and other business entities		
Other cash receipts relating to investing activities		

Net cash payments for acquisitions of subsidiaries and other business entities		
Other cash payments relating to investing activities		0.00
Sub-total of cash outflows from investing activities	8,622,564,152.53	18,539,722,211.34
Net cash flow from investing activities	-4,462,334,230.98	-4,649,146,996.51
III. Cash flows from financing activities:		
Cash receipts from capital contributions	566,622,470.96	586,452,799.19
Cash receipts from borrowings	9,777,071,023.06	4,416,265,430.62
Other cash receipts relating to financing activities	7,521,511,778.98	4,471,016,039.08
Sub-total of cash inflows from financing activities	17,865,205,273.00	9,473,734,268.89
Cash repayments of borrowings	5,560,227,961.58	2,688,298,719.66
Cash payments for distribution of dividends or profits or settlement of interest expenses	1,133,386,845.40	958,024,940.64
Other cash payments relating to financing activities	5,344,266,086.84	3,384,213,580.92
Sub-total of cash outflows from financing activities	12,037,880,893.82	7,030,537,241.22
Net cash flow from financing activities	5,827,324,379.18	2,443,197,027.67
IV. Effect of foreign exchange rate changes on cash and cash equivalents	114,413,815.11	16,346,991.54
V. Net increase in cash and cash equivalents	1,780,979,941.93	-1,200,099,681.84
Add: Opening balance of cash and cash equivalents	680,555,773.61	1,880,655,455.45
VI. Closing balance of cash and cash equivalents	2,461,535,715.54	680,555,773.61

Current period



(II) Owners' contributions and reduction in capital	49,423,170.00	0.00	0.00	-38,388.10	932,931,580.07	0.00

capital)															
2. Capitalization of surplus reserve (or share capital)													0.00		0.00
3. Loss offset by surplus reserve													0.00		0.00
4. Retained earnings carried forward from changes in defined benefit plans													0.00		0.00
5. Retained earnings carried forward from other comprehensive income													0.00		0.00
6. Others													0.00		0.00
(V) Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,076,094.86	0.00	0.00	0.00		1,076,094.86	0.00	1,076,094.86
1. Transfer to special reserve in the current period								5,435,469.87					5,435,469.87		5,435,469.87
2. Amount utilized in the current period								4,359,375.01					4,359,375.01		4,359,375.01
(VI) Others													0.00		0.00
IV. Closing balance of the current period	7,099,908,647.00	0.00	0.00	527,319,637.88	3,652,626,861.74	0.00	651,458,316.25	2,094,879.61	1,121,072,698.83	0.00	32,288,416,277.22		45,342,897,318.53	13,440,972,378.66	58,783,869,697.19

Prior period



II. Oper				28,101,81	2,804,783,627	30,906,599,
the current year	3	0.00	7.73	6,234.56	.51	862.07

reduction in capital

surplus reserve (or share capital)															
3. Loss offset by surplus reserve													0.00		0.00
4. Retained earnings carried forward from changes in defined benefit plans													0.00		0.00
5. Retained earnings carried forward from other comprehensive income													0.00		0.00
6. Others													0.00		0.00
(V) Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,018,784.75	0.00	0.00	0.00		1,018,784.75	0.00	1,018,784.75
1. Transfer to special reserve in the current period								1,018,784.75					1,018,784.75		1,018,784.75
2. Amount utilized in the current period															

Current period

In RMB

Item	2022											
	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	7,050,485,477.00	0.00	0.00	527,358,025.98	3,080,149,716.35	0.00	162,951,644.67	0.00	985,161,506.61	6,526,651,487.02		18,332,757,857.63
Add: Changes in accounting policies												0.00
Corrections of prior period errors												0.00
Others												0.00
II. Opening balance of the current year	7,050,485,477.00	0.00	0.00	527,358,025.98	3,080,149,716.35	0.00	162,951,644.67	0.00	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	0.00	0.00	-38,388.10	989,495,851.58	0.00	132,040,246.83	0.00	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	49,423,170.00	0.00	0.00	-38,388.10	989,495,851.58	0.00	0.00	0.00	0.00	0.00		1,038,880,633.48

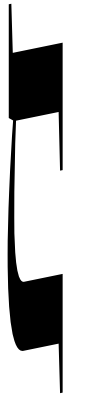
reduction in capital												
1. Ordinary shares contributed by owners	49,419,433.00				517,203,037.96							566,622,470.96
2. Capital contribution from holders of other equity instruments	3,737.00			-38,388.10	213,452.63							178,801.53
3. Share-based payment recognized in owners' equity					473,288,787.62							473,288,787.62
4. Others					-1,209,426.63							-1,209,426.63
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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		0.00
2. Distributions to owners (or shareholders)										-779,270,547.26		-779,270,547.26
3. Others												0.00
(IV) Transfers within owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
1. Capitalization of capital reserve (or share capital)												0.00
2. Capitalization of												0.00

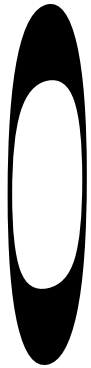
surplus reserve (or share capital)												
3. Loss offset by surplus reserve												0.00

	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	6,999,768,186.00	0.00	0.00	527,449,226.56	2,303,197,437.38	0.00	80,735,015.01	0.00	733,067,797.73	5,031,699,596.69		15,675,917,259.37
Add: Changes in accounting policies												0.00
Corrections of prior period errors												0.00
Others												0.00
II. Opening balance of the current year	6,999,768,186.00	0.00	0.00	527,449,226.56	2,303,197,437.38	0.00	80,735,015.01	0.00	733,067,797.73	5,031,699,596.69		15,675,917,259.37
III. Changes for the year (Decrease is indicated by "-")	50,717,291.00	0.00	0.00	-91,200.58	776,952,278.97	0.00	82,216,629.66	0.00	252,093,708.88	1,494,951,890.33		2,656,840,598.26
(I) Total comprehensive income	50,717,291.00						82,216,629.66			2,520,937,088.79		2,603,153,718.45
(II) Owners' contributions and reduction of capital	50,717,291.00	0.00										

equity instruments												
3. Share-based payment recognized in owners' equity					240,700,708.77							240,700,708.77
4. Others												0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	252,093,708.88	-1,025,985,198.46		-773,891,489.58
1. Transfer to surplus reserve									252,093,708.88	-252,093,708.88		0.00
2. Distributions to owners (or shareholders)										-773,891,489.58		-773,891,489.58
3. Others												0.00
(IV) Transfers within owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
1. Capitalization of capital reserve (or share capital)												0.00
2. Capitalization of surplus reserve (or share capital)												0.00
3. Loss offset by surplus reserve												0.00
4. Retained earnings carried forward from changes in defined benefit plans												0.00

5. Retained earnings carried forward from other comprehensive income												0.00
6. Others												0.00
(V) Special reserve	0.00	0.00	0.00	0.00								





(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.

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, 2022, and the consolidated and parent company's operating results and cash flows for the year then ended.

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

The Company's operating cycle is 12 months.

The Company uses RMB as its functional currency.

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.

1. Scope of consolidation

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

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.

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 completeI þ þ Î

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.

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.

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.

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 assets

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.

The Company recognizes a loss allowance equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition, or to the expected credit losses within the next 12 months if the credit risk has not increased significantly since initial recognition. The added or reversed loss reserves arising therefrom are recognized in profit or loss for the current period as impairment losses or gains.

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 there is objective evidence indicating that a financial asset has been impaired for its credit, the Company makes a provision for impairment of the financial asset on an individual basis.

With respect to accounts receivable and contract assets that arise from the transactions regulated under the Accounting Standards for Business Enterprises No. 14 - Revenue (2017), whether to include significant financing components, the Company always measures its loss reserves based on an amount equal to the expected credit loss during the entire life of accounts receivable

and contract assets.

For lease receivables, the Company always measures its loss reserves based on an amount equal to the expected credit loss during the entire life of these receivables.

If the Company no longer reasonably expects that the contractual cash flows of a financial asset can be recovered in whole or in part, it directly reduces the carrying amount of such financial asset.

Please refer to Note V, 10 “Financial instruments”.

Please refer to Note V, 10 “Financial instruments”.

Determination and accounting treatment of expected credit losses of other receivables

Please refer to Note V, 10 “Financial instruments” for details of determination and accounting treatment of expected credit losses of other receivables.

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. Determination basis of net realizable value of different types of inventories

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 busine mies issheres of in À ﻣ ﻏ À T h ss

recognized in profit or loss for the current period.

4. Inventory systems for inventories

A perpetual inventory system is adopted.

5. Amortization of low-value consumables and packing materials

The Company's revolving materials include low-value consumables and packing materials. The revolving materials with significant amounts are amortized monthly in accordance with the estimated useful life upon applying for use; and the other low-value consumables and packing materials are amortized using immediate write-off method upon applying for use.

1. Recognition methods and standards of contract assets

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 right to receive the consideration for the goods or services that have been transferred or offered to customers (that is, depending on factors other than the passage of time) as the contract assets. The Company lists the contract assets and liabilities under the same contract as net amount. The Company separately presents its owned right to unconditionally (that is, only depending on the passage of time) receive consideration from customers as the accounts receivable.

2. Determination and accounting treatment of expected credit losses of contract assets

Determination and accounting treatment of expected credit losses of contract assets are seen in Note "V. 10. Test and accounting treatment of impairment of financial assets".

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

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.

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.

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.

Refer to Note V, 36 “Leases”.

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.

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.

Please refer to Note V, 36 “Leases”.

expenditure on the development phase.

Research phase: the stage of original and planned investigation and research activity undertaken with the prospect of gaining and understanding new scientific or technical knowledge.

Development phase: the stage of the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices or products etc. before the start of commercial production or use.

2. 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 resourceulL ή Ğ

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 gr

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.

Other long-term employee benefits provided to employees by the Group are accounted for in accordance with the provisions applicable to defined contribution plans if they are qualified as defined contribution plans; otherwise, they are accounted for in accordance with the provisions applicable to defined benefit plans.

Refer to Note V, 36 “Leases” for the recognition and accounting methods of lease liabilities.

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.

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.

2. Cash-settled share-based payment and equity instruments

A cash-settled share-based payment is measured at the fair value of the liability incurred, being a liability which is determined based on the price of the Company's shares or other equity instruments. 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 liabilities assumed with a corresponding increase in liabilities. 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 exercise, 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 of the liabilities assumed by the Company, and includes the same in the liabilities accordingly. Until the liability is settled, the Company remeasures the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognized in profit or loss for the current period.

If the Company has amended the terms and conditions of the cash-settled share-based payment agreement so that it will become the equity-settled share-based payment, on the date of the amendment, regardless of whether during or after the vesting period, the Company will measure the equity-settled share-based payment in accordance with the fair value on the date when the equity instruments are granted, recognize the services received in the capital reserve, derecognize the liabilities of the cash-settled share-based payment already determined on the amendment date, and recognize the difference between the two in the profit or loss for the current period. If the amendment extends or shortens the vesting period, the Company will account for it based on the amended vesting period.

Accounting policies adopted for the recognition and measurement of revenue

1. Accounting policies adopted for the recognition and measurement of revenue

The revenue is recognized at the time when the Company has discharged the performance obligations in the contract, tu7 e ò Ď Ɏ Ğ ⁵

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 sh

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.

Difference in the accounting policy for revenue recognition arising from adoption of different modes of operation for the same kind of business

None.

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.

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
- the transaction or event that is not business combination, and at the time of the occurrence, does not affect accounting profit and taxable income amount (or deductible loss).

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.

Please refer to paragraph (3) of this section for details of determination and accounting treatment of leases under the New Lease Standard.

Please refer to paragraph (3) of this section for details of determination and accounting treatment of leases under the New Lease Standard.

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.

If the rental concessions, deferred payment and other rent deductions with respect to existing lease contracts directly as a result of COVID-19 pandemic meet the following conditions at the same time, the Company adopts the simplified method for all lease choices, without assessing whether the lease changes occurred or reassessing the lease classification:

the lease consideration after concessions is reduced or substantially unchanged compared with the lease consideration before concessions, and the lease consideration is undiscounted or discounted at the discount rate before concessions; and

other terms and conditions of the lease are determined to have not changed significantly after considering both qualitative and quantitative factors.

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; nĞ u® ľ î \ ʤ \ \Ţm ε u® ľ i

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 in

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adjustment to the carrying amount of right-of-use assets.

(5) Rental concessions related to COVID-19 epidemic

If adopting practicable expedients to any rental concessions related to COVID-19 epidemic, the Company does not assess whether the lease change occurred, continues to calculate interest expense on lease liabilities at the discount rate before concessions and recognize in profit or loss for the current period, and continues to depreciate right-of-use assets in the same manner as before concessions. In the event of rent reductions, the Company treats the rent reductions as variable lease payments to be offset against the cost or expense of the relevant assets by the amount undiscounted or the amount discounted at the discount rate before concessions when the original rental payment obligation is discharged, such as when a rental concession agreement is reached, and adjusts the lease liabilities accordingly; and in the event of deferred payment of rent, the Company offsets the rent against the lease liabilities recognized in prior periods when rent is actually paid.

For short-term leases and leases of low-value assets, the Company continues to include the rent under the original contracts in the cost or expense of the relevant assets in the same manner as before concessions. In the event of rent reductions, the Company treats the rent reductions as variable lease payments to be offset against the cost or expense of the relevant assets during the period of rent reductions; and in the event of deferred payment of rent, the Company recognizes the rent payable as a payable in the original payment period and offsets the rent against the payable when the rent is actually paid.

2. The Company as a lessor

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”.

(3) Rental concessions related to COVID-19 epidemic

For the operating leases for which the Company adopts practicable expedients to any rental concessions related to COVID-19 epidemic, the Company continues to recognize the rent under the original contract as the lease income in the same manner as before concessions. In the event of rent reductions, the Company treats the rent reductions as variable lease payments to be offset against the lease income during the period of rent reductions; and in the event of deferred receipt of rent, the Company recognizes the rent receivable during the original period as a receivable, and offsets the rent against the receivable recognized in prior periods when rent is actually received.

For the finance leases for which the Company adopts practicable expedients to any rental concessions related to COVID-19 epidemic, the Company continues to calculate interest at the discount rate before concessions and recognize it as the lease income. In the event of rent reductions, the Company treats the rent reductions as variable lease payments to be offset against the lease income originally organized by the amount undiscounted or the amount discounted at the discount rate before concessions when the right to receive original rent is waived, such as when a rental concession agreement is reached, with any shortage, if any, being recognized in the investment income, and adjusts the finance lease receivables accordingly; and in the event of deferred receipt of rent, the Company offsets the rent against the finance lease receivables recognized in prior periods when rent is actually paid.

3. 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; 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 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 “V. (10) Financial instruments” for accounting treatment of the financial asset.

The Group accrues special reserve for safety production in accordance with the relevant regulations of the Ministry of Finance and the Ministry of Emergency Response. The special reserve refers to the safety expenses mainly used in the course of production and operation. The special reserve is recognized in the relevant cost or the profit or loss for the current period when it is withdrawn and is also included in the special reserve account. When the Company utilizes the withdrawn safety production charges, expenses

are directly offset against the special reserve. In case of capital expenditures, the expenditures are calculated through the contraction in progress account and are then recognized as a fixed asset when the safety project is ready for its intended use. Meanwhile, the special reserve is offset against the cost of forming the fixed asset, and accumulated depreciation of the same amount is recognized. Such fixed asset will not be depreciated in subsequent periods.

None

A discontinued operation is a separately distinguishable component that meets one of the following conditions and has been disposed of by the Company or classified by the Company as held for sale:

(1) the component represents a separate major business or a separate major area of operation;

(2) the component is part of an associated plan for the proposed disposition of a separate major business or a separate major area of operation; or

(3) the component is a subsidiary acquired exclusively for resale.

Gains or losses from continuing operations and gains or losses from discontinued operations are presented separately in the income statement. Gains or losses from operations such as impairment losses and reversals of amounts from discontinued operations and gains or losses on disposals are presented as gains or losses from discontinued operations. For discontinued operations presented in the current period, the Company restates the information previously presented as gains or losses from continuing operations in the current financial statements as gains or losses from discontinued operations in the comparable accounting period.

☑ Applicable □ N/A

Changes in accounting policies and associated reasons	Approval procedure	Remarks
On December 30, 2021, the Ministry of Finance issued the Notice on Printing and Issuing the Interpretation No. 15 of the Accounting Standards for Business Enterprises (No. 35 [2021] of the Ministry of Finance); 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). In accordance with the aforesaid provisions, the Company adjusted its	1. National policies require change; 2. the Company held the 16th meeting of the fifth Board of Directors on April 27, 2023, deliberating and approving the Proposal on Changes in Accounting Policies, and independent directors gave the consent opinion on such issue independently. In accordance with the relevant provisions of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (2023 Revision) and the AOA, these changes in accounting policies are submitted to the Board of Directors for deliberation, but do not require deliberation by the general	The aforementioned accounting policies have no significant impact on financial statements of the Group and the Company

original accounting policies accordingly and began to implement them from the specified start date.	meeting of shareholders.	

(1) Implementation of Interpretation No. 15 of the Accounting Standards for Business Enterprises

On December 30, 2021, the Ministry of Finance issued the Interpretation No. 15 of the Accounting Standards for Business Enterprises (No. 35 [2021] of the Ministry of Finance, hereinafter referred to as the "Interpretation No. 15").

Accounting treatment concerning sales in the trial operation

Interpretation No. 15 provides for the accounting treatment and presentation by enterprises of sales of the products or by-products produced before the fixed assets reach the expected usable status or in the research and development process and provides that the enterprises shall not offset costs of fixed assets or research and development expenditures against the net amount after offsetting relevant costs against the relevant income from trial sale. Such provisions began to take effective from January 1, 2022, and the trial sale that occurred from the beginning of the earliest period presented in the financial statements to January 1, 2022 shall be adjusted retroactively. The Company's implementation of such provisions has brought no material impact on the financial position and results of operation of the Company.

