

# **Luxshare Precision Industry Co., Ltd.**

## **Annual Report 2024**

2025-036



**April 2025**

# **Annual Report 2024**

## **Section I Important Note, Table of Contents and Definitions**

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

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

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

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

**According to the profit distribution proposal approved by the Board of Directors, the Company will distribute a cash dividend of RMB 2 (inclusive of tax) per 10 shares to all shareholders on the basis of 7,247,395,805 shares, and will not distribute any bonus shares or transfer any capital reserve to the share capital for the reporting period.**

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



## Definitions

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

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

## Section II Company Profile and Key Financial Indicators

### I. Company Profile

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

### II. Contact Person and Contact Information

	Board Secretary	Securities Affairs Representative
Name	XIAO Yunxi	CHEN Weihang
Address	No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong
Telephone	0769-87892475	0769-87892475
Fax	0769-87732475	0769-87732475
E-mail	Yui.Hsiao@luxshare-ict.com	Weihang.Chen@luxshare-ict.com

### III. Media for Information Disclosure and Place for Keeping Annual Report

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

### IV. Changes in Registration Particulars

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

## V. Other Related Information

Accounting firm engaged by the Company

Name of accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Office address of accounting firm	Rooms 1, 2 & 3, 4/F, No. 61 East Nanjing Road, Huangpu District, Shanghai
Name of accountants signing this Annual Report	QIANG Guiying, ZHANG Yehua

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

☐Applicable ☒N/A

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

☐Applicable ☒N/A

## VI. Key Accounting Data and Financial Indicators

The Company needs to retrospectively adjust or re-state any accounting data of prior accounting years

☐Yes ☒No

	2024	2023	Y/Y % Change	2022
Operating income (RMB)	268,794,737,612.58	231,905,459,829.83	15.91%	214,028,394,291.44
Net profit attributable to shareholders of the listed company (RMB)	13,365,651,026.16	10,952,656,702.16	22.03%	9,163,104,849.54
Net profit attributable to shareholders of the listed company after deduction of non-recurring gain or loss (RMB)	11,694,305,563.27	10,185,553,553.99	14.81%	8,442,052,945.85
Net cash flow from operating activities (RMB)	27,116,908,208.53	27,605,060,411.16	-1.77%	12,727,610,319.34
Basic earnings per share (RMB/share)	1.86	1.54	20.78%	1.29
Diluted earnings per share (RMB/share)	1.85	1.53	20.92%	1.28
Weighted average ROE	21.34%	21.61%	Decrease by 0.27 percentage points	23.00%
	December 31, 2024	December 31, 2023	Y/Y % Change	December 31, 2022
Total assets (RMB)	223,827,584,433.26	161,992,099,595.65	38.17%	148,384,319,074.71
Net assets attributable to shareholders of the listed company (RMB)	69,327,010,925.99	56,310,184,510.60	23.12%	45,342,897,318.53

The lower of the net profit before and after deducting of non-recurring gains or losses 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

The Company's audited total profit, net profit, and net profit after deducting non-recurring gains and losses for the most recent accounting year, whichever is lower, is negative.

☐Yes ☒No

## VII. Differences in Accounting Data arising from Adoption of Chinese and Foreign Accounting Standards Concurrently

### 1. Differences in Net Profit and Net Assets Disclosed in the Financial Statements Prepared according to the International Financial Reporting Standards (IFRS) and the Chinese Accounting Standards

☐Applicable ☒N/A

There was no difference in net profit and net assets disclosed in the financial statements for the reporting period prepared according to the International Financial Reporting Standards (IFRS) and the Chinese accounting standards.

### 2. Differences in Net Profit and Net Assets Disclosed in the Financial Statements Prepared according to the Foreign Accounting Standards and the Chinese Accounting Standards

☐Applicable ☒N/A

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

## VIII. Key Quarterly Financial Indicators

In RMB

	Q1	Q2	Q3	Q4
Operating income	52,406,775,584.57	51,191,198,773.80	73,578,910,433.75	91,617,852,820.46
Net profit attributable to shareholders of the listed company	2,471,024,666.99	2,925,138,191.62	3,678,791,617.01	4,290,696,550.54
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	2,183,139,364.86	2,776,419,081.87	3,157,877,780.29	3,576,869,336.25
Net cash flow from operating activities	-844,429,966.03	3,245,209,400.58	4,274,233,821.12	20,441,894,952.86

There are significant differences between the financial indicators set forth above or aggregate amounts thereof and the corresponding financial indicators contained in any quarterly or semi-annual report already disclosed.

☐Yes ☒No

## IX. Items and Amounts of Non-Recurring Gains or Losses

☒Applicable ☐N/A

In RMB

Item	2024	2023	2022	Remark
Gains or losses from disposal of non-current assets (including the write-offs for the accrued impairment of assets)	1,583,392.42	106,350,953.11	40,397,780.40	
Government grants recognized in profit or loss (excluding government grants that are closely related to the business of the	933,138,071.97	791,098,788.52	602,294,263.90	

Company, in accordance with national policy requirements, enjoyed according to specific criteria, and having a continuous impact on the Company's profit or loss)				
Fair value changes in financial assets and financial liabilities held by non-financial enterprises and gains or losses from the disposal of financial assets and financial liabilities, except for effective hedging transactions related to the Company's ordinary operating activities	1,044,148,947.84	488,375,997.34	543,762,585.57	
Gain or loss on assets under entrusted investment or management	906,650,515.66	189,969,851.82	50,525,057.66	
Other non-operating income and expenses	1,906,501.58	41,640,366.02	11,040,674.64	
Other non-operating income and expenses except the above items	-476,778,306.58	-601,026,495.49	-377,143,056.77	
Investment income from disposal of joint ventures	10,018,847.56	0.00	0.00	
Less: Amount affected by the income tax	412,248,026.21	158,749,222.86	100,226,804.81	
Amount affected by minority interests (after tax)	337,074,481.35	90,557,090.29	49,598,596.90	
Total	1,671,345,462.89	767,103,148.17	721,051,903.69	--

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

☒Applicable ☐N/A

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

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

☐Applicable ☒N/A

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

## Section III Management's Discussion and Analysis

### I. Industry Landscape of the Company during the Reporting Period

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

#### (I) Consumer Electronics

During 2024, the consumer electronics industry managed to stage a strong recovery from previous setbacks despite ongoing global economic instability, with particularly encouraging progress in rebuilding profit margins. In the past two years, the application of AI technology in consumer electronics products has become increasingly profound. From the concentrated release of AI phones and AI PCs, to smart wearable products achieving more precise health detection through AI, and various smart home products integrating AI technology for application upgrades, it is evident that AI is reshaping the user experience of consumer electronics products. Simultaneously, the continuous maturation of foldable screen technology has enabled product form diversification, slimming, and price reduction, driving rapid market growth. With the continuous implementation of new technologies, the consumer electronics industry in 2024 not only achieved quantitative growth but also initiated a new round of innovation cycles, accumulating momentum for explosive growth as AI technology reaches maturity and broader implementation in the future.

#### (II) Communication and Data Center

In the communication RF field in 2024, the deployment of 5G-A networks and the investment in 6G research and development progressed simultaneously. Countries globally are accelerating the construction of computing infrastructure and vigorously promoting the construction of new generation communication networks such as 5G and gigabit optical networks. The data center industry, focusing on "high bandwidth, low latency, and green," is entering a new stage of technological upgrades and scale expansion driven by both the explosion of AI computing power and the acceleration of global digital infrastructure construction. Continuous breakthroughs in technology and business in core areas of the Company's business, such as copper connection, optical connection, heat dissipation modules, and power supply, are driving the industry chain towards a more efficient and greener direction.

Copper-based Interconnection Technology remains a key solution for high-speed interconnection in data centers due to its advantages in cost, power consumption, and heat dissipation efficiency in short-to-medium distance transmission scenarios. In the field of optical connection, the accelerated commercialization of silicon photonics and LPO (Linear Pluggable Optics) technology is pushing the optical module market towards a 1.6T upgrade. In the coming years, high-speed interconnection products are expected to show a superimposed growth trend with the implementation of global computing infrastructure construction.

With the dramatic increase in equipment heat generation due to increased computing power, efficient heat dissipation has become one of the key technologies for the iterative upgrade of AI terminal products. At the same time, data centers require a large amount of electrical energy support, and as data volume continues to increase, the demand and performance requirements for electrical energy are also growing day by day. These factors bring huge growth space for the industry.

#### (III) Automotive Electronics

In 2024, China's automotive industry, driven by the dual engines of electrification and intelligence, showed strong momentum of vigorous development, especially achieving remarkable results in the new energy vehicle sector.

The smart cockpit has entered a new era driven by "large models," where multi-modal interaction methods supported by edge artificial intelligence (AI), including voice, gesture recognition, and eye tracking technology, are increasingly becoming standard configurations in this field.

The field of intelligent chassis is developing rapidly, and the industry is entering a completely new stage. At the technological level, cutting-edge technologies such as wire-controlled braking and skateboard chassis continue to make breakthroughs, pushing automobiles to evolve into "intelligent life forms." From an industry perspective, the pace of domestic substitution is accelerating, and core technology breakthroughs by local enterprises are reshaping the supply chain landscape. Simultaneously, the dominance of OEMs is strengthening, deepening collaboration with suppliers to accelerate closed-loop product iteration and software upgrades, aligning with rapid market changes.

The urban NOA (Navigation on Autopilot) function is accelerating its popularization in mainstream price segment vehicles, and L3 driving assistance technology is being implemented on open roads in pilot cities like Beijing, Shanghai, Guangzhou, and Shenzhen, enabling rapid development and implementation of intelligent driving assistance technology.

With technological advantages in new energy and intelligent connected vehicles, Chinese automobiles are continuously enhancing their competitiveness in the international market, gradually opening up new global market patterns and becoming a bright name card for Chinese manufacturing.

#### (IV) Our Position in the Industry

During the reporting period, the Company was awarded honorary titles such as "Fortune Global 500" and "Ranked 1st among key enterprises in China's electronic components industry in 2024". Important subsidiaries of the Company were awarded honorary titles such as "Top 500 Chinese Private Enterprises" and "Top 500 Chinese Manufacturing Private Enterprises".

## II. Principal Businesses of the Company during the Reporting Period

During the reporting period, the Company was mainly engaged in the business of related components, modules, and system integration in fields such as consumer electronics, communications and data centers, automotive, and medical, including but not limited to the following sub-products:

### (I) Consumer Electronics Business

1. Components: connectors, wire harness assemblies, speakers, mics, Wi-Fi modules, Haptic (vibration motors), VCM (Voice Coil Motors), variable apertures, antennas, Bluetooth modules, Power components (power cords, UPS, inverters, power strips, charging plugs, wireless charging transceiver modules and chargers), magnetic components, plastic molded parts, metal structural parts, etc.

2. Modules: screen modules, mini-LEDs, SiP (System-in-Package) and other components.

3. System Integration:

Smart Terminals: laptops, all-in-one computers, etc.

Acoustic Field: call headsets, over-ear headphones, TWS earphones, bone conduction sports headphones, AI conference headsets, conference speakers, Soundbars, etc.

Smart Wearable Devices: AI glasses, AR/VR/XR glasses, smart bracelets, smart watches, etc.

Smart Home: smart speakers, smart home cameras, smart switches, smart doorbells, smart door locks, robot vacuums, electric toothbrushes, facial cleansers, beauty devices, massagers, etc.

Outdoor Electronic Products: action cameras, drones, smart gimbals, electric scooters, outdoor portable power stations, etc.

Network Communication Products: Wi-Fi 6 / Wi-Fi 7 routers, 5G CPE, 5G millimeter wave CPE, etc.

Other Consumer System Products: electronic price tags, ETC, electronic thermometers and hygrometers, mobile POS machines, home 2D/3D printers, network conference cameras, electronic styluses, blood glucose monitoring terminals, insulin pumps, hearing aids, etc.

### (II) Communication and Data Center Business

1. Data Center Business

(1) Copper Cable High-Speed Interconnection Solutions:



Intrepid high-speed backplane solutions, CPC & NPC solutions, high-speed external interconnection solutions (DAC/ACC/Lite Active Cable and related connectors), high-speed internal interconnection solutions (including high-speed internal cables, SSIO, Riser Cable), etc.

(2) Optical High-Speed Interconnection Solutions:

DPO optical modules and AOC, LPO optical modules and AOC, LRO optical modules and AOC, supporting rates up to 1.6T. Form Factors include SFP, QSFP, QSFP-DD, OSFP, and SMF/MMF Fiber, etc.

(3) Thermal Management Solutions:

Four major product series: active, passive, liquid cooling, and temperature control systems, including full-spec fan modules, Heat Sink, Heat Pipe, VC, cold plate liquid cooling systems, Manifold, rack-mounted CDU, cabinet CDU, blind-mate quick connectors, immersion liquid cooling Tank, etc.

(4) Data Center Power Solutions:

Power Shelf & Rectifier (AI cabinet power solutions), DC Busbar, 70A-1000A 54V Busbar Clip, up to 3200W 12V/54V AC/DC CRPS, up to 3200W 12V MCRPS, as well as various Power Module/VRM/VPM (AI node module power solutions), etc.

2. Communication Business:

Base station antennas, 4G multi-band filters, 5G Sheet Metal Filters Nano, 5G single-band filters, 5G planar filters, 5G antenna filter modules, 4G wireless RF units, 5G wireless RF units, SIAE outdoor RF units, SIAE indoor RF units, RCU antenna remote control modules, Lampsite antennas (indoor coverage antennas), BOOK antennas (macro station coverage enhancement antennas), WLAN antennas, WIFI antennas, planar drive modules, antenna reflectors, antenna low-frequency phase shifters, etc.

### **(III) Automotive Business**

1. Vehicle Harness

High-voltage harness, Low-voltage harness, USB harness, ABS harness, EPB harness, Fakra harness, HSD harness, Ethernet harness, Charging gun, etc.

2. Vehicle Connectors

High-voltage connector, Low-voltage connector, High-speed connector, etc.

3. Electronic and Electrical Products

Vehicle USB module, WPC (Wireless Charging Module), UWB Digital Key, ACU (Airbag Control Unit), SJB (Smart Junction Box), CMS (Camera Monitoring System / Electronic Rearview Mirror), Hidden Door Handle, etc.

4. Smart Cockpit

C-HUD (Combined Head-Up Display System), W-HUD (Windshield Head-Up Display), AR-HUD (Augmented Reality Head-Up Display System), TBOX (Telematics Box / Smart Connectivity Module), DMS (Driver Monitoring System), Vehicle Display Module, ZCU (Zone Control Unit), CCU (Central Control Unit), Qualcomm 8255 Platform Domain Controller, DCU (Door Control Unit), etc.

5. Intelligent Driving Assistance

ADAS (Advanced Driver Assistance Systems), Qualcomm 8797 Platform Domain Controller, Horizon J6E Integrated Driving and Parking Domain Controller, Horizon J3 Forward-looking All-in-one Camera, PDC (Parking Distance Control / Ultrasonic Parking Sensor), etc.

6. Intelligent Chassis

PPK (Steering System Control Unit), ARS (Active Rear Steering System), LPS (Linear Position Sensor), EMB (Electro-Mechanical Brake System / Brake-by-Wire), VMC (Vehicle Motion Control Domain Controller), etc.

7. Powertrain System

Automotive Multi-in-one Powertrain, MCU (Motor Control Unit), PDU (Power Distribution Unit), DCDC (DC-DC Converter), OBC (On-Board Charger), PNG (Power Isolation Module), BMS (Battery Management System), etc.

**(IV) Medical Business****1. Patient Monitoring**

SpO2 Probe Cable / Pulse Oximetry Probe Cable, ECG Cable Lead Wire, Temperature Probe, Fetal Heart Rate Monitoring Cable, etc.

**2. Surgical**

Ultrasonic Scalpel Cable, Electrosurgical Pencil Cable, Surgical Connectors, etc.

**3. Others**

Defibrillation Cable, Nebulizer, Wearable Electrical Muscle Stimulation Device, Wearable Activity Monitoring and Rehabilitation Devices, etc.

**III. Analysis of Core Competencies****(I) Intelligent Manufacturing and Digital Management Capability**

Based on a deep understanding of the essence of precision manufacturing and continuous innovation, and relying on its independent development capabilities for the design, manufacturing, maintenance, and iterative upgrades of automated factory systems, the Company has built a digital ecosystem with deep human-machine collaboration. It integrates industrial robots, big data collection and analysis, AI algorithms, and digital twin technology throughout the entire process of R&D design, production manufacturing, supply chain management, and quality control. Combined with our innovations in the automation and intelligence of existing process technologies, this realizes the deep integration and application of these technologies in the field of electronic manufacturing, enabling the accumulation of process parameters, quality standards, and operating procedures through databases, experience, and talent, thus laying a solid foundation for global capacity layout and rapid large-scale replication.

In the advancement of smart factory construction, the Company integrates and deeply mines data related to personnel, resources, manufacturing, and operations horizontally by deploying digital systems such as SAP, PLM, and MES, establishing a complete underlying database. Relying on digital twin technology for bidirectional mapping of physical production lines and virtual models, by simulating and verifying the design of new products and the planning of production processes in a virtual environment, the Company proactively identifies and solves potential problems, thus shortening product R&D cycles and capacity ramp-up time. Meanwhile, the Company utilizes AI algorithms and AOI machine vision inspection to achieve precise control and real-time correction of various parameters in the production process, significantly improving production yield efficiency.

In 2024, the Company actively promoted the upgrade to Smart Factory 2.0. Building on the original "algorithm + data" driven foundation, it deeply integrated IoT technology, creating an intelligent closed-loop system for data self-collection, self-analysis, self-decision, and self-execution. With the strong support of this powerful system, the Company first built a "Dark Factory" demonstration model at its Suzhou Kunshan factory. Automated robotic arms on the production line operate flexibly and precisely, intelligent AGVs efficiently shuttle transporting materials, and various advanced intelligent equipment coordinate seamlessly without human intervention, achieving unmanned and efficient production throughout the entire process. Verified by actual operation, compared to traditional production mode, production efficiency is significantly improved, product consistency is notably enhanced, and the yield rate is greatly increased. In the future, the Company will fully roll out and replicate this successful model across the group, driving a leapfrog improvement in production efficiency at all factories.

**(II) Vertical Integration and Cross-Domain Technology Fusion and Innovation Capabilities**

The Company, through a development strategy driven by "organic growth and external expansion" twin engines, has established a complete capability framework in underlying technology areas such as acoustics, optics, electronics, thermal management, magnetism, radio frequency, and structural parts, and built a general technology platform for multi-scenario applications. Through this, it achieves dynamic combination and synergistic optimization of different technological elements, which can quickly respond to diverse customer needs, and also proactively transfer mature technology solutions to emerging fields,

and provide unique and leading value to customers through fusion and innovation. Furthermore, based on systematic research into basic materials, process technologies, and testing technologies, the Company has achieved full-chain technology coverage from core components to complex modules and system integration. On this basis, the Company's in-house R&D team works closely with global leading customers, and jointly establish multiple R&D labs to quickly grasp the trends of cutting-edge technological development and opportunities in related clean technology industries such as new energy vehicles, photovoltaics, and energy storage, fully leveraging the Company's deep understanding of precision manufacturing practices, as well as comprehensive digital and intelligent empowerment, to achieve joint innovation in new materials, new processes, and new manufacturing methods, and rapidly implement the commercialization process of technological innovation achievements.

As of December 31, 2024, the Company and its subsidiaries cumulatively hold 7,164 patents.

### **(III) Global Leading Customer Resources and Global Capacity Layout**

As a leading enterprise in the field of high-end precision manufacturing, the Company always upholds the philosophy of "Flying with the Phoenix", relying on a forward-looking global perspective, forming a diversified matrix of leading customers covering fields such as consumer electronics, automotive, communications, and data centers. By deeply integrating into the supply chain systems of international top brand customers, in the process of continuously meeting customers' personalized needs, the Company has gradually built a comprehensive service advantage centered on forward-looking R&D, rapid response, and quality control.

In terms of global capacity layout, the Company's manufacturing bases are widely distributed in countries including China, Vietnam, Thailand, Indonesia, Malaysia, Romania, Morocco, India, Mexico, and Germany.

In China, the Company has established manufacturing bases in Guangdong, Jiangxi, Fujian, Hubei, Jiangsu, Zhejiang, Anhui, Hebei, Shaanxi, Sichuan, and other places. The Company effectively integrated complete local industry chain support resources and high-quality talent reserves, forming a technological highland for precision manufacturing.

In Southeast Asia and East Asia, the Company has operations in countries including Vietnam, Thailand, Indonesia, Malaysia, and India, leveraging the local relatively advantageous labor costs and preferential policies, effectively reducing production costs and enhancing product price competitiveness.

In countries such as Mexico, Germany, Romania, and Morocco, the Company's capacity layout helps to be closer to local and surrounding markets, enabling quick response to customer needs, shortening product delivery cycles, enhancing market response flexibility, and simultaneously further expanding international market share and optimizing the global market layout.

This "local innovation + global delivery" capacity configuration model enables the Company to flexibly allocate resources, provide customized solutions for different markets and different customer characteristics, and also greatly reduces the risks brought by current international political uncertainties, becoming a highly capable and full-spectrum partner for leading customers globally.

### **(IV) Social Responsibility and Sustainable Development**

The Company always regards sustainable development as a key part of its corporate development strategy, establishes an ESG management structure with the Board of Directors and Strategy Committee as the core decision-making layer, and systematically promotes sustainable development practices in four core areas: scientific governance, green and low-carbon, harmonious health, and responsible procurement. The Company spares no effort to build an efficient, clean, low-carbon, and circular green manufacturing system. As of the end of the reporting period, 18 subsidiaries have cumulatively obtained national or provincial/municipal green factory certification, 14 subsidiaries have obtained UL2799 Zero Waste to Landfill certification, and 6 subsidiaries have obtained International Water Stewardship Standard (AWS) certification, effectively reducing emissions from production and operation activities and improving resource utilization efficiency.

In the process of innovation-driven green manufacturing, the Company relies on the deep integration of digitalization and automation technologies to systematically promote the innovation of manufacturing processes, and significantly improves resource

utilization efficiency by introducing cutting-edge technologies and intelligent management systems. At the same time, the Company focuses on the widespread application of clean energy technologies such as energy storage and rooftop photovoltaics, integrates the green concept throughout the entire product life-cycle, strictly adheres to green standards, actively explores breakthroughs in circular and recyclable materials, and reduces waste generation at the source. During the reporting period, the proportion of clean energy used by the Company exceeded 70%, correspondingly reducing greenhouse gas emissions by nearly 1.53 million tons of CO<sub>2</sub>e. For more details, please refer to the "2024 Annual Sustainability Report" disclosed by the Company.

#### **(V) Talent Strategy and Corporate Culture**

The Company always regards talent as the core element driving innovation and development, building core advantages supporting sustainable development through systematic talent cultivation mechanisms and a comprehensive humanistic care system. On the one hand, through a sound talent echelon building system and reserve mechanism, the Company widely attracts outstanding talents who fit the Company's growth needs and identify with the corporate culture, forming a diversified global talent reserve network. On the other hand, the Company continuously optimizes its talent cultivation system and selection and appointment system, as business development poses new requirements for talents, stimulating them to break through the boundaries of their capabilities and improve their comprehensive strength and management level.

In 2024, the Company officially released its Corporate Culture 2.0 system, establishing five core values: "Drive Client Value, Mission Must Be Accomplished, Continuous Innovation, Work Together, Self-driven Growth". These concepts are not only deeply rooted in the hearts of every Luxshare employee but also become the spiritual core of the Company's development. Specifically, under the guidance of "Drive Client Value", the Company always prioritizes technological innovation ahead of customer needs, thereby exceeding customer expectations time and again, ensuring that products and services can create differentiated value for customers. Meanwhile, through the "Accomplish Mission" rapid response mechanism, the Company conducts in-depth analysis and element decomposition of customer needs, spares no effort to solve customers' current pain points and difficulties, thereby ensuring the timeliness and quality of product delivery. On this basis, the "Continuous Innovation" culture drives the Company to continuously increase R&D investment, especially in the upgrading and iteration of process technologies and the pioneering innovation of underlying technologies and materials, guiding actions with the goal of solving problems and creating value, daring to break thinking frameworks, and ultimately finding optimal solutions in a larger scope, shaping long-term, continuous, and stable core competitiveness from technology to product, and from product to commodity. In addition, supported by the concept of "Work Together", Luxshare employees face challenges and difficulties head-on, achieving new leaps through team collaboration and mutual support. Finally, "Self-driven Growth" guides all Luxshare employees to maintain the humility of a beginner and an open mindset, actively embrace change, and proactively seek progress and improvement, ensuring that they maintain a relative advantage in fierce competition. It is precisely relying on these five core values that the Company realizes the talent journey "from being attracted and retained to becoming strong", while ensuring sufficient talent for traditional advantageous areas, it also lays a solid foundation for the development and sustainable growth of new fields and new businesses.

## **IV. Analysis of Main Business**

### **1. Overview**

#### **(1) Consumer Electronics Business**

In the field of consumer electronics, on the one hand, the Company continues to consolidate and deepen its OEM business, building a full industry chain ecosystem from components and modules to system integration through a vertical integration strategy. In multiple key product areas such as connectors, wire harnesses, speakers, vibration motors, voice coil motors, large and small precision structural parts, RF antennas, Bluetooth modules, WIFI modules, wireless charging modules, acoustic modules, screen modules, and SiP, the Company provides customers with stable and continuous high-quality components by leveraging cutting-edge material innovation, advanced processes, and manufacturing optimization. On this basis, the Company fully leverages

the synergy between upstream and downstream links, with high-standard quality control and precise cost control systems, combined with the intelligent application of AI technology and digital twin technology, to dynamically simulate and optimize the product design and production processes, continuously providing high-value-added products and services to customers in the module products and system integration links. This strategy not only effectively ensures product consistency but also significantly improves production yield and reduces production costs, further consolidating the Company's market position in the OEM business area with international top-tier customers.

On the other hand, the Company is vigorously expanding its ODM business footprint. Relying on the high-precision underlying technology experience accumulated through long-term service for international top-tier customers in OEM business, covering acoustics, optics, electronics, thermal management, magnetism, radio frequency, and structural parts, the Company has gained the ability for cross-disciplinary fusion applications. Combined with the advantages of vertical integrated industrial layout, it provides global well-known consumer electronics brands and innovative startup brands with tailor-made one-stop solutions covering product design, development, mass production, testing, quality control, cost control, supply chain management, and logistics and warehousing, bringing customers an unprecedented level of high-quality service experience. This not only expands the customer matrix of the ODM business but also brings more abundant incremental business opportunities to the Company, strongly establishing the Company's leading position in the industry. Currently, the Company's ODM business products cover multiple popular categories such as smart AR/VR glasses, smart acoustic products, smart office equipment, smart home products, and outdoor smart devices. The product matrix is continuously enriched and improved, and market share is gradually expanding.

## **(2) Communications and Data Center Business**

With the explosive growth of AI applications globally, the demand for computing power, data transmission speed and quality, heat dissipation, and energy management in AI data centers is experiencing exponential growth. In this context, the Company keenly observes industry trends, and based on the modular design concept, proactively lays out data center components, and innovatively created an overall solution of core components for AI integrated rack servers. This solution covers four major modules: copper cable high-speed interconnection, optical high-speed interconnection, thermal management, and power management. Core products include Cable Cartridge high-speed backplane interconnection system, Koolio co-packaged copper interconnection architecture, 1.6T OSFP DAC and AOC, cold plate liquid cooling system, 120kW liquid-to-liquid exchange CDU, 27.5kW Power Shelf, etc. In addition, the Company also lays out communication RF products such as 4G/5G base stations, enhancing the product portfolio of the communication business.

With breakthrough achievements in multiple key technologies, the Company has become a core partner for leading domestic and international communication operators and AI computing center customers, providing them with customized solutions to accurately match complex needs in different scenarios, further enhancing market competitiveness. At the same time, to continuously improve technical strength and innovation capabilities, the Company actively collaborates with international leading chip companies, integrating upstream and downstream resources across the value chain to achieve full-process innovation synergy from chip design and manufacturing, module assembly to system integration, and is fully committed to building a "chip - module - system" vertical integrated innovation chain, effectively shortening product R&D cycles and improving product performance and quality.

Among them, in the data center business field, the main innovation highlights during the reporting period are as follows:

1) 224G KOOLIO CPC (Co-Packaged Copper Interconnection), as a cutting-edge interconnection solution, breakthroughs in directly integrating high-speed connectors with chip substrates, specifically developed to address the challenges of ultra-high density and ultra-high-speed data transmission. With its ultra-high-density design, extremely low loss and crosstalk control, and low power consumption per port characteristics, it systematically overcomes the technical bottlenecks of traditional PCB wiring space density and signal transmission quality in the era of AI computing.

2) As a cutting-edge product in the field of high-speed interconnection, Intrepid Cable Cartridge is specially designed for ultra-large-scale AI computing cluster cabinet internal interconnection scenarios, integrating three-way floating guidance technology and customized tolerance compensation capabilities to solve the industry pain points of high-density and high-

reliability connections, and has been successfully applied in the ETH-X computing platform, providing efficient, stable, and reliable interconnection assurance for the overall system.

3) The 1.6T OSFP DR8 optical module adopts an innovative silicon photonics hybrid integrated architecture, equipped with Marvell low-power DSP chips, and independently developed thermal simulation system, enabling the product's single-channel rate to successfully exceed 200Gbps.

4) The 800G OSFP optical module relies on the Company's mature silicon photonics packaging process technology. The mass-produced products show excellent and stable bit error rate performance, achieving an orders-of-magnitude improvement over industry standards. In 2024, this product successfully passed the test verification of a leading AI computing center customer and has achieved mass production delivery to multiple international leading customers, gaining high recognition from the market and customers.

5) The 1.6T OSFP ACC active copper cable, built based on the Company's self-developed Optmax bare wire technology, provides a high-bandwidth, high-reliability high-speed copper interconnection solution for high-end data centers, effectively helping AI/ML (Artificial Intelligence Cluster/Machine Learning Cluster) rapid expansion, and fully meeting the data transmission needs of new AI applications and ultra-large-scale training models.

### (3) Automotive Business

Currently, the Company's automotive business layout is extensive, specifically including automotive harness, automotive connectors, automotive smart cockpit, intelligent driving assistance, intelligent chassis, powertrain, and other electronic and electrical products. The Company's customer base has successfully covered multiple leading domestic and international vehicle manufacturers. Relying on the Company's strong intelligent manufacturing platform, fully leveraging the rapid iteration capability, cost control capability, global supply chain advantages, and R&D innovation advantages accumulated through long-term deep cultivation in the consumer electronics and communications and data center fields, combined with a deep understanding of the safety and reliability of automotive-grade products, the Company quickly achieved cross-border empowerment for products related to the automotive industry, and product performance and quality have significant competitive advantages in the industry.

In September 2024, the Company officially initiated the acquisition of Leoni Group, a century-old German automotive harness manufacturer. Through this acquisition, the Company is expected to achieve deep resource sharing, complementary advantages, and strategic synergy with Leoni in terms of product development, market expansion, customer access, capacity layout, and material procurement. This will not only help the Company improve its operational efficiency and R&D innovation capabilities but also quickly shape the Company's differentiated competitive advantages in the global automotive harness field, providing more convenient and efficient vertically integrated services for Chinese vehicle manufacturers going abroad and traditional overseas vehicle manufacturers, further driving the rapid growth of the automotive business scale and market share, and assisting the Company in achieving leapfrog development in the automotive industry.

## 2. Revenue and Cost

### (1) Components of Operating Revenue

In RMB					
	2024		2023		Y/Y % change
	Amount	% of operating revenue	Amount	% of operating revenue	
Total operating revenue	268,794,737,612.58	100%	231,905,459,829.83	100%	15.91%
By segment					
Computer interconnect products and precision components	9,002,416,983.24	3.35%	7,492,410,071.11	3.23%	20.15%
Automotive interconnect	13,757,628,639.98	5.12%	9,252,368,552.09	3.99%	48.69%

products and precision components					
Communication interconnect products and precision components	18,359,940,363.70	6.83%	14,538,256,002.45	6.27%	26.29%
Consumer electronics	224,093,602,936.54	83.37%	197,183,318,387.02	85.03%	13.65%
Other connectors and other business	3,581,148,689.12	1.33%	3,439,106,817.16	1.48%	4.13%
By product					
Computer interconnect products and precision components	9,002,416,983.24	3.35%	7,492,410,071.11	3.23%	20.15%
Automotive interconnect products and precision components	13,757,628,639.98	5.12%	9,252,368,552.09	3.99%	48.69%
Communication interconnect products and precision components	18,359,940,363.70	6.83%	14,538,256,002.45	6.27%	26.29%
Consumer electronics	224,093,602,936.54	83.37%	197,183,318,387.02	85.03%	13.65%
Other connectors and other business	3,581,148,689.12	1.33%	3,439,106,817.16	1.48%	4.13%
By region					
Domestic market	33,327,752,492.71	12.40%	25,149,439,369.07	10.84%	32.52%
Overseas market	235,466,985,119.87	87.60%	206,756,020,460.76	89.16%	13.89%
By sales mode					
Direct sales	268,794,737,612.58	100.00%	231,905,459,829.83	100.00%	15.91%

**(2) Segments, Products, Regions or Sales Models Representing More than 10% of Operating Revenue or Profit**
☒Applicable ☐N/A

In RMB

	Operating income	Operating cost	Gross margin	Y/Y % Change in operating revenue	Y/Y % Change in operating cost	Y/Y % Change in gross margin
By segment						
Communication interconnect products and precision components	18,359,940,363.70	15,349,226,245.83	16.40%	26.29%	25.39%	0.60%
Consumer electronics	224,093,602,936.54	203,710,583,787.52	9.10%	13.65%	15.55%	-1.50%
By product						
Communication interconnect products and precision components	18,359,940,363.70	15,349,226,245.83	16.40%	26.29%	25.39%	0.60%
Consumer electronics	224,093,602,936.54	203,710,583,787.52	9.10%	13.65%	15.55%	-1.50%
By region						
Domestic market	33,327,752,492.71	28,062,113,286.74	15.80%	32.52%	33.95%	-0.90%
Overseas market	235,466,985,119.87	212,747,304,693.85	9.65%	13.89%	15.57%	-1.31%
By sales mode						
Direct sales	268,794,737,612.58	240,809,417,980.59	10.41%	15.91%	17.44%	-1.17%

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

☐Applicable ☒N/A

**(3) The Company's Revenue from Sale of Tangible Goods is higher than the Revenue from Labor Service**☒Yes ☐No

Segment	Item	Unit	2024	2023	Y/Y % change
Computer interconnect products and precision components	Sales volume	KPCS	324,008	339,436	-4.55%
	Output	KPCS	365,146	381,866	-4.38%
	Inventories	KPCS	41,137	42,430	-3.05%
Automotive interconnect products and precision components	Sales volume	1,000 sets	302,174	289,181	4.49%
	Output	1,000 sets	329,753	315,470	4.53%
	Inventories	1,000 sets	27,579	26,289	4.91%
Communication interconnect products and precision components	Sales volume	KPCS	446,162	273,342	63.22%
	Output	KPCS	468,716	287,729	62.90%
	Inventories	KPCS	22,554	14,386	56.77%
Consumer electronics	Sales volume	KPCS	7,058,477	3,985,052	77.12%
	Output	KPCS	7,534,942	4,336,890	73.74%
	Inventories	KPCS	476,465	351,838	35.42%
Other connectors and other business	Sales volume	KPCS	394,252	358,699	9.91%
	Output	KPCS	423,508	386,291	9.63%
	Inventories	KPCS	29,256	27,592	6.03%

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

☒Applicable ☐N/A

Note 1: The increase in sales volume of communication interconnection products and precision components is mainly synchronized with the growth in performance.

Note 2: The growth in sales volume of consumer electronics is significantly higher than the growth in performance, mainly due to the production and sales of wafer packaging and testing RF devices from the newly acquired company starting in 2024, which have low unit prices but large quantities.

**(4) Performance of Material Sales Contracts and Material Purchase Contracts by the Company as of the End of the Reporting Period**☐Applicable ☒N/A**(5) Operating Cost Structure Segment**

Segment

Segment

In RMB

Segment	Item	2024	2023	Y/Y %
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		Amount	% of operating cost	Amount	% of operating cost	change
Computer interconnect products and precision components	Cost of sales	7,301,443,716.52	3.03%	5,936,846,692.39	2.90%	22.99%
Automotive interconnect products and precision components	Cost of sales	11,543,083,690.42	4.79%	7,781,748,026.29	3.80%	48.34%
Communication interconnect products and precision components	Cost of sales	15,349,226,245.83	6.37%	12,241,553,918.40	5.97%	25.39%
Consumer electronics	Cost of sales	203,710,583,787.52	84.59%	176,289,664,722.15	85.98%	15.55%
Other connectors and other business	Cost of sales	2,905,080,540.30	1.21%	2,791,487,099.36	1.36%	4.07%

Remark

None.

#### (6) Change in the Scope of Consolidation during the Reporting Period

☒Yes ☐No

For details, please refer to Note IX.2, changes in the scope of consolidation due to other reasons

#### (7) Material Changes or Adjustments in Respect of Business, Products or Services of the Company during the Reporting Period

☐Applicable ☒N/A

#### (8) Major Customers and Suppliers

Major customers of the Company

Aggregate sales revenue from top 5 customers (RMB)	211,023,536,407.92
Proportion of aggregate sales revenue from top 5 customers to annual sales revenue	78.50%
Proportion of aggregate sales revenue from related parties among top 5 customers to annual sales revenue	0.00%

Particulars of top 5 customers:

No.	Name of customer	Sales revenue (RMB)	% Of annual sales revenue
1	Customer 1	190,138,937,227.47	70.74%
2	Customer 2	6,130,651,383.04	2.28%
3	Customer 3	5,704,571,096.91	2.12%
4	Customer 4	5,493,570,729.72	2.04%
5	Customer 5	3,555,805,970.78	1.32%
Total	--	211,023,536,407.92	78.50%

Other information of major customers

☐Applicable ☒N/A

## Major suppliers of the Company

Aggregate purchase amount from top 5 suppliers (RMB)	131,243,688,397.62
Proportion of aggregate purchase amount from top 5 suppliers to annual purchase cost	62.29%
Proportion of aggregate purchase amount from related parties among top 5 suppliers to annual purchase cost	0.00%

## Particulars of top 5 suppliers

No.	Name of supplier	Purchase amount (RMB)	% of annual purchase cost
1	Supplier 1	117,903,198,859.53	55.97%
2	Supplier 2	7,252,151,068.19	3.44%
3	Supplier 3	2,621,682,623.83	1.24%
4	Supplier 4	2,051,313,378.36	0.97%
5	Supplier 5	1,415,342,467.71	0.67%
Total	--	131,243,688,397.62	62.29%

## Other information of major suppliers

☐Applicable ☒N/A

### 3. Expenses

In RMB

	2024	2023	Y/Y % change	Reason of material change
Sales expenses	1,059,676,776.41	889,024,421.63	19.20%	The growth in personnel compensation and benefits
Administrative expenses	6,352,284,566.88	5,542,856,994.26	14.60%	Mainly due to the increase in personnel, salaries and welfare benefits, and the increase in depreciation and material consumption expenses
Financial expenses	-503,176,648.23	482,869,327.02	-204.21%	Increase in interest expense and increase in exchange gains
R&D expenses	8,555,957,431.46	8,188,767,532.85	4.48%	Mainly due to the increase in personnel, salaries and welfare benefits, and the increase in depreciation and material consumption expenses
Income tax expenses	1,529,694,922.93	641,829,343.18	138.33%	Increase in profit, changes in deferred income tax, and the calculation of corresponding income tax in some countries implementing Pillar Two starting from 2024

### 4. R&D Investments

☒Applicable ☐N/A

Description of major R&D project	Purpose	Progress	Objectives	Expected effect on the future development of Company
5G+LTE Tri-band Digital Fiber Repeater RF Remote Unit	Dual-band JDM product, optimizing product signal quality and sensitivity, can distribute surplus capacity from the	Pilot stage	This project developed a digital fiber repeater RF remote module that supports both 4G LTE and 5G NR technologies. The	Utilizing the established JDM development model to improve the whole machine R&D capability of base

	existing network to areas with insufficient capacity by fiber pull-away, while being easier to control costs. Enabling the operating system to run on the product, increasing scalability and intelligence.		product simultaneously supports B3/1.8G frequency band and 5G NR n78/3.5G frequency band, effectively and economically solving the problem of unbalanced coverage between 4G & 5G NR existing networks, including equipment compatibility, software compatibility, key component breakthroughs and performance improvement.	stations, thereby further elevating Luxshare's product structure from filters, antennas, etc., to the R&D and production capability of whole base station machines, and in this process, establishing Luxshare's own complete industry chain and supplier system, thus providing more choices for customers.
New generation 5G high-power RF remote module	Dual-band JDM product, integrating the industry chain, realizing the docking between the demand and R&D end, procurement end, and production end, improving business response and resource collaboration.	Pilot stage	This project developed a 5G RF remote module, supporting both 5G NR technology, LTE technology, and their combination. The product simultaneously supports B1/2.1G and B3/1.8G frequency bands, effectively and economically solving the problem of 4G & 5G NR coverage, including equipment compatibility, software compatibility, key component breakthroughs, and performance improvement.	Utilizing the established JDM development model to improve the whole machine R&D capability of base stations, thereby further elevating Luxshare's product structure from filters, antennas, etc., to the R&D and production capability of whole base station machines, and in this process, establishing Luxshare's own complete industry chain and supplier system, thus providing more choices for customers.
8-port Multi-beam Luneburg Lens Antenna	Luneburg lens antennas have very excellent performance compared to traditional antennas. In the large-scale deployment of 5G networks and the development of future communication technologies like 6G, 8-port multi-beam Luneburg lens antennas will help improve network coverage, capacity, and performance.	Pilot stage	This product adopts a cylindrical lens form, with four arrays forming 4 beams in different directions: horizontal offset -45°, -15°, +15°, +45°, making the antenna's important performance indicators meet the customer's communication market demands.	Luneburg lens antenna's ultra-light characteristics have potential development prospects in fields such as high-gain radar, aerospace, aviation, astronomical radio observation, and other wireless communication and information technology construction areas. This project is expected to bring considerable revenue to the Company.
Development of Ultra-High-Density Packaging Technology for 5G Mid- and High-Frequency RF Products	Integrate high-performance millimeter-wave active devices based on new semiconductor materials such as Gallium Arsenide (GaAs) and Gallium Nitride (GaN), as well as Radio Frequency	Completed trial production of new products	(1) Flip-chip edge-to-flip-chip edge spacing reduced from 70 microns to 40 microns, a reduction of 42%; (2) 0201 component short edge to 01005 component short edge spacing reduced from	1. Successful R&D and trial production of customer samples QM77498. 2. Satisfied customer packaging and testing requirements. 3. Surface mount process yield is greater than 99.5%.

	(RF) and passive devices, and silicon-based circuit modules		110 microns to 45 microns, a reduction of 59%; (3) 01005 component short edge to 01005 component short edge spacing reduced from 105 microns to 45 microns, a reduction of 57%; (4) 008004 component spacing reduced from 78 microns to 45 microns, a reduction of 42%.	
Development of Highly Integrated 5G RF Front-end Module L-PAMiD Testing Technology	Solve the previous problems of inconvenience in carrying and chip scratching, meet the high standard requirements of 5G communication technology, improve production efficiency and reduce costs, and promote technological innovation and development.	Developed highly integrated 5G RF front-end module L-PAMiD testing technology, completed the research and development of the highly integrated 5G RF front-end module L-PAMiD testing solution, including new equipment introduction, equipment debugging, parameter design, process improvement, product verification, and large-scale testing.	By developing a highly integrated 5G RF front-end module L-PAMiD testing solution, achieve standardization and large-scale testing of highly integrated 5G RF front-end module L-PAMiD chips.	The R&D of the highly integrated 5G RF front-end module L-PAMiD testing solution was completed on schedule. Currently, the main tested products include QM77052, QM77055, QM77058, and other highly integrated 5G RF front-end module L-PAMiD chips.
Introduction of WiFi7 RF Front-end Testing Technology	By redeveloping testing equipment and test programs, improve equipment performance parameters to meet the needs of WiFi7 high-frequency RF front-end testing.	Completed the research and development of the WiFi7 high-frequency RF front-end testing solution, including new equipment introduction, equipment debugging, parameter design, process improvement, product verification, and large-scale testing. Completed batch testing of product QM45500	Develop advanced RF chip testing solutions to achieve WiFi7 high-frequency RF front-end chip testing, mainly applied in areas such as Power Amplifier/Filter/Switch, covering the testing of functions in frequency bands such as WLAN, LTE, CDMA, GSM, WCDMA, EDGE, and Bluetooth.	The development of the WiFi7 high-frequency RF front-end testing solution was completed on schedule. Currently, the main tested products include QM45500/QM45508, etc.
Introduction of Highly Integrated 2G/3G/4G/5G Multi-Mode Modems 5G RF Front-end Module L-PAMiD Testing Technology	Establish a test platform for the highly integrated 5G RF front-end module L-PAMiD chips produced by our company, thereby achieving standardized and large-scale testing of highly integrated 2G/3G/4G/5G Multi-Mode Modems 5G RF front-end module L-PAMiD chips.	Development completed, completed the research and development of a new test head for testing highly integrated multi-mode 5G RF front-end modules, including test head design and manufacturing, equipment debugging, parameter design, product verification, and large-scale testing.	Achieve stable testing of highly integrated 2G/3G/4G/5G Multi-Mode Modems 5G RF front-end module L-PAMiD chips	The introduction of highly integrated 2G/3G/4G/5G Multi-Mode Modems 5G RF front-end module L-PAMiD testing
R&D of Multi-mode Integrated RF Front-end L-PAMiD Module Testing Technology has been completed on schedule	Upgrade the Hybrid platform to become the Hybrid-5G testing platform, thereby achieving standardization and	Completed equipment debugging, parameter design, product verification, and large-scale testing for the Hybrid platform	Develop a research and development plan for multi-mode integrated RF front-end L-PAMiD module testing technology by	Achieve standardization and large-scale testing of highly integrated 2G/3G/4G/5G Multi-Mode Modems

	large-scale testing of highly integrated 2G/3G/4G/5G Multi-Mode Modems 5G RF front-end module L-PAMiD chips Able to test highly integrated 2G/3G/4G/5G Multi-Mode Modems 5G RF front-end module L-PAMiD chips	upgrade to the Hybrid-5G testing platform.	upgrading the Hybrid platform to the Hybrid-5G testing platform, including the R&D assembly of DWG-013115 Blade for RF front-end filter testing, technical upgrades and innovations such as adding NF testing function to the main hardware Input Box, to achieve standardization and large-scale testing of multi-mode integrated RF front-end L-PAMiD module chips	5G RF front-end module L-PAMiD chips.
Development of Main Control Harness Assembly Product for New Energy Vehicle Power Battery Pack	New product development requirement	Completed	The project intends to develop new energy battery pack main control harness products, establish supply relationships with leading domestic new energy battery pack companies, and expand the Company's product coverage in the new energy vehicle industry.	Realize the transformation of scientific and technological achievements. Related products will promote the Company's technological development and bring economic benefits to the Company.
Luxshare Electronic Price Tag Intelligent Manufacturing Production Line and Application Demonstration	New product development requirement	Completed	Based on the electronic price tag production line project, which utilizes various automated equipment successfully developed during preliminary trials, integrate the R&D achievements of intelligent equipment such as ACF bonding, pressing, battery welding, NFC testing, ultrasonic welding, and laser carving into an intelligent manufacturing production line.	Expand production scale, achieve economic and social benefits, promote talent cultivation and achievement transformation, and conduct production line application demonstration. Promote the application of project products, boosting the development of smart retail and the Internet of Things industry.
Automotive Microcontroller Unit Product R&D	Automotive microcontroller unit is a core component of modern automobiles. Its development aims to improve the overall performance, safety, and intelligence level of vehicles while meeting environmental protection and cost control requirements.	From 2023 to 2024, completed the trial production and testing of the project, and simultaneously organized relevant technical data.	Achieve precise control and management of the operation of various automotive systems (such as powertrain, chassis, body, etc.), and ensure vehicle active safety (such as ESP, ABS) and passive safety functions.	Automotive MCU microcontroller units will bring significant market opportunities and technical innovation momentum to the Company, and will bring new micro-control electronic technology market opportunities to the Company.
Research on Smart Interactive Healthy Smart Audio Glasses	The most critical aspects of smart glasses are wearing experience and intelligent interaction.	Market-oriented, demand-driven by customers, led by the R&D department, and implemented with the	All product indicators met the requirements, and the product was successfully mass-produced and launched	With the optimization of smart wearable experience and intelligent interaction, the future research of

	Due to prolonged wear, wearing comfort and intelligent interaction are particularly important. In this context, the development of this project's product based on the research of smart interactive healthy smart audio glasses caters to the needs of global market consumers.	cooperation of engineering units, production units, quality assurance units, procurement units, mold and tool units, and other departments. The project is coordinated by the factory manager, and a team consisting of the main R&D engineer, production supervisor, technical elites, and quality personnel is appointed for the project.	for sale. At the same time, the complete set of drawings was transferred to the data center for distribution, serving as research reference for subsequent project development.	this project will effectively solve the pain points of similar electronic products currently, providing positive design and concept references for subsequent project development.
A High-Fidelity Anti-Interference Over-Ear Bluetooth Headphone	This project aims to design and implement a comprehensive solution to address the ESD and RE issues present in the signal transmission process of over-ear Bluetooth headphones.	Trial production/Mass production	Solved the composite ESD and RE problems occurring in the signal transmission of over-ear Bluetooth headphones. Significantly improved the EMC performance of the project.	Enhance product competitiveness, reduce material and labor costs, and bring greater benefits to the Company.
Research on enhancing the modeling efficiency of structural components in CAE simulation	Improving modeling efficiency can shorten product development cycles by over 30%, reduce labor costs, promote the development of intelligent manufacturing, and align with the strategic direction of "Digital Design and Manufacturing" in "Made in China 2025".	Trial production/Mass production	By using the technology and solutions developed in this project, the current simulation efficiency is significantly improved, not only achieving substantial cost savings but also being able to respond more quickly to customer needs.	Enhance product competitiveness, reduce material and labor costs, and bring greater benefits to the Company.
R&D of Reinforced Working Fluid Phase Change Composite 3D Vapor Chamber	To meet the demand for efficient heat dissipation in modern electronic products, it is urgent to develop new heat dissipation technologies, break through the defects of heat pipes and vapor chambers, improve heat dissipation efficiency, optimize structural design, enhance temperature uniformity, ensure stable operation of electronic components, and contribute to the performance enhancement and miniaturization of electronic products.	Completed	Designed a reinforced working fluid phase change composite 3D vapor chamber, which can enhance the working fluid return speed and evaporation efficiency, thereby increasing heat transfer speed and improving heat dissipation effect.	Mainly applied in fields such as 5G electronic technology and artificial intelligence equipment, meeting the heat dissipation requirements in high heat flux density environments.
R&D of Wind-Liquid Heat Exchange High-Efficiency Heat Dissipation Equipment	Heat exchange device and wind-liquid cooling heat dissipation equipment including the heat exchange	Completed	Such products provide efficient, green, and reliable liquid cooling systems for electronic equipment in	Economies of scale in procurement and professional division of labor continuously improve the

	device.		communication fields such as data centers.	Company's cost control capabilities. Continuous improvement of production processes, increasing automation, and gradual improvement in material application further build the soft power of the Company's cost control. The Company's cost advantage can help customers reduce product costs and enhance the price competitiveness of end products.
R&D of Liquid-Liquid Exchange Chilling Unit	Chilling distribution unit and chilling control cabinet.	Completed	to provide independent cooling for each immersion cabinet more directly and achieve a more uniform and efficient cooling effect, a liquid-to-liquid exchange cabinet-type chilling distribution unit (CDU) was developed. It includes pumps, fluid connectors, heat exchangers, three-way valves, check valves, filters, flow meters, temperature and pressure sensors, control devices, monitoring devices, power supplies, switches, etc.	The Company cooperates closely with core customers, can understand customer needs early, cooperate with customers to quickly develop and launch products, and meet the rapid update requirements of electronic equipment thermal management products. The Company's ability to solve problems encountered in the application of heat dissipation products is a comprehensive manifestation of the Company's R&D advantages.
R&D of Gravity-Enhanced Heat Dissipation Immersion Liquid Cooling Cabinet	Immersion Liquid Cooling Cabinet	Completed	The innovative special design of the TANK and CPU flow shroud, the efficient forced convection heat transfer mode, and the complete machine liquid immersion break through the technical bottleneck of current single-phase oil immersion cooling, easily achieving kilowatt-level heat dissipation.	The Company cooperates closely with core customers, can understand customer needs early, cooperate with customers to quickly develop and launch products, and meet the rapid update requirements of electronic equipment thermal management products. The Company's ability to solve problems encountered in the application of heat dissipation products is a comprehensive manifestation of the Company's R&D advantages.
R&D of Integrated Water Cooler	A Water Cooler	Completed	By designing the arrangement of the water block, the space	The Company cooperates closely with core customers, can

			in the thickness direction of the radiator fins is fully utilized to arrange multiple chambers, reducing the overall thickness of the water block, and thus reducing the overall thickness of the water cooler, facilitating the installation of the water cooler in a narrow space and expanding the application range of the water cooler.	understand customer needs early, cooperate with customers to quickly develop and launch products, and meet the rapid update requirements of electronic equipment thermal management products. The Company's ability to solve problems encountered in the application of heat dissipation products is a comprehensive manifestation of the Company's R&D advantages.
R&D of Independent Snap-on Floating Optical Module Liquid Cooling Device	A heatsink clasp structure, shielding cage component, and optical module device	Completed	This type of product provides technical design for heatsink clasp structure and related component devices for optical modules in data centers.	The Company cooperates closely with core customers, can understand customer needs early, cooperate with customers to quickly develop and launch products, and meet the rapid update requirements of electronic equipment thermal management products. The Company's ability to solve problems encountered in the application of heat dissipation products is a comprehensive manifestation of the Company's R&D advantages.
R&D of Electronic Equipment Liquid Cold Plate Heat Dissipation Technology	A heat dissipation device and electronic equipment	Completed	This type of product provides liquid cold plate heat dissipation technology for electronic equipment in communication fields such as data centers.	The Company cooperates closely with core customers, can understand customer needs early, cooperate with customers to quickly develop and launch products, and meet the rapid update requirements of electronic equipment thermal management products. The Company's ability to solve problems encountered in the application of heat dissipation products is a comprehensive manifestation of the Company's R&D advantages.
R&D of Optical Module Liquid Cooling System	A heat dissipation device and electronic equipment	Completed	Such products provide efficient, green, and reliable liquid cooling systems for electronic	The Company cooperates closely with core customers, can understand customer



			equipment in communication fields such as data centers.	needs early, cooperate with customers to quickly develop and launch products, and meet the rapid update requirements of electronic equipment thermal management products. The Company's ability to solve problems encountered in the application of heat dissipation products is a comprehensive manifestation of the Company's R&D advantages.
Factory Ultra Production Intelligent Manufacturing	According to customer demand, establish a completely new 3C intelligent manufacturing production line to improve the overall capacity and efficiency of the original line, reduce the workload of production technicians, while also reducing the training time for production technicians, allowing technicians to quickly be competent for their current job, further reducing the use of production operators, and at the same time improving the yield rate of the original capacity.	Completed	<ol style="list-style-type: none"> <li>1. Production OEE increased by 10%</li> <li>2. Increased production operational time by 40%</li> <li>3. Technical staff reduced by 50%</li> <li>4. Technician training time reduced by 60%</li> <li>5. OP operators reduced by 70%</li> <li>6. Production yield increased by 2-10%</li> </ol>	Intelligent manufacturing will fundamentally change the Company's production methods, business models, and market competitiveness. Successful companies in the future will be those that can quickly adapt to intelligent transformation and utilize data, AI, and automation technology to optimize operations, innovate products, and reshape the supply chain. Conversely, enterprises that fail to keep up with the trend may face the risk of inefficiency, cost disadvantage, or even being eliminated by the market. Therefore, enterprises must formulate a clear intelligent manufacturing strategy and promote digital transformation in stages to gain an advantageous position in the future manufacturing landscape.
OEE 3.0+ Software Development	With the increase in factory production scale, to further improve production efficiency, equipment utilization, reduce waste and production costs, and solve process bottlenecks; reduce equipment failures and maintenance costs,	Completed	<ol style="list-style-type: none"> <li>1. Trace data station blockage</li> <li>2. Product cleaning control</li> <li>3. Product plasma cleaning control</li> <li>4. Product ORT material inquiry</li> <li>5. ORT automatic machine lock</li> <li>6. Rework station control</li> </ol>	Through the full application of OEE 3.0, enterprise managers can formulate more reasonable production plans and development strategies based on these data. The factory can efficiently and stably meet increasing production demands, maintain competitive

	strengthen equipment management and extend equipment lifespan, collect real-time data and establish a workshop monitoring and management system; provide objective and scientific decision-making basis for enterprise planning.		7. OEE dashboard display	advantage, and achieve sustainable development. At the same time, improve employee productivity and production line scalability. Stand out in the continuously developing automated 3C industry market and provide high-quality products and services to customers.
Process Development of Full Synthetic Cutting Fluid and Two-Color Anodizing	1. According to customer requirements, this project mainly applies different colors to specific areas on the surface of the same workpiece through two oxidations and dyeing, which is a new technology for anodic oxidation. Through the comparison of two colors, it can better reflect the high-end and unique appearance of the product; 2. In the field of CNC (Computer Numerical Control) machining, using full synthetic cutting fluid and building a green factory are key measures to promote the sustainable development of the manufacturing industry. It can not only reduce environmental pollution and improve processing efficiency, but also reduce operating costs and enhance corporate competitiveness.	Completed	1. Cutting-edge industry technologies, new breakthrough, improve customer satisfaction 2. Green and environmentally friendly CNC processing environment 3. Reduce the risk of poor aluminum oxidation and corrosion	1. Through technological innovation and sustainable development practices, significant achievements have been made in environmental protection, energy efficiency, intelligence, and economic benefits, becoming an industry benchmark; 2. Open up premium space and emerging markets through green innovation. 3. Innovation achievements have gone beyond single technological improvement, building a new industrial paradigm of environmental protection, energy efficiency, and brand. In the future, through continuous innovation, AI intelligence and other cutting-edge technologies, it is expected to further break through industry limits.
R&D and Introduction of HMF Anti-Fingerprint Nickel-Free Sealing Technology	1. Greatly reduce the use of nickel-containing sealing agents and the discharge of nickel-containing wastewater, thereby reducing the cost of wastewater treatment 2. Achieve the anti-fingerprint effect on the appearance that could not be achieved with nickel-containing sealing before, greatly improving the pass rate of product reliability testing	Completed	1. Significantly reduced the discharge of heavy metal-containing wastewater, saved wastewater treatment costs, and created green production lines. 2. Effectively solved the risk of oxidation/discoloration caused by hand sweat adhering to the product when people touch it. 3. Color difference and reliability test results are OK.	1. Meet the requirements of government and customers for green development. 2. Master leading process technology reserves among peers, enhancing the Company's competitiveness. 3. Improved the innovation capabilities of the Company's relevant technical personnel.

Development of Titanium Alloy Watch Case 3D Printing Technology and CNC Machining	<p>Improve production efficiency: Utilize the advantage of rapid prototyping with 3D printing technology to significantly shorten the production cycle of titanium alloy watch cases, while reducing the cumbersome processes and long machining times in traditional processing, thereby improving overall production efficiency.</p> <p>Reduce manufacturing costs: Traditional titanium alloy processing has low material utilization and serious waste. 3D printing technology can achieve near-net shape forming, minimizing material waste and thus reducing production costs. In addition, combining CNC machining to finish 3D printed parts can further improve the precision and quality of the parts, avoiding cost increases due to excessive processing.</p> <p>Increase design freedom: 3D printing technology is not limited by traditional processing techniques and can easily manufacture complex structures and personalized designs. This will provide more creative space for watch designers, enabling them to design more creative and unique titanium alloy watch cases, meeting the needs of high-end consumers for personalized and customized products.</p> <p>Ensure product quality: CNC machining has significant advantages in terms of precision and surface quality. By CNC finishing the 3D printed titanium alloy case, the dimensional accuracy, surface roughness, and other quality indicators of</p>	Completed	<p>This project focuses on the development of titanium alloy watch case 3D printing technology and CNC machining, aiming to achieve the following specific goals through technological innovation and process optimization:</p> <ol style="list-style-type: none"> <li>1. Develop dedicated titanium alloy 3D printing process: Research and determine the characteristics of titanium alloy powder material suitable for watch case manufacturing, including particle size distribution, oxygen content, fluidity, etc., to ensure the stability of the printing process and forming quality.</li> <li>2. Explore optimized 3D printing parameters: such as laser power, scanning speed, layer thickness, powder spreading thickness, etc., and develop an efficient and high-precision 3D printing process suitable for titanium alloy watch cases, achieving precise forming of complex structures.</li> <li>3. Research the formation mechanism of possible defects during the 3D printing process (such as porosity, cracks, deformation, etc.), and propose corresponding control and optimization methods to ensure the internal quality of printed parts.</li> <li>4. Improve CNC machining process: According to the characteristics of 3D printed titanium alloy cases, develop efficient CNC machining strategies, including tool selection, cutting parameter optimization, and processing path planning, to ensure the</li> </ol>	<p>Technical leading advantage: The combination of titanium alloy 3D printing technology and CNC machining represents cutting-edge technology in the field of high-end manufacturing. Through the implementation of this project, the Company will be the first in the industry to master this advanced technology, forming a unique technical barrier. This will not only enhance the Company's competitiveness in the high-end watch manufacturing field but also lay a solid technical foundation for the Company's expansion in other high-end consumer goods fields.</p> <p>Continuous innovation capability: The successful implementation of the project will stimulate internal innovation vitality within the Company, encouraging the R&amp;D team to continuously explore new materials, processes, and technical applications. This continuous innovation capability will help the Company maintain a leading position in future technological competition, attract more high-end talents to join, and further enhance the Company's R&amp;D strength.</p>
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	<p>the watch case can meet the strict requirements of high-end watches, improving product reliability and durability.</p> <p>Promote industry development: The successful implementation of this project will provide a new titanium alloy watch case manufacturing solution for the high-end watch manufacturing industry, and is expected to lead industry technology changes, promote the innovation and development of related technologies, improve the overall technical level and international competitiveness of China's high-end watch manufacturing industry, and promote the entire industry towards high-end, intelligent, and personalized development.</p>		<p>efficiency and stability of the machining process.</p>	
R&D of IPI Fixture Hollow Speed Optimization Solution	<p>The IPI fixture is a fixed fixture in the mobile phone screen module production process. It is involved in processes such as frame clamping and fixing, dispensing positioning, panel + frame assembly, baking, pressure holding, etc. The fixture is divided into two parts: cover plate and base. The existing mobile phone panel processing technology currently has the following practical problems. In the process of using the existing fixture, due to the presence of the cover plate, the heating rate of the product in the fixture is slow, and the number of fixtures input in the production line is large, which reduces the overall production efficiency, poor production</p>	Completed	<ol style="list-style-type: none"> <li>1. The IPI fixture is composed of two parts, the cover plate and the base. By optimizing the structure of the fixture cover plate, rapid heating of the product temperature and curing of the product are achieved.</li> <li>2. Study the impact of different temperature zones of the baking oven on product temperature and flatness, shorten product heating time, and increase output.</li> <li>3. Optimize baking line speed, improve fixture turnaround time, and save costs.</li> </ol>	<p>The IPI Fixture Hollow Speed Optimization Solution has high technical advancement and has been applied to multiple models in BU5, preparing to enter the mass production stage.</p>

	<p>continuity, and thus increasing development costs. Aiming at the technical defects such as low heating efficiency of the above fixtures causing poor appearance and function, combined with actual process requirements, further research and development of this process is of great significance for improving production yield.</p>			
R&D of LSR Glass Film Forming Process	<p>In the mobile phone screen module production process, the frame needs to be assembled and attached to the phone's panel. The outer ring structure of the frame generally uses a structure formed by traditional plastic injection molding, and the frame is attached after injection molding. The injection molded frame, due to structural limitations, generally needs to sacrifice the area of the display screen, preventing the product from achieving the maximum screen-to-body ratio. and due to the demand for injection molding, a large number of molds and molding equipment are required, consuming a large amount of plastic daily, resulting in expensive costs.</p> <p>The plastic consumed daily also causes a certain negative impact on the global environment. For this project, LSR (Liquid Silicone Rubber) combined with LIPO (Low-Pressure Injection Molding) was developed to save high mold costs and the material used is more environmentally friendly than plastic. For LSR usage, it needs to be formed on</p>	Completed	<ol style="list-style-type: none"> <li>1. Develop bonding technology for composite materials: used for the bonding of LSR and substrate, allowing for quick removal and recycling of the substrate after LSR is recycled.</li> <li>2. Develop materials usable for bonding LSR and substrate: develop materials that can be attached to glass. The bonding strength between the material and LSR &amp; glass must meet production requirements, and there should be no severe residue after removal.</li> </ol>	<p>The LSR Glass film forming process developed in this project possesses high technical advancement and has been successfully applied to the production line.</p>

	<p>a glass substrate, and also needs to achieve the requirement of separating LSR from glass for recycling. Therefore, a Primer combined with Solvent was developed to achieve this functional requirement, but the cost of Primer &amp; Solvent is expensive and the cyclic lifespan of Solvent is low (needs to be updated and replaced every 3 days).</p> <p>As the number of production lines introduced due to future project needs continues to increase, the required costs are growing daily. Against the backdrop of this production usage demand, further development of a cheaper method for bonding LSR and glass is needed to replace the existing Primer &amp; Solvent.</p>			
R&D of Test Software Platform (Magic Box)	Develop new process, improve production efficiency	Submit relevant design materials to customers for rationality evaluation	Through the development of the test software platform, achieve a modular architecture for test software and wide compatibility with various test hardware equipment. Meanwhile, it has good scalability and can be customized and functionally extended according to customer needs. Add new test modules, algorithms, and tools to adapt to constantly changing test needs and technological developments.	Achieve a simple and easy-to-use human-machine interface, improve the work efficiency of operators, and reduce labor costs. Improve the development efficiency of teams like Ah Jian's.
R&D of Portable Outdoor Millimeter Wave 5G Router	Develop product, improve production efficiency	Submit relevant design materials to customers for rationality evaluation	Innovatively adopt built-in signal enhancement antenna and expansion system, 360° scanner, realizing the advantages of real-time, automatic, 360-degree search for the best signal, and quick tracking and positioning of the best signal.	Promoted our company's progress in 5G router technology, and also brought greater market space and development opportunities for our company in the router industry.
R&D of Processing Device for Automotive	Develop new process, improve production	Submit relevant design materials to customers	Develop an automotive harness production and	Develop more efficient and precise automotive

Harness Production	efficiency	for rationality evaluation	processing device with independent intellectual property rights, improve the production efficiency and processing quality of automotive harnesses through technological innovation and process optimization, reduce production costs, and contribute to the sustainable development of the automotive industry.	harness production and processing devices, which will help improve production efficiency and quality, reduce the defective rate, and meet the large market demand for automotive harnesses.
R&D of High-Safety New Energy Vehicle Harness Connection Device	Develop new process, improve production efficiency	Submit relevant design materials to customers for rationality evaluation	Develop a high-safety new energy vehicle harness connection device, improve the electrical performance, mechanical performance, and heat resistance of the connection device through technological innovation and material optimization, reduce the failure rate and safety hazards, and provide strong support for the sustainable development of the new energy vehicle industry.	Improve the safety performance and market competitiveness of new energy vehicles.
R&D of Automotive Harness Cable, Cable Configuration and Management Device	Develop new process, improve production efficiency	Submit relevant design materials to customers for rationality evaluation	By developing new harness wiring and management devices, improve the wiring efficiency and management level of automotive harnesses, thereby enhancing the reliability and safety of automotive electrical systems.	Realize automated wiring of automotive harnesses, improve production efficiency, with broad market prospects.
R&D of Whole Vehicle Low-Voltage Harness System	Develop new process, improve production efficiency	Submit relevant design materials to customers for rationality evaluation	By developing a new type of whole vehicle low-voltage harness system, improve the stability and safety of automotive circuits; optimize the design of automotive low-voltage harnesses, reduce harness weight and volume, and improve automotive space utilization; reduce electromagnetic interference of automotive low-voltage harnesses, improve automotive driving safety; extend the service life of automotive low-	Meet the increasing high-performance demands of modern automobiles on electrical systems, and improve technical level and market competitiveness.

			voltage harnesses, and reduce automotive maintenance costs.	
R&D of New Energy Vehicle Harness Detection Device	Develop new process, improve production efficiency	Submit relevant design materials to customers for rationality evaluation	Develop an efficient, intelligent new energy vehicle harness detection device to achieve high-precision harness detection	Improve production efficiency, reduce after-sales maintenance costs
R&D of Domain Control Special Transmission Harness	Develop new process, improve production efficiency	R&D Stage	<p>1. Lightweight 2. High efficiency 3. Cost optimization 4. Reliability improvement</p>	By optimizing the design and connection method of the harness, the anti-interference ability and durability of the harness can be improved, ensuring the normal operation of automotive electronic systems in harsh environments. In addition, the domain controller also has fault diagnosis and self-protection functions, which can timely detect and deal with harness faults, improving the overall safety of the vehicle.
R&D of Bend-Resistant High-Voltage Connecting Harness for New Energy Vehicles	Develop new process, improve production efficiency	Testing	Aiming at the common technical pain points of high-voltage harnesses in new energy vehicles, such as susceptibility to bending damage, insufficient interface stability, and poor maintenance convenience, innovatively developed a new type of bend-resistant high-voltage harness. Integrating modular snap mechanism, linkage locking components, and threaded docking system, achieving fast and precise assembly through standardized interfaces, multi-dimensional mechanical locking ensures high-voltage transmission stability, and threaded connection structure supports non-destructive disassembly and maintenance. Solved difficult problems such as the contradiction between the flexibility and pressure resistance of traditional harnesses, easy	R&D of bend-resistant high-voltage connecting harness for new energy vehicles to address the shortcomings in existing technology. This product improves high-voltage stable connection and non-destructive disassembly and maintenance through a modular snap mechanism and linkage threaded docking system, innovatively designed split wire structure and woven protective layer, balancing bend resistance and signal integrity, integrated reinforced heat dissipation and pressure-resistant insulation system, adapting to complex working conditions, significantly improving reliability, durability, and assembly efficiency. Will become the mainstream in the future market.