Judgment on onerous

Interpretation No. 15 provides that the "cost of performing the contract" considered by an enterprise when it judges whether a contract constitutes an onerous contract shall include the incremental cost of performing the contract and the apportioned amount of other costs directly related to the performance of the contract. Such requirements began to take effective from January 1, 2022, and the enterprises shall implement such provisions with respect to all contracts with obligations outstanding as of January 1, 2022, and adjust retained earnings and other related financial statement items at the beginning of the year in which such requirements are implemented based on the cumulative effect, without adjusting the data in prior period comparative financial statements. The Company's application of such requirements has brought no material impact on the financial position and results of operation of the Company.

(2) Implementation of Interpretation No. 16 of the Accounting Standards for Business Enterprises

On November 30, 2022, the Ministry of Finance issued the Interpretation No. 16 of the Accounting Standards for Business Enterprises (No. 31 [2022] of the Ministry of Finance, hereinafter referred to as the "Interpretation No. 16").

Accounting treatment concerning the effects of income tax on dividends from a financial instrument classified as an equity instrument by the issuer

Interpretation No. 16 provides that for a financial instrument classified as an equity instrument by an enterprise, if the relevant dividend payments are deducted before the enterprise income tax in accordance with the relevant provisions of tax policies, the enterprise shall recognize the effects of income tax relating to dividends when recognizing the dividends payable. Since the effects of income tax on such dividends are usually more directly related to the previous transactions or events that generated the distributable profits, the enterprise shall include the effects of income tax on dividends in the item of current profit and loss or owner's equity (including other comprehensive income items) in accordance with the consistent accounting treatment adopted for previous transactions or events that generated the distributable profits.

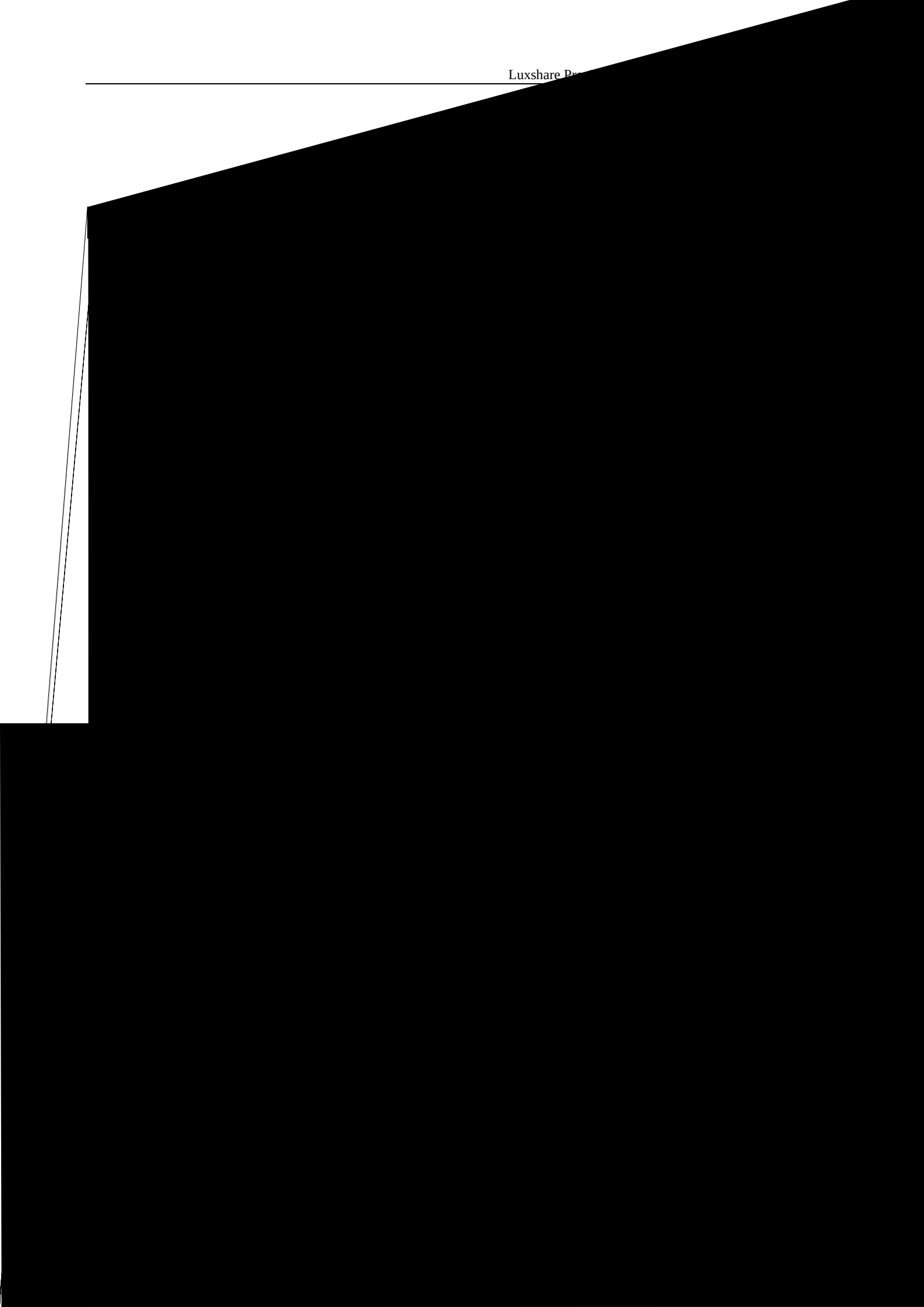
Such provisions began to take effective from January 1, 2022. The corresponding dividends payable that occurred between January 1, 2022 and the date of implementation shall be adjusted in accordance with such provisions; and if the dividends occurred prior to January 1, 2022 and the relevant financing instruments have not been derecognized on January 1, 2022, they shall be adjusted retroactively. The Company's implementation of such provisions has brought no material impact on the financial position and results of operation of the Company.

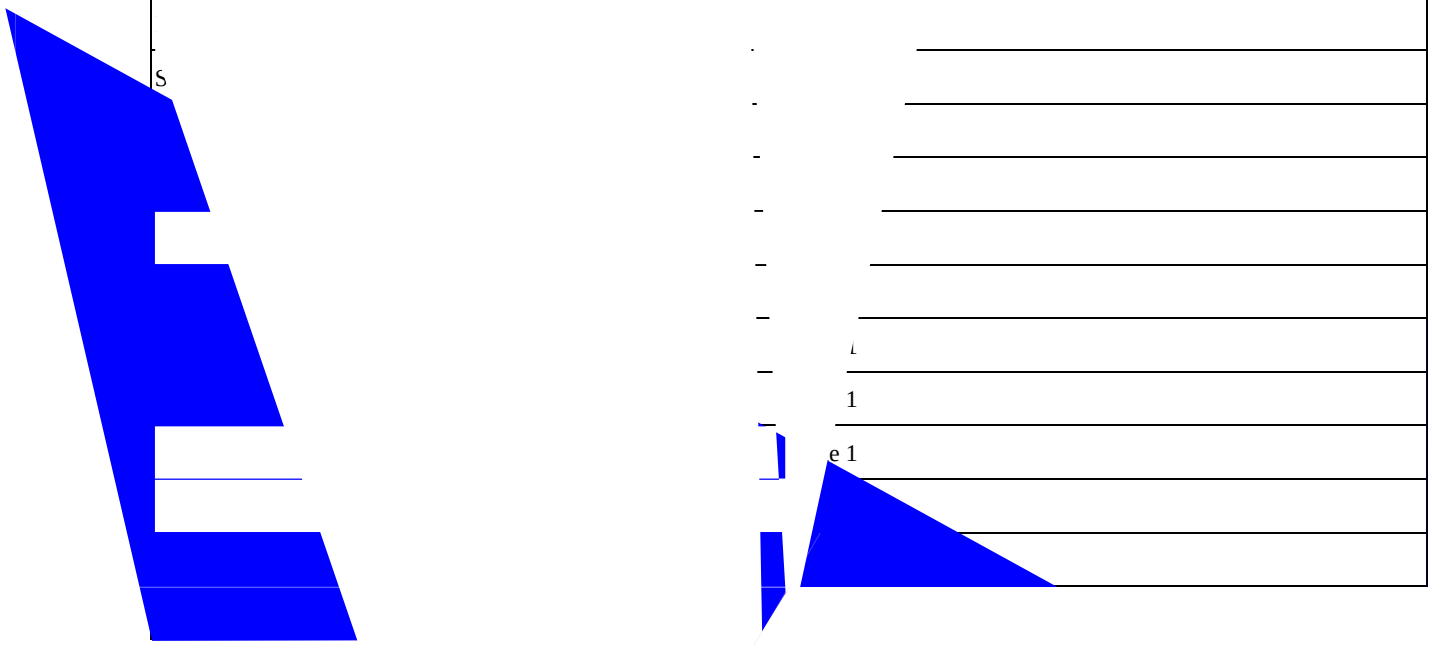
Accounting treatment concerning the change of cash-settled share-based payment to equity-settled share-based payment by an enterprise

Interpretation No. 16 provides that where an enterprise changes the terms and conditions of a cash-settled share-based payment agreement to an equity-settled share-based payment one, the enterprise shall, on the date of change (whether during the vesting

period or after the vesting period), calculate the equity-settled share-based payment at the fair value of the granted equity instrument on the current day, include the services obtained in capital reserves, and at the same time, terminate the recognition of the cash-settled share-based payment as a liability recognized on the date of change, and include the difference between the two in the current profit and loss.

Such requirements began to take effective from January 1, 2022. The relevant transactions added between January 1, 2022 and the date of implementation shall be adjusted in accordance with such provisions; and if the relevant transactions that occurred prior to January 1, 2022 are not treated in accordance with such provisions, such transactions shall be adjusted retroactively. The Company shall adjust retained earnings and other related financial statement items as of January 1, 202





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.	16.5
Linkz International Limited	16.5
HOVER MANUFACTURING COMPANY LIMITED	16.5
TIME Interconnect Server Technology Co., Ltd.	16.5
Other subsidiaries	25

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 2022.

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 September 14, 2020, with the High-tech Enterprise Certificate No. GR202036001325 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 2022.

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 2022.

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 December 2, 2020, with the High-tech Enterprise Certificate No. GF202032003737 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 2022.

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 2022.

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 1, 2020, with the High-tech

Enterprise Certificate No. GR202033002604 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 2022.

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 2022.

8. The sub-subsidiary, Merry Electronics (Suzhou) Co., Ltd. (“Meite Suzhou

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 2022.

16. The sub-subsidiary, 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 2022.

17. The sub-subsidiary, Suining Luxshare Precision Industry Co., Ltd. ("Luxshare Suining"), 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. 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 2022.

18. The sub-subsidiary, 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 December 26, 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 2022.

19. The sub-subsidiary, 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 2022.

20. The sub-subsidiary, 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 2022.

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 December 2, 2020, with the High-tech Enterprise Certificate No. GR202032002892 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 2022.

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 1, 2020, with the High-tech Enterprise Certificate No. GR202033001987 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 2022.

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 1, 2020, with the High-tech Enterprise Certificate No. GR202044201995 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 2022.

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 2022.

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 2022.

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 0% tax rate in 2022.

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 2022.

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 2022.

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 2022.

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 2022.

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 2022.

32. Huaxun Industrial (Suzhou) Co., Ltd. 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 December 26, 2022, with the High-tech Enterprise Certificate No. GR202232008533 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 2022.

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-LANTO LIMITED(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. Luxshare-ICT (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 Luxshare ICT, 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%	

In RMB

Item	Closing balance	Opening balance
Cash on hand	1,236,553.93	323,716.04
Bank deposit	17,311,181,875.58	8,921,213,012.04
Other cash and bank balances	2,054,791,011.90	5,283,081,458.35
Total	19,367,209,441.41	14,204,618,186.43
Including: Total amount of funds deposited abroad	3,147,696,598.47	2,906,518,266.72
Total amount of funds restricted in use due to mortgage, pledge or freezing, etc.	2,054,791,011.90	5,283,081,458.35

Other descriptions:

The breakdown of cash and bank balances which are restricted in use by mortgage, pledge or freezing, etc.as follows:

Item	Closing balance	Balance at the end of last year
Security deposit of bank acceptance bills	1,045,942,343.92	3,080,883,997.37
Credit deposit	713,933,913.76	5,079,240.43
Performance deposit	67,218,494.08	2,515,972.33
Term deposit or call deposit used for guarantee	227,696,260.14	2,194,602,248.22
Total	2,054,791,011.90	5,283,081,458.35

In RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	1,353,266,499.91	2,107,118,105.04
Including:		
Including:		
Derivative financial assets	27,039,649.45	115,918,643.05
Bank wealth management	1,326,226,850.46	1,991,199,461.99
Total	1,353,266,499.91	2,107,118,105.04

Other descriptions:

In RMB

Item	Closing balance	Opening balance
Bank acceptance bill	853,752,545.27	137,325,482.78
Commercial acceptance bill	96,014,475.42	170,511,151.86
Total	949,767,020.69	307,836,634.64

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	96,315,391.99	100.00%	300,916.57	0.31%	96,014,475.42	170,514,399.64	100.00%	3,247.78		170,511,151.86
Including:										
Total	96,315,391.99	100.00%	300,916.57	0.31%	96,014,475.42	170,514,399.64	100.00%	3,247.78		170,511,151.86

Provision for bad debts made by group: 300,916.57

In RMB

Description	Closing balance		
	Book balance	Bad-debt provision	Provision proportion
Commercial acceptance bill	96,315,391.99	300,916.57	0.31%
Total	96,315,391.99	300,916.57	

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

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	3,247.78	297,668.79				300,916.57

acceptance bill						
Total	3,247.78	297,668.79				300,916.57

Including significant amounts recovered or reversed from the current provision for bad debts:

□ Applicable ☑N/A

In RMB

Item	Pledged amount at the end of the period
Bank acceptance bill	469,338,331.89
Total	469,338,331.89

In RMB

Item	Derecognized amount at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bill	1,028,289,842.79	
Total	1,028,289,842.79	

In RMB

Item	Amount transferred to accounts receivable at the end of the period

Other descriptions

None

In RMB

Item	Write-off amount

Including the write-off of significant notes receivable:

In RMB

Entity name	Nature of notes receivable	Write-off amount	Reasons for write-off	Procedures for write-off	

Instructions on the write-off of notes receivable:

None

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	35,692,410.70	0.14%	35,692,410.70	100.00%		39,549,791.95	0.12%	39,549,791.95	100.00%	
Including:										
Provision on an individual basis	35,692,410.70	0.14%	35,692,410.70	100.00%		39,549,791.95	0.12%	39,549,791.95	100.00%	
Accounts receivable for which bad-debt provision is made by group	26,147,793,530.96	99.86%	104,438,671.77	0.40%	26,043,354,859.19	31,677,413,509.78	99.88%	54,227,563.53	0.17%	31,623,185,946.25
Including:										
Group by aging	26,147,793,530.96	99.86%	104,438,671.77	0.40%	26,043,354,859.19	31,677,413,509.78	99.88%	54,227,563.53	0.17%	31,623,185,946.25
Total	26,183,485,941.66	100.00%	140,131,082.47		26,043,354,859.19	31,716,963,301.73	100.00%	93,777,355.48		31,623,185,946.25

Provision for bad debts made individually: 35,692,410.70

In RMB

Description	Closing balance			
	Book balance	Bad-debt provision	Provision proportion	Reason for provision
Entity 1	30,988,680.56	30,988,680.56	100.00%	Unrecoverable
Entity 2	4,367,165.01	4,367,165.01	100.00%	Unrecoverable
Entity 3	241,403.36	241,403.36	100.00%	Unrecoverable

Entity 4	95,161.77	95,161.77	100.00%	Unrecoverable
Total	35,692,410.70	35,692,410.70		

Provision for bad debts made by group: 104,438,671.77

In RMB

Description	Closing balance	
	Book balance	Bad-

Over 3 years	30,988,680.56
Over 5 years	30,988,680.56
Total	26,183,485,941.66

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	93,777,355.48	45,942,584.71		4,269,301.72	4,680,444.00	140,131,082.47
Total	93,777,355.48	45,942,584.71		4,269,301.72		140,131,082.47

Including significant amounts recovered or reversed from the current provision for bad debts:

In RMB

Entity name	Amount recovered or reversed		ethod

In RMB

Item	Write-off	
Accounts receivable actually written off		4,269,301.72

Including the write-off of significant accounts receivable:

In RMB

Entity name	Nature of accounts receivable	Write-off amount	Reasons for write-off	Procedures write-off	Whether the funds are generated by related-party transactions

Descriptions on the write-off of accounts receivable:

In RMB

Entity name	Closing balance of accounts

Closing bala î ¾ Ď r Closing bala of accounts

Entity 4	1,688,551,494.86	6.45%	844,275.75
Entity 5	1,291,291,129.77	4.93%	645,645.56
Total	16,385,183,659.92	62.57%	

2 to 3 years	1,250,070.12	0.21%	531,677.00	0.13%
Over 3 years	622,565.54	0.11%	208,404.44	0.05%
Total	586,577,865.23		406,016,492.61	

Reasons for untimely settlement of prepayments in significant amount with aging over 1 year:

Prepayment receiver	Closing balance	Proportion in total closing balance of prepayments (%)
Entity 1	58,434,910.71	9.96
Entity 2	56,463,991.40	9.63
Entity 3	50,840,677.25	8.67
Entity 4	35,951,555.09	6.13
Entity 5	30,424,519.77	5.19
Total	232,115,654.22	39.58

Other descriptions:

In RMB

Item	Closing balance	Opening balance
Other receivables	431,123,451.91	598,456,702.88
Total	431,123,451.91	598,456,702.88

In RMB

Item	Closing balance	Opening balance

□ Applicable ☑N/A

In RMB

Item (or Investee)	Closing balance	Opening balance

In RMB

Item (or Investee)	Closing balance	Aging	Reasons for non-recovery	Whether there is impairment and its judgment basis

□ Applicable ☑N/A

Other descriptions:

In RMB

Nature of receivables	Closing book balance	Opening book balance
Reserve fund	1,647,513.92	731,313.00
Security deposit	99,930,933.45	137,059,171.76
Export tax rebate receivable	143,831,836.92	187,123,564.48
Disbursement	32,488,722.87	56,222,486.93
Transfer funds of fixed assets	66,582.77	1,727,939.28
Insurance indemnity		59,200,000.00
Others	158,490,656.80	160,733,783.92
Total	436,456,246.73	602,798,259.37