			loosening in vibration scenarios, and high maintenance costs, significantly improving connection reliability, durability, and maintenance.	
R&D of Soft Shielded High-Voltage New Energy Vehicle Harness	Develop new process, improve production efficiency	Testing	Solved the problems of low space utilization and vulnerability of the shielding layer in new energy vehicle high-voltage harnesses, and proposed flexible harness and stacked snap connection technology. Composite metal/conductive film shielding layer combined with flexible outer sheath, achieving high shielding and flexibility. Bracket self-locking buckle and buffer interface integrated harness arranged in a circular pattern, non-penetrating ferrule and rotating support ring adapt to multi-angle installation, avoiding shielding damage. Vibration reduction design disperses vibration stress, ensures signal stability in extreme working conditions, effectively solves electromagnetic interference and wire core fatigue, and provides a compact and reliable fixing solution for high-voltage systems.	Industry data shows that the global new energy vehicle high-voltage harness market size will exceed RMB 100 billion in 2025, and the proportion of flexible shielded products is expected to exceed 40%, becoming the mainstream technical route.
R&D of Automotive Wheel Speed Sensor Harness Assembly	Develop new process, improve production efficiency	Testing	Aiming at the problems that the part of the harness connected to the sensor connector is easily twisted under stress and damaged, resulting in exposed wires; the complex structure of the car bottom makes the installation and fixing of the harness difficult, etc., an automotive wheel speed sensor harness assembly has been developed. It can flexibly adjust the wire installation direction according to needs, and quickly lock the wire state after determining	Against the backdrop of continuously rising new energy vehicle sales at home and abroad, automotive manufacturers are constantly raising technical requirements for components, and the market demand for harness assemblies that are adaptable, durable, and intelligent is particularly prominent. Under the development trend of integrated three-electric systems and centralized domain controllers in new energy vehicles, the market demand and

			the direction. The operation is simple and flexible, and when used with sleeves, it can create a stable signal transmission environment for the wires.	development space for wheel speed sensors, as core sensing units for vehicle dynamic control, will also further expand.
R&D of High-Stability Protective Automotive Wheel Speed Harness	Develop new process, improve production efficiency	Testing	Aiming at the problems that new energy vehicle wheel speed harnesses are prone to winding and falling off, and the protective layer is prone to aging and cracking during long-term use, a high-stability protective automotive wheel speed harness has been developed. It uses composite sleeve protection for internal and external protection of the harness and combines multiple harness slots to fix multiple strands of wires, while also adding inspection information slots, effectively solving problems such as easy aging and cracking of single-layer PVC sleeves, inconvenience in fixing multiple harnesses, poor protection effect, difficulty in subsequent inspection, and low maintenance efficiency.	In the current market environment, domestic enterprises are accelerating the process of domestic substitution with technological innovation and cost advantages. Through vertical integrated layout and intelligent production line upgrades, enterprises have achieved significant breakthroughs in key technical fields such as high-voltage connectors and high-speed signal transmission. With the continuous increase in the penetration rate of new energy vehicles, the market demand for wheel speed harnesses will continue to grow, becoming a high-growth track in the automotive parts industry.
R&D of Wearable Device Application in Position Sensing Fall Detection System	Develop new process, improve production efficiency and product performance	Trial Production	Through innovative technologies such as high-precision fall detection algorithms, regional position sensing technology, and integrated wearable system design, developed a wearable position sensing fall detection system based on ZigBee wireless sensor network to monitor elderly fall events in real-time and provide accurate location information, shortening rescue response time, possessing significant technological innovation and social application value.	Improve company technological innovation and product competitiveness.
R&D of Wearable Non-invasive	Develop new process, improve production	Trial Production	Through non-invasive, flexible, high-	Improve company technological

Adjustable Electromagnetic Multi-sensing Blood Glucose Monitoring System	efficiency and product performance		sensitivity EM sensors, solves the pain points of existing blood glucose monitoring technology, achieving continuous, high-precision blood glucose monitoring, possessing significant technological innovation and market application potential.	innovation and product competitiveness.
R&D of Indirect Detection of Body Nitrogen Content in Smart Wearable Devices Combined with Integrated Diving Plan Planning	Develop new process, improve product performance	Trial Production	This project combines the pressure sensor of a smartwatch to integrate Henry's Law to estimate gas solubility in liquid, and supplements with optical technology to measure blood oxygen content, calculating blood oxygen saturation (SpO2) by analyzing the absorption and scattering of light in blood, so as to relatively objectively detect the total amount of nitrogen in the user's body underwater.	Improve company technological innovation and product competitiveness.
R&D of Wearable Respiratory Sound Monitoring System for Real-time Wheeze Detection	Develop new process, improve product performance	Trial Production	The project designed a wearable respiratory sound acquisition module, embedding the wireless respiratory sound acquisition module into the wearable mechanical design, which can acquire good respiratory sound signal quality. After being acquired, amplified, and digitized by this module, the respiratory sound is wirelessly transmitted to the host system.	Improve company technological innovation and product competitiveness.
R&D of Brand New Generation RF Radio Frequency Wave Skin Purifying Beauty Device	Develop new process, improve product performance	Has entered the mass production stage.	Provide an unprecedented anti-aging solution. Through the combination of beauty essence and activating device (beauty device), it achieves a beauty enhancement effect. The product's features are a beauty device with two modes and a dual-function beauty essence, providing elasticity and transparency to the	Improve company technological innovation and product competitiveness.

			skin.	
R&D of Brand New Generation Titanium Alloy Vacuum Potting Smart Ring	Develop new process, improve product performance	Has entered the mass production stage.	Developed a new type of smart wearable ring and its manufacturing technology, incorporating components such as PPG heart rate sensor, NFC wireless charging, BLE Bluetooth main control, and battery within a very small volume, using glue to cover components, using the industry's lightest titanium alloy material, innovatively achieving product miniaturization, placing it in a leading position among similar products.	Improve company technological innovation and product competitiveness.
Smart Revitalizing Eye Beauty Device Based on EMS Microcurrent Technology	Develop new process, improve product performance	Has entered the mass production stage.	This project is a parent-child intercom smart cycling helmet that integrates classic Bluetooth + BLE + 2.4GHz functions, suitable for daily commuting or cycling with children, which can solve the problem of poor communication caused by environmental noise and cycling wind noise, ensuring normal communication function during cycling. Can ensure close-range communication function in some emergency situations during cycling.	Improve company technological innovation and product competitiveness.
R&D of Ultra-Precision Flex Appearance Inspection AVI Equipment	Develop new products, improve production efficiency	Trial Production	This project is based on the R&D of underlying CV technology, integrating industrial AI vision technology with deep learning intelligent industrial vision platform software for fusion, learning, and training, applied to quality inspection in intelligent manufacturing, solving problems such as complex defect localization, detection, and classification, and can adapt to various complex application scenarios with strong compatibility. As the AI software continues	Improve company product competitiveness

			to run, the defect detection rate will continuously improve.	
R&D of Two-in-One RF Flexible Transmission Cable	Develop new products, improve production efficiency	Trial Production	This project has developed a total of 3 models of high-frequency flexible RF transmission cables with a thickness of less than 300um and a length of about 180mm, which have the advantages of lightweight, thin thickness, bendability, and high flexibility, and can withstand 1 million dynamic bends without damaging the wire and ensuring transmission performance, making functional electrical connection possible in a very small space, and allowing free movement or folding within a limited distance to obtain 3D components. This transmission cable consists of two parts: the bending area and the non-bending area (static area). The bending area is located inside the rotating shaft of the folding device, while the static area is located in the non-rotating shaft part (including the main board, battery compartment, and screen area).	Improve company product competitiveness
R&D of Micro Camera Flex Differential High-Speed Signal Test Probe	Develop new products, improve production efficiency	Trial Production	Used for testing the differential high-speed transmission signal (Insertion loss/Return loss/TDR) of micro camera circuit modules; The GSSGSSGSSG Probe can test 3 pairs of differential signals simultaneously, resulting in high testing efficiency.	High-density micro-pitch GSSGSSGSSG probe is specially designed and developed for products with 3 differential pairs.
R&D of a Surface-Mount Miniaturized UWB Antenna Design	Develop new products, improve production efficiency	Trial Production	This project mainly uses LTCC material for UWB design. In conventional material design, the size of a UWB antenna is generally around 8mm*10mm. However, using LTCC product	Improve company product competitiveness

			design, this solution can be reduced to 3mm*3mm, shrinking the antenna size to 1/8-1/10, greatly reducing the antenna design size. Meanwhile, using LTCC for standardized design can greatly improve the convenience of use in terminal products. From an industry perspective, it can achieve standardized design of UWB antennas.	
R&D of High-Standard VR Transmission Harness Manufacturing Process	Develop new products, improve production efficiency	Trial Production	This project involves the internal wires for the left and right ears of VR headsets, including two signal transmission lines and one power transmission line, a total of three types of wires. One power transmission line consists of 10 electronic wires welded to curved connectors at both ends; the two signal transmission lines are composed of 12 electronic wires and 2 coaxial cables, welded to Flex and Spine assembly at one end, and welded to curved connectors at the other end. Through LCP molding process, black glue covering solder joints process, and silicone surface roughening/plasma treatment process, downstream application problems are solved and the overall yield of harness assembly is improved.	Improve company product competitiveness
R&D of Ultra-High Thermal Conductivity Glue Application Process	Develop new products, improve production efficiency	Trial Production	The main content of this R&D project is the application development of high vibration sense ultra-precision sandwich motor combined with ultra-high thermal conductivity glue, overcoming the problem of high motor heat generation and inability to effectively dissipate heat, improving product yield and performance,	Improve company product competitiveness

			and reducing the risk of reliability test failure. The goal of this R&D project is to realize the product development of high vibration sense ultra-precision sandwich motor, combined with the use of ultra-high thermal conductivity glue, to contribute to the research, application, and promotion of new glue.	
R&D of High Vibration Sense Ultra-Precision Sandwich Structure Linear Motor	Develop new products, improve production efficiency	Trial Production	The main content of this R&D project is the development, design, and production of high vibration sense ultra-precision sandwich structure linear motor, improving the previous generation product's weak vibration sense, slow start, and dragging sensation. In terms of start-stop speed, the new generation sandwich vibration sense motor uses NdFeB magnets. Thanks to the strong magnetic field strength and special magnetic circuit design, the core driving force of the motor is significantly enhanced, allowing for ultra-fast start and stop. The vibration sense when typing can achieve an immediate response to touch, vibrating where you touch.	Improve company product competitiveness
R&D of Standard Machine Evolution - Hexahedral Inspection AOI Equipment	Develop new products, improve production efficiency	Has entered the mass production stage.	This project is based on the standard machine evolution of camera modules - Hexahedral Inspection AOI Equipment. The equipment integrates product scanning function, appearance defect detection function, automatic loading and unloading function, automatic variable pitch function, finished product sorting function, MES transmission function, and data statistics function, achieving state monitoring of the entire product	Improve company product competitiveness

			inspection process.	
R&D of Smart Tracker Assembly Automation Equipment	Develop new products, improve production efficiency	Has entered the mass production stage.	<p>This equipment embodies the design concept of automation, integration, modularization, and intelligent production in modern equipment manufacturing, which can largely replace manual labor, achieve high efficiency, high precision, and stable and reliable operation. Compared with smart trackers and similar intelligent manufacturing technologies in other fields at home and abroad, our product can achieve automatic loading and unloading by AGV, requiring no manual assistance for processing and assembly production throughout the process. The main advantages are high level of product automation and high level of processing visualization.</p>	Improve company product competitiveness
R&D of Large-Angle Optical Five-Axis Image Stabilization (Module Tilt) Camera Module	Develop new products, improve production efficiency	Has entered the mass production stage.	<p>Five-axis image stabilization technology is an important technological breakthrough in high-end camera modules, with high technical barriers. Developing this project can not only fill the market gap and demonstrate the Company's leadership in the fields of precision machinery and optical technology, but also further improve the level of manufacturing automation and ensure product quality and consistency. In addition, this technology can support a larger compensation angle, providing users with a more stable shooting experience, thereby meeting the needs of the high-end consumer market and promoting industry technological</p>	Improve company product competitiveness



			innovation.	
R&D of High-Precision Optical and Sensor Image Stabilization (Sensor Shift) Camera Motor	Develop new products, improve production efficiency	Has entered the mass production stage.	Sensor Shift OIS technology is a key component for high-end models, which has higher technical barriers. Developing this project can not only showcase the Company's technical strength but also improve the automation level of the production side. However, the difficulty of Sensor Shift OIS design and production is higher than that of traditional OIS, and currently there are few manufacturers with this production capability. If the project is successfully developed, it will establish a technical leading advantage in the market and enhance product competitiveness.	Improve company product competitiveness
R&D of Stepless Variable Aperture for High-Precision Mobile Terminal Camera Modules	Develop new products, improve production efficiency	Has entered the mass production stage.	The demand for photographic quality and equipment requirements for current portable communication devices are increasing day by day, and will eventually replace the dependence of general consumers on cameras, shifting to portable communication devices. Currently, aperture control devices have not been fully popularized as standard configurations. This development and research also has certain significance in jointly expanding equipment updates and upgrades with customers and improving the Company's product line diversification and technical capabilities.	Improve company product competitiveness
R&D of Next-Generation High-Sensitivity Linear Motor Based on Capacitive Noise Reduction	Develop new products, improve production efficiency	Has entered the mass production stage.	Being able to adapt to numerous usage scenarios while ensuring the high performance of the motor is of great	Improve company product competitiveness

			significance for user experience and the market.	
Key Technology Breakthrough in High-Precision Blade Fitting for High-Precision Stepless Variable Aperture	Develop new products, improve production efficiency	Has entered the mass production stage.	Variable aperture technology is a technology that changes the lens aperture size through a mechanical device, thereby achieving control over the light entering the camera. Its basic principle is to adjust the aperture size through the opening and closing of aperture blades, thereby controlling the amount of light entering the camera.	Improve company product competitiveness
Development of Big Data Model Cable Architecture Based on 4pxc & 8pxc 224G Cable Solutions	The construction of this project is beneficial for breaking the technological monopoly and blockade of domestic companies, improving the industrial level, extending the industry chain, promoting the adjustment of product structure and technical structure, and accelerating the promotion of independent brands. According to product R&D and after-sales service needs, the Company will expand its technical force and service team, thereby bringing more job opportunities and more professional services.	Currently, the project has entered the market promotion stage, optimizing products based on customer needs.	Break the technological monopoly and blockade of domestic companies, improve the industrial level, extend the industry chain, promote the adjustment of product structure and technical structure, and fill the gap of self-developed backplane connection interfaces in China. Solve the pain points of domestic customers in model selection.	Improve company technological innovation and product competitiveness.
CRE 6.0 Upgrade, PCIe6.0 Series Upgrade and Development	Improving product precision, reducing crosstalk between signals, having a low and small volume, and the application of high-speed copper cables and connectors with PCIe 6.0 transmission rate will inevitably become mainstream.	Currently, the project has entered the market promotion stage, optimizing products based on customer needs.	In the industry chain of high-speed signal transmission and communication, the production of products with a transmission rate of PCIe 6.0 is in the upstream of the industry chain.	Improve company technological innovation and product competitiveness.
Research and Development of Big Data Model Cable Based on CHIP21OCHIP2BP	The construction of this project is beneficial for breaking the technological monopoly and blockade of domestic companies, improving the industrial level, extending the industry chain, promoting the	Currently, the project has entered the market promotion stage, optimizing products based on customer needs.	Break the technological monopoly and blockade of domestic companies, improve the industrial level, extend the industry chain, promote the adjustment of product structure and technical structure, and fill the	Improve company technological innovation and product competitiveness.

	adjustment of product structure and technical structure, and accelerating the promotion of independent brands. According to product R&D and after-sales service needs, the Company will expand its technical force and service team, thereby bringing more job opportunities and more professional services.		gap of self-developed backplane connection interfaces in China. Solve the pain points of domestic customers in model selection.	
Development of CDFP Based on PCIe5.0 & PCIe6.0 External Interconnection Interface	Provide high-speed signal transmission cable components for ultra-large data centers and 5G services.	Completed product development and small batch shipment	<ol style="list-style-type: none"> <li>1. Supports PCIe Gen 5/6 specifications.</li> <li>2. Compliant with OIF CEI-28GVSR and IEEE 802.3 electrical and optical interface standards, supports pluggable applications.</li> <li>3. Fully compliant with the specifications for 400 Gbps modules, connectors, and housings integrating 16 TX/RX channels as defined by the Multi-Source Agreement (MSA).</li> <li>4. ESD meets 8KV contact discharge and 15KV air discharge.</li> <li>5. Supports signal rates up to 25Gbps per channel, enabling a total data transfer speed of 400 Gbps for this interface.</li> <li>6. Achieves 16-channel bidirectional data communication in one port, with a terminal pitch of 0.75mm.</li> <li>7. Has good EMI protection function, EMI spring can cover the position from the plug to the socket, and can shield external interference.</li> </ol>	<ol style="list-style-type: none"> <li>1. Market competitiveness: Expand product line, seize market opportunities.</li> <li>2. Technical innovation: Introduce new technologies, promote technical exchange and cooperation.</li> <li>3. Customer relationship: Enhance customer satisfaction, deepen customer cooperation.</li> </ol>
Development of PCIe 6.0 Internal Interconnection Interface Multi-Trak	New project development, seize market share.	Development completed, entered mass production state.	Prioritize seizing market share, enhance our company's reputation in the technical field.	In recent years, the global connector market demand has maintained a stable growth trend, and the overall market size shows an upward trend. The industry prospect is very broad. The development of this new project lays a good foundation for the Company to control the

				leading new product development in the future.
Research and Development of 800G Optical Transceiver Module Based on Quad-Channel QSFP Form Factor	<p>With the growing demand for ultra-high-speed interconnection in data centers, cloud computing, and high-performance computing, the market is accelerating its evolution towards 800G and even 1.6T optical modules. This project aims to develop 800G optical transceiver modules compliant with the QSFP packaging standard to meet the future network's demand for higher bandwidth, low power consumption, and high reliability.</p> <p>The main objectives of this project include:</p> <ul style="list-style-type: none"> <li>-Promoting the Company's entry into the 800G high-speed optical communication market and seizing industry opportunities.</li> <li>-Addressing the demand for ultra-high bandwidth and high-density interconnection in data centers and network equipment.</li> <li>-Adopting advanced optoelectronic integration technology to improve module energy efficiency ratio and optimize heat dissipation design.</li> <li>-Enhancing the Company's competitiveness in the high-end optical communication market through independent R&amp;D of core optical components.</li> </ul>	Completed prototype development and sampling stage, proceeding with sample trial production. DVT: 2025/Q1, Reliability testing: 2025/Q2, Mass production: 2025/Q3.	<p>Standards compliance: Compliant with IEEE 802.3 800G Ethernet standards (such as 800GBASE-DR4, FR4).</p> <p>Data rate: Adopts 4x200G PAM4 scheme to achieve 800Gbps transmission.</p> <p>Packaging standard: Supports QSFP-DD / OSFP packaging, ensuring compatibility with existing equipment.</p> <p>Transmission distance: Supports short-distance (data center interconnection) to long-distance (telecom backbone network) applications.</p> <p>Product competitiveness. Adopt DSP digital signal processing to improve signal integrity. Adopt silicon photonics/silicon interposer, integrates EML lasers, integrates driver circuits and laser chips in on-chip packaging, reducing manufacturing costs.</p>	Enhance technical barriers, strengthen market competitiveness, enter the 800G/1.6T high-speed optical communication market, and hold a leading position in the industry. Meet the demand for ultra-high-speed interconnection in ultra-large data centers, cloud computing, and AI computing clusters. Lay the foundation for 224Gbd optical modules, 112Gbd being an important technical node. Combine with new technologies such as silicon photonics to lay out next-generation optical communication products.
OSFP CHIP2IO Connector Component Development	Provide high-speed connector components for ultra-large data centers.	Proceed with small batch verification, product series finalized.	With the rise of AI big data models, the demand for high-throughput bandwidth interconnection increases. As the lowest cost and lowest power consumption copper cable in data centers, it still has cabinet application scenarios. Some	Improve company technological innovation and product competitiveness.

			customers have completed the preliminary design and pre-research of 112G, and the demand for 224G series products has begun to enter the pre-research phase.	
R&D of 1.6T Optical Transceiver Module Based on Octal-Channel OSFP Form Factor	With the rapid development of AI, the demand for high-speed optical modules continues to rise, and the demand for 1.6T is gradually emerging.	Sample verification, providing small batch samples for verification in the customer environment.	1.6T Optical modules can provide higher bandwidth, ensuring that data in the training and inference phases of artificial intelligence systems can be transmitted quickly and stably.	Continuous improvement of production processes, increasing automation, and gradual improvement in material application further build the soft power of the Company's cost control. The Company's cost advantage can help customers reduce product costs and enhance the price competitiveness of end products.
Development of PwrLink150/220 Power Connector Module	AI server demand continues to rise, power requirements increase	Mass production	This type of product mainly provides high-current transmission components for ultra-large data centers.	Promote technological progress, meet the needs of cost reduction and efficiency improvement; promote industrial upgrading, drive company performance growth, enhance brand influence, expand market share, promote green consumption, and support sustainable development.
Development of OSFP224G RA High-Speed Connector	Wireless network development requires high-speed transmission components	Product series finalized	This type of product provides high-speed signal transmission cable components for ultra-large data centers and 5G services.	Improve company technological innovation and product competitiveness.
Development of 800G & 1.6T AEC External Cables	Early entry, enhance competitiveness; reduce energy consumption and delay of data transmission and processing in ultra-large data centers	Proceeding with small batch verification, product series finalized	AEC technology introduces Re-timer chips on the basis of DAC passive copper cables, which can amplify, denoise, etc., data signals, thereby extending the transmission distance. At the same time, compared with the AOC scheme using optical modules, AEC has lower power consumption and better price.	Improve company technological innovation and product competitiveness.
R&D of 224G Bare Wire	Strengthen domestic product technology reserves; increase data transmission rate of ultra-large data centers	Product series finalized	224G components provide low loss, small size, low power consumption bare wire.	Improve company technological innovation and product competitiveness.

## Particulars of R&amp;D personnel

	2024	2023	Y/Y % change
Number of R&D team members (person)	22,583	19,063	18.47%
Proportion of R&D team members in total head counts	8.12%	8.20%	-0.08%
Education background of R&D personnel			
Bachelor	8,344	8,947	-6.74%
Master	505	381	32.55%
Other	13,734	9,735	41.08%
Age structure of R&D team members			
Aged below 30	7,753	9,005	-13.90%
Aged 30-40	11,957	7,533	58.73%

## Particulars of R&amp;D expenses

	2024	2023	Y/Y % change
Amount of R&D expenses (RMB)	8,555,957,431.46	8,188,767,532.85	4.48%
Proportion of R&D expenses to operating revenue	3.18%	3.53%	-0.35%
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&amp;D personnel

☐Applicable ☒N/A

## Analysis of significant change in the proportion of R&amp;D expenses to operating revenue compared with 2023

☐Applicable ☒N/A

## Analysis and reasonableness of significant change in the proportion of R&amp;D expenses capitalized

☐Applicable ☒N/A

## 5. Cash Flows

In RMB

Item	2024	2023	Y/Y % change
Sub-total of cash inflows from operating activities	274,007,921,921.29	246,049,309,173.22	11.36%
Sub-total of cash outflows from operating activities	246,891,013,712.76	218,444,248,762.06	13.02%
Net cash flow from operating activities	27,116,908,208.53	27,605,060,411.16	-1.77%
Sub-total of cash inflows from investing activities	61,257,157,625.69	17,874,274,670.25	242.71%
Sub-total of cash outflows from investing activities	96,913,229,574.80	37,434,186,876.09	158.89%
Net cash flows from investing	-35,656,071,949.11	-19,559,912,205.84	-82.29%

activities			
Sub-total of cash inflows from financing activities	100,873,837,691.61	93,759,639,627.24	7.59%
Sub-total of cash outflows from financing activities	74,983,395,625.15	89,689,373,974.63	-16.40%
Net cash flows from financing activities	25,890,442,066.46	4,070,265,652.61	536.09%
Net increase in cash and cash equivalents	17,582,950,685.73	12,371,733,891.14	42.12%

Analysis of main causes of material changes in the related data

☒Applicable ☐N/A

1. Cash inflow and outflow from operating activities both synchronized with the increase in sales performance;
2. Cash inflow and outflow from investment activities both increased. Besides payments for acquiring subsidiaries, the others were mainly purchases and redemptions from wealth management operations;
3. Net cash flow from financing activities increased, which was due to financing to balance increased performance and investment needs;

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

☐Applicable ☒N/A

## V. Analysis of Non-main Business

☒Applicable ☐N/A

In RMB

	Amount	% of total profit	Reason	Sustainable or not
Investment income	4,546,940,655.44	28.23%	Investment income from the purchase of financial assets, income from wealth management products, and equity method investment income recognized from associated enterprises.	No
Gain or loss on changes in fair value	-63,167,333.15	-0.39%	Investment income on financial assets at fair value through profit or loss	No
Impairment loss on assets	-1,245,468,307.53	-7.73%	Inventory and fixed asset impairment	No
Non-operating income	53,603,053.92	0.33%	Mainly acquisition of default or compensation income	No
Non-operating expenses	86,739,225.98	0.54%	Mainly payment of default or compensation, asset scrapping losses, and external donations.	No
Gain on disposal of assets	36,626,066.06	0.23%	Disposal of production equipment	No
Other gains	993,203,577.89	6.17%	Government grants related to income	No
Loss on credit impairment	-10,087,989.60	-0.06%	Provision for losses and reversal of accounts receivable and other accounts receivable	No

## VI. Analysis of Assets and Liabilities

### 1. Material Changes in Components of Assets

In RMB

	December 31, 2024		January 1, 2024		Y/Y % Change	Reason of material change
	Amount	% of total assets	Amount	% of total assets		
Cash and bank balances	48,359,655,992.93	21.61%	33,619,539,457.51	20.75%	0.86%	Increase in cash reserves for safety days and funding requirements to support operations and investments
Accounts receivable	32,561,098,916.58	14.55%	23,504,481,889.07	14.51%	0.04%	Performance increase
Contract assets		0.00%		0.00%	0.00%	
Inventories	31,702,675,549.03	14.16%	29,757,930,319.35	18.37%	-4.21%	Performance increase and inventory turnover optimization
Investment properties	35,664,816.93	0.02%	23,353,936.24	0.01%	0.01%	Rental income
Long-term equity investments	7,488,295,934.01	3.35%	4,232,941,741.05	2.61%	0.74%	Increase in investment income from joint ventures recognized under the equity method
Fixed assets	48,231,236,929.70	21.55%	44,560,506,279.62	27.51%	-5.96%	Expansion of business scale and newly acquired subsidiaries
Construction in progress	5,379,186,127.71	2.40%	2,226,217,016.31	1.37%	1.03%	Unaccepted equipment and buildings (mainly in Mexico, Vietnam, and Changshu)
Right-of-use assets	858,486,974.92	0.38%	648,963,968.09	0.40%	-0.02%	Mainly due to the increase in leased buildings
Short-term borrowings	35,313,128,924.26	15.78%	20,514,182,240.47	12.66%	3.12%	Supplementing working capital due to increased scale
Contract liabilities	262,507,706.68	0.12%	243,566,923.42	0.15%	-0.03%	Goods payments received in advance
Long-term borrowings	19,619,741,634.77	8.77%	12,038,771,289.92	7.43%	1.34%	Supplementing funds required for expansion in scale
Lease liabilities	727,982,667.37	0.33%	552,488,888.66	0.34%	-0.01%	Mainly due to the increase in leased buildings
Financial assets held for trading	1,403,110,810.03	0.63%	1,720,764,175.32	1.06%	-0.43%	Investments such as forward exchange and wealth management
Prepayments	389,200,419.67	0.17%	486,702,941.36	0.30%	-0.13%	Prepayments for materials, utility expenses, and customs deposits
Other receivables	916,828,350.56	0.41%	322,407,052.71	0.20%	0.21%	Mainly due to the increase in export tax refund receivables
Other current assets	17,557,463,274.05	7.84%	2,920,078,401.07	1.80%	6.04%	Mainly due to the increase in large- denomination time deposits with maturity



						within 1 year
Long-term deferred expenses	770,001,330.59	0.34%	590,266,003.15	0.36%	-0.02%	Factory and workshop renovation expenses
Deferred tax assets	817,693,476.29	0.37%	872,943,835.40	0.54%	-0.17%	No significant changes occurred
Other non-current assets	16,872,400,444.43	7.54%	9,931,644,112.92	6.13%	1.41%	Mainly due to the increase in large-denomination time deposits with maturity over 1 year
Notes payable	878,335,711.94	0.39%	492,585,900.03	0.30%	0.09%	Increase in the Company's bill payment business
Accounts payable	65,087,993,138.64	29.08%	45,908,515,295.43	28.34%	0.74%	Performance increase
Other payables	502,369,570.62	0.22%	406,677,940.53	0.25%	-0.03%	Increase in accrued expenses, deposits, and dividends payable
Other current liabilities	5,168,824,236.48	2.31%	932,701,803.30	0.58%	1.73%	Increase in short-term bonds payable and discounted bills not derecognized
Deferred income	649,108,632.44	0.29%	595,323,601.05	0.37%	-0.08%	Government grants related to assets
Deferred tax liabilities	955,820,917.13	0.43%	883,924,973.73	0.55%	-0.12%	Mainly due to temporary differences from accelerated depreciation of fixed assets and provision for unrealized exchange gains

Analysis of high proportion of overseas assets

☐Applicable ☒N/A**2. Assets and Liabilities at Fair Value**☒Applicable ☐N/A

In RMB

Item	Opening balance	Gain or loss on changes in fair value in the reporting period	Aggregate changes in fair value recorded in equity	Impairment loss recognized in the current period	Amount acquired in the reporting period	Amount sold in the reporting period	Other changes	Closing balance
<b>Financial assets</b>								
1. Financial assets held for trading (excluding derivative financial assets)	1,628,279,035.31	-40,139,910.67			4,954,090,000.00	5,242,001,025.24		1,300,228,099.40
2. Derivative financial assets	92,485,140.01	10,397,570.62						102,882,710.63
4. Other	249,122.25	-	5,809,170.9			46,060,612.		112,765.07

investments in equity instruments	1.32	90,296,567.20	9			08		2.04
5. Other non-current financial assets	35,700,000.00	3,911,504.56				300,000.00		39,311,504.56
Subtotal of financial assets	2,005,586,426.64	116,127,402.69	5,809,170.99		4,954,090,000.00	5,288,361,637.32		1,555,187,386.63
Accounts receivable financing	587,585,009.82						518,699,182.47	1,106,284,192.29
Total	2,593,171,436.46	116,127,402.69	5,809,170.99		4,954,090,000.00	5,288,361,637.32	518,699,182.47	2,661,471,578.92
Financial liabilities	117,942,421.18	37,336,497.66						155,278,918.84

Other changes

Other changes under accounts receivable financing were due to the increase in the balance of bills pending discount.