In RMB

Bad-debt provision	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (without credit impaired)	Lifetime ECL (with credit impaired)	
Balance as at January 1, 2022	4,341,556.49			4,341,556.49
Balance as at January 1, 2022 in the current period				
Provision in the current period	941,685.43			941,685.43
Other changes	49,552.90			49,552.90
Balance as at December 31, 2022	5,332,794.82			5,332,794.82

Changes in book balance of provision for loss with significant changes in the current period

□ Applicable ☑N/A

Disclosure by aging

In RMB

Aging	Book balance
Within 1 year (including 1 year)	435,419,059.56
Including: undue	413,437,541.79
1 to 60 days overdue	19,869,688.91
61 to 120 days overdue	562,100.70
121 to 180 days overdue	449,021.36
181 to 365 days overdue	1,100,706.80
1 to 2 years	425,049.70
2 to 3 years	140,420.00
Over 3 years	471,717.47
3 to 4 years	471,717.47
Total	436,456,246.73

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	

Group by aging	4,341,556.49	941,685.43			49,552.90	5,332,794.82
Total	4,341,556.49	941,685.43			49,552.90	5,332,794.82

The amount in “others” includes the increase in combination

Including significant amounts reversed or recovered from the current provision for bad debts:

In RMB

Entity name	Amount reserved or recovered	Recovery method

In RMB

Item	Write-off amount

Including the write-off of significant other receivables:

In RMB

Entity name	Nature of other receivables	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 other receivables:

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	Export tax rebate	143,831,836.92	Undue	32.95%	719,159.18
Entity 2	Equity transfer funds	95,000,000.00	Undue	21.77%	475,000.00
Entity 3	Security deposit	21,000,000.00	Undue	4.81%	105,000.00
Entity 4	Security deposit	8,986,621.10	Undue	2.06%	44,933.11
Entity 5	Security deposit	8,920,000.00	Undue	2.04%	44,600.00
Total		277,738,458.02		63.63%	1,388,692.29

In RMB

Entity name	Name of government grant	Closing balance	Aging at the end of the period	Estimated time, amount and basis of collection

None

None

None

Other descriptions:

Whether the Company needs to comply with the disclosure requirements for the real estate industry

No

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	8,805,902,241.24	254,491,258.28	8,551,410,982.96	6,531,836,331.00	161,394,242.96	6,370,442,088.04
Products in process	4,968,545,535.84	41,453,287.63	4,927,092,248.21	3,386,085,829.05	50,039,777.32	3,336,046,051.73
Goods on hand	23,761,428,325.93	464,323,619.78	23,297,104,706.15	10,741,507,248.23	139,411,084.80	10,602,096,163.43
Revolving materials	319,286,571.44		319,286,571.44	215,566,686.58	116,734.00	215,449,952.58
Contract performance cost	97,678,729.66		97,678,729.66			
Goods sold	112,857,920.38	995,408.89	111,862,511.49	78,396,684.90	243,458.90	78,153,226.00
Materials in transit	38,828,113.69		38,828,113.69	241,533,661.04		241,533,661.04
Work in process - outsourced	21,425,447.80	1,359,834.74	20,065,613.06	60,796,035.94	3,761,445.61	57,034,590.33
Total	38,125,952,885.9	762,623,409.32	37,363,329,476.6	21,255,722,476.7	354,966,743.59	20,900,755,733.1

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	1,403,057,083.33		1,403,057,083.33
Interest	119,251,540.45		119,251,540.45	61,222,123.30		61,222,123.30
Total	1,739,251,540.45		1,739,251,540.45	1,464,279,206.63		1,464,279,206.63

Significant debt investments

In RMB

Debt item	Closing balance				Opening balance			
	Face value	Coupon rate	Effective interest rate	Maturity date	Face value	Coupon rate	Effective interest rate	Maturity date

Provision for impairment

In RMB

Bad-debt provision	Stage I	Stage II	Stage III	Total
	12 -month ECL	Lifetime ECL (without credit impaired)	Lifetime ECL (with credit impaired)	
Balance as at January 1, 2022 in the current period				

Changes in book balance of provision for loss with significant changes in the current period

□ Applicable ☑N/A

Other descriptions:

In RMB

Investee	Opening balance (book value)	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	106,220,2			23,777,78	2,113,184.	-106,303.	-11,509,3		-1,428,62	119,066,9	

Subtotal	106,220,235.27			23,777,786.12	2,113,184.27	-106,303.33	-11,509,318.35		-1,428,623.57	119,066,960.41	
II. Associates											
Subtotal of associates	1,053,757,599.22	90,721,592.51		770,981,706.30	-65,915.00	548,062.46			-629,754.78	1,915,313,290.71	34,372,608.46
Subtotal	1,053,757,599.22	90,721,592.51		770,981,706.30	-65,915.00	548,062.46			-629,754.78	1,915,313,290.71	34,372,608.46
Total	1,159,977,834.49	90,721,592.51		794,759,492.42	2,047,269.27	441,759.13	-11,509,318.35		-2,058,378.35	2,034,380,251.12	34,372,608.46

Other descriptions:

In RMB

Item	Closing balance	Opening balance
Beijing Xloong Technologies Co., Ltd.	10,773,818.02	10,979,152.89
Beijing Wiparking Technology Co., Ltd.	10,783,500.71	9,817,127.78
Jingtuo Liyin Technology (Beijing) Co., Ltd.	2,983,866.23	3,214,196.57
[redacted] Co., Ltd.		
Total	440,106,992.66	235,976,148.42

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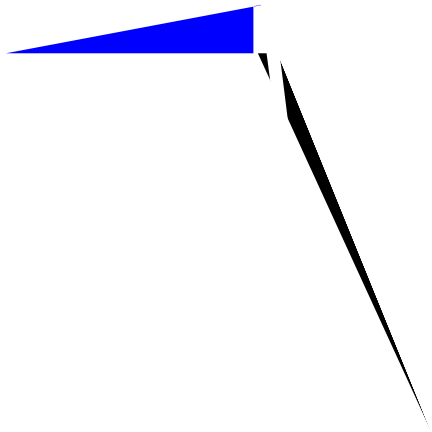







2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance				
IV. Book value				
1. Closing book value	74,565,617.04	18,216,793.02		92,782,410.06
2. Opening book value	40,573,535.23	18,427,155.49		59,000,690.72

□ Applicable ☑N/A

In RMB

Item	Closing balance	Opening balance
Fixed assets	44,026,022,703.69	34,113,259,322.43
Total	44,026,022,703.69	34,113,259,322.43

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	11,048,684,938.44	314,794,311.35	23,144,238,929.33	216,007,405.03	2,438,172,437.02	67,142,443.48	6,261,280,394.74	3,844,865,467.78	47,335,186,327.17
2. Increase in the current period	2,436,017,579.51	86,310,842.09	10,660,551,317.57	171,167,283.23	1,140,904,766.33	32,614,600.21	3,279,649,106.46	2,495,674,154.16	20,302,889,649.56

(1) Purchase	411,785,423.96	46,020,382.01	7,208,858,936.26	88,528,183.33	1,056,871,633.99	13,614,470.39	2,593,747,995.34	2,241,158,235.09	13,660,585,260.37
(2) Transferred from construction in progress	1,329,863,168.01	25,573,127.73	2,352,120,013.40	94,846.64	56,279,696.58	3,767,493.28	503,348,942.55	194,640,014.01	4,465,687,302.20
(3) Increase in business combination	515,969,374.34	9,994,647.50	817,331,790.68	81,461,782.89	27,426,594.88	14,707,833.45	43,748,142.50	44,999,815.62	1,555,639,981.86
(4) Others	178,399,613.20	4,722,684.85	282,240,577.23	1,082,470.37	326,840.88	524,803.09	138,804,026.07	14,876,089.44	620,977,105.13
3. Decrease in the current period	121,027,538.37	52,181,209.23	1,758,151,100.39	9,029,693.03	618,873,017.35	5,029,581.87	352,121,457.60	442,576,139.14	3,358,989,736.98
(1) Disposal or scrap	20,652,373.76	51,624,133.83	939,041,295.27	8,831,549.28	62,382,198.10	4,893,345.67	201,477,363.25	341,566,657.85	1,630,468,917.01
(2) Decrease in business combination	35,271.44	398,705.08	8,039,298.53			67,343.98	929,797.07		9,470,416.10
(3) Others	100,339,893.17	158,370.32	811,070,506.59	198,143.75	556,490,819.25	68,892.22	149,714,297.28	101,009,481.29	1,719,050,403.87
4. Closing 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
II. Accumulated depreciation									
1. Opening balance	1,732,613,980.84	116,874,793.66	6,448,630,701.91	85,500,206.37	840,014,950.46	35,372,104.15	2,276,336,782.37	1,332,467,890.80	12,867,811,410.56
2. Increase in the current period	703,502,425.88	50,572,130.46	4,186,344,055.14	93,217,214.17	457,837,108.23	20,427,506.17	1,407,189,855.45	1,119,905,469.94	8,038,995,765.44
(1) Provision	565,749,084.29	38,897,705.30	3,677,296,193.18	44,645,804.61	435,767,046.51	9,557,013.61	1,367,254,687.08	1,088,813,176.96	7,227,980,711.54
(2) Transferred from investment properties									
(3) Increase in	85,066,282.	6,815,991.9	449,657,310	48,387,122.	22,039,582.	10,619,504.	25,224,205.	29,181,303.	676,991,303

business combination	53	4	.95	20	69	06	33	54	.24
(4) Others	52,687,059.06	4,858,433.22	59,390,551.01	184,287.36	30,479.03	250,988.50	14,710,963.04	1,910,989.44	134,023,750.66
3. Decrease in the current period	71,701,259.79	4,552,703.95	502,847,118.27	4,026,405.41	251,209,321.93	4,557,046.14	114,512,318.46	192,643,074.51	1,146,049,248.46
(1) Disposal or scrap	20,603,869.32	3,221,869.76	324,222,022.15	3,847,716.81	21,683,613.59	4,455,597.29	87,870,923.21	150,414,113.28	616,319,725.41
(2) Decrease in business combination	1,837.06	142,608.42	1,758,931.78			41,511.17	120,391.21		2,065,279.64
(3) Others	51,095,553.41	1,188,225.77	176,866,164.34	178,688.60	229,525,708.34	59,937.68	26,521,004.04	42,228,961.23	527,664,243.41
4. Closing 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
III. Provision for impairment									
1. Opening balance	63,256,923.55	1,806,681.32	249,275,450.47	41,808.03	2,495,952.27	42,534.87	14,415,429.02	22,780,814.65	354,115,594.18
2. Increase in the current period	132,621.02	89,271.92	174,805,543.85	260,123.10	13,763,967.28	4,931.62	15,818,283.95	28,865,428.29	233,740,171.03
(1) Provision	132,621.02	67,240.68	174,672,969.57	260,123.10	13,763,967.28	4,931.62	15,818,283.95	28,865,359.71	233,585,496.93
(2) Transferred from investment properties									
(3) Increase in business combination		22,031.24	132,574.28						154,605.52
(4) Others								68.58	68.58
3. Decrease in the current period	132,621.02	34,585.99	76,584,945.04	42,078.32	6,103,425.04	4,931.62	4,142,220.66	8,505,349.00	95,550,156.69
(1) Disposal or scrap	132,621.02	34,585.99	76,584,523.62	41,682.89	6,103,425.04	4,931.62	4,141,950.83	8,505,349.00	95,549,070.01

(2) Decrease in business combination									
(3) Others			421.42	395.43			269.83		1,086.68
4. Closing 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
IV. Book value									
1. Closing book value	10,936,002,909.10	184,168,356.79	21,567,015,458.45	203,194,127.29	1,903,404,954.73	43,442,362.77	5,593,702,231.93	3,595,092,302.63	44,026,022,703.69
2. Opening book value	9,252,814,034.05	196,112,836.37	16,446,332,776.95	130,465,390.63	1,595,661,534.29	31,727,804.46	3,970,528,183.35	2,489,616,762.33	34,113,259,322.43

In RMB

Item	Original carrying amount	Accumulated depreciation	Provision for impairment	Book value	Remarks

In RMB

Item	Closing book value

In RMB

Item	Book value	Reasons for not obtaining the title certificate
Plant, office and dormitory buildings of Fujian JK	8,185,323.29	Note 1
Changshu Luxshare Factory and Auxiliary Building Project	489,535,793.09	The certificate is undergoing the formalities
New Dormitory of Zhejiang Intelligent Manufacture	123,622,054.82	The certificate is undergoing the formalities
Suzhou Meite Cadre Training Center	1,098,280.85	The certificate is undergoing the formalities
Plant and Dormitory of Jiangxi Intelligent Manufacture	354,867,365.95	The certificate is undergoing the formalities
Plants A and B of Luxshare Dongguan	53,649,491.96	The certificate is undergoing the

		formalities
Plant and Dormitory of Electronic Technology	645,220,620.64	The certificate is undergoing the formalities
Phase VI Plant of ASAP Technology	41,587,940.29	The certificate is undergoing the formalities
New plant of LuxcaseICT Yancheng	79,313,054.07	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

Item	Closing balance	Opening balance

Other descriptions:

None

In RMB

Item	Closing balance	Opening balance
Construction in progress	2,695,377,794.32	3,685,336,499.02
Total	2,695,377,794.32	3,685,336,499.02

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Plant construction	1,757,877,949.76		1,757,877,949.76	2,131,800,600.48		2,131,800,600.48
Equipment installation project	630,505,432.98		630,505,432.98	1,326,553,134.57		1,326,553,134.57
Mould improvement	77,734,469.29		77,734,469.29	97,260,914.54		97,260,914.54

Others	229,259,942.29		229,259,942.29	129,721,849.43		129,721,849.43
Total	2,695,377,794.32		2,695,377,794.32	3,685,336,499.02		3,685,336,499.02

In RMB

installation project of LuxcaseICT Yancheng	5,762.03	557.55	0,385.87	0,381.44		61.98						
Equipment installation project of Ri Shan Jiashan	230,243,454.12	88,587,713.52	119,750,383.76	204,345,896.31	3,114,842.48	877,358.49	83.33%	90.49%				Other
Total	12,333,269,766.27	2,586,061,524.39	2,541,592,300.63	3,122,128,074.78	3,114,842.48	2,002,410,907.76						

In RMB

Item	Current provision amount	Reasons for provision

Other descriptions

None

In RMB

Item	Buildings	Machinery equipment	Transportation equipment	Total
I. Original carrying amount				
1. Opening balance	521,882,255.91	11,555,153.95	142,024.88	533,579,434.74
2. Increase in the current period	857,555,147.72	2,609,600.64		860,164,748.36
(1) New leases	576,970,636.35	2,609,600.64		579,580,236.99
(2) Increase in business combination	273,756,264.72			273,756,264.72
(3) Others	6,828,246.65			6,828,246.65
3. Decrease in the current period	218,421,289.59	5,209,809.28	1,789.19	223,632,888.06
(1) Disposal	217,155,543.70	5,209,809.28		222,365,352.98
(2) Decrease in business combination				
(3) Others	1,265,745.89		1,789.19	1,267,535.08

4. Closing balance	1,161,016,114.04	8,954,945.31	140,235.69	1,170,111,295.04
II. Accumulated depreciation				
1. Opening balance	101,762,094.18	6,761,167.10	44,631.18	108,567,892.46
2. Increase in the current	85	6,310,717.34	40,914.00	209,853,963.19
	504.50	6,310,717.34	40,914.00	1[illegible]8,866,435.84

In RMB

Item	Land use right	Patent right	Non-patent technology	Software	Other	Total
I. Original carrying amount						
1. Opening balance	2,037,237,348.66	5,138,372.50	115,052,111.34	280,409,943.01	107,954,701.84	2,545,792,477.35
2. Increase in the current period	402,757,161.76	189,229,320.81	14,541,628.95	129,574,650.89	1,837,187.89	737,939,950.30
(1) Purchase	232,723,969.33	4,289,836.88	13,199,205.93	86,382,538.63	1,691,300.59	338,286,851.36
(2) Internal R&D						
(3) Increase in business combination	150,099,269.29	184,939,483.93		8,142,519.71	145,874.70	343,327,147.63
(4) Other increases	19,933,923.14		1,342,423.02	35,049,592.55	12.60	56,325,951.31
3. Decrease in the current period	6,522,552.13	3,815.64	35,120,486.91	33,608,309.31	1,359,985.39	76,615,149.38
(1) Disposal				32,768,057.56		32,768,057.56
(2) Decrease in business combination				465,713.64		465,713.64
(3) Other decrease	6,522,552.13	3,815.64	35,120,486.91	374,538.11	1,359,985.39	43,381,378.18
4. Closing 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
II. Accumulated amortization						
1. Opening balance	160,579,370.44	431,820.44	44,820,577.16	110,781,650.90	6,194,029.10	322,807,448.04
2. Increase in the current period	74,515,680.07	31,845,018.65	13,812,498.50	90,714,646.49	11,240,967.38	222,128,811.09
(1) Provision	58,562,580.65	1,021,771.34	12,647,493.18	87,528,935.60	11,108,741.99	170,869,522.76
(2) Transferred from investment						



In RMB

Item	Book value	Reasons for not obtaining the title certificate
Shenzhen plots M0 and M1	228,405,796.61	The certificate is undergoing the formalities

Other descriptions:

In RMB

Investee name or event forming goodwill	Opening balance	Increase		Decrease		Closing balance
		Formed by business combination	Others			

Ltd.						
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., Ltd.	6,575,713.14					6,575,713.14
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

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
Total	36,294,996.95					36,294,996.95

Relevant information on asset group or set of asset groups to which the goodwill belongs

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 1.00% - 29.00%, the gross margin is 2.50% - 30.00%, and the discount rate is 10.42% - 11.09%. 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	18.50%-20.42%	1.50%-2.02%	10.47%
Shenzhen Kertong Industrial Co., Ltd.	23.00%-24.00%	7.0%-8.4%	10.97%
Luxcase Precision Technology (Yancheng) Co., Ltd.	5.5%-6.2%	17.7%-20.0%	10.42%
Shenzhen Huarong Technology Co., Ltd.	2.5%	2%-2.2%	10.97%