There are material changes in the measurement properties of main assets of the Company during the reporting period

☐Yes ☒No

### 3. Encumbrances on Assets as of the End of the Reporting Period

For details, please refer to Note X.23 "Assets with Restrictions on Ownership or Use"

## VII. Analysis of Investments

### 1. Overall Situation

☒Applicable ☐N/A

Amount of investment in 2024 (RMB)	Amount of investment in 2023 (RMB)	Y/Y % Change
3,231,970,417.15	793,376,506.36	307.37%

### 2. Major Equity Investments Acquired in the Reporting Period

☐Applicable ☒N/A

### 3. Major Non-equity Investment that Have not yet been Completed in the Reporting Period

☐Applicable ☒N/A

#### 4. Investment in Financial Assets

##### (1) Securities Investment

☒Applicable ☐N/A

In RMB

Type of security	Security code	Short name	Initial investment cost	Method of measurement	Opening balance of carrying amount	Gain or loss on changes in fair value in the reporting period	Aggregate changes in fair value recorded in equity	Amount acquired in the reporting period	Amount sold in the reporting period	Gain or loss in the reporting period	Closing balance of carrying amount	Accounting item	Source of funding
Stock listed on domestic or overseas market	603595	Tony Electronic	22,500,000.00	Fair value	172,691,671.36	- 131,370,033.80	28,132,910.98	0.00	46,088,917.00	- 127,768,068.92	41,321,637.56	Investment in other equity instruments	Self-owned capital
Stock listed on domestic or overseas market	430755	SDMC	50,000,000.00	Fair value	28,138,181.82	-4,458,181.82	- 22,372,000.00	0.00	0.00	-4,458,181.82	23,680,000.00	Investment in other equity instruments	Self-owned capital
Total			72500000.00	--	200,829,853.18	- 135,828,215.62	5,760,910.98	0.00	46,088,917.00	- 132,226,250.74	65,001,637.56	--	--

**(2) Investment in Derivatives**

☑Applicable □N/A

**1) Investment in Derivatives for the Purpose of Hedging during the Reporting Period**

☑Applicable □N/A

In RMB 10,000

Type of derivative	Initial investment cost	Opening balance	Gain or loss on changes in fair value in the reporting period	Aggregate changes in fair value recorded in equity	Amount acquired in the reporting period	Amount sold in the reporting period	Closing amount	% of closing balance to the net asset as at the end of the reporting period
Forward	216,022.35	216,022.35	45,242.18	-2,754.38	968,338.58	1,184,360.93	0	0.00%
Option	343,727.31	343,727.31	58,513.4	-3,562.35	1,233,622.29	1,419,204.81	158,144.8	2.28%
Total	559,749.66	559,749.66	103,755.58	-6,316.73	2,201,960.87	2,603,565.74	158,144.8	2.28%
Whether there's any material change in the accounting policies and accounting principles for hedge business in the reporting period as compared with the preceding reporting period				No material change				
Actual gain or loss in the reporting period				Explanation of the actual profit and loss situation for the reporting period: During the reporting period (January 1st to December 31st), the Company engaged in foreign exchange derivative transactions, with an amount of approximately RMB 1.0375558 billion included in the current period's profit and loss.				
Description of hedging effects				Explanation of the hedging effect: The Company conducts foreign exchange derivative transactions in accordance with the principles of legality, prudence, safety, and effectiveness, without engaging in speculative or arbitrage transactions. All transactions are based on normal production and operation, aiming to lock in target exchange rates and prevent adverse effects from significant fluctuations in exchange rates. The Company strictly conducts hedging transactions based on its foreign currency holdings, with overall risk being controllable.				
Source of funding				Self-owned capital				
Analysis of risks associated with the derivatives held in the reporting period (including without limitation market risk, liquidity risk, credit risk, operational risk and legal risk) and related risk control measures				<p>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.</p> <p>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.</p> <p>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.</p> <p>4. We continuously follow up on the changes in the market price or fair value of the relevant foreign exchange derivatives, promptly assess the changes in risk exposures of such foreign exchange derivatives, report to the management on a regular basis, promptly report the abnormal situations discovered, call attention to the relevant risks, and take the appropriate</p>				

	<p>emergency measures.</p> <p>5. In order to prevent any delay in the delivery of forward exchange contracts, we attach great importance to the management of accounts receivable, and have established safety management measures to prevent any delay in the payment of accounts receivable.</p> <p>6. Our Internal Audit Department is responsible for supervising and auditing the decision-making, management, execution and other issues in respect of foreign exchange derivative transactions.</p>
Changes in the market price or fair value of the derivatives held in the reporting period (in the analysis of the fair value of derivatives, the specific approaches, assumptions and parameters used shall be disclosed)	The change in the fair value of a foreign exchange derivative is the difference between its fair market price in the month in which the delivery date determined by the Company falls and its contract price.
Whether or not involved in any litigation	N/A
Disclosure date of the announcement of the Board of Directors approving the investment in derivatives (if any)	February 29, 2024

## 2) Investment in Derivatives for the Purpose of Speculation during the Reporting Period

☐Applicable ☒N/A

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

## 5. Use of Offering Proceeds

☐Applicable ☒N/A

None of proceeds has been used during the reporting period

## VIII. Sale of Material Assets and Equities

### 1. Sale of Material Assets

☐Applicable ☒N/A

No material asset has been sold during the reporting period

### 2. Sale of Material Equities

☐Applicable ☒N/A

## IX. Analysis of Major Controlled and Investee Companies

☒Applicable ☐N/A

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

In RMB

Company	Type	Main 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, computers and peripherals, plastic and hardware products.	USD 5 million	145,532,825,042.71	14,123,315,441.84	232,833,806,269.13	2,721,715,234.62	2,484,707,197.03
Lanto Electronic (Suzhou) Limited	Subsidiary	Sales and services in respect of internal and external connection lines for IT, communication and consumer electronic applications, and precision connectors.	USD 153,290,323	93,806,299,129.31	7,846,070,666.80	68,210,083,543.16	2,047,228,829.50	1,696,604,245.16
Lanto Electronic Limited	Subsidiary	Computer peripherals, connection lines and connectors; new-type electronic components (electronic devices), instruments and accessories for communication and IT purposes, 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.	RMB 2,320,000,000	29,732,954,826.58	8,019,446,268.88	27,628,025,749.19	1,003,461,609.86	940,811,022.93

Company	Type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profits
Luxcase Precision Technology (Yancheng) Co., Ltd.	Subsidiary	Technology development, technical consulting and technical services in respect of computer accessories; design, R&D and production of precision stamping molds (precision $\geq 0.02\text{mm}$ ), precision cavity molds (precision $\geq 0.05\text{mm}$ ), 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: 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.	RMB 6,264,312,296	48,667,314,521.04	16,491,749,964.97	91,031,818,462.24	1,931,592,086.01	1,547,602,865.91

Subsidiaries acquired and disposed of during the reporting period

☒Applicable ☐N/A

Company	Method of acquisition or disposal	Effect on the production, operation and results of the Company taken as a whole
Lisheng Intelligent Technology (Shanghai) Co., Ltd.	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Lisheng Intelligent Technology (Chengdu) Co., Ltd.	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Cosmo Corporation Cayman Limited	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Cosmo International Limited	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Cosmo Supply Ltd.	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Cosmo Crew Ltd.	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Cosmo Industrial (Dongguan) Co., Ltd.	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Cosmo Manufacturing (Thailand) Co.,Ltd.	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Luxis Hongkong Co., Ltd	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Luxis Singapore Co., Ltd	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Luxis Beijing Co., Ltd	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Luxis Dezhou Co., Ltd	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Chuzhou Luxshare Technologies Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxcase Precision Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Precision Industry (Lu'an) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Energy (Jiangxi) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Stellar Prosperity LLC	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
LUXSHARE TECHNOLOGIES SINGAPORE PTE.LTD.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
LuxPC Union Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
LuxPC Union (jiashan) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole



		taken as a whole
Lijing Precision Technology (Zhejiang) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Xuancheng Luxshare Precision Industry Co., Ltd. Wuhan Branch	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Huiju Robotics Technology (Shanghai) Co., Ltd.	Canceled	No significant effect on the production, operation and results of the Company taken as a whole
Huizhi Software Technology (Huizhou) Co., Ltd.	Canceled	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Automotive Technology (Jiangsu) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Precision Industry (Baoding) Co., Ltd. Xiamen Branch	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Dongguan Luxshare Technology Co., Ltd. Beijing Branch	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxshare Precision Accessory (Suzhou) Ltd. Wuzhong Branch	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Luxcase Korea Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Time Interconnect America Inc	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
DA CHUANG PRECISION LIMITED	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Lide Technology (Vietnam) Co., Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Time Interconnect Singapore Pte. Ltd.	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
TIME INTERCONNECT MEDTECH UK LIMITED	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Da Chuang Investment Limited	Newly established	No significant effect on the production, operation and results of the Company taken as a whole
Cosmic M.E. Inc.	Merged	No significant effect on the production, operation and results of the Company taken as a whole
Merry Electronics (Shanghai) Co., Ltd.	Merger by absorption	No significant effect on the production, operation and results of the Company taken as a whole
Rugao Luxshare Enterprise Management Services Partnership (Limited Partnership)	Canceled	No significant effect on the production, operation and results of the Company taken as a whole
Lianxun Smart Equipment (Rugao) Co., Ltd.	Canceled	No significant effect on the production, operation and results of the Company taken as a whole

Particulars of significant controlled and investee companies

N/A

## X. Structured Entities Controlled by the Company

☐Applicable ☒N/A

## XI. Prospects for Future Development of the Company

### 1. Situations of the Industry

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

### 2. Business Plan for the Next Year

Looking ahead to 2025, the complex and ever-changing external environment will continue to present certain challenges for the industry in which the Company operates. However, in the face of new trends and patterns in economic and social development, these challenges often conceal enormous development opportunities. Based on this understanding, the Company will persistently adhere to its core business, pinpoint its role in the industry chain, leverage its unique strengths, and act as a "ferryman" to create more value for both customers and the industry's development.

Currently, the Company has built a diversified, integrated, and collaborative strategic blueprint in fields such as consumer electronics, automotive, communications and data centers, forming a pattern of synergistic development across three core business segments. In the future, the Company will focus on the "Three Five-Year" strategic plan, continuing to exert efforts in deepening global layout, strengthening technical advantages, and expanding into emerging fields, building a one-stop solution capability based on the precision manufacturing platform, forging differentiated competitive barriers in the era of new quality productive forces.

At the level of globalization strategy implementation, the Company will strengthen overseas capacity building through a combination of organic growth and external expansion, continuously optimizing the layout of global manufacturing bases and R&D centers, building a more agile and flexible capacity support system to meet the localized service needs of overseas customers. At the same time, the Company will leverage years of accumulated international operation experience to provide comprehensive synergistic support from production and manufacturing to supply chain management for excellent domestic brands going abroad, helping them build competitive advantages in the global market. This two-way empowerment globalization strategy not only enhances resilience against fluctuations in the international trade environment but also enables the Company to deeply integrate into the international industry chain division of labor system, achieving significant improvements in resource allocation efficiency.

In the consumer electronics business field, the Company will leverage external M&A resources to focus on strengthening ODM system integration capabilities, relying on mature vertical integration advantages and intelligent manufacturing platform, continuously exploring the breadth and depth of customer cooperation. Facing the era of "Everything + AI", the Company will deeply analyze customers' multi-dimensional demands for smart terminal products, and through process analysis and technical decomposition, convert complex structures into multiple mature process flows, combined with technological empowerment in acoustics, optics, electronics, magnetism, thermal management, etc., to help customers achieve delivery and experience that exceed market expectations, driving the consumer electronics business to deeply tap into growth potential in the existing market and open up blue oceans in red ocean competition.

For the communications and data center business, the Company adheres to the concept of "applying a generation, developing a generation, pre-researching a generation", co-building the next-generation technology standard ecosystem with global leading customers, and building full-stack technical reserves in core areas such as optoelectronic high-speed interconnection, thermal management, and modular power supplies, providing full life-cycle escort for customer products through high yield mass production. In the future, the Company will continue to follow the three-dimensional business expansion model of "old customers, new products", "old products, new customers", and "new customers, new products". Against the backdrop of the explosion of AI computing power demand, with forward-looking technology layout and flexible business cooperation models, the Company will continue to expand its leading advantages in strategic product areas such as electrical connection and optical connection, and

proactively lay out products in the thermal management and power supply fields, providing overall high-speed interconnection solutions for AI computing power equipment.

In the automotive business segment, with the continuous increase in the penetration rate of new energy vehicles, the large-scale implementation of L2+/L3 intelligent driving assistance technology, and the rapid penetration of smart cockpit systems into mainstream vehicle models, the Company leverages the precision manufacturing capabilities and rapid iteration experience accumulated in the consumer electronics field, forming a complete product matrix from vehicle harnesses and connectors to intelligent driving assistance, smart cockpit, intelligent chassis, and powertrain. By leveraging the Company's leading advantages in automated production and lean management, and the layout of synergistic global multi-capacity bases to serve vehicle manufacturers nearby, the Company continuously expands its product coverage among global leading vehicle manufacturer customers. In the future, the Company will focus on opening up software and hardware collaborative development capabilities, deeply participate in the vehicle intelligence process with a more open ecosystem cooperation model, and gradually achieve strategic breakthroughs in the global automotive Tier1 market.

In terms of building the R&D innovation system, the Company always regards underlying technology breakthroughs as the foundation of development, and continues to increase exploration and investment in frontier areas such as robotics, AI server whole machines, industrial-grade 3D printing, high-performance silicon carbide waveguides, 6G technology, and terahertz band communication. By building cross-disciplinary integrated R&D teams and deeply exploring the synergistic effects of material science, process technology, and digital technology, the Company continuously builds differentiated competitive advantages and forms an independent and controllable capability system in core areas such as active and passive components and artificial intelligence algorithms, providing strong support for customer iteration innovation and continuously broadening the Company's capability boundaries in the process of forming new quality productive forces.

### 3. Capital Required for Future Development Strategy and Capital Utilization Plan

As of the end of 2024, the Company's asset-liability ratio was 62.16%. In 2025, 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 for the expansion of new markets and investments in 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.

### 4. Future Risks

#### (1) Risk of Fluctuation of Macro Economy

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

#### (2) Exchange Rate Risk

At present, our revenue from the overseas market constitutes a large proportion of our total operating revenue, and our overseas transactions are mainly settled in US Dollars. Our sales on the overseas market totaled RMB 193,803,646,900 RMB 206,756,020,500 and RMB 235,466,985,100 in 2022, 2023 and 2024, representing 90.55%, 89.16% and 87.60% of our revenue from main business respectively.

Because China implements the managed floating rate system, the foreign exchange rates fluctuate along with the changes in the domestic and foreign political and economic environment. If the foreign exchange rates fluctuate greatly, the exchange gains or losses may affect our operating results. In order to reduce the uncertainties caused by fluctuations of foreign exchange rates on our operating results, we will strive to keep abreast of the movement of foreign exchange rates, strictly control the proportion of foreign currency denominated assets in our net assets, and through foreign exchange derivative transactions, reduce the effect of the fluctuation of foreign exchange rates.

### (3) Management Risk

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

### (4) Risk of Relative Concentration of Customers

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

## XII. Research, Communication, Interview and Related Activities during the Reporting Period

☒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
April 26, 2024	Company meeting room, No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Communication by telephone	Institution	Institutional Investors	Introduction about our operating status in 2023 and the Q1 of 2024	Refer to the Record of Investor Relations Activity dated April 26, 2024 published on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on April 28, 2024
May 6, 2024	Company meeting room, No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Network platform online communication	Other	Investor	Our performance briefings in 2023	Refer to the Record of Investor Relations Activity dated May 6, 2024 published on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on May 7, 2024
June 27, 2024	Company meeting room, No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	On-site investigation and research	Other	Investor	Communications at our annual general meeting of shareholders	Refer to the Record of Investor Relations Activity dated June 27, 2024 published on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on June 29, 2024
August 24, 2024	Company meeting room, No. 313 Beihuan Road, Qingxi	Communication by telephone	Institution	Institutional Investors	Introduction about our operating results in the first half of 2024 and general	Refer to the Record of Investor Relations Activity dated August 24, 2024 published on

	Town, Dongguan, Guangdong				situation	www.cninfo.com.cn on August 26, 2024
September 15, 2024	Company meeting room, No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Communication by telephone	Institution	Institutional Investors	The Company provides explanations regarding the Leoni acquisition.	Refer to the Record of Investor Relations Activity dated September 15, 2024 published on www.cninfo.com.cn on September 18, 2024
October 28, 2024	Company meeting room, No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong	Communication by telephone	Institution	Institutional Investors	Introduction about our operating status for three quarters of 2024	Refer to the Record of Investor Relations Activity dated October 28-29, 2024 published on www.cninfo.com.cn on October 29, 2024

### XIII. Formulation and Implementation of Market Value Management System and Value Enhancement Plan

The Company has established a market value management system

☒Yes ☐No

The company has disclosed a value enhancement plan

☐Yes ☒No

To strengthen the market value management of Luxshare Precision Industry Co., Ltd. (hereinafter referred to as the "Company"), further standardize the Company's market value management behavior, effectively safeguard the legitimate rights and interests of the Company, investors, and other stakeholders, establish the Company's integrity image, improve the Company's core competitiveness, and actively respond to the call in "Regulatory Guidance No. 10 for Listed Companies - Market Value Management" regarding encouraging listed companies to establish a market value management system, in accordance with the "Company Law of the People's Republic of China", "Securities Law of the People's Republic of China", "Rules Governing the Listing of Stocks on Shenzhen Stock Exchange", "Self-Regulatory Guidelines No. 1 for Listed Companies on Shenzhen Stock Exchange - Standardized Operation of Main Board Listed Companies" and other relevant laws and regulations, the "Market Value Management System" has been formulated. The "Market Value Management System" has been reviewed and approved by the Seventh Meeting of the Sixth Board of Directors of the Company. The "Market Value Management System" can be found on the Company's designated information disclosure website, Juchao Information Network (<http://www.cninfo.com.cn>).

### XIV. Implementation of the Quality Return Double Improvement Action Plan

The company has disclosed the Quality Return Double Improvement action plan

☒Yes ☐No

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

#### 1. Deepen Core Business and Focus on Digital Empowerment

Founded in Shenzhen in 2004, and listed on the Shenzhen Stock Exchange in 2010, the Company is a precision intelligent manufacturing enterprise. Its main products cover various fields such as consumer electronics, automotive, telecommunications, industrial, and medical. It primarily serves leading brands both domestically and internationally, providing them with a one-stop solution including core components, module products, and system solutions across multiple product categories.

In the field of consumer electronics, the Company focuses on the composite development of underlying technologies and processes, enabling and differentiating products such as smartphones, smart wearables, and mixed reality devices. By stacking

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

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

## 2. Uphold Innovation and Stimulate New Growth Drivers

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

The Company's R&D investment is mainly divided into investment in frontier technology and investment in product iteration. Investment in frontier technology mainly revolves around the Company's medium and long-term product and business planning layout, allocating about 30% of the total R&D expenses to innovative research and development in areas such as underlying materials, processes, and processes, aiming to propel the Company's products into global industry leaders within the next 20 years. Product iteration investment focuses on R&D investment in the process from new concepts to NPI (New Product Introduction) for new solutions and products. Over the years, the Company's R&D investment and achievements have steadily increased. In the past three years, it has accumulated R&D investment of RMB 25.192 billion and currently holds 7,164 patents.

## 3. Standardize Operations and Enhance Governance Levels

Continuously strengthening the Company's governance foundation, enhancing internal control systems, and promoting the accountability of the "three meetings and one layer". Standardizing the rights and obligations of the Company and shareholders to prevent the abuse of shareholder rights and the exploitation of the management's dominant position to the detriment of the rights of

small and medium-sized investors. Strengthening investor relations management, expanding channels for Institutional Investors to participate in corporate governance, guiding small and medium-sized investors to actively participate in shareholders' meetings, facilitating various investor entities' participation in decision-making on major matters, and enhancing investors' right to speak and sense of achievement.

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

#### 4. Strengthen Disclosure and Efficiently Convey Value

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

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

#### 5. Share Achievements and Actively Rewarding Investors

The Company adheres to a people-centered value orientation, insists on investor-centric principles, and remembers the contributions of hundreds of millions of small and medium-sized investors to the development of China's capital market over more than 30 years. It firmly establishes a shareholder return consciousness, ensuring that investors receive returns and a sense of accomplishment. It strengthens corporate culture construction, fosters a distinctive development vision, a positive set of values, honest and trustworthy management principles, fulfills social responsibilities, and promotes an enterprising and innovative corporate spirit. Adhering to legal compliance and upholding the public nature of public companies, it actively rewards investors, stabilizes the market, and boosts confidence.

To improve and perfect the Company's shareholder return mechanism, increase the transparency and operability of profit distribution policy decisions, and actively reward investors, the Company has formulated multiple shareholder return plans in accordance with the Company Law of the People's Republic of China, the Regulatory Guidelines for Listed Companies No. 3 - Cash Dividends of Listed Companies (Revised in 2023), and other laws, regulations, normative documents, as well as the provisions of the Articles of Association. Since its listing, the Company has implemented several "Future Three-Year Shareholder Return Plans". The Company has distributed a total of RMB 4.53 billion in dividends over the past three years, and a total of RMB 7.652 billion in dividends since its listing.

Meanwhile, based on confidence in the Company's future development prospects, recognition of the Company's long-term value, and a shared responsibility to promote the stable and healthy development of the capital market, Mr. Wang Laisheng, one of the Company's actual controllers and vice-chairman, increased his holdings of the Company's shares through centralized bidding trading on the Shenzhen Stock Exchange from May 9, 2022, to May 10, 2022. He acquired 7,030,910 shares at a total amount of RMB 200.041 million (excluding fees). Please refer to the "Announcement on the Completion of the Term of the Share Increase Plan by One of the Company's Actual Controllers and Vice Chairmen" (Announcement No.: 2022-085) for details. During the period from January 8, 2024 to January 9, 2024, Mr. Wang Laisheng, one of the actual controllers and vice chairman of the Company, increased his shareholding in the Company by 3,181,037 shares through centralized bidding transactions on the Shenzhen Stock Exchange, with an increase amount of RMB 100.3883 million (excluding handling fees). See "Announcement on the Expiration of the Share Increase Plan and Completion of Share Increase by One of the Actual Controllers and Vice Chairman

of the Company" (Announcement No.: 2024-032). On April 8, 2025, based on the recognition of the Company's intrinsic value and firm confidence in its future continuous and stable development, and adhering to the social responsibility of jointly promoting the stable and healthy development of the capital market, Mr. Wang Laisheng intends to increase his shareholding in the Company through the Shenzhen Stock Exchange system within 6 months from the date of the announcement, with an increase amount of not less than RMB 200 million and not more than RMB 300 million. For details, see "Announcement on the Share Increase Plan by One of the Actual Controllers and Vice Chairman of the Company" (Announcement No.: 2025-033).



## Section IV Corporate Governance

### I. Overview of our Corporate Governance

We have always been committed to promoting the establishment and improvement of a modern corporate system, regulating the operation of the listed company and improving the corporate governance structure. During the reporting period, we kept on improving our corporate governance structure, established and improved rules and regulations, regulated corporate operations, strengthened information disclosure, actively conducted investor relations management and improved corporate governance level in strict accordance with the requirements of the Company Law, the Securities Law, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange (2024 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 online 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 purposes.

(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 accordance 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 Management Policy, established the filing policy for insiders, and timely submitted the same to the competent regulatory authorities for the record in accordance with the relevant provisions. We also strictly regulate the reporting of our information to external information users. When receiving specific visitors, we receive them in strict accordance with the relevant requirements, require each of them to sign a Letter of Commitment, and timely disclose the relevant record of investigation and research activity on the e-interaction platform of the Shenzhen Stock Exchange. During the reporting period, we did not take advantage of any inside information to trade our shares. We have set up a hotline for investors and investor relations management section, and designated special persons responsible for timely communication with investors. In addition, we take the initiative to timely contact and communicate with, and report relevant matters to, the competent regulatory authorities, in order to accurately understand the relevant regulatory requirements for information disclosure and further improve the transparency and quality of our information disclosure. We have disclosed information in a true, accurate, complete and timely manner in strict accordance with the requirements for substance and form, to ensure that all shareholders have access to our information through different channels.

There is a significant difference between the actual circumstance of corporate governance of the Company and the requirements of the applicable laws, administrative regulations and the provisions of the CSRC regarding corporate governance of the listed companies.

☐Yes ☒No

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

## **II. The Company's Independence of its Controlling Shareholder and Actual Controller of Assets, Personnel, Finance, Organization and Business**

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

### **(I) Integrity Status of Assets**

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

#### (II) Independence in Personnel

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

#### (III) Independence in Finance

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

#### (IV) Independence in Organization

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

#### (V) Independence in Operation

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

### III. Horizontal Competition

☐Applicable ☒N/A

### IV. Annual and Extraordinary General Meetings of Shareholders Held during the Reporting Period

#### 1. General Meetings of Shareholders Held during the Reporting Period

Session	Type of meeting	Proportion of investors attending the meeting	Date of meeting	Date of disclosure	Resolution of the meeting
2023 Annual Meeting of Stockholders	Annual general meeting of shareholders	53.53%	June 27, 2024	June 28, 2024	A total of 17 proposals, including the 2023 Annual Board of Directors Work Report, were approved by vote, as

					disclosed in our Announcement 2024-049
First Interim Shareholders' Meeting in 2024	Interim Shareholders' Meeting	55.26%	October 9, 2024	October 10, 2024	Reviewed and approved the "Proposal on the Proposed Registration and Issuance of Debt Financing Instruments for Non-Financial Enterprises (DFI) in the Interbank Bond Market", as detailed in company announcement 2024-081

## 2. Extraordinary General Meetings of Shareholders Convened at the Request of Preferred Shareholders with Resumed Voting Rights

☐Applicable ☒N/A

## V. Directors, Supervisors and Executives

### 1. Particulars

Name	Gender	Age	Title	Status	Beginning date of the term of office	End date of the term of office	Opening balance of shares held	Number of additional shares acquired in the reporting period	Number of shares disposed of in the reporting period	Changes in the number of shares held due to other reasons	Closing balance of shares held	Cause of increase or decrease in the number of shares held
WANG Laichun	Female	58	Chairman and general manager	Incumbent	February 22, 2009	June 27, 2027	0	0	0	0	0	
WANG Laisheng	Male	61	Vice Chairman	Incumbent	February 22, 2009	June 27, 2027	12,258,610	3,181,037	0	0	15,439,647	Competitive Bidding
WANG Tao	Male	40	Director, Vice General Manager	Departure	May 18, 2021	June 27, 2024	1,331,283	801,627	0	0	2,132,910	Additional shares acquired as a result of exercise of incentive share options
LI Wei	Male	45	Director, Vice General Manager	Departure	May 18, 2021	June 27, 2024	1,013,978	875,985	0	0	1,889,963	Additional shares acquired as a result of exercise of incentive share options
QIAN Jiwen	Male	50	Director, Vice General Manager	Incumbent	June 27, 2024	June 27, 2027	0	258,000	0	0	258,000	Additional shares acquired as a result of exercise of incentive share options
HAO Jie	Male	42	Director, Vice General Manager	Incumbent	June 27, 2024	June 27, 2027	0	0	0	0	0	
HOU Lingling	Female	49	Independent Director	Incumbent	June 27, 2024	June 27, 2027	0	0	0	0	0	
ZHANG Ying	Female	62	Independent Director	Departure	May 18, 2018	June 27, 2024	0	0	0	0	0	
LIU Zhonghua	Male	60	Independent Director	Incumbent	May 18, 2021	June 27, 2027	0	0	0	0	0	
SONG Yuhong	Female	54	Independent Director	Incumbent	May 18, 2021	June 27, 2027	0	0	0	0	0	
XIA Yanrong	Female	44	Chairman of the Supervisory Board	Incumbent	May 22, 2018	June 27, 2027	0	0	0	0	0	
MO Rongying	Female	45	Supervisor	Incumbent	May 22, 2018	June 27, 2027	0	0	0	0	0	
YI Peizan	Female	40	Supervisor	Incumbent	February 22, 2009	June 3, 2027	0	0	0	0	0	
HUANG Dawei	Male	53	Board Secretary, Vice General Manager	Departure	January 8, 2018	July 5, 2024	878,780	319,695	0	0	1,198,475	Additional shares acquired as a result of exercise of incentive share options
Xiao Yunxi	Female	37	Board Secretary	Incumbent	July 5, 2024	July 5, 2027	0	0	0	0	0	
WU Tiansong	Male	55	Chief Financial Officer	Incumbent	April 15, 2019	July 5, 2024	982,858	347,015	0	0	1,329,873	Additional shares acquired as a result of exercise of incentive share options
Total	--	--	--	--	--	--	16,465,509	5,783,359	0	0	22,248,868	--



There is a director or supervisor retired or an executive removed during the reporting period

☐Yes ☒No

Changes in directors, supervisors and executives

☒Applicable ☐N/A

Name	Position Held	Type	Date	Reason
LI Wei	Director, Vice General Manager	Expiration of term	June 27, 2024	Re-election
WANG Tao	Director, Vice General Manager	Expiration of term	June 27, 2024	Re-election
HAO Jie	Director, Vice General Manager	Appointment	June 27, 2024	Re-election
QIAN Jiwen	Director, Vice General Manager	Appointment	June 27, 2024	Re-election
ZHANG Ying	Independent Director	Expiration of term	May 18, 2024	Re-election
HOU Lingling	Independent Director	Appointment	June 27, 2024	Re-election
HUANG Dawei	Board Secretary, Vice General Manager	Expiration of term	July 5, 2024	Job Transfer
Xiao Yunxi	Board Secretary	Appointment	July 5, 2024	Re-election
LI Ruihao	Securities Affairs Representative	Expiration of term	July 5, 2024	Job Transfer
CHEN Weihang	Securities Affairs Representative	Appointment	July 5, 2024	Re-election

## 2. Positions Held

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

### (I) Directors

Ms. WANG Laichun, born in 1967, resident of Hong Kong, China; EMBA, Shenzhen Graduate School of Tsinghua University; a member of the 14th National Committee of the CPPCC; Vice President of the National Federation of Industry and Commerce Women Entrepreneurs Association; Vice Chairman of Guangdong Federation of Industry & Commerce; 2022 Guangdong 3.8 Red Flag Bearer; Invited Vice Chairman of China Association of Women Entrepreneurs; The founder and controlling shareholder of Luxshare Precision Industry Co., Ltd., serving as Chairman and General Manager.

Mr. WANG Laisheng, born in 1964, resident of Hong Kong, China; Member of the 14th Dongguan Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC), is now our Vice Chairman of the Board of Directors; former Executive Director of the Shenzhen Quality Association and Director of the Guangdong Laboratory Federation. Mr. WANG Laisheng has been engaged in individual business since the 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. Qian Jiwen, born in 1974, Chinese nationality, holds a Hong Kong resident identity card, without permanent residency abroad, Bachelor's degree from Southeast University. Mr. Qian Jiwen joined Luxshare Precision Industry Co., Ltd. in April 2016, and is currently the head of the Company's Terminal Antenna Business Unit, responsible for the relevant management and operation of the Terminal Antenna Business Unit. He has nearly 30 years of relevant work experience in the precision electronics manufacturing industry.

Mr. Hao Jie, born in 1982, Chinese nationality, without permanent residency abroad, Master's degree in Management from Renmin University of China. Mr. Hao Jie joined Luxshare Precision Industry Co., Ltd. in October 2017, and is currently the head of the Company's Semiconductor Packaging and SMT Business Unit, responsible for relevant operation and management work, possessing solid theoretical knowledge in operation management and rich experience in the consumer electronics industry.

Ms. Hou Lingling, born in 1975, Chinese nationality, without permanent residency abroad. Doctor of Economics from Hunan University, Master of Economic Law from Zhongnan University of Economics and Law. She is currently a professor and master's supervisor at Shenzhen University Law School, and concurrently serves as an Executive Director of the China Social Law Society, a Director of the Guangdong Law Society, and an arbitrator at the Shenzhen International Arbitration Court, Dongguan Arbitration Commission, and Shenzhen-Shantou International Arbitration Court. Ms. Hou Lingling has obtained the qualification for independent directors of the Shenzhen Stock Exchange.

Mr. LIU Zhonghua, born in 1965, Chinese nationality, without foreign permanent residence. Master, professor of accounting; he is now professor and tutor of postgraduates of the Guangdong University of Foreign Studies School of Accounting, Director of the Accounting Society of China, Vice Chairman of the Accounting Society for Foreign Economic Relations & Trade of China, Executive Vice Chairman of the Guangdong Association of Management Accountants, and Executive Director of the Accounting Society of Guangdong. Mr. LIU Zhonghua has obtained the qualification as an independent director from the Shenzhen Stock Exchange, and is an Independent Director of Guangdong Provincial Expressway Development Co., Ltd., GEM Co., Ltd. and Guangzhou Yuexiu Capital Holdings Group Co., Ltd.

Ms. SONG Yuhong, born in 1971, Chinese nationality; Master of Laws, Wuhan University; Bachelor of Laws, Southwest University of Political Science & Law; MBA, Grandes Écoles de Commerce; She is now senior partner of DeHeng Law Offices (Shenzhen), and mediator of the International Commercial Mediation Center for Belt and Road Initiative – Luohu Court of Shenzhen Mediation Center. Ms. SONG Yuhong has obtained the qualification as an independent director from the Shenzhen Stock Exchange, and is an Independent Director of our 5th and 6th Board of Directors.

#### (II) Supervisors

Ms. XIA Yanrong, born in 1981, Chinese nationality, undergraduate majoring in financial management, is now our supervisor. Ms. XIA Yanrong worked at the Finance Department of 3CEMS Group Prime Technology (Guangzhou) Co., Ltd. from January 2003 to April 2006, and the Finance Department of Dachang Electronic Technology (Suzhou) Co., Ltd., a subsidiary of P-TWO, from April 2006 to April 2009, and joined us since April 2009, and served as chief of the Finance Department at Kunshan Lanto, and chief of the Finance Department and chief of the Credit Management Department at Luxshare-ICT, and is now Director of our Central Finance Department and Credit Management Department. Ms. XIA Yanrong is a member of our 4th, 5th and 6th Board of Supervisors.

Ms. MO Rongying, born in 1980, Chinese nationality, majoring in business administration, is now our supervisor. She was chief of the Planning Department at Thomson Multimedia (Dongguan) Co., Ltd., before joining us in June 2007 as chief of the Central Customs Affairs Department. Ms. MO Rongying is a member of our 4th, 5th and 6th Board of Supervisors.

Ms. YI Peizan, born in 1985, Chinese nationality, joined our Finance Department in 2004, is now our supervisor. Ms. YI Peizan is a member of our 1st through 6th Board of Supervisors.

#### (III) Executives

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

Mr. HAO Jie, whose resume is set out in "Directors" above.

Mr. QIAN Jiwen, whose resume is set out in "Directors" above.

Ms. Xiao Yunxi, born in 1987, Chinese nationality, graduated from Shanghai University of International Business and Economics with a Bachelor's degree in Economics. She joined Luxshare Precision Industry Co., Ltd. in 2009, and has served successively as Strategic Procurement Specialist, Product R&D PM, Global Marketing Business Head, Securities Affairs Director, and Investor Relations Manager.

Mr. WU Tiansong, born in 1970, citizen of Chinese Taiwan, received a bachelor's degree from the National Taiwan University of Science and Technology, is now the CFO of Luxshare-ICT. Mr. WU Tiansong served as a senior auditor at the Audit Department of Deloitte Touche Tohmatsu Limited from August 1996 to August 1999, and worked in the Underwriting Department of Taiwan Yuanda Securities Corp., and served as the chief of the Accounting Director at Taiwan P-TWO Industries Inc. and



Uniwill Computer Corp., and chief of the Finance Department at Zhongshan Ichia Electronics Co., Ltd. from September 1999 to March 2009. He joined us in 2011.