Descriptions on the goodwill impairment test process, key parameters (such as the growth rate in the forecast period, the growth rate in the stable period, the profit rate, the discount rate, the forecast period, etc., when forecasting the present value of future cash flow) and the recognition method of goodwill impairment loss

Influence of goodwill impairment test

Other descriptions:

In RMB

Item	Opening balance	Increase in the current period	Amortization amount in the current period	Other reduced amount	Closing balance
House decoration fees	590,715,658.23	344,457,915.35	251,897,926.91		683,275,646.67
Others	142,300,064.19	128,953,020.08	143,615,201.22		127,637,883.05
Total	733,015,722.42	473,410,935.43	395,513,128.13		810,913,529.72

Other descriptions:

In RMB

	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
of ass	657,614,145.51	120,807,667.80	334,568,858.40	63,227,661.81
Unr int	547,139,157.01	83,055,862.59	357,420,408.97	65,112,209.21
	4,720,193,354.02	720,299,236.63	3,434,269,746.64	544,802,910.66

right-of-use assets				
Others	144,569,697.93	21,685,454.69	184,394,974.62	39,551,961.21
Total	7,564,481,025.31	1,208,582,281.01	5,196,287,956.62	891,215,468.53

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	1,063,081,733.74	155,352,276.68	909,128,653.76	171,173,301.23
Changes in fair value of other investments in equity instruments	347,049,284.20	52,057,392.63	191,890,689.53	28,783,603.43
Accelerated depreciation of fixed assets	7,762,570,628.34	1,174,529,672.69	6,009,902,532.36	905,906,182.00
Support funds allocated by the government	14,271,238.70	2,140,685.81	14,658,934.73	2,198,840.21
Valuation of derivative financial instruments	274,939,615.85	48,638,903.32	211,399,624.82	33,099,925.45
Accumulative recognition of overseas investment interests by equity method	852,318,046.60	170,463,609.32	646,292,642.90	129,258,528.58
Prepaid pension	6,459,206.85	1,291,841.37	5,447,475.80	1,089,495.16
Allowance for bad debt overrun	668,823. מ			

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	the period		beginning of the period	
ferred tax assets		1,208,582,281.01		891,215,468.53
		1,606,645,177.60		

[redacted]

1-2 years	74,344,408.63	112,098,892.50
2-3 years	9,178,439.03	38,693,846.52
More than 3 years	7,889,034.91	10,118,963.61
Total	49,786,483,552.54	45,416,165,667.67

In RMB

Item	Closing balance	Reasons for non-payment or carrying forward

Other descriptions:

In RMB

Item	Closing balance	Opening balance
Goods payments received in advance	501,765,453.24	268,506,246.98
Total	501,765,453.24	268,506,246.98

Amount of and reason for significant changes in book value during the reporting period

In RMB

Item	Change amount	Reason for change

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term benefits	2,057,292,973.63	19,887,069,854.47	19,602,318,684.83	2,342,044,143.27
II. Post employment benefits - defined contribution plan	42,412,389.70	1,086,794,293.00	1,103,175,563.49	26,031,119.21
III. Termination benefits	211,018.46	45,634,473.12	45,784,991.58	60,500.00
Total	2,099,916,381.79	21,019,498,620.59	20,751,279,239.90	2,368,135,762.48

In RMB

Item	Opening balance	Increase	Decrease	Closing balance

Property tax	26,963,503.04	23,068,002.63
Education surcharges	32,686,140.44	17,112,381.32
Local education surcharges	21,777,325.55	11,090,231.72
Land use tax	2,338,741.28	4,341,775.20
Stamp duty	48,783,498.15	10,097,139.66
Disability insurance	49,582,574.67	50,292,555.43
Others	8,171,415.10	13,366,064.65
Total	841,385,173.92	616,039,596.28

Other descriptions:

In RMB

Item	Closing balance	Opening balance
Dividends payable	15,089,486.78	
Other payables	457,790,709.70	382,391,106.17
Total	472,880,196.48	382,391,106.17

In RMB

Item	Closing balance	Opening balance

Significant overdue but unpaid interest:

In RMB

Borrower	Overdue amount	Reasons for overdue

Other descriptions:

In RMB

Item	Closing balance	Opening balance
Dividends of ordinary shares	15,089,486.78	
Total	15,089,486.78	

Other descriptions: it is required to disclose the reasons if there are key dividends payable that have not been paid for more than 1 year.

In RMB

Item	Closing balance	Opening balance
Within 1 year	437,302,630.87	345,015,789.15
1 -2 years	3,828,361.57	17,196,648.52
2 -3 years	11,160,503.01	14,409,891.93
Over 3 years	5,499,214.25	5,768,776.57
Total	457,790,709.70	382,391,106.17

In RMB

Item	Closing balance	Reasons for non-payment or carrying forward

Other descriptions:

In RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	828,839,225.82	157,786,550.24
Bonds payable due within one year	224,130,860.43	
Lease liabilities due within one year	179,282,344.89	112,293,039.92
Total	1,232,252,431.14	270,079,590.16

Other descriptions:

In RMB

Item	Closing balance	Opening balance
Short-term bonds payable	3,840,115,068.49	1,607,038,444.45
Payable for purchase returns	38,288,770.18	21,715,597.38
Entrusted loans		1,971,219,540.97
Output VAT to be levied	68,866,600.31	18,605,890.19
Others	9,766,686.26	4,843,599.88

Total	3,957,037,125.24	3,623,423,072.87

Increase and decrease in short-term bonds payable:

In RMB

Bond name	Face value	Issue date	Bond maturity	Amount of issue	Opening balance	Current issue	Interest accrued at face value	Amortization of premium and discount	Current repayment		Closing balance
Short-term bonds payable		October 22, 2021	270 days	800,000,000.00	804,733,333.34				804,733,333.34		
Short-term bonds payable		November 17, 2021	90 days	400,000,000.00	401,265,000.00				401,265,000.00		
Short-term bonds payable		November 25, 2021	90 days	400,000,000.00	401,040,111.11				401,040,111.11		
Short-term bonds payable		April 24, 2022	178 days	800,000,000.00		800,000,000.00	10,363,555.56		810,363,555.56		
Short-term bonds payable		May 25, 2022	180 days	500,000,000.00		500,000,000.00	5,500,000.00		505,500,000.00		
Short-term bonds payable		May 30, 2022	178 days	500,000,000.00		500,000,000.00	5,315,277.78		505,315,277.78		
Short-term bonds payable		June 15, 2022	270 days	1,000,000,000.00		1,000,000,000.00	12,953,424.66				1,012,953,424.66
Short-term bonds payable		June 23, 2022	180 days	1,000,000,000.00		1,000,000,000.00	10,750,000.00		1,010,750,000.00		
Short-term bonds payable		July 14, 2022	270 days	1,200,000,000.00		1,200,000,000.00	12,223,561.64				1,212,223,561.64
Short-term bonds payable		July 21, 2022	270 days	800,000,000.00		800,000,000.00	7,633,972.60				807,633,972.60
Short-term bonds payable		July 28, 2022	270 days	800,000,000.00		800,000,000.00	7,304,109.59				807,304,109.59
Total				8,200,000,000.00	1,607,038,444.45	6,600,000,000.00	72,043,901.83		4,438,967,277.79		3,840,115,068.49

Other descriptions:

In RMB

Item	Closing balance	Opening balance
Pledge loans	3,163,203,834.77	1,665,503,349.06
Mortgage loans	1,992,850,059.15	2,252,543,585.32
Guaranteed loans	791,766,506.32	72,759,492.87
Credit loans	3,257,492,660.70	1,034,289,765.84
Total	9,205,313,060.94	5,025,096,193.09

Descriptions on classification of long-term borrowings:

Other descriptions, including interest rate range:

In RMB

Item	Closing balance	Opening balance
Convertible bonds	2,689,623,546.98	2,805,785,000.04
Total	2,689,623,546.98	2,805,785,000.04

In RMB

Bond name	Face value	Issue date	Bond maturity	Amount of issue	Opening balance	Current issue	Interest accrued at face value	Amortization of premium and discount	Current repayment	Debt-to-equity changes	Other changes	Closing balance
Convertible bonds of Luxshare	3,000,000,000.00	November 3, 2020	6 years	3,000,000,000.00	2,581,553,066.25		6,500,000.00	107,749,282.26	6,000,000.00	178,801.53		2,689,623,546.98
Convertible bonds of SpeedTech	230,100,000.00	March 10, 2021	3 years	230,100,000.00	224,231,933.79						-224,231,933.79	
Total	--			3,230,100,000.00	2,805,785,000.04		6,500,000.00	107,749,282.26	6,000,000.00	178,801.53	-224,231,933.79	2,689,623,546.98

The conversion period of the convertible bonds of Luxshare issued this time commences on the first trading day six months after the end of the issue of the convertible bonds (November 9, 2020, i.e. the date when the proceeds are transferred to the issuer's account), and ends on the maturity date of the convertible bonds (i.e. from May 10, 2021 (as the date of May 9, 2021 is a non-trading day, it defers to May 10, 2021) to November 2, 2026 (it defers to the first trading day thereafter in case of legal holidays or rest days; no additional interest will be charged to the payment during the deferred period)).

Basic information on preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period.

Changes in preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period.

In RMB

Outstanding financial instruments	Opening		Increase		Decrease		Closing	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value

Descriptions on the basis for classifying other financial instruments into financial liabilities

Other descriptions:

otal

In RMB

Item	Closing balance	Opening balance
Lease payment	863,481,119.65	336,593,292.75
Unrecognized financing costs	-62,742,078.14	-21,499,809.20
Total	800,739,041.51	315,093,483.55

Other descriptions:

In RMB

Item	Closing balance	Opening balance	Reason
Product quality warranty	682,513.39	923,738.96	

convertible bonds. After the said exercise and conversion, the Company's share capital increased to 7,099,908,647.00 shares.

In RMB

Outstanding financial instruments	Opening		Increase		Decrease		Closing	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Convertible bonds		527,358,025.98				38,388.10		527,319,637.88
Total		527,358,025.98				38,388.10		527,319,637.88

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:

According to the Proposal on the Specific Plan for the Public Issue of Convertible Bond deliberated and approved at the tenth conference of the fourth session of the Board of Directors of the Company, and the Reply for Approval of Public Issue of Convertible Bonds by Luxshare Precision Industry Co., Ltd. (Zheng Jian Xu Ke [2020] No.247) received by the Company from China Securities Regulatory Commission on February 19, 2020, the Company was approved to publicly issue convertible bonds with a total face value of RMB3 billion and a term of 6 years. The Company's convertible bonds of RMB3 billion were listed for trading on Shenzhen Stock Exchange on November 3, 2020, with an abbreviation name of "Luxshare Convertible Bonds" and the bond code of "128136".

Other descriptions:

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share capital premium)	2,341,705,299.21	1,080,987,729.91		3,422,693,029.12
Other capital reserve	377,989,982.46	473,288,787.62	621,344,937.46	229,933,832.62
Total	2,719,695,281.67	1,554,276,517.53	621,344,937.46	3,652,626,861.74

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 RMB1,080,987,729.91 in the current period, including an increase of RMB517,203,037.96 from stock option exercise, a transfer of RMB621,344,937.46 from other capital reserve through stock option exercise, a conversion of RMB213,452.63 from convertible bonds, and an increase of RMB-57,773,698.14 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 RMB473,288,787.62, and the decrease therein is due to the transfer of other capital reserve to share capital premium.

Safety production expenses	1,018,784.75	5,435,469.87	4,359,375.01	2,094,879.61
Total	1,018,784.75	5,435,469.87	4,359,375.01	2,094,879.61

Other descriptions, including those on the increase and decrease for the current period and the reasons for the change:

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	985,161,506.61	135,911,192.22		1,121,072,698.83
Total	985,161,506.61	135,911,192.22		1,121,072,698.83

Description of surplus reserve, including those on increase and decrease for the current period and the reasons for the change:

In RMB

Item	Current Period	Prior Period
Undistributed profits at the end of prior period before adjustment	24,040,637,144.00	17,996,149,257.73
Undistributed profits at the beginning of the period after adjustment	24,040,637,144.00	17,996,149,257.73
Add: Net profits attributable to the owners of the parent company in the current period	9,163,104,849.54	7,070,520,386.57
Less: Apportion to statutory surplus reserve	135,911,192.22	252,093,708.88
Common stock dividends payable	779,270,547.26	773,891,489.58
Others	143,976.84	47,301.84
Undistributed profits at the end of the period	32,288,416,277.22	24,040,637,144.00

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.

In RMB

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Income	Cost	Income	Cost
Principal business	211,943,848,653.92	186,111,713,122.60	152,257,625,983.60	133,514,500,539.03
Other business	2,084,545,637.52	1,817,167,162.78	1,688,471,806.80	1,533,835,753.85
Total	214,028,394,291.44	187,928,880,285.38	153,946,097,790.40	135,048,336,292.88

If the lower of audited nets profits including and excluding non-recurring profit or loss is negative

□ Yes ☑No

Information related to performance obligations:

None

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.

Other descriptions:

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Urban maintenance and construction tax	134,237,633.10	30,064,853.10
Education surcharges	82,084,208.17	14,616,280.44
Property tax	75,088,009.87	63,618,880.04
Land use tax	9,681,156.59	11,000,959.65
Vehicle and vessel use tax	66,685.43	80,571.50
Stamp duty	119,933,691.80	56,059,570.68
Local education surcharges	43,726,505.69	8,788,619.58
Others	11,507,549.02	9,582,322.15
Total	476,325,439.67	193,812,057.14

Other descriptions:

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Employee benefits	547,517,120.77	477,502,208.55

Consumables and miscellaneous	564,831,528.23	503,901,794.70
Repair and inspection	341,779,541.87	380,055,319.93
Service fees	225,595,394.86	119,031,894.75
Water and electricity	132,921,844.25	81,400,086.54
Lease fee	64,081,121.07	61,161,176.98
Transportation and travel expenses	35,267,611.83	31,528,985.33
Commercial insurance	3,153,481.73	2,078,437.06
Other expenses	229,051,431.83	296,834,556.71
Total	8,447,038,946.21	6,642,300,402.74

Other descriptions:

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
	24	656,411,767.86
	.65.44	30,548,145.[illegible]
Le	44,274.59	361,773.[illegible]
Forei	37,513,015.17	
Others	11,481,756.95	
Total	882,721,138.77	

Other description

Sources of o	Amount recognized in the current period	Amoun
Financial rewards, s funds		
Reward		

Patent grants	842,000.00	1,177,400.00
Land-related refund	543,594.60	543,594.60
Others	15,748,735.62	13,774,142.85
Total	602,294,263.90	853,542,165.37

In RMB

	Amount recognized in the current period	Amount recognized in the prior period
Long-term equity investment income accounted for using the equity method	794,759,492.42	
Investment income from disposal of long-term equity investment	22,800,675.95	581,347.34
Investment income from disposal of held-for-trading financial assets		706,688,280.62
Dividends from other equity instrument investments during holding period	212,413.30	
Gains from remeasurement of remaining equities at fair value after loss of control		

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Bad debt loss of other receivables	-941,685.43	-2,046,557.86
Bad debt loss of notes receivable	-297,668.79	-3,247.78
Bad debt loss of accounts receivable	-45,942,584.71	-24,825,699.05
Total	-47,181,938.93	-26,875,504.69

Other descriptions:

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
II. Loss of inventory depreciation and impairment loss of contract performance cost		
V. Impairment loss of		
Total		

O

Source

indemnity			
Others	12,397,333.89	17,274,286.94	12,397,333.89
Total	34,312,299.74	21,096,536.60	34,312,299.74

Government grants included in current profit or loss:

In RMB

Grant item	Granter	Reasons for grant	Nature and type	Whether the subsidy affects the profit or loss of the current year	Whether it is a special grant	Amount recognized in the current period	Amount recognized in the prior period	Related to asset/ income

Other descriptions:

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	1,279,333.00	0 1,573,490.75	1,279,333.00

Item	Amount recognized in the current period
Total profits	11,157,994,984.30
Income tax expense calculated based on statutory/applicable tax rate	1,673,699,247.65
Effect of different tax rates of subsidiaries operating in other jurisdictions	-77,877,002.82
Effect of adjustment on income tax for prior period	9,002,683.75
Effect of non-taxable income	-33,677,472.97
Effect of non-deductible cost, expense and loss	18,127,989.80
Effect of utilizing deductible loss not recognized for deferred tax assets for prior period	-137,784,091.60
Effect of deductible temporary difference or deductible loss not recognized for deferred tax assets for the current period	199,368,193.99
Change in the balance of opening deferred tax assets/liabilities caused by tax rate adjustment	19,976,797.47
Additional deduction of R&D expenses (presented in negative)	-832,780,768.26
Difference from exercise of stock option	-158,078,372.20
Additional deduction of expenses used for disable persons	-6,613,441.45
Others	-6,045,558.02
Income tax expenses	667,318,205.34

Other descriptions:

Please refer to Note VII, (42) Other comprehensive income.