Positions held in shareholders

☐Applicable ☒N/A

Positions held in other entities

☒Applicable ☐N/A

Name	Entity	Position	Beginning date of the term of office	End date of the term of office	Whether or not receive remuneration and subsidies from such entity
WANG Laichun	Luxsan Precision Technology (Jiangsu) Co., Ltd.	Director	November 25, 2020		No
WANG Laichun	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	Chairman	July 18, 2018		No
WANG Laichun	Luxcase Precision Technology (Yancheng) Co., Ltd.	Chairman	February 3, 2021		No
WANG Laichun	Xiexun Electronic (Ji'an) Co., Ltd.	Vice Chairman	November 12, 2005		No
WANG Laichun	Fujian JK Wiring Systems Co., Ltd..	Chairman	June 18, 2012		No
WANG Laichun	TIME Interconnect Technology Limited	Chairman	April 19, 2022		No
WANG Laichun	Chery Automobile Co., Ltd.	Director	December 30, 2024		No
WANG Laisheng	Chery Holdings Group Co., Ltd.	Director	December 27, 2024		No
WANG Laisheng	Luxsan Precision Technology (Jiangsu) Co., Ltd.	Chairman	November 25, 2020		No
WANG Laisheng	Xunmu Information Technology (Shanghai) Co., Ltd.	General Manager	April 27, 2021		No
WANG Laisheng	Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	Managing Director & Manager	November 18, 2020		No
WANG Laisheng	BCS Automotive Interface Solutions (Xi'an) Co., Ltd.	Managing Director & General Manager	December 29, 2018		No
WANG Laisheng	Xiexun Electronic (Ji'an) Co., Ltd.	Chairman	November 12, 2005		No
WANG Laisheng	Lanto Electronic Limited	Vice Chairman	May 12, 2011		No
WANG Laisheng	Luxshare Precision Industry (Kunshan) Co., Ltd.	Vice Chairman	October 25, 2011		No
WANG Laisheng	Dongguan Leader Precision Industry Co., Ltd.	Chairman	August 16, 2012		No
WANG Laisheng	Luxshare Precision Industry (Kunshan) Co., Ltd.	Vice Chairman	October 25, 2011		No
WANG Laisheng	Suining Luxshare Precision Industry Co., Ltd.	Managing Director	January 11, 2013		No
WANG Laisheng	Luxshare Precision Industry (Chuzhou) Co., Ltd.	Managing Director	March 24, 2014		No
WANG Laisheng	Fengshun Luxshare Precision Industry Co., Ltd.	Managing Director	July 4, 2014		No
WANG Laisheng	Dongguan Luxshare Precision Industry Co., Ltd.	Chairman	November 27, 2015		No
WANG Laisheng	Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Director	December 25, 2015		No
WANG Laisheng	Lishan Enterprise Management (Zhejiang) Co., Ltd.	Managing Director & Manager	March 24, 2021		No
WANG Laisheng	Luxshare Holdings (Guangdong) Co., Ltd.	Managing Director &	November 1, 2021		No

		Manager			
HAO Jie	Luxis Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	Managing Director, General Manager and Legal Representative	July 2, 2021		No
HAO Jie	Luxis Technology (Kunshan) Co., Ltd.	Managing Director, General Manager and Legal Representative	May 26, 2021		No
HAO Jie	Luxis Precision Intelligent Manufacturing (Shantou) Co., Ltd.	Managing Director, Manager and Legal Representative	June 19, 2023		No
HAO Jie	Luxis Beijing Co., Ltd	Legal Representative, Key Management Personnel	May 28, 2024		No
HAO Jie	Luxis Dezhou Co., Ltd	Managing Director	May 21, 2024		No
LIU Zhonghua	Guangzhou Yuexiu Financial Holding Group Co., Ltd.	Independent Director	July 19, 2022	September 13, 2026	Yes
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
YI Peizan	Dongguan Luxshare Holdings Co., Ltd.	Supervisor	September 5, 2023		No
WU Tiansong	Luxshare Electronic Technology (Kunshan) Co., Ltd.	Supervisor	March 17, 2014		No
WU Tiansong	Huzhou Jiuding Electronic Co., Ltd.	Director	December 15, 2015		No
Explanation about the posts held at other entities	N/A				

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

☐Applicable ☒N/A

### 3. Remunerations of Directors, Supervisors and Executives

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

During the reporting period, directors, supervisors and executives were subject to performance appraisal, and their annual income consisted of basic annual salaries and long-term incentives, and included the performance related to sustainable development into assessment, so as to realize our future development strategy and business objectives. The Remuneration

Committee under the Board of Directors discusses and reviews the remuneration-related issues on an annual basis. The meetings of the Remuneration Committee shall be divided into regular meetings and interim meetings and each of such meetings shall be held at least once every year. The remuneration of our independent directors is determined pursuant to the Measures for the Administration of Independent Directors of Listed Companies, the AOA and other relevant regulations, and with reference to the overall economic environment and the remuneration offered by listed companies in the industry in which the Company operates, and is then implemented after being reviewed and approved by the Board of Directors and the general meeting of shareholders. At present, our independent directors receive RMB160,000 per year, plus reimbursement of travel, office and other expenses, from us.

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

In RMB 10,000

Name	Gender	Age	Title	Status	Total remuneration received from the Company (inclusive of tax)	Whether or not receiving remuneration from any affiliate of the Company
WANG Laichun	Female	58	Chairman and general manager	Incumbent	733.33	No
WANG Laisheng	Male	61	Vice Chairman	Incumbent	550	No
WANG Tao	Male	40	Director, Vice General Manager	Departure	141.12	No
LI Wei	Male	45	Director, Vice General Manager	Departure	56.06	No
QIAN Jiwen	Male	51	Director, Vice General Manager	Incumbent	116.67	No
HAO Jie	Male	43	Director, Vice General Manager	Incumbent	52.8	No
HOU Lingling	Female	50	Independent Director	Incumbent	0	No
ZHANG Ying	Female	62	Independent Director	Departure	16	No
LIU Zhonghua	Male	60	Independent Director	Incumbent	16	No
SONG Yuhong	Female	54	Independent Director	Incumbent	16	No
XIA Yanrong	Female	44	Supervisor	Incumbent	100.63	No
MO Rongying	Female	45	Supervisor	Incumbent	80.13	No
YI Peizan	Female	40	Supervisor	Incumbent	16.29	No
HUANG Dawei	Male	53	Board Secretary & Deputy General Manager	Departure	92.29	No
Xiao Yunxi	Female	38	Board Secretary	Incumbent	16.61	No
WU Tiansong	Male	55	Chief Financial Officer	Incumbent	193.86	No
Total	--	--	--	--	2197.79	--

Other descriptions

☐Applicable ☒N/A

## VI. Performance of Duties by the Directors during the Reporting Period

### 1. Meetings of the Board of Directors Held during the Reporting Period

Session	Date of meeting	Date of disclosure	Resolution of the meeting
The 23rd meeting of the 5th Board of Directors	February 28, 2024	February 29, 2024	Refer to the Announcement on Resolutions of the 23rd meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and Shanghai Securities News (Announcement No. 2024-008)
The 24th meeting of the 5th Board	April 24, 2024	April 25, 2024	Refer to the Announcement on Resolutions of the 24th meeting of the 5th Board of Directors disclosed on

of Directors			www.cninfo.com.cn, the Securities Times and Shanghai Securities News (Announcement No. 2024-022)
The 25th meeting of the 5th Board of Directors	June 3, 2024	June 4, 2024	Refer to the Announcement on Resolutions of the 25th meeting of the 5th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and Shanghai Securities News (Announcement No. 2024-033)
The 1st meeting of the 6th Board of Directors	July 5, 2024	July 6, 2024	Refer to the Announcement on Resolutions of the 1st meeting of the 6th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and Shanghai Securities News (Announcement No. 2024-056)
The 2nd meeting of the 6th Board of Directors	August 23, 2024	August 24, 2024	Refer to the Announcement on Resolutions of the 2nd meeting of the 6th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and Shanghai Securities News (Announcement No. 2024-065)
The 3rd meeting of the 6th Board of Directors	September 13, 2024	September 14, 2024	Refer to the Announcement on Resolutions of the 3rd meeting of the 6th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and Shanghai Securities News (Announcement No. 2024-073)
The 4th meeting of the 6th Board of Directors	October 25, 2024	October 26, 2024	Refer to the Announcement on Resolutions of the 4th meeting of the 6th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and Shanghai Securities News (Announcement No. 2024-083)
The 5th meeting of the 6th Board of Directors	December 20, 2024	December 21, 2024	Refer to the Announcement on Resolutions of the 5th meeting of the 6th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and Shanghai Securities News (Announcement No. 2024-096)
The 6th meeting of the 6th Board of Directors	December 30, 2024	December 31, 2024	Refer to the Announcement on Resolutions of the 6th meeting of the 6th Board of Directors disclosed on www.cninfo.com.cn, the Securities Times and Shanghai Securities News (Announcement No. 2024-104)

## 2. Attendance of the Directors at Meetings of the Board of Directors and Shareholders

Attendance of the directors at meetings of the Board of Directors and general meetings of shareholders							
Director	Number of board meetings attended during the reporting period	Number of board meetings present in person	Number of board meetings present by means of communication equipment	Number of board meetings present by proxy	Number of board meetings absent from	Whether or not having been absent from two consecutive board meetings	Number of general meetings of shareholders attended
WANG Laichun	9	1	8	0	0	No	1
WANG Laisheng	9	1	8	0	0	No	2
LI Wei	3	0	3	0	0	No	1
WANG Tao	3	1	2	0	0	No	1
QIAN Jiwen	6	1	5	0	0	No	1
HAO Jie	6	2	4	0	0	No	1
HOU Lingling	6	1	5	0	0	No	1
ZHANG Ying	3	1	2	0	0	No	1
LIU Zhonghua	9	2	7	0	0	No	2
SONG Yuhong	9	1	8	0	0	No	2

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

N/A

### 3. Objections Raised by the Directors Regarding Matters of the Company

The director has raised any objection regarding matters of the Company

☐Yes ☒No

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

### 4. Other Information Regarding the Performance of Duties by the Directors

The suggestions put forward by the directors have been adopted by the Company

☒Yes ☐No

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

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

## VII. Activities of the Committees of the Board of Directors during the Reporting Period

Committee	Members	Number of meetings held	Date of meeting	Topics	Important opinions and suggestions	Performance of other duties	Objections (if any)
Audit Committee	LIU Zhonghua, SONG Yuhong, HOU Lingling, ZHANG Ying	4	January 15, 2024	Communication Meeting of Audit Committee on Annual Report Audit Work in 2023	BDO China Shu Lun Pan Certified Public Accountants introduced the 2023 annual audit plan and arrangements, audit procedures and other issues with respect to the audit of the 2023 financial report; and requested the colleagues of the accounting firm to pay special attention to related party transactions, pledged guarantees, capitalization and expensing of intangible assets and other issues.		
Audit Committee	LIU Zhonghua, SONG Yuhong, HOU Lingling, ZHANG Ying	4	April 24, 2024	Review the Proposal on the 2023 Annual Report, Proposal on Re-appointing the Accounting Firm, Proposal on the 2023 Annual Internal Audit Department Work Report, and Proposal on the 2024 Q1 Internal Audit Department Work Report.	Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC and the Work Rules of the Audit Committee of the Board of Directors, the Audit Committee performed its duties diligently, supervised our internal audit policies and implementation thereof, reviewed our financial information, guided the work of the Internal Audit Department, supervised and urged the audit conducted by the accounting firm, and through sufficient communication and discussions, unanimously approved all reports considered.		
Audit Committee	LIU Zhonghua, SONG Yuhong, HOU Lingling, ZHANG Ying	4	August 23, 2024	Deliberating 2024 Interim Report	Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC and the Work Rules of the Audit Committee of the Board of Directors, the Audit Committee performed its duties diligently, expressed opinions taking into account our actual situation, and through sufficient communication and discussions, unanimously approved the Report.		
Audit Committee	LIU Zhonghua, SONG Yuhong, HOU Lingling, ZHANG Ying	4	October 25, 2024	Deliberating 2024 Q3 Report	Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC and the Work Rules of the Audit Committee of the Board of Directors, the Audit Committee performed its duties diligently, expressed opinions taking into account our actual situation, and through sufficient communication and discussions, unanimously approved the Report.		

Remuneration and Appraisal Committee	LIU Zhonghua, SONG Yuhong, HOU Lingling, ZHANG Ying	4	January 15, 2024	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 is true, and conforms to our performance metrics.		
Remuneration and Appraisal Committee	LIU Zhonghua, SONG Yuhong, HOU Lingling, ZHANG Ying	4	July 5, 2024	Review the Proposal on Adjusting the Exercise Price of the 2018, 2019, 2021, and 2022 Stock Option Incentive Plans and Canceling Part of the Stock Options under the 2019 Stock Option Incentive Plan, and the Proposal on the Fulfillment of Exercise Conditions for the Fifth Exercise Period of the First Grant under the 2019 Stock Option Incentive Plan.	The Compensation and Nomination Committee, in accordance with the relevant provisions of the "Company Law", the "Guidelines for the Governance of Listed Companies" of the China Securities Regulatory Commission, and the "Working Rules of the Board Compensation and Nomination Committee", carried out its work diligently and responsibly, and proposed relevant opinions based on the Company's actual situation. After full communication and discussion, all proposals were unanimously approved.		
Remuneration and Appraisal Committee	LIU Zhonghua, SONG Yuhong, HOU Lingling, ZHANG Ying	4	October 25, 2024	Review the Proposal on Adjusting the Number of Stock Options under the 2021 Stock Option Incentive Plan Reserve Grant and Canceling Part of the Stock Options, and the Proposal on the Fulfillment of Exercise Conditions for the Second Exercise Period of the 2021 Stock Option Incentive Plan Reserve Grant.	The Compensation and Nomination Committee, in accordance with the relevant provisions of the "Company Law", the "Guidelines for the Governance of Listed Companies" of the China Securities Regulatory Commission, and the "Working Rules of the Board Compensation and Nomination Committee", carried out its work diligently and responsibly, and proposed relevant opinions based on the Company's actual situation. After full communication and discussion, all proposals were unanimously approved.		
Remuneration and	LIU Zhonghua,	4	December 20, 2024	Review the Proposal on	The Compensation and Nomination Committee, in		

Appraisal Committee	SONG Yuhong, HOU Lingling, ZHANG Ying			Adjusting the Number of Stock Options under the 2021 Stock Option Incentive Plan First Grant and Canceling Part of the Stock Options, the Proposal on the Fulfillment of Exercise Conditions for the Third Exercise Period of the 2021 Stock Option Incentive Plan First Grant, and the Proposal on Canceling Unexercised Stock Options of the Company's Stock Option Incentive Plan that Have Been Unlocked but Expired.	accordance with the relevant provisions of the "Company Law", the "Guidelines for the Governance of Listed Companies" of the China Securities Regulatory Commission, and the "Working Rules of the Board Compensation and Nomination Committee", carried out its work diligently and responsibly, and proposed relevant opinions based on the Company's actual situation. After full communication and discussion, all proposals were unanimously approved.		
Strategy Committee	WANG Laichun, LIU Zhonghua, ZHANG Ying, HOU Lingling	1	March 10, 2024	The Strategy Committee, in accordance with the relevant provisions of the "Company Law", "Guidelines for the Governance of Listed Companies", "Articles of Association", "Working Rules of the Board Strategy Committee", and other relevant regulations, summarized and reviewed the Company's major matters in 2023; reviewed the "Proposal on the Identification and Response Strategies of Risks and Opportunities Related to the Company's Sustainable Development"; reported on the Company's strategic development plan for 2024; and researched major strategic matters in the Company's development.	Proposal Title: "Proposal on the Identification and Response Strategies of Risks and Opportunities Related to the Company's Sustainable Development" Proposal Content: Review the latest risk and opportunity identification results and response strategies, including evaluating climate change related risks and opportunities, the science-based carbon targets roadmap, integrating clean technology related businesses into the Company's strategic planning, and other key matters; review the progress of environmental targets such as carbon emissions and water management, and review and approve the scheme linking executive compensation with medium and long-term science-based carbon targets. 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.		
Nomination Committee	LIU Zhonghua, SONG Yuhong, HOU Lingling,	1	May 27, 2024	In conjunction with regulatory rules and company strategic needs, conducted a point-by-	Reviewed the qualifications for appointment, job competence, and other relevant information of senior management nominated by the Company,		



	ZHANG Ying			point evaluation of the professional background, performance capabilities, and compliance of candidates for directors of the Sixth Board of Directors and the Company's senior management, ensuring that the nomination procedures are legal and compliant, and the candidates' qualifications meet corporate governance requirements.	including the General Manager, Deputy General Managers, Chief Financial Officer, and Board Secretary; reviewed the qualifications for appointment and independence and other relevant information of candidates for independent directors of the Sixth Board of Directors; reviewed the qualifications for appointment and other relevant information of candidates for non-independent directors of the Sixth Board of Directors.		
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## VIII. Activities of the Board of Supervisors

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

☐Yes ☒No

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

## IX. Employees

### 1. Number, Structure of Profession and Education of Employees

Number of current employees of the parent at the end of the reporting period (person)	658
Total number of current employees of the major subsidiaries at the end of the reporting period (person)	277,445
Total number of current employees at the end of the reporting period (person)	278,103
Total number of salaried employees during the reporting period (person)	278,103
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	235,233
Sales staff	4,273
Technical staff	20,877
Financial staff	491
Administrative staff	6,015
Management staff	11,214
Total	278,103
Education	
Degree of education	Number of employees (person)
Undergraduate	24,752
College	34,623
Secondary specialized school, senior middle school and below	218,728
Total	278,103

### 2. Remuneration Policies

We have established the administrative measures for the salaries, performance-based pay, year-end bonus and other remuneration of employees of the Group, provided employees with competitive and guaranteed remuneration in a scientific and reasonable manner, developed sound remuneration management policies, paid contributions to the social insurance packages and housing provident fund for and salaries to the employees on time in strict accordance with the applicable laws and regulations, and resolutely rejected any bonded labor. In order to help employees better understand the match between their job responsibilities and capabilities, we have developed a multi-dimensional performance appraisal system including self-assessment and supervisor's assessment, in order to objectively and comprehensively reflect employees' annual performance. We conduct annual employee performance communication activities, to ensure that each employee receives sufficient support and resources for his/her career development in Luxshare-ICT, and to enhance and optimize the work experience of each employee. The remuneration packages

provided by us to employees consist of year-end bonuses, project bonuses, share incentives for key officers, and bonuses for outstanding employees, among others. During the reporting period, we further optimized performance appraisal, fully appraised the performance of teams and individuals, and effectively improved the execution ability and awareness of responsibility of employees, which will help us retain and attract outstanding talents, and human resources required for our development.

### 3. Training Programs

We attach great importance to the career development plans of employees, concentrate our efforts on the training of personnel, and have established a sound personnel training system, to attract and motivate more excellent talents and promote common growth of employees and the Group. We have built an integrated online and offline learning platform, providing multi-dimensional specialty training for different types of employees and new projects. The platform provides all employees with hierarchical targeted training of different categories that target different groups of people and satisfy different needs. For example, with respect to senior, middle and grassroots managers and key reserve talents with great potentialities, we conduct the “Star Cultivation Series” training, in order to build an efficient and dynamic team; and with respect to the personnel in manufacturing, R&D technology, marketing, supply chain and other critical fields, we conduct the “Juneng Series” training, in order to continuously improve the professional capabilities of employees on different posts. In addition, we carry out school-enterprise cooperation projects, and encourage the employees to obtain certification of professional qualifications from the Company and society, in order to enhance our production level and social recognition of us as a whole. We have also built the “Jushi Series”, “Luxshare Classroom”, “Senior Management Forum” and other learning and communication platforms, in order to provide excellent Luxshare employees with stages to demonstrate themselves, create a sound learning environment and promote the integration and communications among all employees. In addition, with a view to promoting the implementation of important strategies and changes, we have conducted the “Jubian Series” training according to business needs. In order to regulate the employee training, we have established and periodically updated the Administrative Measures for Education and training, the Operating Procedures for Education and training, and Administrative Measures for Internal Lecturers, which define the training system covering all stages from induction, orientation, on-the-job, transfer to promotion, and each factory has established the Operating Procedures for Education and training and relevant administrative measures by reference to the Group’s management standards, and annual training plans for the factory and its departments according to its annual development plan, to effectively enhance the core competencies of employees and the Company, improve the employees’ professional capabilities and promote the sustainable growth of the Company.

### 4. Outsourced Workers

☐Applicable ☒N/A

## X. Profit Distribution and Transfer of Capital Reserve to the Share Capital

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

☒Applicable ☐N/A

The Company's General Meeting of Shareholders reviewed and approved the 2023 annual profit distribution plan: based on a total share capital of 7,178,011,313 shares, distributed a cash dividend of RMB 3 (tax included) for every 10 shares to all shareholders, totaling RMB 2,153,403,393.90 (tax included) in cash dividends. The remaining undistributed profit will be carried forward for distribution in subsequent years. If the Company's total share capital changes during the period from the date of disclosure of the pre-plan to the equity distribution registration date due to share repurchase, exercise of equity incentives, share

repurchase and cancellation from major asset restructuring, etc., the Company will adjust the per-share distribution ratio accordingly while keeping the total distribution amount unchanged.

From the disclosure of the 2023 annual profit distribution pre-plan to the implementation period, the Company's share capital increased by a total of 25,304,331 shares due to the independent exercise of the stock option incentive plan and conversion of convertible corporate bonds into shares. The Company's total share capital increased from 7,178,011,313 shares at the time of pre-plan disclosure to 7,203,315,644 shares. In accordance with the principle of keeping the total distribution amount unchanged, the Company's 2023 annual profit distribution plan was adjusted to: based on the Company's current share capital of 7,203,315,644 shares, distribute RMB 2.989461 (tax included) for every 10 shares to all shareholders, totaling RMB 2,153,403,393.90 (tax included) in cash dividends. The remaining undistributed profit will be carried forward for distribution in subsequent years.

Special explanation about the cash dividend policy	
Whether to comply with the provisions of the AOA or requirements of resolutions of the general meeting of shareholders of the Company?	Yes
Whether the standard and ratio of cash dividend distribution are clear and definite?	Yes
Whether the relevant decision-making process and mechanism are sound?	Yes
Whether the independent directors have performed their duties and exercised their functions?	Yes
If the Company has not conducted cash dividends, it should disclose the specific reasons for this decision and outline the measures it plans to take next to enhance investor returns.	N/A
Whether the minority shareholders have sufficient opportunities to express their opinions and requests and their legitimate rights and interests are fully protected?	Yes
Whether the conditions and procedures in respect of any adjustment or amendment of the cash dividend policy comply with the applicable regulations and are transparent?	Yes

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)	2
Share capital based on which the distribution proposal was made (share)	7,247,395,805
Amount of cash dividends (RMB) (inclusive of tax)	1,449,479,161.00
Amount of cash dividends distributed in other ways (such as share repurchase) (RMB)	0.00
Total amount of cash dividends (including other ways) (RMB)	1,449,479,161
Distributable profit (RMB)	8,429,793,298.42
Proportion of total cash dividends (including other ways) to the distributable profit	100%
Particulars of cash dividends distributed for the reporting period	
Other	
Particulars of the proposal of profit distribution or for transfer of capital reserve to share capital	
Our 2024 Profit Distribution Proposal is as follows: to distribute to all shareholders a cash dividend of RMB2 (inclusive of tax) per 10 shares on the basis of the total share capital of 7,247,395,805 shares, totaling RMB1,449,479,161 (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 shares 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.

## **XI. Implementation of Share Incentive Plans, Employee Stock Ownership Plans and Other Employee Incentives Granted by the Company**

☒Applicable ☐N/A

### **1. Share Incentives**

#### **1. Share Incentives**

##### **(1) 2018 Stock Option Incentive Plan**

On July 5, 2024, the Company held the First Meeting of the Sixth Board of Directors and the First Meeting of the Sixth Supervisory Committee, and reviewed and approved the "Proposal on Adjusting the Exercise Price of the 2018, 2019, 2021, and 2022 Stock Option Incentive Plans and Canceling Part of the Stock Options under the 2019 Stock Option Incentive Plan". In accordance with the relevant provisions of the "Administrative Measures for Equity Incentives for Listed Companies", the Company's "2018 Stock Option Incentive Plan (Draft)", "2018 Stock Option Incentive Plan Implementation Assessment Management Measures", and other relevant regulations, and authorized by the Company's Second Interim Shareholders' Meeting in 2018, it was agreed to adjust the exercise price of the 2018 stock option incentive plan due to the Company's implementation of the 2023 annual equity distribution plan. After adjustment, the exercise price of the unexercised stock options was adjusted from RMB 9.93/share to RMB 9.63/share. For details, see "Announcement on Adjusting the Exercise Price of the 2018, 2019, 2021, and 2022 Stock Option Incentive Plans and Canceling Part of the Stock Options under the 2019 Stock Option Incentive Plan" (Announcement No. 2024-056).

##### **(2) 2019 Stock Option Incentive Plan**

On February 28, 2024, the Company held the Twenty-Third Meeting of the Fifth Board of Directors and the Twenty-Third Meeting of the Fifth Supervisory Committee, and reviewed and approved the "Proposal on Adjusting the Number of Stock Options under the 2019 Stock Option Incentive Plan Reserve Grant and Canceling Part of the Stock Options" and the "Proposal on the Fulfillment of Exercise Conditions for the Fourth Exercise Period of the 2019 Stock Option Incentive Plan Reserve Grant". In accordance with the relevant provisions of the "Administrative Measures for Equity Incentives for Listed Companies", the Company's "2019 Stock Option Incentive Plan (Draft)", "2019 Stock Option Incentive Plan Implementation Assessment Management Measures", and other relevant regulations, and authorized by the Company's First Interim Shareholders' Meeting in 2019, it was agreed to cancel some options from the 2019 stock option incentive plan reserve grant due to reasons such as departure of incentive recipients or failure to meet assessment standards. After this cancellation, the number of granted incentive recipients was adjusted from 223 to 214, and the number of remaining stock options was adjusted from 7,440,476 to 7,166,074. At the same time, combining the Company's achieved performance in 2022 and the personal performance appraisal results of each incentive recipient in 2022, the Board of Directors believes that the exercise conditions for the fourth exercise period of the 2019 stock option incentive plan reserve grant have been fulfilled, and agrees that the 214 incentive recipients of the 2019 stock option incentive plan reserve grant can exercise their options in the fourth exercise period through independent exercise. The number of stock options expected to be exercised is 3,578,439 (the actual number of exercised shares is subject to the registration by China Securities Depository and Clearing Corporation Limited Shenzhen Branch), and the exercise price is RMB 13.35/share. For details, see "Announcement on the Fulfillment of Exercise Conditions for the Fourth Exercise Period of the 2019 Stock Option Incentive Plan Reserve Grant" (Announcement No. 2024-011).

On July 5, 2024, the Company convened the First Meeting of the Sixth Board of Directors and the First Meeting of the Sixth Supervisory Committee, and reviewed and approved the "Proposal on Adjusting the Exercise Price of the 2018, 2019, 2021, and 2022 Stock Option Incentive Plans and Canceling Part of the Stock Options under the 2019 Stock Option Incentive Plan" and the "Proposal on the Fulfillment of Exercise Conditions for the Fifth Exercise Period of the First Grant under the 2019 Stock Option Incentive Plan". In accordance with the relevant provisions of the "Administrative Measures for Equity Incentives for Listed Companies", the Company's "2019 Stock Option Incentive Plan (Draft)", "2019 Stock Option Incentive Plan Implementation Assessment Management Measures", and other relevant regulations, authorized by the Company's First Interim Shareholders' Meeting in 2019, it was agreed to adjust the exercise price of the 2019 stock option incentive plan and cancel some options due to reasons such as the Company's implementation of the 2023 annual equity distribution plan, departure of incentive recipients, and failure to meet incentive recipient assessment standards. After adjustment, the number of incentive recipients for the first grant was adjusted from 310 to 298, the number of stock options for the first grant was adjusted from 15,605,490 to 15,238,124, and the exercise price of the stock options for the first grant and reserve grant was adjusted from RMB 13.35/share to RMB 13.05/share. At the same time, combining the Company's achieved performance in 2023 and the personal performance appraisal results of each incentive recipient in 2023, the Board of Directors believes that the exercise conditions for the fifth exercise period of the first grant under the 2019 stock option incentive plan have been fulfilled, and agrees that the 298 incentive recipients of the first grant under the 2019 stock option incentive plan can exercise their options in the fifth exercise period through independent exercise. The number of stock options expected to be exercised is 15,238,124 (the actual number of exercised shares is subject to the registration by China Securities Depository and Clearing Corporation Limited Shenzhen Branch), and the exercise price is RMB 13.05/share. For details, see "Announcement on Adjusting the Exercise Price of the 2018, 2019, 2021, and 2022 Stock Option Incentive Plans and Canceling Part of the Stock Options under the 2019 Stock Option Incentive Plan" (Announcement No. 2024-059) and "Announcement on the Fulfillment of Exercise Conditions for the Fifth Exercise Period of the First Grant under the 2019 Stock Option Incentive Plan" (Announcement No. 2024-060).

On December 20, 2024, the Company convened the Fifth Meeting of the Sixth Board of Directors and the Fifth Meeting of the Sixth Supervisory Committee, and reviewed and approved the "Proposal on Canceling Unexercised Stock Options of the Company's Stock Option Incentive Plan that Have Been Unlocked but Expired". In accordance with the relevant provisions of the "Administrative Measures for Equity Incentives for Listed Companies", the Company's "2019 Stock Option Incentive Plan (Draft)", and other relevant regulations, due to reasons such as incentive recipients not fully exercising their options within the exercisable period, the stock options under the 2019 stock option incentive plan reserve grant for the fourth exercise period that expired unexercised are canceled. For details, see "Announcement on Canceling Unexercised Stock Options of the Company's Stock Option Incentive Plan that Have Been Unlocked but Expired" (Announcement No. 2024-101).

### (3) 2021 Stock Option Incentive Plan

On July 5, 2024, the Company held the First Meeting of the Sixth Board of Directors and the First Meeting of the Sixth Supervisory Committee, and reviewed and approved the "Proposal on Adjusting the Exercise Price of the 2018, 2019, 2021, and 2022 Stock Option Incentive Plans and Canceling Part of the Stock Options under the 2019 Stock Option Incentive Plan". In accordance with the relevant provisions of the "Administrative Measures for Equity Incentives for Listed Companies", the Company's "2021 Stock Option Incentive Plan (Draft)", "2021 Stock Option Incentive Plan Implementation Assessment Management Measures", and other relevant regulations, authorized by the Company's First Interim Shareholders' Meeting in 2021, it was agreed to adjust the exercise price of the 2021 stock option incentive plan due to the Company's implementation of the 2023 annual equity distribution plan. After adjustment, the exercise price of the unexercised stock options was adjusted from RMB 35.63/share to RMB 35.33/share. For details, see "Announcement on Adjusting the Exercise Price of the 2018, 2019, 2021, and 2022 Stock Option Incentive Plans and Canceling Part of the Stock Options under the 2019 Stock Option Incentive Plan" (Announcement No. 2024-059).

On October 25, 2024, the Company convened the Fourth Meeting of the Sixth Board of Directors and the Fourth Meeting of the Sixth Supervisory Committee, and reviewed and approved the "Proposal on Adjusting the Number of Stock Options under the

2021 Stock Option Incentive Plan Reserve Grant and Canceling Part of the Stock Options" and the "Proposal on the Fulfillment of Exercise Conditions for the Second Exercise Period of the 2021 Stock Option Incentive Plan Reserve Grant". In accordance with the relevant provisions of the "Administrative Measures for Equity Incentives for Listed Companies", the Company's "2021 Stock Option Incentive Plan (Draft)", "2021 Stock Option Incentive Plan Implementation Assessment Management Measures", and other relevant regulations, authorized by the Company's First Interim Shareholders' Meeting in 2021, it was agreed to cancel some options from the 2021 stock option incentive plan reserve grant due to reasons such as departure of incentive recipients or failure to meet assessment standards. After this cancellation, the number of granted incentive recipients was adjusted from 329 to 303, and the number of exercisable options for this period was adjusted from 2,312,700 to 2,089,224. At the same time, combining the Company's achieved performance in 2022 and the personal performance appraisal results of each incentive recipient in 2022, the Board of Directors believes that the exercise conditions for the second exercise period of the 2021 stock option incentive plan reserve grant have been fulfilled, and agrees that the 303 incentive recipients of the 2021 stock option incentive plan reserve grant can exercise their options in the second exercise period through independent exercise. The number of stock options expected to be exercised is 2,089,224 (the actual number of exercised shares is subject to the registration by China Securities Depository and Clearing Corporation Limited Shenzhen Branch), and the exercise price is RMB 35.33/share. For details, see "Announcement on Adjusting the Number of Stock Options under the 2021 Stock Option Incentive Plan Reserve Grant and Canceling Part of the Stock Options" (Announcement No.: 2024-087) and "Announcement on the Fulfillment of Exercise Conditions for the Second Exercise Period of the 2021 Stock Option Incentive Plan Reserve Grant" (Announcement No.: 2024-088).

On December 20, 2024, the Company convened the Fifth Meeting of the Sixth Board of Directors and the Fifth Meeting of the Sixth Supervisory Committee, and reviewed and approved the "Proposal on Adjusting the Number of Stock Options under the 2021 Stock Option Incentive Plan First Grant and Canceling Part of the Stock Options", the "Proposal on the Fulfillment of Exercise Conditions for the Third Exercise Period of the 2021 Stock Option Incentive Plan First Grant", and the "Proposal on Canceling Unexercised Stock Options of the Company's Stock Option Incentive Plan that Have Been Unlocked but Expired". In accordance with the relevant provisions of the "Administrative Measures for Equity Incentives for Listed Companies", the Company's "2021 Stock Option Incentive Plan (Draft)", "2021 Stock Option Incentive Plan Implementation Assessment Management Measures", and other relevant regulations, authorized by the Company's First Interim Shareholders' Meeting in 2021, it was agreed to cancel some options from the 2021 stock option incentive plan first grant due to reasons such as departure of incentive recipients or failure to meet assessment standards, and to cancel all expired unexercised options from the three phases of the incentive plan due to reasons such as incentive recipients not fully exercising their options within the exercisable period. After this cancellation, the number of incentive recipients for the first grant under the 2021 stock option incentive plan was adjusted from 899 to 849, and the number of exercisable options for this period was adjusted from 8,855,826 to 8,214,326. For details, see "Announcement on Canceling Unexercised Stock Options of the Company's Stock Option Incentive Plan that Have Been Unlocked but Expired" (Announcement No. 2024-099).

At the same time, combining the Company's achieved performance in 2023 and the personal performance appraisal results of each incentive recipient in 2023, the Board of Directors believes that the exercise conditions for the third exercise period of the first grant under the 2021 stock option incentive plan have been fulfilled, and agrees that the 845 incentive recipients of the first grant under the 2021 stock option incentive plan can exercise their options in the third exercise period through independent exercise. The number of stock options expected to be exercised is 8,214,326 (the actual number of exercised shares is subject to the registration by China Securities Depository and Clearing Corporation Limited Shenzhen Branch), and the exercise price is RMB 35.33/share. For details, see "Announcement on the Fulfillment of Exercise Conditions for the Third Exercise Period of the 2021 Stock Option Incentive Plan First Grant" (Announcement No. 2024-100).

#### (4) 2022 Stock Option Incentive Plan

On June 3, 2024, the Company convened the Twenty-Fifth Meeting of the Fifth Board of Directors and the Twenty-Fifth Meeting of the Fifth Supervisory Committee, and reviewed and approved the "Proposal on Adjusting the Number of Stock Options under the 2022 Stock Option Incentive Plan and Canceling Part of the Stock Options" and the "Proposal on the Fulfillment of

Exercise Conditions for the First Exercise Period of the 2022 Stock Option Incentive Plan". In accordance with the relevant provisions of the "Administrative Measures for Equity Incentives for Listed Companies", the Company's "2022 Stock Option Incentive Plan (Draft)", "2022 Stock Option Incentive Plan Implementation Assessment Management Measures", and other relevant regulations, authorized by the Company's Third Interim Shareholders' Meeting in 2022, it was agreed to cancel some options from the 2022 stock option incentive plan due to reasons such as departure of incentive recipients or failure to meet assessment standards. After this cancellation, the number of granted incentive recipients was adjusted from 3,505 to 3,220, and the number of stock options unlocked in the first period was adjusted from 33,702,600 to 31,288,960. For details, see "Announcement on the Fulfillment of Exercise Conditions for the First Exercise Period of the 2022 Stock Option Incentive Plan" (Announcement No. 2024-037).

At the same time, combining the Company's achieved performance in 2023 and the personal performance appraisal results of each incentive recipient in 2023, the Board of Directors believes that the exercise conditions for the first exercise period of the 2022 stock option incentive plan have been fulfilled, and agrees that the 3,216 incentive recipients of the 2022 stock option incentive plan can exercise their options in the first exercise period through independent exercise. The number of stock options expected to be exercised is 31,288,960 (the actual number of exercised shares is subject to the registration by China Securities Depository and Clearing Corporation Limited Shenzhen Branch), and the exercise price is RMB 30.22/share. For details, see "Announcement on Adjusting the Number of Stock Options under the 2022 Stock Option Incentive Plan and Canceling Part of the Stock Options" (Announcement No. 2024-036).

On July 5, 2024, the Company held the First Meeting of the Sixth Board of Directors and the First Meeting of the Sixth Supervisory Committee, and reviewed and approved the "Proposal on Adjusting the Exercise Price of the 2018, 2019, 2021, and 2022 Stock Option Incentive Plans and Canceling Part of the Stock Options under the 2019 Stock Option Incentive Plan". In accordance with the relevant provisions of the "Administrative Measures for Equity Incentives for Listed Companies", the Company's "2022 Stock Option Incentive Plan (Draft)", "2022 Stock Option Incentive Plan Implementation Assessment Management Measures", and other relevant regulations, authorized by the Company's Third Interim Shareholders' Meeting in 2022, it was agreed to adjust the exercise price of the 2022 stock option incentive plan due to the Company's implementation of the 2023 annual equity distribution plan. After adjustment, the exercise price of the unexercised stock options was adjusted from RMB 30.22/share to RMB 29.92/share. For details, see "Announcement on Adjusting the Exercise Price of the 2018, 2019, 2021, and 2022 Stock Option Incentive Plans and Canceling Part of the Stock Options under the 2019 Stock Option Incentive Plan" (Announcement No. 2024-059).



## Share incentives granted to directors and executives

☑Applicable ☐N/A

Unit: shares

Name	Title	Opening balance of stock options held	Number of additional stock options granted during the reporting period	Number of shares exercisable during the reporting period	Number 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	Number of shares vested during the reporting period	Number 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, Vice General Manager	1,000,000	0	200,000	200,000	29.92	800,000	40.76	0	0	0	0	0
WANG Tao	Director, Vice General Manager	337,993	0	168,997	168,997	13.35	168,996	40.76	0	0	0	0	0
WANG Tao	Director, Vice General Manager	432,630	0	432,630	432,630	9.63	0	40.76	0	0	0	0	0
LI Wei	Deputy General Manager	337,992	0	337,992	337,992	9.93	0	40.76	0	0	0	0	0
LI Wei	Deputy General Manager	168,996	0	168,996	168,996	13.05	0	40.76	0	0	0	0	0
LI Wei	Deputy General Manager	168,997	0	168,997	168,997	13.35	0	40.76	0	0	0	0	0
LI Wei	Deputy General Manager	1,000,000	0	200,000	200,000	29.92	800,000	40.76	0	0	0	0	0
QIAN Jiwen	Director, Vice General Manager	712,150	0	712,150	712,150	9.63	0	40.76	0	0	0	0	0

QIAN Jiwen	Director, Vice General Manager	675,985	0	675,985	337,993	13.35	337,992	40.76	0	0	0	0	0
QIAN Jiwen	Director, Vice General Manager	1,290,000	0	258,000	258,000	29.92	1,032,000	40.76	0	0	0	0	0
WU Tiansong	Chief Financial Officer	131,817	0	131,817	131,817	9.93	0	40.76	0	0	0	0	0
WU Tiansong	Chief Financial Officer	85,198	0	85,198	85,198	13.35	0	40.76	0	0	0	0	0
WU Tiansong	Chief Financial Officer	135,197	0	135,197	110,000	13.05	25,197	40.76	0	0	0	0	0
WU Tiansong	Chief Financial Officer	400,000	0	80,000	20,000	29.92	380,000	40.76	0	0	0	0	0
HUANG Dawei	Deputy General Manager	219,695	0	219,695	219,695	9.93	0	40.76	0	0	0	0	0
HUANG Dawei	Deputy General Manager	500,000	0	100,000	100,000	29.92	400,000	40.76	0	0	0	0	0
Xiao Yunxi	Board Secretary	8,169	0	8,169	8,169	9.93	0	40.76	0	0	0	0	0
Xiao Yunxi	Board Secretary	100,000	0	20,000	20,000	30.22	80,000	40.76	0	0	0	0	0
Total	--	7,704,819	0	4,103,823	3,680,634	--	4,024,185	--	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.

**2. Implementation of Employee Stock Ownership Plan**

☐Applicable ☒N/A

**3. Other Employee Incentives**

☐Applicable ☒N/A

**XII. Establishment and Implementation of Internal Controls during the Reporting Period****1. Establishment and Implementation of Internal Controls**

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

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

**2. Material Weakness in Internal Control Identified during the Reporting Period**

☐Yes ☒No

**XIII. Management and Control of Subsidiaries during the Reporting Period**

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

## XIV. Self-assessment Report on Internal Controls or Auditor's Report on Internal Controls

### 1. Self-assessment Report on Internal Controls

Date of disclosure of the self-assessment report on internal controls in its entirety		April 26, 2025	
Disclosure reference of the self-assessment report on internal controls in its entirety		Internal Control Certification Report 2024 of Luxshare Precision Industry Co., Ltd. published on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>	
Ratio of total assets of the entities covered by the assessment to total assets recorded in the consolidated financial statements of the Company		78.90%	
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		83.23%	
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 reported to the management; (C) ineffective control environment; (D) any material misstatement in the financial report for the current period that is identified by the 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.		1. The material weaknesses in internal control over non-financial reporting include: (A) any serious violation of the significant national laws and regulations; (B) great outflow of management and technical personnel on key posts; (C) absence of or ineffective control system for important business relating to the production and operation of the Company; (D) ineffective internal control over information disclosure, resulting in any public condemnation of the Company by any regulatory authority; and (E) failure to correct any problem, in particular, any material weakness or significant deficiency, identified in any assessment of internal controls. 2. The significant deficiencies in internal control over non-financial reporting include: (A) defects in important business policies or system, or unsound internal control system; and (B) failure to review any information disclosed externally and untruthfulness of any information disclosed. 3. General deficiencies in internal control over financial reporting include deficiencies in control other than material weakness and significant deficiency.
Quantitative criteria	1. Material weakness: (1) amount of misstated operating revenue ≥ 0.5% of total operating revenue; (2) amount of misstated profit ≥ 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) 2% of total profit ≤ amount of misstated profit < 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 < 2% of total profit; (3) amount of misstated assets < 0.2% of total assets; (4) amount of misstated 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 RMB3 million, and any penalty imposed by any competent government authority at the provincial level or below, but not having an adverse effect on the Company.

	0.2% of total owners' equity.	
Number of material weaknesses in financial reporting		0
Number of material weaknesses in non-financial reporting		0
Number of significant deficiencies in financial reporting		0
Number of significant deficiencies in non-financial reporting		0

## 2. Auditor's Report on Internal Controls

☒Applicable ☐N/A

Opinion issued in the internal control audit report	
Pursuant to the Basic Internal Control Standards for Enterprises promulgated by the Ministry of Finance and other relevant provisions, the Company has maintained effective internal controls in all material respects as of December 31, 2024.	
Disclosure of the internal control audit report	Disclosed
Date of disclosure of the audit report on internal controls in its entirety	April 26, 2025
Disclosure reference of the audit report on internal controls in its entirety	Internal Control Audit Report 2024 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

The accounting firm issued a modified internal control certification report

☐Yes ☒No

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

## XV. Rectification of Non-compliance Identified in the Special Self-examination of Corporate Governance of the Listed Company

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

## Section V Environment and Social Responsibilities

### I. Significant Environmental Issues

The listed company and its subsidiaries are the key pollutant discharge units published by the environmental protection departments

☒Yes ☐No

Policies and industry standards related to environmental protection

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

##### 1. Emission Standards of Air Pollutants

The sulfuric acid mist, nitric acid mist (measured in NOX) and unit product benchmark exhaust volume generated by our anodic oxidation line comply with the standards provided in Tables 5 and 6 of Discharge Standard of Electroplating Pollutants (GB21900-2008); Section 3.9 of the Technical Specification for Application and Issuance of Pollutant Discharge Permit - Electronics Industry (HJ1031-2019) provides that this standard uses non-methane hydrocarbons as a comprehensive control indicator for VOC emissions; after the release and implementation of the Discharge Standard of Pollutants for Electronic Industry, such Standard shall apply. In this project, the particulate matter generated from machining, sulfuric acid mist from aluminum solution concentration, CNC, 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 SO<sub>2</sub> 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. Effluent Discharge Standards for Water Pollutants

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

##### 3. Emission Standards of Noise Pollution

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

##### 4. Pollution Control Standards for Solid Waste

The solid wastes of the said company mainly consist of general solid wastes and hazardous wastes. For storage of general solid wastes, it refers to the environmental protection requirements on anti-seepage, anti-rain, and anti-dust of the General Industrial Solid Waste Storage and Landfill Pollution Control Standards (GB 18599-2020). For collection, storage and transportation of hazardous wastes, it complies with the requirements of the Technical Specifications for the Collection, Storage and Transportation of Hazardous Wastes (HJ2025-2012), the Pollution Control Standards for the Storage of Hazardous Wastes (GB 18597-2001) and the Amendment (Announcement No. 36 of 2013 of the Ministry of Environmental Protection).

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

##### 1. Emission Standards of Air Pollutants

The oil mist generated by the CNC machines, particulate matter generated from machining, and non-methane hydrocarbon from dispensing and coating processes comply with the corresponding standards provided in Table 3 of Integrated Emission Standard of Air Pollutants (DB31\_933-2015);

The odor generated in the wastewater biochemical process complies with the corresponding standards 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. Effluent Discharge Standards for 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. Pollution Control Standards for Solid Waste

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).

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

## 1. Emission Standards of Air Pollutants

The emission concentrations of nitrogen oxides and sulfuric acid mist produced by our anode line comply with the emission limits of air pollutants for new enterprises provided in Table 5 of the Discharge Standard of Electroplating Pollutants (GB21900-2008), and the benchmark exhaust of the project complies with Table 6. The emission concentrations of non-methane hydrocarbons from injection molding process complies with the special emission limits provided in Table 5 of the Emission Standard of Pollutants from Synthetic Resin Industry (GB31572-2015), and the particulate matter, non-methane hydrocarbons, xylene, benzene series, chromium and its compounds, nickel and its compounds from other processes comply with the emission limits of atmospheric pollutants from organized emissions provided in Table 1 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). The emission concentrations of particulate matter, sulfuric acid mist, nitrogen oxides, non-methane hydrocarbons, xylene, benzene series and its compounds, chromium and its compounds, and nickel and its compounds from unorganized emissions comply with the concentration limits of air pollutant emission monitoring at the boundaries of enterprises provided in Table 3 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). The concentrations of unorganized emission of ammonia, hydrogen sulfide and odor comply with Level 2 standards on new renovation and expansion provided in Table 1 of, and the organized emission concentrations thereof comply with Table 2 of the Emission Standard of Odorous Pollutants (GB14554-93). The concentrations of unorganized emission of non-methane hydrocarbons in the plant comply with Table 2 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). Alkali mist and phosphoric acid mist refer to the standards provided in Table 1 of Integrated Emission Standard of Air Pollutants (DB31/933-2015). The emission concentrations of SO<sub>2</sub>, particulate matter, NO<sub>x</sub>, and smoke blackness from the flue gas generated by natural gas combustion in gas boilers shall comply with the emission standards for gas boilers in Table 1 of the "Emission Standard of Air Pollutants for Boilers" (DB32/4385-2022).

## 2. Effluent Discharge Standards for Water Pollutants

The Company's nickel-containing and chromium-containing wastewater is reused after being treated by the wastewater pretreatment facility in the factory area. The total chromium and total nickel in the discharge outlet of the wastewater pretreatment facility comply with the standard values for production workshop facility discharge outlets in Table 3 of the "Emission Standard of Pollutants from Electroplating" (GB21900-2008). The receiving water quality of the industrial park's sewage treatment plant, Rugao Fugang Water Treatment Co., Ltd., complies with the Level 3 standard in Table 4 of the "Integrated Wastewater Discharge Standard" (GB8978-1996). Ammonia nitrogen, total nitrogen, and total phosphorus comply with the receiving requirements of Rugao Fugang Water Treatment Co., Ltd. Total aluminum complies with the standard in Table 3 of the "Emission Standard of Pollutants from Electroplating" (GB21900-2008). The benchmark wastewater discharge per unit product complies with the requirements in Table 2 of the "Emission Standard of Pollutants from Electroplating" (GB21900-2008). The tailwater of the industrial park's sewage treatment plant is discharged into the central river after reaching the Level 1 A standard in the "Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants" (GB18918-2002). The pollutants in the recycled water in the factory area are referred to and comply with the standard values for "supplementary water for open circulating cooling water systems, washing water" in Table 1 of the "Water Quality Standards for Industrial Water from Reclaimed Urban Wastewater" (GB/T19923-2005). Wastewater containing Class I metals is not discharged externally; heavy metals such as chromium and nickel should not be detected in general wastewater, oily wastewater, organic wastewater, phosphorus-containing wastewater, and other production wastewater; the discharge of rainwater, etc., should comply with the local management requirements of Nantong City, and heavy metals such as chromium and nickel should not be detected.

### 3. Emission Standards of Noise Pollution

The noise emissions at the boundaries of each factory during the Company's operation period comply with the Class 3 standard in the "Emission Standard for Industrial Enterprise Boundary Environment Noise" (GB12348-2008).

### 4. Pollution Control Standards for Solid Waste

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

## IV. Ri Shan Computer Accessories (Jia Shan) Co., Ltd.

### 1. Emission Standards of Air Pollutants

The sulfuric acid mist, nitric acid mist (measured in NO<sub>x</sub>) and unit product benchmark exhaust volume generated by our anodic oxidation line comply with the standards provided in Tables 5 and 6 of Discharge Standard of Electroplating Pollutants (GB21900-2008); Particulate matter generated from machining, and the non-methane hydrocarbons from dispensing and baking comply with the Level 2 provided in the Integrated Emission Standard of Air Pollutants (GB16297-1996); the particulate matter generated from sandblasting processes, and non-methane hydrocarbons from injection molding processes comply with the standard limits provided in Table 5 of the Emission Standard of Pollutants from Synthetic Resin Industry (GB31572-2015); the non-methane hydrocarbons in unorganized exhaust gas at the plant boundary complies with the Emission Standard of Pollutants from Synthetic Resin Industry (GB 31572-2015) and the Control Standards on Unorganized Emissions of Volatile Organic Compounds (GB37822-2019). Nitrogen oxides, particulate matter, and sulfuric acid mist comply with the Integrated Emission Standard of Air Pollutants (GB16297-1996); and the odor concentrations comply with the Emission Standard of Odorous Pollutants (GB 14554-93).

### 2. Effluent Discharge Standards for 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 complies with Pollutants Discharge Standards



for Electronic Industry (GB 39731-2020). The heavy metal wastewater reuse index in the anodizing surface treatment process complies with the Discharge Standard of Electroplating Pollutants (DB33/2260-2020).

### 3. Emission Standards of Noise Pollution

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

### 4. Pollution Control Standards for Solid Waste

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

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

### 1. Exhaust Gas Emission Standards

The non-methane total hydrocarbons, tin and its compounds, and particulate matter at the factory boundary comply with the standards in Table 3 of the "Integrated Emission Standard of Atmospheric Pollutants" (DB32/4041-2021) of Jiangsu Province; the non-methane total hydrocarbons within the factory area comply with the standards in Table 2 of the "Integrated Emission Standard of Atmospheric Pollutants" (DB32/4041-2021) of Jiangsu Province. All atmospheric pollutants can be discharged up to standard.

### 2. Wastewater Emission Standards

The main pollutants in the wastewater of this project are COD, SS, ammonia nitrogen, and total phosphorus, which are discharged into the municipal sewage pipeline for treatment at Kunshan Development Zone Kuncheng Precision Water Purification Co., Ltd.

### 3. Noise Emission Standards

The factory boundary noise can reach the Class 3 standard in the "Emission Standard for Industrial Enterprise Boundary Environment Noise" (GB12348-2008).

### 4. Solid Waste Emission Standards

① In daily operation, a solid waste management plan should be formulated, and the generation, storage, utilization, and disposal of solid waste should be included in production records, and a solid waste management ledger and an internal hazardous waste handover system between the enterprise and collecting and storage departments should be established. Management of hazardous waste packaging and storage should be strengthened, and the hazardous waste transfer manifest system should be strictly enforced. The transportation of hazardous waste should comply with the technical regulations for preventing pollution from hazardous waste transportation in this city. It is prohibited to provide or entrust hazardous waste to units without a hazardous waste operation permit for collection, storage, utilization, disposal, and other business activities.

② The construction unit should declare and register hazardous waste through the "Jiangsu Province Hazardous Waste Dynamic Management Information System" (Jiangsu Provincial Department of Ecology and Environment website).

③ The enterprise is the responsible party for the prevention and control of solid waste pollution and should establish a risk management and emergency response system, implement the environmental monitoring plan, transfer manifest management system and relevant national and provincial regulations on transfer management, safe operation procedures for disposal processes, personnel training and assessment system, archives management system, entire disposal process, management system, etc.

Environmental protection administrative permits

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

Environmental Impact Assessment Report (Table):

### 1. Computer component production project (phase I);

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

Approval and reply of environmental assessment:

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

Acceptance report:

1. Acceptance report of computer component production project (phase I);
2. Acceptance report of computer component production project (phase II);
3. Acceptance report of 3C precision mechanical parts production expansion project;
4. Acceptance report for precision component manufacturing project in Zone A;
5. Acceptance report for precision component manufacturing project in Zone F;
6. Acceptance report for precision component manufacturing project in Zone G;
7. Acceptance report for precision component manufacturing project in Zone H;
8. Acceptance report for precision component manufacturing project in Zone I.

Pollutant Discharge Permit :

Pollution Permit No.: 91320900MA1R8A0N2B001V Valid period: From April 25, 2023, to April 24, 2028.

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

Environmental impact assessment table:

1. Precision electronic component adjustment project (Phase I);
2. Precision electronic component adjustment project (Phase II);
3. Precision electronic component project (Phase III);
4. Precision electronic component technical renovation project;
5. Environmental impact assessment report of Ri Ming watch project;
6. Environmental Impact Report Form for Precision Parts Renovation and Expansion 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;
6. Jin Huan Xu [2025] No. 26;

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.

Pollutant Discharge Permit :

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

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

#### 1. Approval and Reply of Environmental Assessment:

Approval of the Environmental Impact Report for Rugao Rida Intelligent Manufacturing Technology Co., Ltd.'s Intelligent Terminal Precision Module Project by the Changjiang Town People's Government (JZHSF [2022] No. 2)

#### 2. Discharge Permit:

Completed the application for the discharge permit on October 24, 2023, permit number: 91320682MA22R08P5J001W, valid from October 24, 2023 to October 23, 2028;

Completed the change of the discharge permit on November 22, 2024, permit number: 91320682MA22R08P5J001W, valid from October 24, 2023 to October 23, 2028.

### IV. Ri Shan Computer Accessories (Jia Shan) Co., Ltd.

Discharge permit number validity period (91330421336400470U001Z): from November 22, 2024 to November 21, 2029.

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

Discharge permit number validity period (91330583MAC1YPEC08001X): from January 18, 2025 to January 17, 2030.

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	Nitrogen oxide	Treatment standards, high-altitude emissions	11	Area B, C, A, G, F and I	36 Mg/standard cubic meter	The emission standards for electroplating pollutants are specified in GB 21900-2008, while the emission standards for atmospheric pollutants from boilers are outlined in DB32-4385-2022.	10.905 tons	12.975037 tons	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	Sulfur dioxide	Treatment standards, high-altitude emissions	11	Area B, C, A, G, F and I	1.125 Mg/standard cubic meter	Atmospheric Pollutant Comprehensive Emission Standard (DB32/4041-2021) and Boiler Atmospheric Pollutant Emission Standard (DB32-4385-2022)	0.149 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	Total non-methane hydrocarbons	Treatment standards, high-altitude emissions	69	Area B, C, A, G, F, H and I	2.05 Mg/standard cubic meter	Atmospheric Pollutant Comprehensive Emission Standard (DB32/4041-2021)	36.047 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	Particulate matter	Treatment standards, high-altitude emissions	68	Area B, E, C, A, G, F, H and I	2.5 Mg/standard cubic meter	Atmospheric Pollutant Comprehensive Emission Standard (DB32/4041-2021) and Boiler Atmospheric Pollutant Emission Standard (DB32-4385-2022)	11.101 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	Sulfuric acid fog	Treatment standards, high-altitude emissions	38	Area B, C, A, G, F, H and I	0.24Mg/standard cubic meter	Atmospheric Pollutant Comprehensive Emission Standard (DB32/4041-2021)	1.853 tons	/	/
Luxcase Precision	Air pollutants	Nitric acid fog	Treatment standards,	34	Area B, C, A, G, F, H	4.42 Mg/standard	Atmospheric Pollutant	25.625 tons	/	/

Technology (Yancheng) Co., Ltd.			high-altitude emissions		and I	cubic meter	Comprehensive Emission Standard (DB32/4041-2021)			
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Suspended matter	Controlled emission	1	Sewage station main outlet	23.67 mg/l	Sewage Comprehensive Emission Standard GB8978-1996	130.037 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Ammonia nitrogen	Controlled emission	1	Sewage station main outlet	4.02 mg/l	/	23.844 tons	151.3535 tons	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Petroleum	Controlled emission	1	Sewage station main outlet	0.17 mg/l	Sewage Comprehensive Emission Standard GB8978-1996	3.475 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Anionic surfactant	Controlled emission	1	Sewage station main outlet	0.065 mg/l	Sewage Comprehensive Emission Standard GB8978-1996	0.189 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Fluoride	Controlled emission	1	Sewage station main outlet	0.87 mg/l	Sewage Comprehensive Emission Standard GB8978-1996	5.442 tons	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	PH value	Controlled emission	1	Sewage station main outlet	7.7	Sewage Comprehensive Emission Standard GB8978-1996	/	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Chemical oxygen demand	Controlled emission	1	Sewage station main outlet	101.67 mg/l	Sewage Comprehensive Emission Standard GB8978-1996	548.399 tons	1618.584 tons	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Total phosphorus	Controlled emission	1	Sewage station main outlet	0.34 mg/l	/	2.826 tons	39.770550 tons	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Water pollutants	Total nitrogen	Controlled emission	1	Sewage station main outlet	6.89 mg/l	/	81.404 tons	290.2025 tons	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Heavy metal wastewater recycled	Total nickel	Recycled and not discharged	4	Not discharged	0	Electroplating Pollutant Emission Standard GB 21900-2008	0	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Heavy metal wastewater recycled	Total copper	Recycled and not discharged	4	Not discharged	0	Electroplating Pollutant Emission Standard GB 21900-2008	0	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Heavy metal wastewater recycled	Total chromium	Recycled and not discharged	4	Not discharged	0	Electroplating Pollutant Emission Standard GB 21900-2008	0	/	/
Luxcase Precision Technology (Yancheng) Co., Ltd.	Heavy metal wastewater recycled	Hexavalent chromium	Recycled and not discharged	4	Not discharged	0	Electroplating Pollutant Emission Standard GB 21900-2008	0	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Oil mist	Treatment standards, high-altitude emissions	63	Building roof	0.2	Atmospheric Pollutant Comprehensive Emission Standard (DB31 933-2015)	0.213	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Particulate matter	Treatment standards, high-altitude emissions	6	Building roof	2.7	Atmospheric Pollutant Comprehensive Emission Standard (DB31 933-2015)	0.845	/	/
Ri Ming Computer	Air pollutants	VOC	Treatment standards,	3	Building roof	3.7	Atmospheric Pollutant	0.037	/	/

Accessory (Shanghai) Co., Ltd.			high-altitude emissions				Comprehensive Emission Standard (DB31 933-2015)			
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Lampblack	Treatment standards, high-altitude emissions	1	Building roof	0.6	Atmospheric Pollutant Comprehensive Emission Standard (DB31 933-2015)	0.004	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	PH value	Controlled emission	1	Sewage station main outlet	7.4	Sewage Comprehensive Emission Standard (DB31-199-2018)	/	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Suspended matter	Controlled emission	1	Sewage station main outlet	15	Sewage Comprehensive Emission Standard (DB31-199-2018)	5.895	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Petroleum	Controlled emission	1	Sewage station main outlet	0.54	Sewage Comprehensive Emission Standard (DB31-199-2018)	0.124	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	COD	Controlled emission	1	Sewage station main outlet	49	Sewage Comprehensive Emission Standard (DB31-199-2018)	18.69	33.842	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Ammonia nitrogen	Controlled emission	1	Sewage station main outlet	2.13	Sewage Comprehensive Emission Standard (DB31-199-2018)	0.233	1.0527	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Anionic surfactant	Controlled emission	1	Sewage station main outlet	0.07	Sewage Comprehensive Emission Standard (DB31-199-2018)	0.009	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Total phosphorus	Controlled emission	1	Sewage station main outlet	0.42	Sewage Comprehensive Emission Standard (DB31-199-2018)	0.14	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Total nitrogen	Controlled emission	1	Sewage station main outlet	3.1	Sewage Comprehensive Emission Standard (DB31-199-2018)	1.358	5.25	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	BOD5	Controlled emission	1	Sewage station main outlet	31.6	Sewage Comprehensive Emission Standard (DB31-199-2018)	5.772	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Nitrogen oxide	Treatment standards, high-altitude emissions	7	A2/A14, Sewage station	19.25 Mg/standard cubic meter	Boiler Atmospheric Pollutant Emission Standard DB32/4385-2022, Electroplating Pollutant Emission Standard GB 21900-2008	1.57 tons	5.54 tons	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Particulate matter	Treatment standards, high-altitude emissions	22	A2, A3, A14, A15, A16, Wastewater Station, Hazardous Waste Warehouse	0.86 Mg/standard cubic meter	Boiler Atmospheric Pollutant Emission Standard DB32/4385-2022, Synthetic Resin Industry Pollutant Emission Standard GB 31572-2015, Industrial Coating Process Atmospheric Pollutant Emission Standard DB32/4439-2022, Integrated Emission Standard of Atmospheric Pollutants DB32/4041-2021	1.07 tons	/	/
Rida	Air	Sulfur	Treatment	3	A2/A14,	0.66	Boiler Atmospheric	0.02 tons	/	/

Intelligent Manufacture Technology (Rugao) Co., Ltd.	pollutants	dioxide	standards, high-altitude emissions		Sewage station	Mg/standard cubic meter	Pollutant Emission Standard (DB32-4385-2022)			
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Smoke blackness	Treatment standards, high-altitude emissions	3	A2/A14, Sewage station	/	Boiler Atmospheric Pollutant Emission Standard (DB32-4385-2022)	/	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Sulfuric acid fog	Treatment standards, high-altitude emissions	4	A14/A2, Sewage station	2.48 Mg/standard cubic meter	Electroplating Pollutant Emission Standard GB 21900-2008	1.69 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Chromium and its compounds	Treatment standards, high-altitude emissions	2	A2, A14	0.012 Mg/standard cubic meter	Integrated Emission Standard of Atmospheric Pollutants DB32/4041-2021	0.0014 tons	//	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Nickel and its compounds	Treatment standards, high-altitude emissions	2	A2, A14	0.0016 Mg/standard cubic meter	Integrated Emission Standard of Atmospheric Pollutants DB32/4041-2021	0.0002 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Benzene homologs	Treatment standards, high-altitude emissions	3	A1, A14	0.078 Mg/standard cubic meter	Integrated Emission Standard of Atmospheric Pollutants DB32/4041-2021	0.105 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Xylene	Treatment standards, high-altitude emissions	3	A1, A14	0.024 Mg/standard cubic meter	Integrated Emission Standard of Atmospheric Pollutants DB32/4041-2021	0.028 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Total non-methane hydrocarbons	Treatment standards, high-altitude emissions	19	A1, A2, A3, A14, A15, A16, Wastewater Station, Hazardous Waste Warehouse	1.41 Mg/standard cubic meter	Synthetic Resin Industry Pollutant Emission Standard GB 31572-2015, Industrial Coating Process Atmospheric Pollutant Emission Standard DB32/4439-2022, Integrated Emission Standard of Atmospheric Pollutants DB32/4041-2021	5.389 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Alkali mist	Treatment standards, high-altitude emissions	2	A14, Wastewater Station	0.43 Mg/standard cubic meter	Refer to the Integrated Emission Standard of Atmospheric Pollutants DB31/933-2015	0.064 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Phosphoric acid mist	Treatment standards, high-altitude emissions	3	A2, A14	0 Mg/standard cubic meter	Refer to the Integrated Emission Standard of Atmospheric Pollutants DB31/933-2015	0 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Hydrogen sulfide	Treatment standards, high-altitude emissions	2	Wastewater Station, Hazardous Waste Warehouse	0.21 Mg/standard cubic meter	Odor Pollutant Emission Standard GB 14554-93	0.026 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Ammonia (Ammonia gas)	Treatment standards, high-altitude emissions	2	Wastewater Station, Hazardous Waste Warehouse	3.02 Mg/standard cubic meter	Odor Pollutant Emission Standard GB 14554-93	0.564 tons	/	/
Rida	Water	Suspended	Controlled	1	Production	21.39 mg/L	Sewage	8.906	/	/

Intelligent Manufacture Technology (Rugao) Co., Ltd.	pollutants	matter	emission		wastewater outlet		Comprehensive Emission Standard GB8978-1996	tons		
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Five-day biochemical oxygen demand	Controlled emission	1	Production wastewater outlet	39.27 mg/L	Sewage Comprehensive Emission Standard GB8978-1996	20.994 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Chemical oxygen demand	Controlled emission	1	Production wastewater outlet	77.67 mg/L	Sewage Comprehensive Emission Standard GB8978-1996	45.764 tons	48.697 tons	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Anionic surfactant	Controlled emission	1	Production wastewater outlet	0.19 mg/L	Sewage Comprehensive Emission Standard GB8978-1996	0.067 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Total copper	Controlled emission	1	Production wastewater outlet	0.016 mg/L	Electroplating Pollutant Emission Standard GB 21900-2008	0.002 tons	0.0193 tons	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Total Nitrogen (as N)	Controlled emission	1	Production wastewater outlet	15.64 mg/L	Receiving requirements of Rugao Fugang Water Treatment Co., Ltd.	7.886 tons	13.974 tons	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Ammonia Nitrogen (NH <sub>3</sub> -N)	Controlled emission	1	Production wastewater outlet	1.06 mg/L	Receiving requirements of Rugao Fugang Water Treatment Co., Ltd.	0.501 tons	4.751 tons	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Total Phosphorus (as P)	Controlled emission	1	Production wastewater outlet	0.83 mg/L	Receiving requirements of Rugao Fugang Water Treatment Co., Ltd.	0.276 tons	0.632 tons	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Sulfide	Controlled emission	1	Production wastewater outlet	0.074 mg/L	Sewage Comprehensive Emission Standard GB8978-1996	0.007 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Petroleum	Controlled emission	1	Production wastewater outlet	0 mg/L	Sewage Comprehensive Emission Standard GB8978-1996	0 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Water pollutants	Total Aluminum	Controlled emission	1	Production wastewater outlet	1.11 mg/L	Electroplating Pollutant Emission Standard GB 21900-2008	0.122 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Heavy metal wastewater recycled	Total chromium	Recycled and not discharged	/	Not discharged	0 mg/L	Electroplating Pollutant Emission Standard GB 21900-2008	0 tons	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Heavy metal wastewater recycled	Total nickel	Recycled and not discharged	/	Not discharged	0 mg/L	Electroplating Pollutant Emission Standard GB 21900-2008	0 tons	/	/
Ri Shan Computer Accessories	Industrial Wastewater	Emission Amount	Controlled emission	1	Northwest corner of the factory	/	/	1832112	2243339.29	/

(Jia Shan) Co., Ltd.										
Ri Shan Computer Accessories (Jia Shan) Co., Ltd.	Industrial Wastewater	COD	Controlled emission	1	Northwest corner of the factory	56.02	Emission Standard of Water Pollutants for Electronics Industry	101.186	112.172	/
Ri Shan Computer Accessories (Jia Shan) Co., Ltd.	Industrial Wastewater	Total nickel	Controlled emission	1	Northwest corner of the factory	0.02	Emission Standard of Water Pollutants for Electronics Industry	0.005	0.02	/
Ri Shan Computer Accessories (Jia Shan) Co., Ltd.	Industrial Wastewater	Total chromium	Controlled emission	1	Northwest corner of the factory	0.03	Emission Standard of Water Pollutants for Electronics Industry	0.008	0.026	/
Ri Shan Computer Accessories (Jia Shan) Co., Ltd.	Industrial Wastewater	Ammonia nitrogen	Controlled emission	1	Northwest corner of the factory	0.68	Emission Standard of Water Pollutants for Electronics Industry	1.88	11.217	/
Ri Shan Computer Accessories (Jia Shan) Co., Ltd.	Industrial Wastewater	Total non-methane hydrocarbons	Indirect Discharge	24	F1 factory 3, F2 factory 2, F3 factory 7, F4 factory 1, F5 factory 2, F6 factory 1, F7 factory 1, F9 factory 2, F10 factory 4, F11 factory 5	2.23	Integrated Emission Standard of Atmospheric Pollutants GB16297-1996 Emission Standard of Pollutants for Synthetic Resin Industry GB 31572-2015	6.42087	14.639	/
Ri Shan Computer Accessories (Jia Shan) Co., Ltd.	/	Nitrogen oxide	/	8	F5 factory 7, F7 factory 1	1.1	Electroplating Pollutant Emission Standard GB 21900-2008	0.856	0.91	/
Ri Shan Computer Accessories (Jia Shan) Co., Ltd.	/	Particulate matter	/	11	F3 factory 1, F5 factory 3, F5 factory 1, F6 factory 6, F9 factory 1	6.26	Integrated Emission Standard of Atmospheric Pollutants GB16297-1996 Emission Standard of Pollutants for Synthetic Resin Industry GB 31572-2015	4.97	10.596	/
Luxcase Precision Technology (Kunshan) Co., Ltd.	Total non-methane hydrocarbons	Total non-methane hydrocarbons	Adsorbed and treated by activated carbon adsorption device and then discharged through exhaust stack	9	F10 and F11 are both four standby and four in use, F9 has 1	2.94 mg/m3	60mg/m3 3kg/h	1.0379 t/a	1.0449 t/a	/
Luxcase Precision Technology (Kunshan) Co., Ltd.	Tin and its compounds	Tin and its compounds	Adsorbed and treated by activated carbon adsorption device and then discharged through exhaust stack	1	F9 has 1	ND	5mg/m3 0.22kg/h	ND	0.00017 t/a	/
Luxcase Precision Technology (Kunshan) Co., Ltd.	Particulate matter	Total Suspended Particulate	Unorganized	/	/	/	0.5mg/m3	ND	0.02442 t/a	/

Treatment of pollutants

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



### 1. Prevention Measures for Exhaust Gas Pollution:

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

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

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

Natural gas boilers use domestically advanced low-nitrogen combustion technology, which is a feasible technology for the Technical Specification for Application and Issuance of Pollutant Discharge Permits - Boilers. According to routine monitoring data of existing projects and low-nitrogen combustion retrofitting and commissioning reports, the SO<sub>2</sub>, NO<sub>x</sub>, 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. Prevention Measures for Noise Pollution:

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 Solid Waste:

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

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

#### 1. Prevention Measures for Exhaust Gas Pollution:

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

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

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

#### 2. Prevention Measures for Wastewater Pollution:

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

#### 3. Prevention Measures for Noise Pollution:

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”.