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Special subsidies and grants	729,647,415.38	941,612,664.44
Lease income	30,878,939.74	83,010,927.51
Interest income	504,344,274.59	361,773,700.27
Non-operating income	28,383,594.53	19,499,157.07
Recovery of current accounts and disbursements	1,388,046,955.47	1,240,625,072.70

Total	2,681,301,179.71	2,646,521,521.99

Descriptions on other cash received related to operating activities:

Total	428,035,523.59	403,138,825.89

Descriptions on other cash paid relating to investing activities:

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Short-term financing bonds	6,600,000,000.00	3,799,202,739.72
Convertible bonds		228,949,500.00
Taxes withheld from shareholder for reduction of shares	921,511,778.98	671,813,299.36
Other	5,960,996.25	5,965,056.90
Total	7,527,472,775.23	4,705,930,595.98

Descriptions on 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	4,400,000,000.00	2,700,000,000.00
Borrowings returned to minority shareholders	1,953,239,500.00	
Taxes prepaid for shareholder for reduction of shares	921,511,778.98	671,813,299.36
Transferred to restricted funds	700,123,698.63	
Lease fee	159,062,113.35	82,320,708.73
Financing charges	4,184,658.23	7,388,317.66
Total	8,138,121,749.19	3,461,522,325.75

Descriptions on other cash paid related to financing activities:

In RMB

Supplementary information	Current period	Prior period
1 . Reconciliation of net profit to cash flow from operating activities:		

Net profits	10,490,676,778.96	7,820,610,306.19
Add: Provision for impairment of assets	894,004,069.98	189,665,839.81
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	7,233,705,585.39	4,822,202,794.73
Depreciation of right of use assets	168,866,435.84	105,949,651.47
Amortization of intangible assets	170,869,522.76	119,810,187.02
Amortization of Long-term deferred expenses	395,513,128.13	246,064,358.16
Loss from disposal of fixed assets, intangible assets and other long-term assets (“-” means income)	-47,931,529.63	45,266,592.65
Loss from fixed assets retirement (“-” means income)	7,533,749.23	18,165,814.18
Loss from changes in fair value (“-” means income)	-13,625,720.11	115,737,751.66
Financial expenses (“-” means income)	1,038,070,641.24	656,411,767.86
Investment loss (“-” means income)	-998,278,358.77	-689,386,649.74
Decrease in deferred income tax assets (“-” means increase)	-316,866,043.97	-365,926,458.23
Increase in deferred tax liabilities (“-” means decrease)	326,646,031.03	306,000,254.91
Decrease in inventories (“-” means increase)	-15,791,020,357.63	-5,400,711,336.99
Decrease in operating receivables (“-” means increase)	6,415,757,847.29	-13,885,780,461.98
Increase in operating accounts payable (“-” means decrease)	2,753,688,539.60	13,180,686,505.30
Other		

Less: Opening balance of cash	8,921,536,728.08	10,464,804,451.34
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	8,390,881,701.43	-1,543,267,723.26

In RMB

	Amount
Cash or cash equivalents paid in current period for business combination incurred in current period	1,166,251,440.00
Including:	
TIME Interconnect Technology Limited	900,157,440.00
Dachuang Precision Intelligent Manufacture (Kunshan) Co., Ltd.	10,000.00
Shenzhen Huarong Technology Co., Ltd.	266,084,000.00
Less: Cash and cash equivalents held by subsidiaries at the date of purchase	204,435,212.85
Including:	
TIME Interconnect Technology Limited	178,633,596.51
Shenzhen Huarong Technology Co., Ltd.	25,801,616.34
Including:	
Net cash paid to acquire subsidiaries	961,816,227.15

Other descriptions:

The cash received from the disposal of subsidiaries was less than the cash and cash equivalents held by them, so the negative amount was reclassified to other cash paid related to investing activities.

In RMB

	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period	180,111.14
Including:	
Suk Plastic Romania	180,111.14
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	565,364.73
Including:	

Suk Plastic Romania	565,364.73
Including:	
Net cash received from disposal of subsidiaries	-385,253.59

Other descriptions:

The cash received from the disposal of subsidiaries was less than the cash and cash equivalents held by them, so the negative amount was reclassified to other cash paid related to investing activities.

In RMB

Item	Closing balance	Opening balance
I. Cash	17,312,418,429.51	8,921,536,728.08
Including: Cash on hand	1,236,553.93	323,716.04
Bank deposits available for payment at any time	17,311,181,875.58	8,921,213,012.04
III. Closing balance of cash and cash equivalents	17,312,418,429.51	8,921,536,728.08

Other descriptions:

In RMB

Item	Closing book value	Reasons for restriction
Cash and bank balances	2,054,791,011.90	Issue of notes and letter of credit
Notes receivable	469,338,331.89	Financing from pledge of notes receivable
Fixed assets	1,596,425,969.25	Financing from mortgage of fixed assets
Intangible assets	547,767,902.77	Financing from mortgage of land use rights
Accounts receivable	1,049,804,176.80	Financing from pledge of accounts receivable
Equity investment	5,781,943,543.70	Financing from pledge of equity
Held-for-trading financial assets	60,000,000.00	Financing from pledge of held-for-trading financial assets
Total	11,560,070,936.31	--

Other descriptions:

In RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			8,024,778,166.97
Including: USD	1,001,337,256.38	6.9646	6,973,913,455.75
EUR	5,213,545.53	7.4229	38,699,627.11
HKD	48,187,552.88	0.8933	43,044,495.36
JPY	171,810,767.41	0.0524	8,995,668.16
TWD	3,532,599,463.00	0.2273	802,959,857.94
VND	336,245,097,225.04	0.0003	99,360,426.23
KRW	2,032,258,022.81	0.0055	11,224,161.06
GBP	122,213.29	8.3941	1,025,870.57
INR	476,407,155.02	0.0842	40,103,954.31
SGD	1,051,619.78	5.1831	5,450,650.48
Accounts receivable			18,297,167,418.98
Including: USD	2,542,999,667.96	6.9646	17,710,975,487.44
EUR	113,457.84	7.4229	842,186.20
HKD	301,587,575.46	0.8933	269,399,133.53
JPY	19,813,065.05	0.0524	1,037,372.46
TWD	1,257,678,913.51	0.2273	285,870,417.04
VND	98,260,997,563.45	0.0003	29,036,124.78
KRW	832,699.62	0.0055	4,599.00
GBP	250.00	8.3941	2,098.53
Long-term borrowings			1,119,481,616.38
Including: USD	100,000,000.00	6.9646	696,460,000.00
EUR			
HKD	32,444,444.32	0.8933	28,981,648.78
TWD	1,434,731,364.01	0.2273	326,114,439.04
VND	229,866,424,906.94	0.0003	67,925,528.56
Other receivables			211,772,380.15

Including: USD	10,416,412.04	6.9646	72,546,143.27
EUR	1,300.00	7.4229	9,649.77
HKD	4,302,163.03	0.8933	3,842,993.17
JPY	14,481,256.16	0.0524	758,209.61
TWD	577,333,102.24	0.2273	131,227,814.14
VND	6,981,163,045.69	0.0003	2,062,933.68
KRW	95,137,620.86	0.0055	525,445.08
GBP	1,015.00	8.3941	8,520.01
INR	9,392,627.94	0.0842	790,671.42
Short-term borrowings			2,254,776,236.03
Including: USD	130,697,482.01	6.9646	910,255,683.21
HKD	60,565,066.72	0.8933	54,100,957.15
TWD	2,888,726,511.00	0.2273	656,607,535.95
VND	2,144,880,066,734.35	0.0003	633,812,059.72
Accounts payable			27,400,909,629.02
Including: USD	3,679,662,314.25	6.9646	25,627,376,153.81
EUR	1,199,889.73	7.4229	8,906,661.47
HKD	125,576,008.58	0.8933	112,173,281.18
JPY	109,545,506.13	0.0524	5,735,583.61
TWD	2,888,846,223.58	0.2273	656,634,746.62
VND	3,310,039,960,372.25	0.0003	978,116,808.29
KRW	140,552,120.22	0.0055	776,269.36
GBP	2,009.00	8.3941	16,863.75
INR	132,730,588.38	0.0842	11,173,260.93
Other payables			300,420,511.81
Including: USD	9,399,255.09	6.9646	65,462,051.99
HKD	31,923,186.52	0.8933	28,516,024.82
JPY	8,411,806.03	0.0524	440,425.34
TWD	874,416,628.99	0.2273	198,754,899.77
VND	21,351,772,825.72	0.0003	6,309,448.87
GBP	108,760.00	8.3941	912,942.32

□ Applicable ☑N/A

Other descriptions:

None

In RMB

Name of acquiree	Time point of equity acquisition	Cost of equity acquisition	Equity acquisition ratio	Method of equity acquisition	Acquisition date	Basis for determination of acquisition date	Income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period
TIME Interconnect Technology Limited	March 25, 2022	900,157,440.00	70.92%	Cash acquisition	March 25, 2022	Obtainment of control	4,623,757,734.84	151,274,015.05
Shenzhen Huarong Technology Co., Ltd.	April 21, 2022	266,084,000.00	76.02%	Cash acquisition	April 21, 2023	Obtainment of control	2,426,984,556.96	-5,881,980.02

Other descriptions:

In RMB

Combination costs	TIME Interconnect Technology Limited	Shenzhen Huarong Technology Co., Ltd.
--Cash	900,157,440.00	266,084,000.00
-- Fair value of non-cash assets		
-- Fair value of issued or assumed debts		
-- Fair value of issued equity securities		
-- Fair value of contingent consideration		
-- Fair value of equity shares held before		

the acquisition date at the acquisition date		
-- Others		-10,622.26
Total of combination costs	900,157,440.00	266,073,377.74
Less: share of fair value of identifiable net assets acquired	724,488,382.98	109,059,753.24
Amount of goodwill/combination costs less than the share of fair value of identifiable net assets acquired	175,669,057.02	157,013,624.50

Descriptions on methods for determining the fair value of combination costs, contingent considerations and changes therein:

"Others" refers to net assets other than the long-term equity investments in Huarong Technology by Shenzhen Sanhe Rongyu Technology Co., Ltd. ("Sanhe Rongyu") wholly acquired in a package deal, with the aim to acquire 7.168% equity interest of Sanyu Rongyu in Huarong Technology.

Main reasons for the formation of large goodwill:

Other descriptions:

In RMB

	TIME Interconnect Technology Limited		Shenzhen Huarong Technology Co., Ltd.	
	Fair value at acquisition date	Book value at acquisition date	Fair value at acquisition date	Book value at acquisition date
Assets:	2,688,813,576.37	2,274,493,260.48	1,144,497,110.25	1,124,715,211.29
Cash and bank balances	183,285,688.90	183,285,688.90	25,792,868.85	25,792,868.85
Accounts receivable	794,302,721.04	794,302,721.04	478,729,566.45	478,729,566.45
Inventories	545,384,926.94	545,384,926.94	126,552,977.25	126,168,458.94
Fixed assets	721,375,445.09	491,994,613.13	229,476,190.95	216,197,846.25
Intangible assets	261,642,422.38	76,702,938.45	64,697,562.83	58,578,526.88
Prepayments	16,503,852.27	16,503,852.27	2,641,904.56	2,641,904.56
Other assets	166,318,519.75	166,318,519.75	216,606,039.36	216,606,039.36
Liabilities:	1,658,493,449.95	1,658,493,449.95	1,001,042,736.32	998,075,451.48
Borrowings	867,342,359.14	867,342,359.14	161,071,049.85	161,071,049.85
Accounts payable	606,469,411.07	606,469,411.07	567,683,300.18	567,683,300.18
Deferred tax liabilities	453,913.46	453,913.46	2,967,284.84	
Other payables	33,802,529.72	33,802,529.72	4,715,632.24	4,715,632.24
Other liabilities	150,425,236.56	150,425,236.56	264,605,469.21	264,605,469.21
Net assets	1,030,320,126.42	615,999,810.53	143,454,373.93	126,639,759.81
Less: minority interest	305,831,743.44	179,132,744.90	34,394,620.69	30,363,148.81
Net assets acquired	724,488,382.98	436,867,065.63	109,059,753.24	96,276,611.00

Methods for determining the fair value of identifiable assets and liabilities:

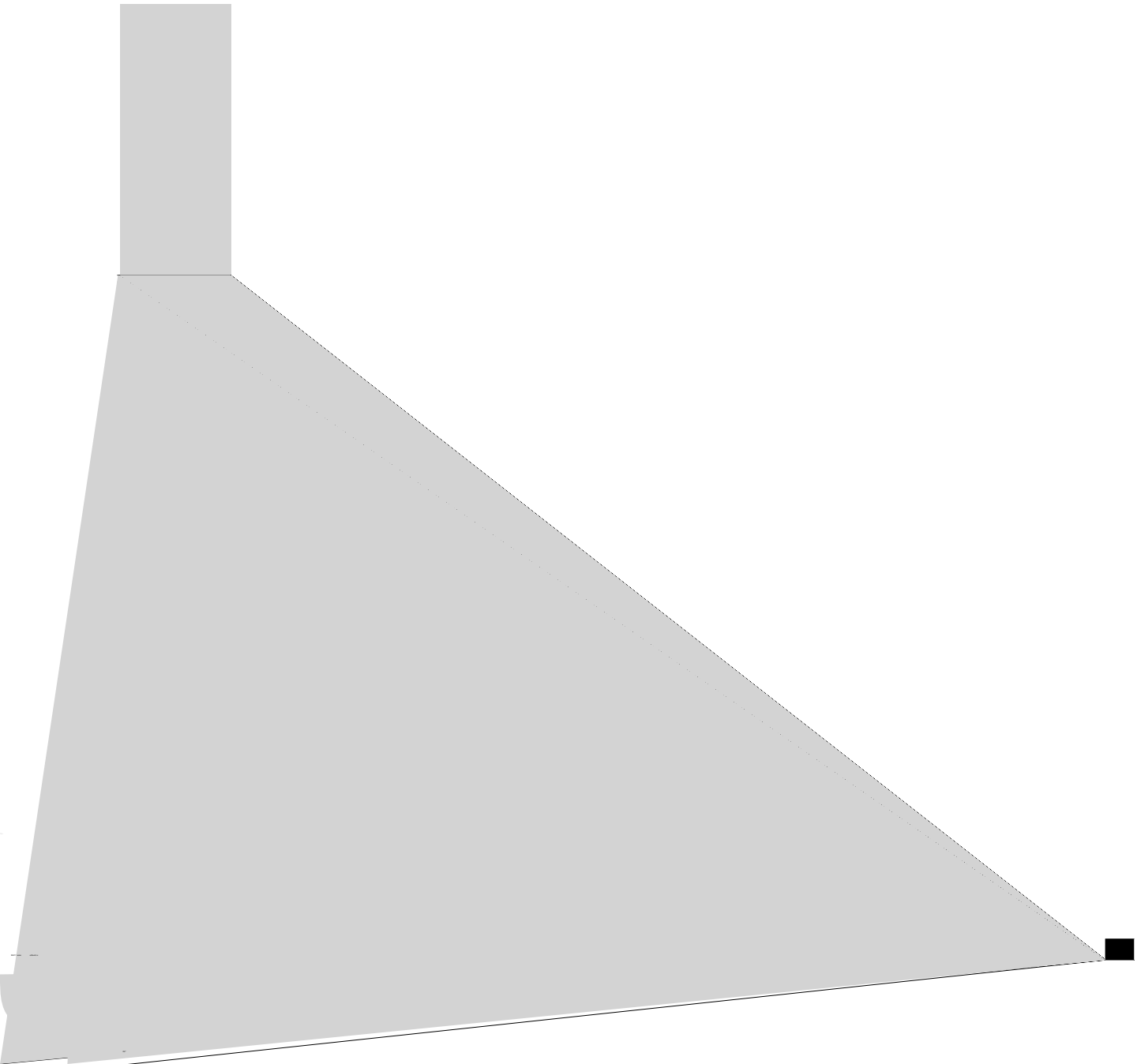
Contingent liabilities of the acquiree in business combination:

Other descriptions:

Where there is any transaction that realizes business combination step by step through multiple transactions and obtains control right in the reporting period

□ Yes ☑No

In RMB



Descriptions on contingent considerations and changes therein:

Other descriptions:

In RMB

	Dachuang Precision Intelligent Manufacture (Kunshan) Co., Ltd.	
	Combination date	End of prior period
Assets:	9,984,313.60	
Cash and bank balances		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
nstruction in progress	9,98	
313.60		

					point of losing control	disposal price and the share of net assets of the subsidiary at the consolidated financial statement level corresponding to the disposal of investment	the date of losing control	equity on the date of losing control	the date of losing control	of residual equity at fair value	for fair value of residual equity on the date of losing control	investment of the subsidiary transferred into investment profit or loss
Suk Plastic Romania	180,111.14	100.00%	Sold	January 1, 2022	Change of equity shares	22,800,675.95						

Other descriptions:

Whether there is any situation where the investment in subsidiaries is disposed step by step through multiple transactions and the control is lost in the current period

□ Yes ☑No

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 2022 are stated as follows:

Company	Date of establishment
TIME Interconnect Server Technology Co., Ltd.	April 26, 2022
Dachuang Precision Intelligent Manufacture (Dongguan) Co., Ltd.	February 18, 2022
LUXSHARE PRECISION SINGAPORE PTE.LTD.	February 25, 2022
Luxshare Precision Industry (Hefei) Co., Ltd.	June 16, 2022
Luxshare Precision Industry (Hubei) Co., Ltd.	January 6, 2022

Luxshare Automotive Technology (Shanghai) Co., Ltd.	June 9, 2022
Luxshare Precision Industry (Wuhu) Co., Ltd.	January 28, 2022
Luxshare New Energy (Anhui) Co., Ltd.	April 20, 2022

Luxshare Electronic Service (Zh)

Ltd.						
Huzhou Jiuding Electronic Co., Ltd.	Huzhou	Huzhou	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
LUXSHARE-ICT Japan Ltd.	Japan	Japan	Marketing business		80.00 %	Establishment
Korea LuxshareICT Co., Ltd	Korea	Korea	Marketing business		100.00%	Establishment
Luxshare India Private Limited	Indian	Chennai	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Investment Co., Ltd.	Hong Kong	Hong Kong	Investment consulting		100.00%	Establishment
Luxis Technology Limited	Hong Kong	Hong Kong	Investment consulting		100.00%	Establishment
Luxshare Liantao (India) Co., Ltd.	Indian	Indian	Processing and manufacturing		100.00%	Establishment
TIME Interconnect Technology Limited	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under common control
Huaxun Cable Co., Ltd.	BVI	BVI	Investment consulting		70.95%	Business combination involving enterprises not under common control
Linkz International Limited	Hong Kong	Hong Kong	Trade		70.95%	Business combination involving enterprises not under common control
Huaxun Industrial (Suzhou) Co., Ltd.	Suzhou	Suzhou	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
Huaxun Hong Kong Limited	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under common control
Lingxun Wire	Shanghai	Shanghai	Processing and		67.40%	Business