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

#### **1. Prevention Measures for Exhaust Gas Pollution:**

Boilers (to be dismantled after centralized heating conditions are met) use natural gas as fuel and adopt low-NO<sub>x</sub> combustion technology; waste gas from laser welding and laser carving is collected by pipelines and treated by a water washing device; waste gas from dispensing, baking, injection molding, coloring, and spraying is collected by exhaust hoods and treated by filtration + activated carbon adsorption device; degreasing waste gas and penetration waste gas from Workshop 14# are collected by side suction + top suction at the tank edge and treated by mist removal + activated carbon adsorption device; CNC machining waste gas (DDG grinding waste gas) from Workshop 16#, Workshop 1#, Workshop 2#, Workshop 3#, Workshop 4#, and Workshop 6# is collected under negative pressure and treated by oil mist separator + filtration + activated carbon adsorption device; sandblasting waste gas is collected by pipelines and treated by two-stage wet dust removal device; CNC machining waste gas from Workshop 14# is collected by pipelines and treated by electrostatic oil removal + water washing device; waste gas from anode NE line (NPI line) in Workshop 14#, anodic oxidation line in Workshop 2#, and anodic oxidation line in Workshop 5# is collected by side suction + top suction at the tank edge and treated by two-stage alkali spraying device; penetration waste gas from Workshop 5# is collected by pipelines and treated by activated carbon adsorption device; CNC machining waste gas from Workshop 15# is collected by pipelines, and waste gas from milling machines, wet grinding, and electrical discharge machining is collected by exhaust hoods and treated by filtration + activated carbon adsorption device; dry grinding waste gas is collected by exhaust hoods and treated by bag dust collector; tank waste gas and wastewater treatment station waste gas (covered) are collected by pipelines and treated by alkali washing + water washing + mist removal + microwave UV catalytic device; hazardous waste warehouse waste gas is collected under negative pressure and treated by filtration + activated carbon adsorption device.

#### **2. Prevention Measures for Wastewater Pollution:**

The wastewater generated by this project includes 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. Prevention Measures for Noise Pollution:

The main noise pollution prevention and control measures taken in production are:

- ① When purchasing equipment, select equipment with small power and low noise as much as possible;
- ② Use vibration damping bases to reduce the vibration generated during fan rotation;
- ③ Sound sources are set indoors as much as possible to achieve sound insulation and noise reduction. Double-layer sound insulation windows are used for the lighting windows of workshops with high-noise equipment;
- ④ In the general layout, major noise sources are arranged in the middle of the workshop, far from the factory boundary, and soundproof covers are installed on equipment such as fans;
- ⑤ For high sound power equipment, special vibration damping and silencing equipment is purchased with the equipment;
- ⑥ Strengthen factory greening and establish green isolation belts. In addition, trees and shrubs are planted around the factory boundary to form a green fence, which has a sound absorption and noise reduction effect.

### 4. Prevention Measures for Solid Waste:

Unqualified products, waste scraps, waste polishing stones, waste molds, waste grinding wheels, sandblasting waste, injection molding waste, pure water preparation waste, and waste metal slag generated by the Company are entrusted to qualified units for disposal as general industrial solid waste; waste packaging, waste ion exchange resin, waste membrane cores, waste filter bags, waste tank slag, waste activated carbon, other wastewater treatment sludge, waste grinding liquid, waste organic solvents, waste labor protection supplies, waste chromium slag, waste nickel slag, waste catalysts, waste lamp tubes, waste filter cotton, waste fabric bags, waste cutting fluid/oil, waste rubber hoses, waste paint slag, waste spark oil, waste hydraulic oil, and waste oil from air compressors generated are entrusted to qualified units for disposal as hazardous waste; phosphorus-containing sludge is identified as general industrial solid waste after identification and is entrusted to external parties for disposal; domestic garbage is entrusted to sanitation departments for transportation.

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

## IV. Ri Shan Computer Accessories (Jia Shan) Co., Ltd.

### 1. Prevention Measures for Exhaust Gas Pollution:

Collected and treated by the exhaust gas treatment facility to meet standards, and then discharged.

### 2. Prevention Measures for Wastewater Pollution:

Discharged into the municipal sewage pipeline to Jiashan County Dadi Wastewater Treatment Plant Eastern Water Purification Plant for treatment.

### 3. Prevention Measures for Noise Pollution:

Low-noise equipment is selected, and measures such as sound insulation, vibration reduction, and factory greening are taken simultaneously to achieve sound insulation and noise reduction.

### 4. Prevention Measures for Solid Waste:

- ① Waste packaging materials: Collected and sold for external treatment.
- ② Solid hazardous waste: Collected and entrusted to qualified units for treatment.
- ③ Domestic garbage: Collected and entrusted to sanitation departments for transportation.

- ④ Hazardous waste: Collected and entrusted to units with hazardous waste operation permits for treatment.

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

##### **1. Prevention Measures for Exhaust Gas Pollution**

The organic waste gas generated by this project belongs to low-concentration VOCs waste gas, and none of the waste gas has recycling value. Therefore, this project uses adsorption method to absorb organic waste gas. The adsorption method utilizes porous solids (adsorbents) to accumulate or condense one or more components of a gas mixture on the adsorbent surface, achieving separation purposes, which is suitable for situations where the organic waste gas concentration is low. Considering the existing site and overall cost, activated carbon adsorption device is planned to treat organic waste gas.

##### **2. Prevention Measures for Wastewater Pollution**

① Wastewater pipeline connection: The wastewater pipeline in the factory area where this project is located has been laid, and domestic wastewater has been connected. Therefore, the domestic wastewater of this project can be connected to the existing wastewater pipeline and enter the wastewater treatment plant for treatment.

② Analysis of connected water volume: Kunshan Development Zone Kuncheng Precision Water Purification Co., Ltd. is located on the west side of Meigui Road, south of Wusong River. The total scale already built is 25,000 t/d, adopting the modified A2/O and oxidation ditch biological nitrogen and phosphorus removal process. The tailwater discharge reaches the Suzhou special discharge limits in Annex 1 of the "Implementation Opinions on High-Quality Promotion of Urban and Rural Domestic Wastewater Treatment Three-Year Action Plan" (Su Wei Ban Fa [2018] No. 77) and the Class C standard in Table 1 of the "Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants" before being discharged into the Wusong River. Currently, Kunshan Development Zone Kuncheng Precision Water Purification Co., Ltd. still has a treatment capacity of 8,000 m<sup>3</sup>/d remaining. The proportion of wastewater from this project (waste) water in the remaining treatment capacity of Kunshan Development Zone Kuncheng Precision Water Purification Co., Ltd. is 0.237%, which is very small. Kunshan Development Zone Kuncheng Precision Water Purification Co., Ltd. has enough capacity to accept the domestic wastewater from this project.

③ Water quality: This project mainly involves the connection of domestic wastewater, and the water quality meets the receiving standards of Kunshan Development Zone Kuncheng Precision Water Purification Co., Ltd.

##### **3. Prevention Measures for Noise Pollution**

① When purchasing equipment, enterprises should purchase low-noise equipment that meets the national standards for various mechanical noises to ensure compliance with the noise health standards for industrial enterprise workshops during operation, and at the same time, ensure that the factory boundary noise control values are met.

② For equipment with high noise pollution, such as fans, vibration reduction devices, soundproof covers, or mufflers should be installed.

③ Measures should be taken to control noise propagation paths, strengthening the building envelope of noise source workshops mainly by enclosing them, and simultaneously implementing greening outside the workshops and at the factory boundary, utilizing buildings and trees to block the transmission of sound.

④ The noise pollution prevention and control work of the project implements the "three simultaneous" system. Noise reduction equipment such as anti-vibration pads, sound insulation, sound absorption, and mufflers should be regularly inspected and maintained, and those that do not meet the requirements should be replaced in a timely manner to prevent the increase of mechanical noise.

⑤ Strengthen equipment repair and maintenance to keep the equipment in optimal working condition.

##### **4. Prevention Measures for Solid Waste Pollution**

Strengthen the management of solid waste generation, collection, and storage at each stage. All types of solid waste should be stored according to category to prevent the loss and leakage of solid waste within the factory area, achieving harmlessness, ensuring that all types of solid waste are effectively disposed of, and avoiding secondary pollution.

Environmental self-monitoring program

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

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

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

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

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

At the end of each year, the self-monitoring plan for the following year is updated and compiled according to the discharge permit and environmental impact assessment requirements. For organized exhaust gas from main exhaust gas outlets, nitrogen oxides are monitored once a month, and other pollutant indicators are monitored once a quarter; for organized exhaust gas from general exhaust gas outlets, non-methane total hydrocarbons, phosphoric acid mist, and alkali mist are monitored once every six months, and other pollutant indicators are monitored once a quarter; unorganized exhaust gas is monitored once a year; industrial wastewater discharge outlets and domestic sewage discharge outlets are monitored once a month; rainwater discharge outlets are monitored once every six months; surface water in the inner river on the north side of the factory area and groundwater at the wastewater treatment station are monitored once a quarter; bottom sediment at the rainwater discharge outlet of the factory area is monitored once every 3 years; noise is monitored once a quarter; relevant test reports are available as data compliance support for all the above.

## IV. Ri Shan Computer Accessories (Jia Shan) Co., Ltd.

At the end of each year, the self-monitoring plan for the following year is updated and compiled according to the discharge permit and environmental impact assessment requirements. Organized exhaust gas from general exhaust gas outlets is monitored once every six months; unorganized exhaust gas is monitored once every six months; wastewater discharge outlets are monitored once a quarter; noise is monitored once a quarter; rainwater discharge outlets are monitored once every six months, and relevant test reports are available as data compliance support for all.

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

After the project is put into operation, the construction unit should regularly entrust a qualified environmental monitoring unit to monitor the project's exhaust gas. According to the "Technical Guidelines for Self-Monitoring of Pollutant Discharging Units - General Principles" (HJ 819-2017), this enterprise is not a key pollutant discharging unit. The environmental monitoring plan for the operation period is shown in Table 4-8.

Exhaust Gas:

Category	Monitoring Points	Monitoring Factors	Routine Monitoring Frequency	Execution Standard
Exhaust Gas	Exhaust Stack	Non-methane total hydrocarbons, tin and its compounds	1 time/year	Jiangsu Province "Integrated Emission Standard of Atmospheric Pollutants" (DB32/4041-2021) Table 1 Standard
	Enterprise Boundary	Non-methane total hydrocarbons, tin and its compounds, particulate matter	1 time/year	Jiangsu Province "Integrated Emission Standard of Atmospheric Pollutants" (DB32/4041-2021) Table 3 Standard
	Within the factory area	Total non-methane hydrocarbons	1 time/year	Jiangsu Province "Integrated Emission Standard of Atmospheric Pollutants" (DB32/4041-2021) Table 2 Standard

Wastewater:

Category	Monitoring Content	Monitoring Location	Routine Monitoring Frequency	Execution Standard
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Domestic Sewage	COD, SS, NH <sup>3</sup> -N, TP	Total discharge outlet of the factory area	1 time/year	"Integrated Wastewater Discharge Standard" (GB8978-1996) Table 4 Level 3 Standard, "Water Quality Standard for Wastewater Discharged into Urban Sewers" (GB-T31962-2015) Table 1 Grade B
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Noise:

Category	Monitoring Content	Monitoring Location	Routine Monitoring Frequency	Execution Standard
Noise	Equivalent Continuous A-weighted Sound Pressure Level	1 meter outside the factory boundary	1 time/quarter	"Emission Standard for Industrial Enterprise Boundary Environment Noise" (GB12348-2008) Class 3 Standard

Emergency plan for abrupt environmental pollution accidents

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

Luxcase Plant has prepared the Emergency Plan for Abrupt Environmental Pollution Accidents (4th Edition) in 2023, and has completed the formalities for expert review and filing with the filing No.: 320902-2024-066-H.

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

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

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

Rida factory area was registered in May 2024, registration number: 320682-2024-072-M.

#### **IV. Ri Shan Computer Accessories (Jia Shan) Co., Ltd.**

Rishan factory area was registered in November 2024, registration number: 330421-2024-72-M.

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

The environmental emergency response plan (First Edition) was prepared in 2024, and the expert review and registration procedures have been completed, registration document number 320583-2024-2547-L.

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

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

In 2024, approximately RMB 13.2 million was invested in the operation, maintenance, and upkeep of environmental protection equipment. Additionally, the total amount of environmental protection tax paid on a quarterly basis, averaging RMB 49,000 per month, was reported.

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

In 2024, approximately RMB 13 million was invested in environmental protection, and the environmental protection tax paid amounted to RMB 9757.66.

#### **III. Ri Shan Computer Accessories (Jia Shan) Co., Ltd.**

Total investment in environmental treatment and protection for the 2024 expansion project is RMB 5 million.

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

Total investment in environmental treatment and protection for the 2024 expansion project is RMB 300,000.

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

☒Applicable ☐N/A

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

1. In February 2024, the second phase of photovoltaic power generation was put into operation at the Yancheng factory, with an installed capacity of 16MW, saving 25,151,138 kWh (25,151.138 MWh) of electricity annually, and reducing carbon emissions by 45,169.95 tons per year;

2. In 2024, frequency converters were installed on motors at the Yancheng factory, flow meters were installed on inlet and outlet water pipelines, etc., to adjust motor frequency and reduce power consumption. Improved 1344 motors, saving 16,370,000 kWh (16,370 MWh) of electricity annually, and reducing carbon emissions by 9115 tons per year;

3. In 2024, clean room FFUs at the Yancheng factory were replaced, and AC motors in FFUs were replaced with DC motors, reducing power consumption. Replaced 546 FFUs, saving 120,000 kWh (120 MWh) of electricity annually, and reducing carbon emissions by 67 tons per year.

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

Improvement Project	Scheme	Investment (RMB ten thousand)	Benefit (RMB ten thousand)	Benefit (ten thousand Kwh)
Project Energy Storage	Contract Energy Management	0	13.8	17.6
Energy Audit	Completed 1 audit cycle for the entire factory each month.	24	14.8	18.5
Gas to Vacuum (M6/1F/2F)	Replacing vacuum generators with vacuum pumps for direct supply	0	11.38	14.23

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

Company	Item	Improvement Content	Investment (RMB ten thousand)	Annual Electricity Savings (kWh)	Annual Cost Savings (RMB)
Rida Intelligent Manufacture Technology (Rugao) Co., LTD	Lighting Improvement	Replacing traditional LED lights with high-efficiency and energy-saving LED lights in workshops such as A17, warehouse, and EMP	10.36	588,700	457,420
Rida Intelligent Manufacture Technology (Rugao) Co., LTD	Street Light Improvement	Replacing traditional LED street lights with high-efficiency LED street lights	5.395	91,000	70,707
Rida Intelligent Manufacture Technology (Rugao) Co., LTD	FFU Fan Improvement	Replacing AC FFU fans with DC FFU fans in Building A17	28.8	136,000	105,672
Rida Intelligent Manufacture Technology (Rugao) Co., LTD	Dryer Insulation Improvement	Adding insulation to the adsorption cylinder of the adsorption dryer	12	92,000	71,484
Rida Intelligent Manufacture Technology (Rugao) Co., LTD	Dryer Control Improvement	Changing adsorption dryer time control to dew point control	0	580,000	450,660

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
-	-	-	-	-	-

Other environmental information to be disclosed

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



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

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

The said company takes the initiative to make PRTR information disclosure on 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 publish the wastewater, exhaust gas, noise and other pollution emission factors on the national pollution source information disclosure platform every month.

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

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

#### **IV. Ri Shan Computer Accessories (Jia Shan) Co., Ltd.**

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

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

The said company takes the initiative to make PRTR information disclosure on 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.

#### **Other environmental information**

Luxshare-ICT attaches great importance to the possible impact of climate changes on the Company, and has established a carbon neutral working group led by the Board of Directors, coordinated by the sustainable development center and participated in by all plants to respond to issues related to climate changes in a comprehensive manner. Based on our actual business and with reference to the external standards, it identifies the applicable climate risks and opportunities, ranks them according to the increasing probability of occurrence and degree of impact, and then submits 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 plan and implements a low-carbon energy transition plan, and is committed to achieving carbon neutrality by 2025. During the reporting period, we actively used clean energy and reduced greenhouse gas emissions by 1,427,672 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 349 energy-saving renovation projects for five major energy-using modules, including production electricity, air compression system, central air conditioning, workshop fan and living office, thereby reducing greenhouse gas emissions by a total of 125,363 tons of carbon dioxide equivalent.

## **II. Description of Social Responsibilities**

The Company always regards sustainable development as a key part of its corporate development strategy, establishes an ESG management structure with the Board of Directors and Strategy Committee as the core decision-making layer, and systematically promotes sustainable development practices in four core areas: scientific governance, green and low-carbon,

harmonious health, and responsible procurement. The Company spares no effort to build an efficient, clean, low-carbon, and circular green manufacturing system. As of the end of the reporting period, a cumulative of 18 subsidiaries have obtained national or provincial/municipal green factory certification, 14 subsidiaries have obtained UL2799 Zero Waste to Landfill certification, and 6 subsidiaries have obtained International Water Stewardship Standard (AWS) certification, effectively reducing emissions from production and operation activities and improving resource utilization efficiency.

In the process of innovation-driven green manufacturing, the Company relies on the deep integration of digitalization and automation technologies to systematically promote the innovation of manufacturing processes, and significantly improves resource utilization efficiency by introducing cutting-edge technologies and intelligent management systems. At the same time, the Company focuses on the widespread application of clean energy technologies such as energy storage and rooftop photovoltaics, integrates the green concept throughout the entire product life-cycle, strictly adheres to green standards, actively explores breakthroughs in circular and recyclable materials, and reduces waste generation at the source. During the reporting period, the proportion of clean energy used by the Company exceeded 70%, correspondingly reducing greenhouse gas emissions by nearly 1.53 million tons of CO<sub>2</sub>e.

The Company's 2024 Sustainable Development Report has been published on Cninfo ([www.cninfo.com.cn](http://www.cninfo.com.cn)), the information disclosure website designated by the Company, together with this Annual Report on the same day.

### **III. Consolidation and Expansion of Poverty Alleviation and Rural Revitalization**

The Company always cares about society and actively organizes charitable assistance to agriculture, supports local rural culture and education, improves rural living environments, and promotes the development of characteristic rural industries, jointly painting a picture of rural revitalization. During the reporting year, the Company actively responded to the national "Ten Thousand Enterprises Revitalizing Ten Thousand Villages" initiative and carried out various activities such as local agricultural product procurement, donation of beds to rural primary schools, and revitalization of intangible cultural heritage.

## Section VI Significant Matters

### I. Fulfillment of Commitments

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

☒Applicable ☐N/A

Commitments	Committed by	Commitment Type	Commitment details	Commitment date	Commitment period	Fulfillment of commitments
Commitments relating to any initial public offering or subsequent fund raising	HUANG Dawei; LI Wei; LIU Zhonghua; SONG Yuhong; WANG Laichun; WANG Laisheng; WANG Tao; WU Tiansong; ZHANG Ying	Other commitments	<p>In order to seriously protect the legitimate rights and interests of the Company and all of its shareholders, each of all directors and executives of the Company hereby makes commitments as follows:</p> <ol style="list-style-type: none"> <li>1. I promise not to damage the Company's interests by transferring benefits to any other entity or individual free of charge or under unfair conditions or otherwise;</li> <li>2. I promise to restrain the duty-related consumption of directors and executives;</li> <li>3. I promise not to use the Issuer's assets to engage in investment and consumption irrelevant to their performance of powers and duties;</li> <li>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;</li> <li>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;</li> <li>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.</li> <li>7. From the date of issuing this Letter of Commitment until the completion of this non-public offering of stocks by the Issuer, if the CSRC has issued other new provisions on measures to compensate for diluted returns and commitments, and the aforesaid commitments fail to meet such new regulatory provisions issued by the CSRC, I undertake to give supplementary commitments in accordance with the latest provisions of the CSRC.</li> </ol>	February 21, 2022	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; WANG Laichun; WANG Laisheng	Other commitments	<p>In order to seriously protect the legitimate rights and interests of the Company and all of its shareholders, each of the controlling shareholder and actual controllers of the Company hereby makes commitments as follows:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. We/I promise to strictly fulfill the aforesaid commitments to ensure that the Issuer's remedial measures for diluted earnings can be fulfilled effectively. If we/I breach or refuse to fulfill any commitment set forth above, I will make explanations and apologies and perform other obligations required by the applicable regulations, and agree to accept any punishment or regulatory action that may be imposed on or taken against me by the CSRC, the Shenzhen Stock Exchange or any other competent securities regulatory authority in accordance with the applicable rules and regulations established or promulgated by such regulatory authorities, and indemnify the Issuer or its shareholders for</li> </ol>	February 21, 2022	Long-term	Ongoing

			the losses (if any) arising therefrom according to the law.			
			3. From the date of issuing this Letter of Commitment until the completion of this non-public offering of stocks by the Company, if the CSRC has issued other new provisions on measures to compensate for diluted returns and commitments, and the aforesaid commitments fail to meet such new regulatory provisions issued by the CSRC, we/I undertake to give supplementary commitments in accordance with the latest provisions of the CSRC.			
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	After the completion of the transactions contemplated by the announcement on external investment and related-party transactions disclosed by the Company on November 13, 2020, we and our affiliates will not engage in any business that is the same as or substantially in competition with the business of the Company or any entity controlled by the Company in any manner.	November 13, 2022	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	HUANG Dawei; LI Bin; LIN Yifei; WANG Laichun; WANG Laisheng; WU Tiansong; XIONG Tengfang; XU Huaibin, XUE Haigao; YE Yiling; ZHANG Ying	Other commitments	<p>In accordance with the applicable regulations of the CSRC, in order to ensure the effective implementation of the Company's remedial measures for diluted earnings, each of the directors and executives of the Company hereby makes commitments as follows:</p> <p>1. I will not transfer benefits to any other entity or individual without compensation or on unfair terms, or otherwise damage the interest of the Company.</p> <p>2. I will exercise self-discipline in consumption in performing my duties.</p> <p>3. I will not use the assets of the Company to engage in any investment or consumption activity not in connection with my duties.</p> <p>4. I will, 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.</p> <p>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.</p> <p>6. I promise to strictly fulfill the aforesaid commitments to ensure that the Company's remedial measures for diluted earnings can be fulfilled effectively. If I breach or refuse to fulfill any commitment set forth above, I will make explanations and apologies and perform other obligations required by the applicable regulations, and agree to accept any punishment or regulatory action that may be imposed on or taken against me by the CSRC, the Shenzhen Stock Exchange or any other competent securities regulatory authority pursuant to the applicable rules and regulations established or promulgated by such regulatory authorities, and indemnify the Company or its shareholders for the losses (if any) arising therefrom according to the law.</p>	July 11, 2019	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; WANG Laichun; WANG Laisheng	Other commitments	<p>In order to seriously protect the legitimate rights and interests of the Company and all of its shareholders, each of the controlling shareholder and actual controllers of the Company hereby makes commitments as follows:</p> <p>1. We/I will not interfere with management and operation of the Company beyond our/my powers, or infringe on the interest of the Company.</p> <p>2. We/I promise to 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 that may be imposed on or taken against us/me by the CSRC, the Shenzhen Stock Exchange or any other competent securities regulatory authority pursuant to the applicable rules and regulations established or promulgated by such regulatory authorities. If we/I breach or fail to fulfill the commitments set forth above, resulting in losses to the Company or the investors, we/I are/am willing to compensate for such losses according to the law.</p> <p>3. From the date of this commitment till the date of completion of this offering, if the CSRC or any other competent securities regulatory authority adopts any new regulation regarding the remedial measures for diluted earnings and commitments in connection therewith, and the commitments set forth above do not satisfy the requirements of such new regulation, we/I will make supplementary commitments pursuant to</p>	July 11, 2019	Long-term	Ongoing

			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 commits as follows:  (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 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) If the Company establishes any share incentive plan in the future, I will procure the linkage between the vesting conditions in respect of any share incentives granted by the Company and the implementation of the Company's remedial measures for diluted earnings.	March 11, 2016	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; WANG Laichun; WANG Laisheng	Other commitments	Luxshare Limited, as the controlling shareholder of the Company, and WANG Laichun and WANG Laisheng, as the actual controllers of the Company, hereby make commitments as follows:  1. We, Luxshare Limited, as the controlling shareholder of the Company, undertake not to interfere with management and operation of the Company beyond our powers, or infringe on the interest of the Company.  2. I, WANG Laichun, as the actual controller, Chairman and General Manager of the Company, undertake to perform my duties in accordance with the applicable laws and regulations and the articles of association of the Company, and not to interfere with management and operation of the Company beyond my powers, or infringe on the interest of the Company.  3. I, WANG Laisheng, as the actual controller and Vice Chairman of the Company, undertake to perform my duties in accordance with the applicable laws and regulations and the articles of association of the Company, and not to interfere with management and operation of the Company beyond my powers, or infringe on the interest of the Company.	March 11, 2016	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited	Commitments relating to horizontal competition, related-party transactions and occupation of 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, and guarantee that the legitimate rights and interests of the Company and its shareholders will not be damaged as a result of such transaction. 3. We or any other entity controlled by us will not request the Company to offer any terms more favorable than the terms that may be offered by any third party in an arm's length transaction, or accept any such terms offered by the Company. 4. For so long as we remain the controlling shareholder of Luxshare-ICT, the commitments set forth above shall be unconditional and irrevocable. If we breach any commitment set forth above, we will, jointly and severally, fully, timely and adequately indemnify the losses of the Company arising therefrom.	October 15, 2014	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited	Commitments relating to horizontal competition, related-party transactions and occupation of funds	The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: 1. We and all other entities controlled by us at present or in the future will not, directly or indirectly, engage in any business or activity that competes, might compete or potentially competes with the main business of the Company. 2. If any amendment of any applicable law or change in any applicable policy of the country results in any actual or potential horizontal competition between us or any other entity controlled by us and the Company in any business, the Company shall have the preemptive right on the same terms in respect of any entrusted management (or management under contract or lease) or acquisition in connection with such business. 3. For so long as we remain the controlling shareholder of Luxshare-ICT, the commitments set forth above shall be unconditional and irrevocable. If we breach any commitment set forth above, we will, jointly and severally, fully, timely and adequately indemnify the losses of the Company arising therefrom.	October 15, 2014	Long-term	Ongoing

Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; Shenzhen Zixin Investment Co., Ltd.; WANG Laichun; WANG Laisheng	Commitments relating to horizontal competition, related-party transactions and occupation of funds	The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: we/I will not take advantage of our/my position as the controlling shareholder, actual controller or shareholder (as applicable) and our/my affiliation with the Issuer to engage in any act to the detriment of the interest of the Issuer or its other shareholders. With respect to any related-party transaction between us/me or any other entity controlled by us/me and the Issuer, we/I will carry out such transaction on an arm's length basis and customary commercial terms, and will not request the Issuer to offer any terms more favorable than the terms that may be offered by any third party in an arm's length transaction, or accept any such terms offered by the Issuer. We/I will strictly perform all related-party transaction agreements (if any) entered into with the Issuer in good faith, and will not seek any interest or benefit in contravention of the commitments set forth above. If we/I breach any commitment set forth above, we/I agree to indemnify the Issuer and its minority shareholders for all losses arising therefrom.	July 30, 2010	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; Shenzhen Zixin Investment Co., Ltd.	Commitments relating to horizontal competition, related-party transactions and occupation of funds	The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: We are not engaged in any business that is the same as or similar to the business of the Issuer or any entity controlled by the Issuer. For so long as we retain control over the Issuer directly or indirectly, we will strictly comply with the applicable laws, regulations and codes of the country, and will not, directly or indirectly, engage in any business that is the same as, similar to or substantially in competition with the business of the Issuer or any entity controlled by the Issuer, or have substantial or relative control over any other company, organization or economic entity engaging in any business that is the same as, similar to or substantially in competition with the business of the Issuer or any entity controlled by the Issuer in or outside China. We will use our control over the other entities controlled by us to cause such entities to fulfill the commitments set forth above in the same manner. If we breach any commitment set forth above, we agree to assume the relevant legal liabilities, including without limitation, to indemnify the Issuer and its minority shareholders for all losses arising therefrom.	July 30, 2010	Long-term	Ongoing
Commitments relating to any initial public offering or subsequent fund raising	WANG Laichun; WANG Laisheng	Commitments relating to horizontal competition, related-party transactions and occupation of funds	The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: I and other entities controlled by me are not engaged in any business that is the same as or similar to the business of the Issuer or any entity controlled by the Issuer. For so long as I retain control over the Issuer directly or indirectly, I will strictly comply with the applicable laws, regulations and codes of the country, and will not, directly or indirectly, engage in any business that is the same as, similar to or substantially in competition with the business of the Issuer or any entity controlled by the Issuer, or have substantial or relative control over any other company, organization or economic entity engaging in any business that is the same as, similar to or substantially in competition with the business of the Issuer or any entity controlled by the Issuer in or outside China. I will use my control over the other entities controlled by me to cause such entities to fulfill the commitments set forth above in the same manner. If I breach any commitment set forth above, I agree to assume the relevant legal liabilities, including without limitation, to indemnify the Issuer and its minority shareholders for all losses arising therefrom.	July 30, 2010	Long-term	Ongoing
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		

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

☐Applicable ☒N/A

**II. Occupation of Funds of the Listed Company by the Controlling Shareholder and Other Related Parties for Non-operating Purposes**

☐Applicable ☒N/A

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

**III. Illegal Provision of Guarantees for External Parties**☐Applicable ☒N/A

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

**IV. Explanation Made by the Board of Directors about the Modified Audit Opinion for the Latest Period**☐Applicable ☒N/A**V. Explanation by the Board of Directors, the Board of Supervisors and the Independent Directors (If any) about the Modified Auditor's Report Issued by the Accounting Firm for the Reporting Period**☐Applicable ☒N/A**VI. Explanation about Changes in Accounting Policies and Accounting Estimates or Correction of Significant Accounting Errors When Compared with the Previous Financial Year**☐Applicable ☒N/A

During the reporting period, there was no change in accounting policies, accounting estimates, or significant accounting error corrections

**VII. Explanation about Changes in Consolidation Scope When Compared with the Previous Financial Year**☒Applicable ☐N/A

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

**VIII. Appointment and Dismissal of Accounting Firms**

Accounting firm currently engaged

Name of domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of domestic accounting firm (in RMB 10,000)	270.6
Consecutive years in which the domestic accounting firm has provided auditing service	17
Certified public accountant of the domestic accounting firm	QIANG Guiying, ZHANG Yehua
Consecutive years in which the certified public accountant of the domestic accounting firm has provided auditing service	1

A new accounting firm was engaged during the reporting period

☐Yes ☒No

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

☒Applicable ☐N/A

During the reporting period, the Company engaged BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) as the auditor and internal control auditor for the year 2024. The total audit fees paid to RSM China Certified Public Accountants LLP (Special General Partnership) during the reporting period amounted to RMB 2.706 million.

## IX. Delisting Risks Faced after the Disclosure of the Annual Report

☐Applicable ☒N/A

## X. Matters Relating to Bankruptcy and Reorganization

☐Applicable ☒N/A

There were no bankruptcy or restructuring related events during the reporting period

## XI. Material Litigation and Arbitration Proceedings

☒Applicable ☐N/A

Basic Information of Litigation (Arbitration)	Amount Involved (RMB 10,000)	Whether a provision is recognized	Litigation (Arbitration) Progress	Litigation (Arbitration) Trial Results and Impacts	Enforcement of judgment/ award	Date of disclosure	Disclosure Index
Other litigation during the reporting period (arbitration)	529.11	No	Closed	The case has been settled/ closed by mediation or judgment, and does not have a material effect on us.	Already enforced		N/A
Other litigation during the reporting period (arbitration)	4,387.12	No	Pending	The case is pending, and will not have a material effect on us.	Pending		N/A

## XII. Penalty and Rectification

☐Applicable ☒N/A

There was no punishment or rectification involving the Company during the reporting period.

## XIII. Integrity Status of the Company, its Controlling Shareholder and Actual Controller

☒Applicable ☐N/A

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



## XIV. Material Related-Party Transactions

### 1. Related-Party Transactions Relating to Day-to-Day Operation

☒Applicable ☐N/A

Counterparty	Relationship	Type	Related-party transactions	Pricing principle	Transaction price	Amount (in 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	Affiliated legal person	Purchasing goods from affiliates	Purchasing goods, fixed assets, services, etc.	Market pricing	Fair market price	513.54	0.00%	3,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
BCS Germany	Affiliated legal person	Purchasing goods from affiliates	Purchasing goods, services, etc.	Market pricing	Fair market price	351.14	0.00%	12,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
Luxsan Investment	Affiliated legal person	Purchasing goods from affiliates	Purchase of goods, materials, fixed assets, rental fees, utility fees, etc.	Market pricing	Fair market price	4,584.43	0.02%	10,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
Luxsan Hong Kong	Affiliated legal person	Purchasing goods from affiliates	Purchasing goods, services, etc.	Market pricing	Fair market price	124,380.52	0.59%	170,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.: 2024-014/2024-076
BCS Romania	Affiliated legal person	Purchasing goods from affiliates	Purchasing goods, services, etc.	Market pricing	Fair market price	2,895.43	0.01%	5,000	No	Bank transfer	Fair market price	September 14, 2024	Announcement No.:2024-076
Dongguan Cowell	Affiliated legal person	Purchasing goods from affiliates	Purchasing goods, fixed assets, services, etc.	Market pricing	Fair market price	875.55	0.00%	2,500	No	Bank transfer	Fair market price	December 21, 2024	Announcement No.:2024-098
BCS Suzhou	Affiliated legal person	Selling goods from affiliates	Selling goods, services, etc.	Market pricing	Fair market price	38,063.14	0.14%	70,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
BCS Germany	Affiliated legal person	Selling goods from affiliates	Selling goods, services, etc.	Market pricing	Fair market price	37.69	0.00%	6,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
BCS USA	Affiliated legal person	Selling goods from affiliates	Selling goods, services, etc.	Market pricing	Fair market price	3,681.15	0.01%	4,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014

BCS Romania	Affiliated legal person	Selling goods from affiliates	Selling goods, services, etc.	Market pricing	Fair market price	284.9	0.00%	4,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
Luxsan Investment	Affiliated legal person	Selling goods from affiliates	Selling goods, materials, fixed assets, services, etc.	Market pricing	Fair market price	199.71	0.00%	7,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.: 2024-014/2024-076
Luxsan Hong Kong	Affiliated legal person	Selling goods from affiliates	Selling goods, materials, fixed assets, services, etc.	Market pricing	Fair market price	115,553.8	0.43%	150,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.: 2024-014/2024-076
Luxsan Equipment	Affiliated legal person	Selling goods from affiliates	Selling goods, materials, fixed assets, services, etc.	Market pricing	Fair market price	19,362.39	0.07%	30,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
Chery Parts	Affiliated legal person	Selling goods from affiliates	Selling goods, services, etc.	Market pricing	Fair market price	36,552.26	0.14%	150,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
Chery Commercial Vehicle	Affiliated legal person	Selling goods from affiliates	Selling goods, services, etc.	Market pricing	Fair market price	1,346.51	0.01%	60,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
Henan Chery	Affiliated legal person	Selling goods from affiliates	Selling goods, services, etc.	Market pricing	Fair market price	90.35	0.00%	2,000	No	Bank transfer	Fair market price	February 29, 2024	Announcement No.:2024-014
Hong Kong Cowell	Affiliated legal person	Selling goods from affiliates	Selling goods, services, etc.	Market pricing	Fair market price	159,258.29	0.59%	200,000	No	Bank transfer	Fair market price	September 14, 2024	Announcement No.:2024-076
Anhui Ruijing	Affiliated legal person	Selling goods from affiliates	Selling goods, services, etc.	Market pricing	Fair market price	109,686.74	0.41%	180,000	No	Bank transfer	Fair market price	October 26, 2024	Announcement No.:2024-086
Chery New Energy	Affiliated legal person	Selling goods from affiliates	Selling goods, services, fixed assets, etc.	Market pricing	Fair market price	18,787.05	0.07%	25,000	No	Bank transfer	Fair market price	December 21, 2024	Announcement No.:2024-098
Dongguan Cowell	Affiliated legal person	Selling goods from affiliates	Selling goods, services, fixed assets, etc.	Market pricing	Fair market price	12,722.86	0.05%	15,000	No	Bank transfer	Fair market price	December 21, 2024	Announcement No.:2024-098
Total				--	--	649,227.45	--	1,105,500	--	--	--	--	--
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				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									

the reporting period (if any)	belongs to the acts of normal business and will not have a significant impact on the daily operation and performance of the Company.
Reason of any great difference between transaction price and reference market price (if applicable)	N/A

## **2 Related-Party Transactions Involving Acquisition or Sales of Assets or Equities**

☐Applicable ☒N/A

There were no related party transactions arising from acquisition or sale of assets or equity during the reporting period.