Industry (Shanghai) Co., Ltd.			manufacturing			combination involving enterprises not under common control
Haohe Manufacturing Co., Ltd.	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under common control
Haohe (Kunshan) Electronic Material Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
Kunshan Deqin Machinery Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
Time Interconnect Inverstment Limted	BVI	BVI	Investment consulting		70.95%	Business combination involving enterprises not under common control
TIME Interconnect (HK) Limited	Hong Kong	Hong Kong	Investment consulting		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Technology (Huizhou) Limited	Huizhou	Huizhou	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Industrial Co., Ltd.	Hong Kong	Hong Kong	Trade		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Wiring Technology Co., Ltd.	Hong Kong	Hong Kong	Trade		70.95%	Business combination involving enterprises not under common control
Huizhou	Huizhou	Huizhou	Processing and		70.95%	Business

Chuangxiang Technology Co., Ltd.			manufacturing			combination involving enterprises not under common control
Huiju Robot Technology (Shanghai) Co., Ltd.	Shanghai	Shanghai	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
Huizhi Software Technology (Huizhou) Co., Ltd.	Huizhou	Huizhou	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Wiring Technology (Huizhou) Co., Ltd.	Huizhou	Huizhou	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
TIME Interconnect Server Technology Co., Ltd.	Hong Kong	Hong Kong	Trade		70.95%	Business combination involving enterprises not under common control
Dachuang Precision Intelligent Manufacture (Dongguan) Co., Ltd.	Dongguan	Dongguan	Processing and manufacturing		70.95%	Establishment
Dachuang Precision Intelligent Manufacture (Kunshan) Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing		70.95%	Business combination involving enterprises not under common control
Huiju Dachuang Information (Shanghai) Co., Ltd.	Shanghai	Shanghai	Processing and manufacturing		70.95%	Establishment
Singapore Luxshare Co., Ltd.	Singapore	Singapore	Marketing business		100.00%	Establishment
ICT-LANTO LIMITED (HK)	Hong Kong	Hong Kong	Trade	100.00%		Business combination involving enterprises not under common control

SpeedTech Corp.	Taiwan	Taiwan	Processing and manufacturing		31.47%	Business combination involving enterprises not under common control
Castle Rock, Inc.	Taiwan	Xinbei City	Processing and manufacturing		12.59 %	Business combination involving enterprises not under common control
Cyber Acoustics, LLC (USA)	Taiwan	Taiwan	Processing and manufacturing		22.03%	Business combination involving enterprises not under common control
Caldigit Holding Limited	Taiwan	Taiwan	Processing and manufacturing		12.59%	Business combination involving enterprises not under common control
Taiqiao Investment Co., Ltd.	Taiwan	Taiwan	Investment consulting		31.47%	Business combination involving enterprises not under common control
Taihan Precision Co., Ltd.	Taiwan	Taiwan	Processing and manufacturing		9.22%	Business combination involving enterprises not under common control
Luxshare-ICT (Vietnam) Limited	Vietnam	Vietnam	Processing and manufacturing		100.00%	Establishment
Luxshare-ICT (Van Trung) Company Limited	Vietnam	Vietnam	Processing and manufacturing		100.00%	Establishment
Luxshare-ICT (Nghe An) Limited	Vietnam	Vietnam	Processing and manufacturing		100.00%	Establishment
Kunshan Luxshare Precision Industry Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Kunshan Luxshare Precision Mould Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing		100.00%	Establishment

Luxshare Precision Industry (Baoding) Co., Ltd.	Baoding	Baoding	Processing and manufacturing		100.00%	Establishment
Xuancheng Luxshare Precision Industry Co., Ltd.	Anhui	Xuancheng	Processing and manufacturing		100.00%	Establishment
Luxshare Electronic (Shanghai) Co., Ltd.	Shanghai	Shanghai	Processing and manufacturing		88.00%	Establishment
Luxshare Precision Industry (Jiangsu) Co., Ltd.	Liyang	Liyang	Processing and manufacturing		100.00%	Establishment
Yancheng Luxshare Precision Industry Co., Ltd.	Yancheng	Yancheng	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Hefei) Co., Ltd.	Hefei	Hefei	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Hubei) Co., Ltd.	Macheng	Macheng	Processing and manufacturing		100.00%	Establishment
Luxshare Automotive Technology (Shanghai) Co., Ltd.	Shanghai	Shanghai	Processing and manufacturing		90.00%	Establishment
Luxshare Precision Industry (Wuhu) Co., Ltd.	Wuhu	Wuhu	Processing and manufacturing		100.00%	Establishment
Kunshan Lanto Electronic Limited	Kunshan	Kunshan	Processing and manufacturing		100.00%	Business combination involving enterprises not under common

Limited						
Suining Luxshare Precision Industry Co., Ltd.	Suining	Suining	Processing and manufacturing		100.00%	Establishment
Merry Electronics (Suzhou) Co., Ltd.	Suzhou	Suzhou	Processing and manufacturing		51.00 %	Business combination involving enterprises not under common control
Beijing Luxshare Acoustic Technology Co., Ltd.	Beijing	Beijing	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Shanxi) Co., Ltd.	Changzhi	Changzhi	Processing and manufacturing		100.00%	Establishment
Changzhi Luxshare Precision Industry Co., Ltd.	Changzhi	Changzhi	Processing and manufacturing		100.00%	Establishment
Suzhou Lanto Electronic Co., Ltd.	Suzhou	Suzhou	Processing and manufacturing		100.00%	Establishment
Wan'an Xiexun Electronic Co., Ltd.	Wan'an	Wan'an	Processing and manufacturing	100.00%		Establishment
Xiexun Electronic (Ji'an) Co., Ltd.	Ji'an	Ji'an	Processing and manufacturing	100.00%		Business combination involving enterprises under common control
ASAP Technology (Jiangxi) Co., Ltd.	Ji'an	Ji'an	Processing and manufacturing	100.00%		Establishment
Yongxin County Boshuo Electronic Co., Ltd.	Yongxin County	Yongxin County	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
Xinyu Xiexun Electronic Co., Ltd.	Xinyu	Xinyu	Processing and manufacturing		100.00%	Establishment
Jiangxi ASAP Electronic Co., Ltd.	Ji'an	Ji'an	Processing and manufacturing		100.00%	Establishment
Fujian JK Wiring Systems Co., Ltd..	Fuzhou	Fuzhou	Processing and manufacturing	55.00%		Business combination involving

						enterprises not under common control
Jianou JK Wiring Systems Co., Ltd.	Jian'ou	Jian'ou	Processing and manufacturing		55.00 %	Establishment
Luxshare Electronic Technology (Kunshan) Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing	100.00%		Business combination involving enterprises not under common control
Shenzhen Luxshare Acoustics Technology Ltd.	Shenzhen	Shenzhen	Processing and manufacturing	100.00%		Establishment
Fengshun Luxshare Precision Industry Co., Ltd.	Fengshun	Fengshun	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Industry (Chuzhou), Ltd.	Chuzhou	Chuzhou	Processing and manufacturing	100.00%		Establishment
Luxshare New Energy (Anhui) Co., Ltd.	Chuzhou	Chuzhou	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Mingguang) Co., Ltd.	Chuzhou	Chuzhou	Processing and manufacturing		100.00%	Establishment
SuK Kunststofftechnik GmbH	Germany	Germany	Processing and manufacturing	100.00%		Business combination involving enterprises not under common control
Luxshare Automation (Jiangsu) Ltd.	Kunshan	Kunshan	Processing and manufacturing	70.00%		Business combination involving enterprises not under common control
Dongguan Luxshare Precision Industry Co., Ltd.	Dongguan	Dongguan	Processing and manufacturing	100.00%		Establishment
Guangdong Luxshare & Merry Electronics Co., Ltd.	Dongguan	Dongguan	Processing and manufacturing		51.00%	Establishment
Merry	Huizhou	Huizhou	Processing and		51.00%	Business

Electronics (Huizhou) Co., Ltd.			manufacturing			combination involving enterprises not under common control
Merry Electronics (Shanghai) Co., Ltd.	Shanghai	Shanghai	Trade		51.00%	Business combination involving enterprises not under common control
Xingning Luxshare Electronic Co., Ltd.	Xingning	Xingning	Processing and manufacturing		100.00%	Establishment
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Ji'an	Ji'an	Processing and manufacturing	100.00%		Establishment
Shenzhen Luxshare Standard Co., Ltd.	Shenzhen	Shenzhen	Processing and manufacturing	70.00%		Establishment
Luxshare Standard Limited (HK)	Hong Kong	Hong Kong	Processing and manufacturing		70.00%	Establishment
Luxshare Precision Industry (Enshi) Co., Ltd.	Enshi	Enshi	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Industry (Suzhou) Co., Ltd.	Suzhou	Suzhou	Processing and manufacturing	100.00%		Establishment
Luxshare iTech (Zhejiang) Co., Ltd.	Jiashan	Jiashan	Processing and manufacturing	100.00%		Establishment
Luxshare Electronic Service (Zhejiang) Co., Ltd.	Jiashan	Jiashan	Processing and manufacturing		100.00%	Establishment
Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.	Changshu	Changshu	Processing and manufacturing	100.00%		Establishment
Dongguan Luxshare Technology Co., Ltd.	Dongguan	Dongguan	Processing and manufacturing	90.00%		Establishment

Luxshare Technologies Limited	Hong Kong	Hong Kong	Trade		90.00%	Establishment
Donguan Xuntao Electronic Co., Ltd.	Dongguan	Dongguan	Processing and manufacturing		90.00%	Business combination involving enterprises not under common control
Xingning Luxshare Technology Co., Ltd.	Xingning	Xingning	Processing and manufacturing		90.00%	Establishment
Suzhou Luxshare Technology Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing		90.00%	Establishment
Hangzhou Xuntao Technology Co., Ltd.	Hangzhou	Hangzhou	Processing and manufacturing		90.00 %	Establishment
Zhejiang Puxing Electronic Technology Co., Ltd.	Zhejiang	Zhejiang	Processing and manufacturing		63.00 %	Business combination involving enterprises not under common control
Dongguan Luxshare Smart-Link Electronic Technology Co., Ltd.	Dongguan	Dongguan	Processing and manufacturing		90.00%	Establishment
Shenzhen Huarong Technology Co., Ltd.	Shenzhen	Shenzhen	Processing and manufacturing		68.42%	Business combination involving enterprises not under common control
Dongguan Huarong Communications Technology Co., Ltd.	Dongguan	Dongguan	Processing and manufacturing		68.42%	Business combination involving enterprises not under common control
Dongguan Huarong Supply Chain Management Co., Ltd.	Dongguan	Dongguan	Processing and manufacturing		68.42%	Business combination involving enterprises not under common control
Dongguan Changlong Communications Technology Co.,	Dongguan	Dongguan	Processing and manufacturing		68.42%	Business combination involving enterprises not

Ltd.						under common control
Luxshare Rechuan Technology (Huizhou) Co., Ltd.	Huizhou	Huizhou	Processing and manufacturing		63.00 %	Establishment
Shenzhen Sanhe Rongyu Technology Co., Ltd.	Shenzhen	Shenzhen	Processing and manufacturing		90.00%	Business combination involving enterprises not under common control
Shantou Luxshare Technologies Co., Ltd.	Shantou	Shantou	Processing and manufacturing		90.00%	Establishment
Changshu Luxshare Industrial Investment Management Co., Ltd.	Changshu	Changshu	Investment consulting	100.00%		Establishment
Rugao Luxshare Corporate Management Services Partnership (Limited Partnership)	Rugao	Rugao	Investment consulting		9.09%	Establishment
Lianxun Intelligent Equipment (Rugao) Co., Ltd.	Rugao	Rugao	Processing and manufacturing		100.00%	Establishment
Yancheng Luxshare Corporate Management Services Partnership (Limited Partnership)	Yancheng	Yancheng	Investment consulting		9.09%	Establishment
Luxshare Intelligent Equipment (Yancheng) Co., Ltd.	Yancheng	Yancheng	Investment consulting		9.14%	Establishment
Jiashan Luxshare Business Management Service Partnership (LP)	Jiashan	Jiashan	Investment consulting		9.09%	Establishment
Jiashan Luxshare Intelligent	Jiashan	Jiashan	Investment consulting		9.14%	Establishment

Ltd.						under common control
Sheng-Rui Electronic Technology (Shanghai) Limited	Shanghai	Shanghai	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Rugao	Rugao	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Caseteck Singapore PTE. LTD.	Singapore	Singapore	Investment consulting		49.75%	Business combination involving enterprises not under common control
Luxshare Smart Manufacturing (Rugao) Co., Ltd.	Rugao	Rugao	Processing and manufacturing		49.75%	Establishment
Luxcase Precision Technology (Kunshan) Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing		49.75%	Establishment
Luxis Precision Intelligent Manufacture (Kunshan) Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Luxshare Intelligent Manufacture Electronic Service (Kunshan) Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Liding Electronic Technology (Dongguan) Co., Ltd.	Dongguan	Dongguan	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Technology (Nanjing) Co., Ltd.	Nanjing	Nanjing	Processing and manufacturing	100.00%		Establishment
Fengshun Luxshare Intelligent Manufacture Co., Ltd.	Fengshun	Fengshun	Processing and manufacturing	100.00%		Establishment

Lisen Precision Technology (Kunshan) Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing	76.47%	Establishment

		assets			liabilities			assets			liabilities	
Fujian JK Wiring Systems Co., Ltd..	225,387,528.35	34,466,813.43	259,854,341.78	76,066,233.04	2,058,744.29	78,124,977.33	201,461,773.41	39,539,006.41	241,000,779.82	78,739,490.18	2,947,382.89	81,686,873.07
Luxshare Automation (Jiangsu) Ltd.	853,085,188.44	31,453,115.58	884,538,304.02	445,946,568.61	2,125,620.97	448,072,189.58	738,818,949.79	27,111,431.45	765,930,381.24	366,214,443.87	456,501.81	366,670,945.68
Merry Electronics (Huizhou) Co., LTD.	723,087,556.75	195,161,034.15	918,248,590.90	291,492,142.26	4,649,212.01	296,141,354.27	778,911,522.39	188,620,083.25	967,531,605.64	432,751,659.97	5,877,576.98	438,629,236.95
Merry Electronics (Suzhou) Co., Ltd.	1,118,645,882.13	1,248,851,798.16	2,367,497,680.29	779,877,438.22	21,247,887.80	801,125,326.02	1,044,707,295.02	1,356,956,783.45	2,401,664,078.47	862,367,112.91	24,681,827.98	887,048,940.89
SpeedTech Corp.	2,956,556,156.98	1,684,806,869.65	4,641,363,026.63	2,064,771,284.20	402,089,189.01	2,466,860,473.21	2,600,260,430.80	1,592,282,396.88	4,192,542,827.68	1,835,155,679.00	490,362,074.14	2,325,517,753.14
Luxcase Precision Technology (Yancheng) Co., Ltd.	21,717,382,026.08	10,085,761,927.48	31,803,143,953.56	18,462,805,711.46	190,403,365.43	18,762,209,076.89	22,778,481,259.26	9,339,570,358.86	32,118,051,618.12	20,783,802,429.89	337,685,747.10	21,121,488,176.99
TIME Interconnect Technology Limited	4,227,063,889.06	1,191,900,360.26	5,418,964,803,249.32	1,151,977,000,000.00	1,889,060,803,249.32	3,529,904,000,000.00	3,529,904,000,000.00	1,227,662,227,662.65	4,757,566,227,662.65	1,227,662,227,662.65	1,889,060,803,249.32	3,116,722,227,662.65

Merry Electronics (Huizhou) Co., LTD.	1,203,376,378.49	92,470,161.16	93,204,867.94	201,137,711.43	1,280,685,863.21	100,888,081.51	102,990,996.60	-113,129,941.39
Merry Electronics (Suzhou) Co., Ltd.	2,017,425,928.45	44,811,304.19	51,757,216.70	219,743,993.26	2,373,278,246.97	46,028,076.22	47,322,409.28	73,648,850.16
SpeedTech Corp.	4,449,205,495.30	376,451,128.24	307,477,478.88	-259,182,005.60	4,316,395,111.91	378,360,435.24	640,576,904.00	251,280,685.70
Luxcase Precision Technology (Yancheng) Co., Ltd.	74,186,807,358.22	1,943,749,080.02	2,044,371,435.54	5,913,355,569.06	49,727,123,010.93	961,423,139.90	991,691,069.76	893,969,747.46
TIME Interconnect Technology Limited	4,623,757,734.84	114,427,001.90	80,670,057.72	82,748,267.07	0.00	0.00	0.00	0.00

Other descriptions:

Other descriptions:

During the reporting period, the Company sold its some shares in its subsidiary Luxcase Precision Technology (Yancheng) Co., Ltd. (“LuxcaseICT Yancheng”), and its original shareholding rate was changed from 51.8269% to 49.7544%.

In RMB

	Luxcase Precision Technology (Yancheng) Co., Ltd.
Acquisition cost/ disposal consideration	
--Cash	260,000,000.00

-- Fair value of non-cash assets	
Total acquisition cost/ disposal consideration	260,000,000.00
Less: share of subsidiaries' net assets calculated by the proportion of acquired/disposed equity shares	261,198,860.22
Difference	-1,198,860.22
Including: Adjustment to capital reserve	-1,198,860.22
Adjustment to surplus reserve	
Adjustment to undistributed profits	

Other descriptions:

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	119,066,960.41	106,220,235.27
Total amount of the following items calculated according to shareholding ratio		
--Net profit	23,777,786.12	27,841,266.03
--Other comprehensive income	2,113,184.27	351,380.96
--Total comprehensive income	25,890,970.39	28,192,646.99
Associates:		
Total book value of investment	1,880,940,682.25	1,053,757,599.22
Total amount of the following items calculated according to shareholding ratio		
--Net profit	770,981,706.30	1,896,055.92
--Other comprehensive income	-65,915.00	-92,130,948.02
--Total comprehensive income	770,915,791.30	-90,234,892.10

Other descriptions:

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.

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 that the fair value or future cash flow of financial instruments will fluctuate due to the change in market interest rate. The interest rate risk faced by the Company mainly comes from the long-term and short-term borrowings from banks. The Company, under its current policy, seeks to borrow in USD with a lower loan interest rate. In order to obtain loans, the Company has provided guarantee for its wholly-owned overseas subsidiaries ICT-Lanto Limited and Luxshare Precision Limited for overseas financing.

(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 tries to match foreign currency income with foreign currency expenditure to reduce exchange rate risk. In addition, the Company has signed forward foreign exchange contracts to avoid exchange rate risk.

(3) Other price risks

The Company holds equity investments of other listed companies, and the management believes that the market price risks faced by these investment activities is acceptable.

The equity investments of listed companies held by the Company are presented as follows:

Item	Closing balance	Balance at the end of last year
Other investments in equity instruments	414,859,257.92	210,278,829.12
Total	414,859,257.92	210,278,829.12

Liquidity risks

Liquidity risks refer to, with respect to an enterprise, the risks of capital shortage to the enterprise when it fulfills its obligation of settlement by cash or other financial assets. It is the Company’s policy to ensure that there is sufficient cash to pay its debts as they fall due. The liquidity risks are controlled by the financial department of the Company in a unified manner. By monitoring the cash balance, marketable securities that can be realized at any time and rolling forecast of cash flow in the next 12 months, the financial department ensures that the Company has sufficient funds to repay debts under all reasonable forecasts.

In RMB

Item	Closing fair value			
	Level I	Level II	Level I	Total
I. Continuous fair value measurement	--	--	--	--
(I) Held-for-trading financial assets		27,039,649.45	1,326,226,850.46	1,353,266,499.91

1. Financial assets at fair value through profit or loss		27,039,649.45	1,326,226,850.46	1,353,266,499.91
(3) Derivative financial assets		27,039,649.45		27,039,649.45
(4) Others			1,326,226,850.46	1,326,226,850.46
2. Designated as financial assets at fair value through profit or loss			35,700,000.00	35,700,000.00
(2) Investment in equity instruments			35,700,000.00	35,700,000.00
(III) Investment in other equity instruments	342,379,257.92		97,727,734.74	440,106,992.66
Total assets continuously measured at fair value	342,379,257.92	27,039,649.45	1,459,654,585.20	1,829,073,492.57
(VI) Held-for-trading financial liabilities		44,318,321.50		44,318,321.50
Among them, Held-for-trading bonds issued		41,436.00		41,436.00
Derivative financial liabilities		44,276,885.50		44,276,885.50
Total liabilities continuously measured at fair value		44,318,321.50		44,318,321.50
II. Non-continuous fair value measurement	--	--	--	--

Level I inputs are quoted market price (unadjusted) in an active market for an identical asset or liability available at the date of measurement.

Level II inputs are inputs other than quoted market price (Level I) that are directly or indirectly observable for the asset or liability.

Level III inputs are unobservable inputs for the asset or liability.

None

None

None

None

None

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	38.39%	38.39%

Descriptions on the parent company of the Company

The ultimate controller of the Company is WANG Laichun and WANG Laisheng

As of December 31, 2022, Luxshare Limited has pledged 39.41% of shares it held.

The ultimate controller of the enterprise is.

Other descriptions:

Please refer to Note “IX. Equity in other entities” for details of the Company’s subsidiaries

Please refer to Note “IX (3). 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-subsidiary of the Company
Assem Technology Co., Ltd.	Joint-stock company of a majority-owned sub-subsidiary of the Company
Xuande Energy Co., Ltd.	Joint-stock company of a majority-owned sub-subsidiary 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

Other descriptions:

Name of other related parties	Relationship between other related parties and the Company
Bisaisi 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 TECHNOLOGY LIMITED	An enterprise controlled by the Company’s parent company
BCS Automotive Interface Solutions	An enterprise controlled by the Company’s parent company
Bisaisi Automotive Technology (Shenzhen) Co., Ltd.	An enterprise controlled by the Company’s parent company
Guangzhou Luxvisions Innovation Technology Limited	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
Shangrao City Lijing Innovation Technology Co., Ltd.	Other related party of the Company
Luxvisions Innovation Limited	Other related party of the Company
Luxvisions Innovation (Ji’an) Co., Ltd.	Other related party of the Company
Dongguan Gaowei Optical Electronics Co., Ltd.	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
Teleray (Hong Kong) International Company Limited	Other related party of the Company
Xunmu Information Technology (Shanghai) Co., Ltd.	Controlled by the de facto controller
Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	Controlled by the de facto controller

Other descriptions:

Ltd.					
Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd.	Water and electricity	36,498,229.20		No	20,052,496.84
LUXSAN TECHNOLOGY LIMITED	Purchasing goods	1,037,899,802.32	1,050,000,000.00	No	27,367,615.80
Merry & Luxshare (Vietnam) Co., Ltd	Purchasing goods	63,555,616.23		No	1,027,736.62
BCS Automotive Interface Solutions	Purchasing goods	33,585,700.71		No	
Dongguan Terry Leather Co., Ltd.	Purchasing goods	802,216.95		No	
Lihao Optoelectronics Technology (Nantong) Co., Ltd.	Purchasing goods	336,203.20		No	
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Purchasing goods	1,139,462.18		No	
Xunmu Information Technology (Shanghai) Co., Ltd.	Purchasing goods	9,763,593.17		No	
Dongguan Gaowei Optical Electronics Co., Ltd.	Service fees	2,474,770.49		No	
Teleray (Hong Kong) International Company Limited	Purchasing goods	943,970.54		No	
Luxvisions Innovation Limited	Housing rent, water and electricity	844,931.03		No	
Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	Water and electricity	1,022,581.35		No	

Selling goods/rendering services

In RMB

Related party	Related-party transactions	Amount recognized in the current period	Amount recognized in the prior period

Riyimao Industrial Co., Ltd.	Other services		886.00
Assem Technology Co., Ltd.	Other services	1,026,668.20	297,821.29
Shangrao City Lijing Innovation Technology Co., Ltd.	Selling products		346,[illegible]0.00
Guangzhou Luxvisions Innovation Technology Limited	Equipment and [illegible]atus		2,542,359.91
Guangzhou Luxvisions Innovation Technology Limited	Sell[illegible]	4,182,806.58	
Luxvisions Innovation Limited	[illegible]ducts		18,034.55
Bisaisi [illegible]to Technology (Suzh[illegible] Ltd.	[illegible]g products	394,380,063.81	218,717,133.08
BCS AUTOMO[illegible] INTER[illegible]	Selling products	1,916,774.55	910,682.54
Lu[illegible]	[illegible]ducts	6[illegible]	417,147,307.26
[illegible]nt [illegible]Co.,	Selling products		20,080,496.26

(Anhui) Co., Ltd.			

Descriptions on related-party

in the nent of lities, if						
Amount recogni ior eriod	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

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In RMB

Related party	Related-party transactions	Amount recognized in the current period	Amount recognized in the prior period

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Compensation of key managers	13,665,822.35	10,465,440.15
Share-based payment of key managers	3,842,203.80	5,454,355.12

In RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad-debt provision	Book balance	Bad-debt provision
Accounts receivables	Guangzhou Luxvisions Innovation Technology Limited	3,407,360.47	1,703.68	1,617,967.38	808.98
Accounts receivables	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	321,616,341.01	160,808.17	158,076,590.05	79,038.30
Accounts receivables	BCS AUTOMOTIVE INTERFACE SOLUTIONS	24,913.91	12.46	95,631.05	47.82
Accounts receivables	Assem Technology Co., Ltd.	335,321.60	167.66	311,427.22	155.71
Accounts receivables	Luxsan Technology (Kunshan) Co., Ltd.	173,086,093.05	86,543.05	39,532,101.88	19,766.05
Accounts receivables	Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd.	32,616,026.16	16,308.01		
Accounts receivables	Xunmu Information	2,848,819.77	1,424.41	12,256,936.88	6,128.47

	Technology (Shanghai) Co., Ltd.				
Accounts receivables	Merry & Luxshare (Vietnam) Co., Ltd	8,503,901.75	4,251.95	6,316,914.83	3,158.46
Accounts receivables	LUXSAN TECHNOLOGY LIMITED	3,036,189.27	1,518.09		
Accounts receivables	COWELL OPTIC ELECTRONICS LTD	89,178,452.13	44,589.23		
Accounts receivables	Bisaisi Automotive Technology (Shenzhen) Co., Ltd.	621.50	0.31		
Accounts receivables	Chery Automobile Co., Ltd.	6,792,611.72	3,396.31		
Accounts receivables	Chery Automobile Henan Co., Ltd.	632,073.27	316.04		
Accounts receivables	Chery Commercial Vehicle (Anhui) Co., Ltd.	249,008.60	124.50		
Accounts receivables	Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	126,839.11	63.42		
Other receivables	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	5,699,756.88	28,498.78		
Other receivables	Xuande Energy Co., Ltd.	164,996.62	824.98	167,101.03	835.51
Other receivables	Luxsan Technology (Kunshan) Co., Ltd.	9,349.09	46.75	685.63	3.43
Other receivables	BCS AUTOMOTIVE INTERFACE SOLUTIONS			803,488.22	4,017.44
Other receivables	Lihao Optoelectronics Technology (Nantong) Co., Ltd.	3,922,636.50	19,613.18		
Other receivables	Merry & Luxshare (Vietnam) Co., Ltd	83,591.01	417.96		

	Photoelectric Technology HK Limited				
Prepayments	BCS Automotive Interface Solutions	10,761,181.73			
Notes receivable	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	12,071,807.98			

In RMB

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Assem Technology Co., Ltd.	6,958,457.33	5,479,111.65
Accounts payable	Guangzhou Luxvisions Innovation Technology Limited	149,969.97	1,445,279.42
Accounts payable	Luxvisions Innovation Limited	75,514.52	80,169.45
Accounts payable	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	7,368,354.63	2,980,261.04
Accounts payable	Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd.	80,467,446.67	37,710,113.75
Accounts payable	Luxsan Technology (Kunshan) Co., Ltd.	1,054,198.48	398,415.58
Accounts payable	Riyimao Industrial Co., Ltd.	9,959,460.45	8,597,415.91
Accounts payable	Zhuhai Kinwong Flexible Circuit Co., Ltd.		5,143.81
Accounts payable	Dongguan Gaowei Optical Electronics Co., Ltd.	2,404,063.04	
Accounts payable	Merry & Luxshare (Vietnam) Co., Ltd	13,129,894.24	1,015,850.48
Accounts payable	BCS Automotive Interface Solutions	382,381.23	
Accounts payable	LUXSAN TECHNOLOGY LIMITED	907,791,605.59	23,227,385.80
Accounts payable	Lihao Optoelectronics Technology (Nantong) Co., Ltd.	267,949.42	
Accounts payable	Luxvisions Innovation (Ji'an) Co., Ltd.	1,811,805.00	
Accounts payable	Lishan Smart Manufacturing Technology (Guangdong)	1,112,875.90	

	Co., Ltd.		
Accounts payable	Teleray (Hong Kong) International Company Limited	899,233.35	

The range of exercise prices of Company's outstanding stock options at the end of the period and the remaining term of the contract	See the following descriptions
The range of exercise prices of other equity instruments issued by the Company at the end of the period and the remaining term of the contract	See the following descriptions

Other descriptions:

The range of exercise prices of Company's outstanding stock options at the end of the period and the remaining term of the contract:

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.

☑Applicable □ N/A

In RMB

Method of determining the fair value of equity instruments on the grant date	Black-Scholes model
Basis for determining the number of exercisable equity instruments	The determination is made by the Company according to the equity instruments corresponding to the on-the-job grantees and the Company's performance forecast in the future.
Reasons for significant differences between current and prior estimates	None
Cumulative amount of share-based payment settled in equity included in the capital reserve	1,392,773,414.52
Total amount of share-based payment settled in equity recognized in the current period	431,567,195.11

Other descriptions:

(1) On September 25, 2018, the Company held the 5th meeting of the fourth session of Board of Directors and the 5th meeting of the fourth session of Board of Supervisors, deliberating and approving the Proposal on Granting Stock Options to Grantees under the 2018 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., whereby it was determined that 97,500,000 stock options would be granted to 1,899 eligible grantees on September 25, 2018 as the grant date of the incentive plan.

On November 27, 2019, the Company held the 13th meeting of the fourth session of Board of Directors and the 13th meeting of the fourth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price and Quantity under the 2018 Stock Option Incentive Plan and Cancellation of Some Stock Options as well as the Proposal on Achievement of the Exercise Conditions for the Initial Exercise Period of the 2018 Stock Option Incentive Plan. After the adjustment, the number of grantees was changed from 1,870 to 1,762, the quantity of stock options granted was changed from 97,300,000 to 122,327,530, and the exercise price of stock options was changed from RMB17.58 per share to RMB13.48 per share.

On June 22, 2020, the Company held the 9th meeting of the fourth session of Board of Directors and the 19th meeting of the fourth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price and Quantity under the Stock Option Incentive Plans in 2018 and 2019, and Cancellation of Some Stock Options. After the adjustment, the quantity of stock options that was not exercised was changed from 99,001,310 to 128,698,841, and the exercise price of stock options that was not exercised was changed from RMB13.48 per share to RMB10.28 per share.

On December 2, 2020, the Company held the 27th meeting of the fourth session of Board of Directors and the 27th meeting of the fourth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Quantity under the 2018 Stock Option Incentive Plan and Cancellation of Some Stock Options as well as the Proposal on Achievement of the Exercise Conditions for the Second Exercise Period of the 2018 Stock Option Incentive Plan. After the adjustment, the number of grantees

subject to the stock option incentive plan was changed from 1,762 to 1,719, and the quantity of stock options granted was changed from 127,217,803 to 125,056,043.

On July 2, 2021, the Company held the 2nd meeting of the fifth session of Board of Directors and the 2nd meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price under the Stock Option Incentive Plans in 2018 and 2019 and Cancellation of Some Stock Options of the Stock Option Incentive Plan in 2019. After the adjustment, the exercise price of stock options that was not exercised was changed from RMB 10.28 per share to RMB 10.17 per share.

On September 30, 2021, the Company held the 4th meeting of the fifth session of Board of Directors and the 4th meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Quantity under the 2018 Stock Option Incentive Plan and Cancellation of Some Stock Options. After the adjustment, the number of grantees subject to the stock option incentive plan was changed from 1,719 to 1,695, and the quantity of stock options granted was changed from 93,843,466 to 92,964,441.

On December 3, 2021, the Company held the 6th meeting of the fifth session of Board of Directors and the sixth meeting of the fifth session of the Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Quantity under the 2018 Stock Option Incentive Plan and Cancellation of Some Stock Options as well as the Proposal on Achievement of the Exercise Conditions for the Third Exercise Period of the 2018 Stock Option Incentive Plan. After the adjustment, the number of grantees subject to the stock option incentive plan was changed from 1,695 to 1,653, and the quantity of stock options granted was changed from 92,964,441 to 90,887,187.

On July 6, 2022, the Company held the 9th meeting of the fifth session of Board of Directors and the 9th meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price under the Stock Option Incentive Plans in 2018, 2019 and 2021, and Cancellation of Some Stock Options under the Stock Option Incentive Plan in 2019. After the adjustment, the exercise price of stock options that was not exercised was changed from RMB 10.17 per share to RMB 10.06 per share.

On December 5, 2022, the Company held the 14th meeting of the fifth session of Board of Directors and the 14th meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Quantity under the 2018 Stock Option Incentive Plan and Cancellation of Some Stock Options as well as the Proposal on Achievement of the Exercise Conditions for the Fourth Exercise Period of the 2018 Stock Option Incentive Plan. After the adjustment, the number of grantees subject to the stock option incentive plan was changed from 1,653 to 1,607, and the quantity of stock options granted was changed from 60,875,365 to 59,645,321.

(2) On April 22, 2019, the Company held the 9th meeting of the fourth session of Board of Directors and the 9th meeting of the fourth session of Board of Supervisors, at which it deliberated and approved the Proposal on Granting Stock Options to Subordinated Grantees under the 2019 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., determining that 50,076,000 stock options would be granted to 348 eligible initial grantees on April 22, 2019 as the grant date of the incentive plan.

On November 27, 2019, the Company held the 13th meeting of the fourth session of Board of Directors and the 13th meeting of the fourth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price and Quantity under the 2019 Stock Option Incentive Plan and the Proposal on Grant of Stock Options to Grantees in Reserved Grant under the 2019 Stock Option Incentive Plan. Due to the implementation by the Company of the annual equity distribution plan in 2018, the exercise price and quantity under the 2019 stock option incentive plan were adjusted. After adjustment, the exercise price of the stock option initially granted was changed from RMB23.36 per share to RMB17.93 per share, the quantity of stock options initially granted was changed from 50,076,000 to 65,098,800, and the quantity of reserved stock options granted was changed from 12,519,000 to 16,274,700. At the same time, the Board of Directors considered that the Company and the grantees had met the conditions for the grant of reserved stock options under the Company's 2019 incentive plan, and consented to grant 16,274,700 stock options to 263 grantees on November 27, 2019 as the grant date of reserved stock options at the exercise price of RMB17.93 per share.

On June 22, 2020, the Company held the 9th meeting of the fourth session of Board of Directors and the 9th meeting of the fourth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price and Quantity under the Stock Option Incentive Plans in 2018 and 2019, and Cancellation of Some Stock Options, and the Proposal on Achievement of the Exercise Conditions for the Initial Exercise Period of the 2019 Stock Option Incentive Plan. After this adjustment, the number of initial grantees under the 2019 stock option incentive plan was adjusted from 348 to 340, the quantity of stock options initially granted was adjusted from 65,098,800 to 84,626,558, and the exercise price of the stock options initially granted was adjusted from RMB17.93 per share to RMB13.70 per share; the quantity of reserved stock options granted was adjusted from 16,241,700 to 21,113,740, and the exercise price thereof was adjusted from RMB17.93 per share to RMB13.70 per share.

On January 22, 2021, the Company held the 29th Meeting of the fourth session of Board of Directors and the 29th Meeting of the fourth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the List of Grantees in Reserved Grant, Exercise Quantity under the 2019 Stock Option Incentive Plan and Cancellation of Some Stock Options as well as the Proposal on Achievement of the Exercise Conditions for the Initial Exercise Period of the 2019 Stock Option Incentive Plan. After the adjustment, the number of grantees subject to the stock option incentive plan was changed from 258 to 250, and the quantity of stock options granted was changed from 21,113,740 to 20,657,454.

On July 2, 2021, the Company held the 2nd meeting of the fifth session of Board of Directors and the 2nd meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price under the Stock Option Incentive Plans in 2018 and 2019, and Canceling Some Stock Options of the Stock Option Incentive Plan in 2019, as well as the Proposal on Achievement of the Exercise Conditions for the Second Exercise Period of the 2019 Stock Option Incentive Plan. After the adjustment, the number of initial grantees subject to the stock option incentive plan was changed from 340 to 332, the quantity of stock options initially granted was changed from 65,977,698 to 65,232,789, and the exercise price of stock options that was initially granted and reserved for grantees was changed from RMB 13.70 per share to RMB 13.59 per share.

On July 6, 2022, the Company held the 9th meeting of the fifth session of Board of Directors and the 9th meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price under the Stock Option Incentive Plans in 2018, 2019 and 2021, and Cancellation of Some Stock Options of the Stock Option Incentive Plan in 2019, as well as the Proposal on Achievement of the Exercise Conditions for the Third Exercise Period in Initial Grant under the 2019 Stock Option Incentive Plan. After the adjustment, the number of initial grantees subject to the stock option incentive plan was changed from 332 to 322, the quantity of stock options initially granted was changed from 49,032,311 to 48,393,020, and the exercise price of stock options that was initially granted and reserved for grantees was changed from RMB 13.59 per share to RMB 13.48 per share.

(3) On December 3,2021, the Company held the 6th meeting of the fifth session of Board of Directors, deliberating and approving the Proposal on Grant of 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 July 6, 2022, the Company held the 9th meeting of the fifth session of Board of Directors and the 9th meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price under the Stock Option Incentive Plans in 2018, 2019 and 2021, and Cancellation of Some Stock Options under the Stock Option Incentive Plan in 2019. After the adjustment, the exercise price of stock options that was not exercised was changed from RMB 35.87 per share to RMB 35.76 per share.

(4) 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 Reserve 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 in reserve grant under 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 5, 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 stock options. The exercise price of stock options initially granted under this incentive plan was RMB 30.35 per share. Since 245 original grantees resigned from the Company or gave up all stock options to be granted to them for personal reasons, the number of grantees in reserved grant under 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.

□ Applicable ☑N/A

None

None

Significant commitments on the balance sheet date

The Company has no significant commitments to be disclosed.

The Company has no significant contingencies to be disclosed.

The Company has no significant contingencies to be disclosed.

In RMB

Item	Content	Effected quantum on financial position and operating results	Reasons why the effected quantum cannot be estimated
Obtain the comprehensive credit line from banks	According to the resolution of the 16th meeting of the fifth session of Board of Directors, the Company intends to apply for a comprehensive credit line amounting to RMB38.3 billion in aggregate from 17 banks. The above credit line will be subject to the actual approval of these banks, including RMB loans, bank acceptance bills, letters of credit, letters of guarantee, forward foreign exchange and other local and foreign currency credit varieties, with credit terms of one year for all.		
Provide guarantee for the syndicated loan of subsidiaries	According to the resolution of the 16th meeting of the fifth session of Board of Directors, the Company plans to obtain a three-year syndicated loan with the offshore wholly-owned subsidiary Luxshare Precision Limited as the main borrower, and provides a joint and several liability guarantee of USD 800 million for the three-year syndicated loan of the wholly-owned subsidiary Luxshare Precision Limited.		

In RMB

Profits or dividends planned to distribute	7,130,392,419.00
Profits or dividends approved to distribute	926,951,014.47
Profit distribution plan	t xdh†€—2gVSaH `n H

None

None

In RMB

Item	Income	Costs	Total profits	Income tax expenses	Net profits	Profits from termination of operation attributable to the owners of the parent company

Other descriptions:

None

None

The Company as a lessee

Item	Current period	Prior period
Interest expense on lease liabilities	44,537,265.44	30,548,145.32
Expenses related to short-term leases subject to simplified treatment that are recognized in the cost of related assets and the profit or loss for the current period	141,495,257.27	131,587,654.61
Expenses related to low-value assets leases subject to simplified treatment that are recognized in the cost of related assets and the profit or loss for the current period (excluding the expenses related to short-term lease of low-value assets)		
Variable lease payments recognized in the cost of related assets or the		

Item	Current period	Prior period
profit or loss for the current period, but not included in the measurement of lease liabilities		
Among them, From sale and leaseback transactions		
Income from subletting right to use assets		
Total cash outflows for leases	300,557,370.62	213,908,363.34
Relevant profit or loss arising from sale and leaseback transactions		
Cash inflows from sale and leaseback transactions		
Cash outflows from sale and leaseback transactions		

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	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 provision is made by group	6,146,047,167.36	99.99%	15,127,587.81	0.25%	6,130,919,579.55	2,908,049,591.01	99.99%	6,424,422.80	0.22%	2,901,625,168.21
Including:										
Group by aging	1,092,897,234.00	17.78%	15,127,587.81	1.38%	1,077,769,646.19	1,358,822,492.40	46.72%	6,424,422.80	0.47%	1,352,398,069.60
Related party group in the scope of	5,053,149,933.36	82.21%			5,053,149,933.	1,549,227,098.61	53.27%			1,549,227,098.61

consolidation					36					
Total	6,146,28 8,570.72									

181 to 365 days overdue	4,275,767.39
1 to 2 years	11,076,680.31
2-3 years	925,835.14
Over 3 years	242,560.49
Over 5 years	242,560.49
Total	6,146,288,570.72

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	6,424,422.80	8,703,165.01				15,127,587.81
Total	6,665,826.16	8,703,165.01				15,368,991.17

Including significant amounts reversed or recovered from the current provision for bad debts:

In RMB

Entity name	Amount recovered or reversed	Recovery method

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 receivables:

In RMB

Entity name	Closing balance of accounts	Proportion in total closing	Closing balance of bad-debt

	receivable	balance of accounts receivable	provision
Entity 1	1,749,776,540.56	28.47%	
Entity 2	1,052,420,233.45	17.12%	
Entity 3	675,865,267.60	11.00%	
Entity 4	363,192,623.33	5.91%	
Entity 5	350,222,262.43	5.70%	
Total	4,191,476,927.37	68.20%	

None

Other descriptions:

None

In RMB

Item	Closing balance	Opening balance
Dividends receivable	150,000,000.00	211,543,626.19
Other receivables	100,596,765.44	423,508,501.65
Total	250,596,765.44	635,052,127.84

In RMB

Item (or Investee)	Closing balance	Opening balance
Wan’an Xiexun Electronic Co., Ltd.		11,543,626.19
Kunshan Lanto Electronic Limited		200,000,000.00
Luxshare Precision Industry (Chuzhou), Ltd.	150,000,000.00	
Total	150,000,000.00	211,543,626.19

In RMB

Item (or Investee)	Closing balance	Aging	Reasons for non-recovery	Whether there is impairment and its judgment basis

□ Applicable ☑N/A

Other descriptions:

In RMB

Nature of receivables	Closing book balance	Opening book balance
Reserve fund	8,000.00	33,273.76
Security deposit	5,692,864.47	31,756,216.84
Others	95,013,902.20	142,559,720.70
Current account	385,572.60	250,035,350.00
Total	101,100,339.27	424,384,561.30

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, 2022	876,059.65			876,059.65
Balance as at January 1, 2022 in the current period				
Reversal	372,485.82			372,485.82
Balance as at December 31, 2022	503,573.83			503,573.83

Changes in book balance of provision for loss with significant changes in the current period

□ Applicable ☑N/A

Disclosure by aging

In RMB

Aging	Book balance
Within 1 year (including 1 year)	101,100,339.27
Including: undue	101,100,339.27
Total	101,100,339.27

Bad-deb od:

In RMB

[redacted]

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Entity 4	Security deposit	298,575.04	Undue	0.30%	1,492.88
Entity 5	Current account	282,800.00	Undue	0.28%	
Total		100,211,146.88		99.13%	499,641.74

Technology (Jiangxi) Co., Ltd.	28					38	
Xiexun Electronic (Ji'an) Co., Ltd.	244,934,671.32	3,762,990.34				248,697,661.66	
Suining Luxshare Precision Industry Co., Ltd.	2,186,752.24	326,520.16				2,513,272.40	
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					32,423,829.90	
Kunshan Lanto Electronic Limited	3,312,908,584.49	83,102,385.97				3,396,010,970.46	
Dongguan Leader Precision Industry Co., Ltd.	65,842,326.22		255,566.58			65,586,759.64	
Kunshan Luxshare Precision Industry Co., Ltd.	516,652,244.23	2,589,665.39				519,241,909.62	
Wan'an Xiexun Electronic Co., Ltd.	40,304,678.61	199,062.97				40,503,741.58	
Fujian JK Wiring Systems Co., Ltd..	96,849,122.76	299,847.43				97,148,970.19	
Xingning Luxshare Technology Co., Ltd.	349,906.26	322,971.92				672,878.18	
Luxshare Precision Industry (Chuzhou), Ltd.	771,166,474.22	14,423,058.77				785,589,532.99	
SuK Kunststofftechnik GmbH	33,746,516.14					33,746,516.14	
Fengshun Luxshare	10,140,621.68	21,598.85				10,162,220.53	

Precision Industry Co., Ltd.							
Shenzhen Luxshare Acoustics Technology Ltd.	6,096,663.82	1,113,836.02				7,210,499.84	28,560,179.80
Dongguan Luxshare Precision Industry Co., Ltd.	1,030,342,565.09	4,474,799.15				1,034,817,364.24	
Luxshare Automation (Jiangsu) Ltd.	45,974,856.13	19,041,055.92				65,015,912.05	
Shenzhen Luxshare Standard Co., Ltd.	21,000,000.00					21,000,000.00	
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	1,076,908,293.28	41,050,855.24				1,117,959,148.52	
Donguan Xuntao Electronic Co., Ltd.	-10,934,325.99	570,824.50				-10,363,501.49	
Luxshare Electronic Technology (Kunshan) Co., Ltd.	2,257,826,412.24	12,639,377.12				2,270,465,789.36	
Luxshare Precision Components (Kunshan) Co., Ltd.	101,400,809.28	4,726,051.59				106,126,860.87	
Luxshare Precision Industry (Enshi) Co., Ltd.	102,105,631.25	670,674.90				102,776,306.15	
Yongxin County Boshuo Electronic Co., Ltd.	851,111.85	256,219.85				1,107,331.70	
LUXSHARE -ICT Japan Ltd.	2,378,020.70	762,892.72				3,140,913.42	
Taiwan Luxshare Precision Limited	120,492,441.40	52,594,335.15				173,086,776.55	

Luxshare-ICT, inc.	34,776,585.56	11,820,355.25				46,596,940.81	
Korea Luxshare-ICT Co., Ltd.	5,160,292.60	675,950.02				5,836,242.62	
LUXSHARE-ICT EUROPE LIMITED	182,206.32					182,206.32	
Merry Electronics (Suzhou) Co., Ltd.	4,791,141.39	6,945,912.51				11,737,053.90	
Kunshan-Luxshare RF Technology Co., Ltd.	30,888,796.67					30,888,796.67	
Merry Electronics (Huizhou) Co., Ltd.	2,520,395.08	734,706.78				3,255,101.86	
Jiangxi ASAP Electronic Co., Ltd.	1,986,530.58		14,211.86			1,972,318.72	
Luxshare Precision Industry (Baoding) Co., Ltd.	1,358,413.62	51,171.70				1,409,585.32	
Luxshare Precision Industry (Shanxi) Co., Ltd.	1,726,068.70	806,362.91				2,532,431.61	
Dongguan Luxshare Smart-Link Electronic Technology Co., Ltd.	467,029.39	144,862.94				611,892.33	
Guangdong Luxshare & Merry Electronics Co., Ltd.	1,058,103.73					1,058,103.73	
Bozhou Lanto Electronic Limited	4,972,830.12	1,344,494.80				6,317,324.92	
Kunshan Luxshare Precision Mould Co., Ltd.	1,291,779.13		1,291,779.13				
Huzhou Jiuding	1,216,872.81	894,217.66				2,111,090.47	

Electronic Co., Ltd.							
Xinyu Xiexun Electronic Co., Ltd.	10,480,823.91		6,141,108.78			4,339,715.13	
Luxshare Precision Industry (Suzhou) Co., Ltd.	130,000,000.00					130,000,000.00	
Luxshare iTech (Zhejiang) Co., Ltd.	778,806,257.19	24,125,424.95				802,931,682.14	
Bozhou Xuntao Electronic Limited	225,413.58	34,835.88				260,249.46	
Dongguan Luxshare Technology Co., Ltd.	890,495,013.95	16,289,675.23				906,784,689.18	
Xuancheng Luxshare Precision Industry Co., Ltd.	17,031,506.30	3,516,854.46				20,548,360.76	
Beijing Luxshare Acoustic Technology Co., Ltd.	5,225,761.43	2,284,528.29				7,510,289.72	
Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.	1,409,514,244.73	31,818,887.14				1,441,333,131.87	
Xingning Luxshare Electronic Co., Ltd.	182,736.53	38,711.39				221,447.92	
SpeedTech Corp.	1,523,857.68	767,235.24				2,291,092.92	
Luxshare Technologies Limited	1,579,680.58	2,708,494.19				4,288,174.77	
Changshu Luxshare Industrial Investment Management Co., Ltd.	110,210,000.00	51,457,000.00				161,667,000.00	

Management Development Co., Ltd.							
Luxshare Precision Industry (Jiangsu) Co., Ltd.	95,071.11	89,149.14				184,220.25	
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	4,564,728.72	8,077,404.07				12,642,132.79	
Rikai Computer Accessories Co., Ltd.	5,760,562,165.73	10,258,776.02	63,635.06			5,770,757,306.69	
Luxis Technology (Kunshan) Co., Ltd.	151,471,194.52	95,474,836.47				246,946,030.99	
Luxshare Electronic Technology (Enshi) Co., Ltd.	15,000,000.00	20,000,000.00				35,000,000.00	
Liding Electronic Technology (Dongguan) Co., Ltd.	55,590,269.64	195,985,704.13				251,575,973.77	
Luxshare Precision Technology (Xi’an) Co., Ltd.	1,000,000.00	27,601,994.98				28,601,994.98	
Luxis Precision Intelligent Manufacture (Kunshan) Co., Ltd.	161,382,181.30	143,783,418.80				305,165,600.10	
Luxshare Precision Technology (Nanjing) Co., Ltd.	400,000.00	24,375,706.44				24,775,706.44	
Luxshare Electronic (Shanghai) Co., Ltd.	340,902.08	4,139,431.79				4,480,333.87	
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	663,622.71	20,493,091.72				21,156,714.43	

Ri Pei Computer Accessory (Shanghai) Co., Ltd.	1,302,245.97	727,132.35	575,113.62

Ltd.							
Dongguan Huarong Communications Technology Co., Ltd.		31,881.21				31,881.21	
Luxshare Precision Components (Suzhou) Co., Ltd.		321,813.49				321,813.49	
Zhejiang Puxing Electronic Technology Co., Ltd.		66,287.67				66,287.67	
Luxshare Rechuan Technology (Huizhou) Co., Ltd.		1,699,063.35				1,699,063.35	
Luxshare Automotive Technology (Shanghai) Co., Ltd.		4,103.52				4,103.52	
Luxshare Precision Industry (Hubei) Co., Ltd.		299,659.78				299,659.78	
Luxshare-ICT (Van Trung) Company Limited		531,336.23				531,336.23	
Shenzhen Huarong Technology Co., Ltd.		90,908.80				90,908.80	
Total	21,113,131,960.49	996,052,805.37	13,635,379.80		[redacted]	22,095,549,386.06	28,560,179.80

In RMB

Investee	Opening balance (book value)	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	Other comprehensive income adjustmen	Other changes in equity	Declared cash			

				equity method	t						
I. Joint ventures											
II. Associates											
Siliconch	22,269,124.37			-490,975.61						21,778,148.76	
Zhuhai Kinwong Flexible Circuit Co., Ltd.	199,207,717.31			16,547,779.78						215,755,497.09	34,372,608.46
Subtotal	221,476,841.68			16,056,804.17						237,533,645.85	34,372,608.46
Total	221,476,841.68									237,533,645.85	34,372,608.46

4.

(1) Categorized presentation of notes receivable

Item	Closing balance	Balance at the end of last year
Bank acceptance bill	7,954,368.11	819,766.07
Commercial acceptance bill	88,364,082.98	162,163,969.02
Total	96,318,451.09	162,983,735.09

(2) Notes receivable of the Company that have been endorsed or discounted and are not yet due as of the balance sheet date at the end of the period

Item	Balance derecognized at the end of the period	Balance not derecognized at the end of the period
Bank acceptance bill	838,479,070.00	
Total	838,479,070.00	

In RMB

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Income	Cost	Income	Cost
Principal business	12,732,437,422.46	11,987,063,338.40	9,174,890,300.12	8,531,671,602.47
Other business	220,376,313.08	64,760,595.99	105,254,622.90	33,510,191.72
Total	12,952,813,735.54	12,051,823,934.39	9,280,144,923.02	8,565,181,794.19

Income related information:

In RMB

Contract classification	Segment 1	Segment 2		Total
By product types				
Including:				
By geographical 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				

Information related to performance obligations:

None

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 .

Other descriptions:

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	1,300,000,000.00	2,242,183,081.46
Long-term equity investment income accounted for using the equity method	16,056,804.17	-4,411,361.63
Investment income from disposal of held-for-trading financing assets	77,056,640.91	30,531,053.98
Dividends from other equity instrument investments during holding period	212,413.30	
Income from wealth management products	11,308,785.90	41,433,412.36
Gains from derecognition of financial assets measured at amortized cost.	-43,522,172.22	-41,003,477.92
Total	1,361,112,472.06	2,268,732,708.25

☑Applicable □ N/A

In RMB

Item	Amount	Remarks
Profit or loss from disposal of non-current assets	40,397,780.40	
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)	602,294,263.90	
Profit or loss on assets under entrusted investment or management	50,525,057.66	
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	543,762,585.57	

financial assets

None

None

Luxshare Precision Industry Co., Ltd.

Chairman: WANG Laichun

April 27, 2023