## **3. Related-Party Transactions Involving Joint External Investment**

☐Applicable ☒N/A

There were no related party transactions regarding joint investments in third parties during the reporting period.

## **4. Accounts Receivable from and Payable to Related Parties**

☐Applicable ☒N/A

There were no amounts due to and from related parties during the reporting period.

## **5. Financial Business with its Related Financial Companies**

☐Applicable ☒N/A

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

## **6. Financial Business between the Financial Companies Controlled by the Company and Related Parties**

☐Applicable ☒N/A

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

## **7. Other Significant Related-Party Transactions**

☐Applicable ☒N/A

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

## **XV. Significant Contracts and Their Performance**

### **1. Entrustment, Contracting and Leases**

#### **(1) Entrustment**

☐Applicable ☒N/A

There were no entrustment events of the Company during the reporting period.

**(2) Contracting**

☐Applicable ☒N/A

There were no contracting events of the Company during the reporting period.

**(3) Leases**

☐Applicable ☒N/A

There were no leases of the Company during the reporting period.

**2. Material Guarantees**

☒Applicable ☐N/A

In RMB 10,000

External guarantees provided by the Company and its subsidiaries (excluding those provided for the subsidiaries)										
Guarantee party	Disclosure date of quota announcement	Amount of guaranteed quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Fully executed or not	Whether or not provided for a related party
Guarantees provided by the Company for its subsidiaries										
Guarantee party	Disclosure date of quota announcement	Amount of guaranteed quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Fully executed or not	Whether or not provided for a related party
LUXSHARE PRECISION	April 20, 2021	71,165.16	July 28, 2021	0				Five years	No	Yes
Total guarantee quota approved for subsidiaries within the reporting period (B1)						Total actual amount of guarantees for subsidiaries within the reporting period (B2)			0	
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (B3)			71,165.16			Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)			0	
The situation of guarantees provided by subsidiary companies to other subsidiary companies.										
Guarantee party	Disclosure date of quota announcement	Amount of guaranteed quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Fully executed or not	Whether or not provided for a related party
Dachuang Precision Intelligent Manufacture (Dongguan) Co., Ltd.		16.54	June 17, 2022	16.54	Joint liability guaranty			Six months from the maturity date of the main debt	No	Yes

Dachuang Precision Intelligent Manufacture (Kunshan) Co., Ltd.		278.36	December 19, 2022	278.36	Joint liability guaranty			Six months from the maturity date of the main debt	No	Yes
Dachuang Precision Intelligent Manufacture (Kunshan) Co., Ltd.		8,960.53	April 11, 2023	8,960.53	Joint liability guaranty			April 10, 2025	No	Yes
Linkz International Limited		6,019.26	December 14, 2020	0	Joint liability guaranty			Continuing guarantee	No	Yes
TIME Interconnect Industrial Co., Ltd.		3,241.14	June 27, 2017	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International Limited, TIME Interconnect Industrial Co., Ltd., TIME Interconnect Wiring Technology Co., Ltd. and TIME Interconnect Server Technology Co., Ltd.		15,742.68	September 5, 2022	0	Joint liability guaranty			Continuing guarantee	No	Yes
TIME Interconnect Industrial Co., Ltd.		2,803.68	June 25, 2021	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International Limited		351.71	November 20, 2024	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International Limited		93,449.2	November 20, 2024	6,009.5	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz		7,408.32	October 9,	0	Joint liability			Continuing	No	Yes

International Limited and TIME Interconnect Industrial Co., Ltd.			2020		guaranty			guarantee		
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		833.44	September 27, 2021	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		1,293.91	September 27, 2021	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		7,408.32	October 9, 2020	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		833.44	September 27, 2021	0	Joint liability guaranty			Continuing guarantee	No	Yes
Linkz International Limited and TIME Interconnect Industrial Co., Ltd.		1,293.91	September 27, 2021	0	Joint liability guaranty			Continuing guarantee	No	Yes
TIME Interconnect Server		7,408.32	October 18, 2023	0	Joint liability guaranty			Continuing guarantee	No	Yes



Technology Co., Ltd.											
TIME Interconnect Server Technology Co., Ltd.		833.44	October 18, 2023		0	Joint liability guaranty			Continuing guarantee	No	Yes
TIME Interconnect Server Technology Co., Ltd.		1,293.91	October 18, 2023		0	Joint liability guaranty			Continuing guarantee	No	Yes
TIME Interconnect Industrial Co., Ltd.		13,890.6	June 28, 2023		0	Joint liability guaranty			Continuing guarantee	No	Yes
TIME Interconnect Technology (Huizhou) Limited		10,000	April 17, 2023		0	Joint liability guaranty			Continuing guarantee	No	Yes
Total guarantee quota approved for subsidiaries within the reporting period (C1)					Total actual amount of guarantees for subsidiaries within the reporting period (C2)			6,009.5			
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (C3)		183,360.7			Total actual guarantee balance for subsidiaries at the end of the reporting period (C4)			15,264.93			
Total amount of guarantee provided by the Company (the sum of the above three items)											
Total amount of guarantee approved during the reporting period (A1+B1+C1)					Total actual amount of guarantees within the reporting period (i.e. A2+B2+C2)			6,009.5			
Total amount of guarantee approved as at the end of the reporting period (A3+B3+C3)		254,525.86			Total actual guarantee balance at the end of the reporting period (A4+B4+C4)			15,264.93			
Ratio of total amount of guarantee actually provided (A4+B4+C4) to the net assets of the Company					0.22%						
Among which,											
Amount of guarantee for shareholders, actual controller and their related parties (D)							0				
Amount of debt guarantee provided for guaranteed party whose asset-liability ratio is not less than 70% directly or indirectly (E)							0				
Amount of total guarantee over 50% of net assets (F)							0				

Total amount guaranteed (D+E+F)	0
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Explanations on the specific situation of guarantees provided by composite methods

N/A

### 3. Entrusted Management of Cash Assets

#### (1) Entrusted Wealth Management

☒Applicable ☐N/A

Entrusted wealth management during the reporting period

In RMB 10,000

Type	Source of funding	Total amount	Undue amount	Unrecovered overdue amount	Provision for impairment on unrecovered overdue amount
Bank wealth management products	Self-owned capital	360,626.15	130,022.81	0	0
Total		360,626.15	130,022.81	0	0

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

☐Applicable ☒N/A

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

☐Applicable ☒N/A

#### (2) Entrusted Loans

☒Applicable ☐N/A

Entrusted loans during the reporting period

In RMB 10,000

Total amount	Source of funding	Undue amount	Unrecovered overdue amount
4,220,370	Self-owned capital	4,220,370	0

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

☐Applicable ☒N/A

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

☐Applicable ☒N/A

### 4. Other Significant Contracts

☐Applicable ☒N/A

There were no other significant contracts of the Company during the reporting period

## XVI. Other Significant Matters

☐Applicable ☒N/A

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

## **XVII. Significant Events of Subsidiaries of the Company**

☐Applicable ☒N/A

## Section VII Changes in Shareholdings and Particulars about Shareholders

### I. Changes in Shares

#### 1. Changes in Shares

Unit: shares

	Before the change		+ , -					After the change	
	Quantity	Proportion	New shares issued	Stock dividend	Shares converted from capital reserve	Other	Subtotal	Quantity	Proportion
I. Restricted Shares	12,349,131	0.17%				5,642,856	5,642,856	17,991,987	0.25%
1. Shares held by the State									
2. Shares held by State-owned corporations									
3. Shares held by other domestic investors	1,758,946	0.02%				2,457,427	2,457,427	4,216,373	0.06%
Incl.: Shares held by domestic non-State-owned corporations									
Shares held by domestic natural persons	1,758,946	0.02%				2,457,427	2,457,427	4,216,373	0.06%
4. Shares held by foreign investors	10,590,185	0.15%				3,185,429	3,185,429	13,775,614	0.19%
Incl.: Shares held by foreign corporations									
Shares held by foreign natural persons	10,590,185	0.15%				3,185,429	3,185,429	13,775,614	0.19%
II. Tradable shares	7,148,333,067	99.83%				71,491,190	71,491,190	7,219,824,257	99.75%
1. RMB-denominated ordinary shares	7,148,333,067	99.83%				71,491,190	71,491,190	7,219,824,257	99.75%
2. Foreign currency-denominated shares listed domestically									
3. Foreign currency-denominated shares listed overseas									
4. Others									
III. Total shares	7,160,682,198	100.00%				77,134,046	77,134,046	7,237,816,244	100.00%

Reasons for changes in shares

☒Applicable ☐N/A

1. During the reporting period, the Company issued 77,132,256 shares to the grantees under the stock option incentive plan exercising their options at their sole discretion, the details of which are shown in “Section IV” - “XI. Implementation of share incentive plans, employee stock ownership plans and other employee incentives granted by the Company”.

2. The Company publicly offered 30 million convertible corporate bonds (abbreviation: Luxshare Convertible Bonds; bond code: 128136) on November 3, 2020, and the period for which the convertible corporate bonds can be converted into shares is

from May 10, 2021 to November 2, 2026. During the reporting period, the number of shares issued upon bond conversion was 1,790.

Approval of changes in shares

☒Applicable ☐N/A

1. Deliberation and approval by the 17th meeting of the fifth Board of Directors and the 17th meeting of the fifth Board of Supervisors of the Company on June 21, 2023.

2. Deliberation and approval by the 19th meeting of the fifth Board of Directors and the 19th meeting of the fifth Board of Supervisors of the Company on October 20, 2023.

3. Deliberation and approval by the 20th meeting of the fifth Board of Directors and the 20th meeting of the fifth Board of Supervisors of the Company on November 27, 2023.

4. Deliberation and approval by the 22nd meeting of the fifth Board of Directors and the 22nd meeting of the fifth Board of Supervisors of the Company on December 29, 2023.

5. Deliberation and approval by the 23rd meeting of the fifth Board of Directors and the 23rd meeting of the fifth Board of Supervisors of the Company on February 28, 2024.

6. Deliberation and approval by the 25th meeting of the fifth Board of Directors and the 25th meeting of the fifth Board of Supervisors of the Company on June 3, 2024.

7. Deliberation and approval by the 1st meeting of the sixth Board of Directors and the 1st meeting of the sixth Board of Supervisors of the Company on July 5, 2024.

8. Deliberation and approval by the 4th meeting of the sixth Board of Directors and the 4th meeting of the sixth Board of Supervisors of the Company on October 25, 2024.

Transfer of share ownership

☒Applicable ☐N/A

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

2. Period in which the stock options vested in the fourth vesting period in initial grant under the 2019 stock option incentive plan may be exercised by the relevant grantees: From July 4, 2023 to April 21, 2024.

3. Period in which the stock options vested in the fourth vesting period in reserved grant under the 2019 stock option incentive plan may be exercised by the relevant grantees: From March 12, 2024 to November 26, 2024.

4. Period in which the stock options vested in the fifth vesting period in initial grant under the 2019 stock option incentive plan may be exercised by the relevant grantees: From July 18, 2024 to April 21, 2025.

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

6. Period in which the stock options vested in the second vesting period in initial grant under the 2019 stock option incentive plan may be exercised by the relevant grantees: From January 11, 2024 to December 3, 2024.

7. Period in which the stock options vested in the first vesting period in reserved grant under the 2019 stock option incentive plan may be exercised by the relevant grantees: From June 17, 2024 to December 5, 2024.

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

☐Applicable ☒N/A

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

☐Applicable ☒N/A

## 2. Changes in Non-tradable Shares

☒Applicable ☐N/A

Unit: shares

Name of shareholders	Number of restricted shares at the beginning of the period	Number of restricted shares increased during the period	Number of restricted shares unlocked during the period	Number of restricted shares at the end of the period	Reason for restriction	Date of unlocking
WANG Tao	998,462	1,134,448	0	2,132,910	Restricted shares of senior management	According to the conditions for unlocking restricted shares of senior management
WANG Laisheng	9,193,957	2,385,778	0	11,579,735	Restricted shares of senior management	According to the conditions for unlocking restricted shares of senior management
QIAN Jiwen	0	193,500	0	193,500	Restricted shares of senior management	According to the conditions for unlocking restricted shares of senior management
LI Wei	760,484	1,129,479	0	1,889,963	Restricted shares of senior management	According to the conditions for unlocking restricted shares of senior management
HUANG Dawei	659,085	539,390	0	1,198,475	Restricted shares of senior management	According to the conditions for unlocking restricted shares of senior management
WU Tiansong	737,143	260,261	0	997,404	Restricted shares of senior management	According to the conditions for unlocking restricted shares of senior management
Total	12,349,131	5,642,856	0	17,991,987	--	--

## II. Offering and Listing of Securities

### 1. Offering of Securities (Preferred Shares Excluded) during the Reporting Period

☐Applicable ☒N/A

### 2. Changes in Total Number of Shares, Shareholding Structure, and Structure of Assets and Liabilities of The Company

☒Applicable ☐N/A

1. Approved by the 17th, 19th, 20th, 22nd, 23rd, and 25th meetings of the 5th session of the Board of Directors, and the 1st and 4th meetings of the 6th session of the Board of Directors, the exercise conditions have been met for the fifth exercise period of the Company's 2018 Stock Option Incentive Plan, the fourth exercise period of the initial grant under the 2019 Stock Option Incentive Plan, the fourth exercise period of the reserved grant under the 2019 Stock Option Incentive Plan, the fifth exercise period of the initial grant under the 2019 Stock Option Incentive Plan, the first exercise period of the reserved grant under the 2021 Stock Option Incentive Plan, the second exercise period of the initial grant under the 2021 Stock Option Incentive Plan, the second exercise period of the reserved grant under the 2021 Stock Option Incentive Plan, and the first exercise period under the 2022

Stock Option Incentive Plan. The relevant stock option incentive participants were approved to exercise their options through self-initiated exercise. During the reporting period, a total of 77,132,256 shares were issued through self-initiated exercise by incentive participants.

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 bonds was 1,790.

### 3. Outstanding Employee Shares

☐Applicable ☒N/A

## III. Shareholders and Actual Controllers

### 1. Number of Shareholders and Shareholding Structure of the Company

Unit: shares

Total number of ordinary shareholders at the end of the reporting period	278,535	Total ordinary shareholders as of the end of the month prior to the disclosure date of annual report	274,349	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any) (For details, please refer to Note 8)	0	Total number of preferred stockholders with voting rights restored at the end of last month before the disclosure date of the annual report (if any) (For details, please refer to Note 8)		0
Shareholders holding more than 5% of shares or shares of the top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholders	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting period	Increase or decrease of shares within the reporting period	Number of restricted shares held	Number of non-tradable ordinary shares held	Pledge, mark or freeze	
							Status of shares	Number
Luxshare Limited	Foreign legal person	37.74%	2,731,537,636	0	0	2,731,537,636	Pledge	896,300,000
Hong Kong Central Clearing Company Limited	Foreign legal person	6.28%	454,300,681	47,709,216	0	454,300,681	N/A	0
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund	Other	1.21%	87,304,224	49,996,887	0	87,304,224	N/A	0
China Securities Finance Corporation Limited	Domestic Non-State-owned Legal Person	1.17%	84,428,888	0	0	84,428,888	N/A	0
China Construction Bank Corporation - E Fund CSI 300 Exchange Traded Open-ended Index Initiated Securities	Other	0.83%	60,235,497	46,280,800	0	60,235,497	N/A	0



Investment Fund								
Central Huijin Investment Ltd.	State-owned Legal Person	0.80%	58,041,012	0	0	58,041,012	N/A	0
China Merchants Bank Co., Ltd. - Excelsior Everbright Herun Mixed Securities Investment Fund	Other	0.56%	40,784,573	34,128,027	0	40,784,573	N/A	0
Industrial and Commercial Bank of China Limited - ChinaAMC CSI 300 Exchange Traded Open-ended Index Securities Investment Fund	Other	0.55%	40,039,344	29,767,343	0	40,039,344	N/A	0
E Fund Management Co., Ltd. - Agricultural Bank of China - E Fund CSI Financial Asset Management Plan	Other	0.53%	38,656,343	0	0	38,656,343	N/A	0
Huaxia Fund Management Co., Ltd. - Agricultural Bank of China - Huaxia CSI Financial Asset Management Plan	Other	0.53%	38,576,831	0	0	38,576,831	N/A	0
Strategic investor or general legal person becomes the top 10 shareholders due to the placement of new shares (if any) (For details, please refer to 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 (Excluding shares lent via securities relending and senior executive restricted shares)								
Name of shareholders			Number of unrestricted shares held at the end of the reporting period			Type		
						Type	Quantity	
Luxshare Limited			2,731,537,636			RMB ordinary shares	2,731,537,636	
Hong Kong Central Clearing Company Limited			454,300,681			RMB ordinary shares	454,300,681	
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund			87,304,224			RMB ordinary shares	87,304,224	
China Securities Finance Corporation Limited			84,428,888			RMB ordinary shares	84,428,888	
China Construction Bank Corporation - E Fund CSI 300 Exchange Traded Open-ended Index Initiated Securities Investment Fund			60,235,497			RMB ordinary shares	60,235,497	
Central Huijin Investment Ltd.			58,041,012			RMB ordinary shares	58,041,012	
China Merchants Bank Co., Ltd. - Excelsior Everbright Herun Mixed Securities Investment Fund			40,784,573			RMB ordinary shares	40,784,573	
Industrial and Commercial Bank of China Limited - ChinaAMC CSI 300 Exchange Traded Open-ended Index Securities Investment Fund			40,039,344			RMB ordinary shares	40,039,344	
E Fund Management Co., Ltd. - Agricultural Bank of China - E Fund CSI Financial Asset Management Plan			38,656,343			RMB ordinary	38,656,343	

		shares	
Huaxia Fund Management Co., Ltd. - Agricultural Bank of China - Huaxia CSI Financial Asset Management Plan	38,576,831	RMB ordinary shares	38,576,831
Affiliates or concert parties among top 10 holders of tradable ordinary shares, and among top 10 holders of tradable ordinary shares and top 10 ordinary shareholders		N/A	
Engagement by top 10 ordinary shareholders in margin trading (if any) (Note 4)		N/A	

Information on Share Lending by Shareholders Holding 5% or More, Top 10 Shareholders, and Top 10 Holders of Unlimited Outstanding Shares Participating in Securities Relending Business

☐Applicable ☒N/A

Changes in Top 10 Shareholders and Top 10 Holders of Unlimited Outstanding Shares Compared to the Previous Period Due to Securities Relending (Lending/Returning)

☐Applicable ☒N/A

Top 10 ordinary shareholders or top 10 holders of tradable ordinary shares have conducted any transaction under repurchase agreement during the reporting period

☐Yes ☒No

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

## 2. Controlling Shareholder of the Company

Nature of controlling shareholder: Controlled by foreign investor

Type of controlling shareholder: Corporation

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

Change in the controlling shareholder during the reporting period

☐Applicable ☒N/A

Our controlling shareholder has remained unchanged during the reporting period

## 3. Actual Controllers of the Company and their Concerted Parties

Nature of actual controllers: Natural person

Type of actual controllers: Foreign natural person

Name of actual controller	Relationship with the actual controller	Nationality	Whether or not hold a residence permit in any other country or region
WANG Laichun	Herself	Hong Kong	No
WANG Laisheng	Herself	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.		

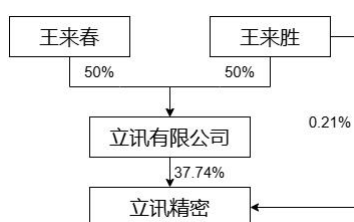
	(now known as “Luxshare Precision Industry Co., Ltd.”) through Luxshare Limited and acted as its Chairman of the Board of Directors. Mr. WANG Laisheng serves as the Vice Chairman of the Board of Directors of the Company. Mr. WANG Laisheng and Ms. WANG Laichun jointly purchased the shares of Luxshare 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:



王来春	Laichun Wang
王来胜	Laisheng Wang
立讯有限公司	Luxshare Limited
立讯精密	Luxshare-ICT

The actual controllers have controlled the Company through any trust or other ways of asset management

☐Applicable ☒N/A

#### 4. The Company's Controlling Shareholder or Largest Shareholder and its Persons Acting in Concert Pledged Account for 80% in Total of the Company's Shares Held by them

☐Applicable ☒N/A

#### 5. Other Institutional Shareholders Owning over 10% of Shares

☐Applicable ☒N/A

#### 6. Restrictions on Shareholding Reduction of the Controlling Shareholder, Actual Controller, Restructuring Parties, and other Commitment Subjects

☐Applicable ☒N/A

#### **IV. Specific Implementation of Share Repurchases during the Reporting Period**

Progress of share repurchase

☐Applicable ☒N/A

Progress of sales of repurchased shares through call auction

☐Applicable ☒N/A

## Section VIII Preference Shares

☐Applicable ☒N/A

There were no preference shares in the Company during the reporting period

## Section IX Bonds

☒Applicable ☐N/A

### I. Enterprise Bonds

☐Applicable ☒N/A

The Company had no enterprise bonds during the reporting period

### II. Corporate Bonds

☐Applicable ☒N/A

The Company had no corporate bonds during the reporting period

### III. Non-Financial Corporate Debt Financing Instruments

☒Applicable ☐N/A

#### 1. Basic Information of Non-financial Corporate Debt Financing Instruments

In RMB 10,000

Bond name	Bond abbreviation	Bond code	Issue date	Start date	Maturity date	Bond balance	Interest rate	Principal and interest payment method	Trading venue
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	23 Luxshare-ICT SCP003	012384122	November 14, 2023	November 15, 2023	May 10, 2024	80,000	2.70%	A lump sum payment of principal and interest at maturity	Interbank bond market
Phase I ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	24 Luxshare-ICT SCP001	012480746	March 6, 2024	March 7, 2024	September 3, 2024	80,000	2.33%	A lump sum payment of principal and interest at maturity	Interbank bond market
Luxshare Precision	24 Luxshare Precision	012481272	April 11, 2024	April 12, 2024	October 9, 2024	50,000	2.16%	A lump sum	Interbank bond

Industry Co., Ltd. 2024 Second Tranche Ultra-Short-Term Financing Bond (Sci-Tech Innovation Bond)	SCP002 (Sci-Tech Innovation Bond)							payment of principal and interest at maturity	market
Phase III ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	24 Luxshare-ICT SCP003	012482004	June 27, 2024	June 28, 2024	March 25, 2025	100,000	2.01%	A lump sum payment of principal and interest at maturity	Interbank bond market
Phase IV ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	24 Luxshare-ICT SCP004	012482138	July 11, 2024	July 12, 2024	April 3, 2025	100,000	1.97%	A lump sum payment of principal and interest at maturity	Interbank bond market
Luxshare Precision Industry Co., Ltd. 2024 Fifth Tranche Ultra-Short-Term Financing Bond (Sci-Tech Innovation Bond)	24 Luxshare Precision SCP005 (Sci-Tech Innovation Bond)	012482250	July 23, 2024	July 24, 2024	April 18, 2025	100,000	1.96%	A lump sum payment of principal and interest at maturity	Interbank bond market
Luxshare Precision Industry Co., Ltd. 2024 Sixth Tranche Ultra-Short-Term Financing Bond (Sci-Tech Innovation Bond)	24 Luxshare Precision SCP006 (Sci-Tech Innovation Bond)	012483117	September 19, 2024	September 20, 2024	June 17, 2025	100,000	2.14%	A lump sum payment of principal and interest at maturity	Interbank bond market
Phase VII ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	24 Luxshare-ICT SCP007	012483184	September 24, 2024	September 25, 2024	June 20, 2025	100,000	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		No							

Bonds overdue but not yet repaid

☐Applicable ☒N/A

## 2. Trigger and Implementation of the Issuer or Investor Option Provisions or Investor Protection Provisions

☐Applicable ☒N/A

## 3. Information about Agents

Name of bond project	Name of intermediary	Office address	Name of accountants signing this Annual Report	Contact person of Intermediary	Phone
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd.	No. 168 Yincheng Middle Road, Shanghai	None	DONG Wenchao	021-68476774
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	TONG Linwen	0755-36806500
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662
Phase I ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd.	No. 168 Yincheng Middle Road, Shanghai	None	WU Wenting	021-68475817
Phase I ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	LI Jianhui	0755-36806500
Phase I ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase I ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase I ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662
Phase II ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	China Bohai Bank Co., Ltd.	No. 218 Haihe East Road, Hedong District, Tianjin, China	None	QIAO Hanqing	0755-36806128
Phase II ultra-short-term financing bonds in 2024 of Luxshare	Han Kun Law Offices (Shenzhen) Beijing	20th Floor, Tower 3, Kerry Plaza, No. 1	None	LI Jianhui	0755-36806500

Precision Industry Co., Ltd.	Branch	Zhongxin 4th Road, Futian District, Shenzhen			
Phase II ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase II ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase II ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662
Phase III ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	PingAn Bank Co., Ltd.	No. 5047 Shennan East Road, Luohu District, Shenzhen, Guangdong Province	None	DAI Yichi	0755-88675975
Phase III ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	LI Jianhui	0755-36806500
Phase III ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase III ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase III ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	MA Jianyang	021-63326662
Phase IV ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	China CITIC Bank Corporation Limited	CITIC Tower, No. 10 Guanghua Road, Chaoyang District, Beijing	None	ZHAO Zhipeng	010-66635951
Phase IV ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	LI Jianhui	0755-36806500
Phase IV ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase IV ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	LI Xiaomei	0755-82710576
Phase IV ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	MA Jianyang	021-63326662



Phase V ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd.	No. 168 Yincheng Middle Road, Shanghai	None	YAN Yijia	021-68475804
Phase V ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	LI Jianhui	0755-36806500
Phase V ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase V ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	LI Xiaomei	0755-82710576
Phase V ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	MA Jianyang	021-63326662
Phase VI ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd.	No. 168 Yincheng Middle Road, Shanghai	None	YAN Yijia	021-68475804
Phase VI ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	LI Jianhui	0755-36806500
Phase VI ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase VI ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street, Chaoyang District, Beijing	None	LI Xiaomei	0755-82710576
Phase VI ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	MA Jianyang	021-63326662
Phase VII ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	Ping An Bank Co., Ltd.	No. 5047 Shennan East Road, Luohu District, Shenzhen, Guangdong Province	None	WANG Shujuan	0755-88677955
Phase VII ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	China CITIC Bank Corporation Limited	CITIC Tower, No. 10 Guanghua Road, Chaoyang District, Beijing	None	ZHAO Zhipeng	010-66635951
Phase VII ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	Han Kun Law Offices (Shenzhen) Beijing Branch	20th Floor, Tower 3, Kerry Plaza, No. 1 Zhongxin 4th Road, Futian District, Shenzhen	None	LI Jianhui	0755-36806500
Phase VII ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10th Floor, Building 7, No. 16 Courtyard, West Fourth Ring Middle Road, Haidian District, Beijing	LI Jing, ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase VII ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	EASTMONEY Ratings International Credit Assessment Co., Ltd.	Building 1, South Tower, 11th Floor, Units 1101, 1102, 1103, No. 3 Chaowai West Street,	None	LI Xiaomei	0755-82710576

		Chaoyang District, Beijing			
Phase VII ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	China Central Depository & Clearing Co., Ltd.	33rd-34th Floors, Oriental International Finance Plaza, 318 Zhongshan South Road, Shanghai	None	MA Jianyang	021-63326662

The above-mentioned intermediaries were changed during the reporting period

☐Yes ☒No

#### 4. Usage of the Funds Raised

In RMB 10,000

Name of bond project	Total funds raised	Agreed purpose of the funds raised	Amount used	Unused amount	Operation of special account for proceeds (if any)	Rectifications of use of the proceeds in violation of laws and regulations (if any)	Consistent with the usage, use plan and other agreements as promised in the prospectus or not
Phase III ultra-short-term financing bonds in 2023 of Luxshare Precision Industry Co., Ltd.	80,000	Used to repay the issuer's interest-bearing debt	80,000	0	Normal	N/A	Yes
Phase I ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	80,000	Used to repay the interest-bearing debt of the issuer and its controlled subsidiaries	80,000	0	Normal	N/A	Yes
Luxshare Precision Industry Co., Ltd. 2024 Second Tranche Ultra-Short-Term Financing Bond (Sci-Tech Innovation Bond)	50,000	Used to repay the interest-bearing debt of the issuer and its controlled subsidiaries	50,000	0	Normal	N/A	Yes
Phase III ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	100,000	Used to repay the interest-bearing debt of the issuer and its controlled subsidiaries	100,000	0	Normal	N/A	Yes
Phase IV ultra-short-term financing bonds in 2024 of Luxshare Precision Industry Co., Ltd.	100,000	Used to repay borrowings from financial institutions	100,000	0	Normal	N/A	Yes
Luxshare Precision Industry Co., Ltd. 2024 Fifth Tranche Ultra-Short-Term Financing Bond (Sci-Tech Innovation Bond)	100,000	Used to repay borrowings from financial institutions	100,000	0	Normal	N/A	Yes
Luxshare Precision Industry Co., Ltd. 2024 Sixth Tranche Ultra-Short-Term Financing Bond (Sci-Tech Innovation Bond)	100,000	Used to repay borrowings from financial institutions	100,000	0	Normal	N/A	Yes
Phase VII ultra-short-term financing bonds in 2024 of Luxshare	100,000	Used to repay borrowings from financial	100,000	0	Normal	N/A	Yes

Precision Industry Co., Ltd.		institutions					
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Use of proceeds in the construction projects

☐Applicable ☒N/A

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

☐Applicable ☒N/A

## 5. Adjustment of Credit Rating Results during the Reporting Period

☐Applicable ☒N/A

## 6. Implementation and Changes of Guarantees, Debt Repayment Plans and Other Debt Repayment Security Measures during the Reporting Period and their Effects on Bond Investors

☐Applicable ☒N/A

## IV. Convertible Corporate Bonds

☒Applicable ☐N/A

### 1. Historic Adjustment of Conversion Price

#### I. 2020

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

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

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

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

#### II. 2021

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

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

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

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

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

(6) Due to the exercise of stock options by incentive recipients under the Company's 2018 stock option incentive plan, resulting in the addition of 1,032,246 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 7,360,758 shares, the conversion price was adjusted from RMB 58.25 per share to RMB 58.20 per share, effective from July 22, 2021.

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

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

(9) Due to the exercise of stock options by incentive recipients under the Company's 2018 stock option incentive plan, resulting in the addition of 14,413,326 shares, the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 1,112,879 shares, and the reservation of shares for future issuance to incentive recipients, resulting in a total addition of 41,598 shares, the conversion price was adjusted from RMB 58.16 per share to RMB 58.05 per share, effective from December 29, 2021.

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

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

### III. 2022

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

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

(3) The conversion price was adjusted from RMB57.98 per share to RMB57.97 per share, which became effective on January 25, 2022, because 1,132,798 shares were added arising from exercise by grantees under 2018 stock option incentive plan

and 270,342 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan of the Company.

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

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

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

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

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

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

(10) The conversion price was adjusted from RMB57.73 per share to RMB57.71 per share, which became effective on November 22, 2022, because 379,470 shares were added arising from exercise by grantees under 2018 stock option incentive plan and 1,911,486 shares were added arising from exercise by grantees in initial grant under 2019 stock option incentive plan and 91,549 reserved shares were exercised by grantees under 2019 stock option incentive plan of the Company.

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

(12) As of the end of the reporting period, the conversion price of the Company's convertible bonds stands at RMB 57.63 per share.

#### IV. 2023

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

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

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

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

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

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

#### V. 2024

(1) At the beginning of the reporting period, the conversion price of the Company's convertible bonds was RMB 57.31 per share.

(2) Due to the exercise of stock options by incentive recipients under the Company's 2018 stock option incentive plan, resulting in the addition of 13,776,202 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, resulting in the addition of 4,570,836 shares, the conversion price was adjusted from RMB 57.31 per share to RMB 57.19 per share, effective from January 3, 2024.

(3) Due to the exercise of stock options by incentive recipients under the Company's 2018 stock option incentive plan, resulting in the addition of 11,082,947 shares, and the exercise by incentive recipients of the first grant of stock options under the 2019 stock option incentive plan, as well as the reservation of shares for future issuance to incentive recipients, resulting in a total addition of 6,245,962 shares, the conversion price was adjusted from RMB 57.19 per share to RMB 57.08 per share, effective from April 3, 2024.

(4) Due to the exercise of stock options by incentive recipients under the Company's 2018 stock option incentive plan, resulting in the addition of 3,006,393 shares, the reservation of shares for future issuance to incentive recipients under the Company's 2019 stock option incentive plan, resulting in a total addition of 1,054,636 shares, and the exercise by incentive recipients of the first grant of stock options under the Company's 2021 stock option incentive plan, as well as the reservation of shares for future issuance to incentive recipients, resulting in a total addition of 1,252,720 shares, the conversion price was adjusted from RMB 57.08 per share to RMB 56.98 per share, effective from July 2, 2024.

(4) Due to the implementation of the 2023 annual equity distribution, with the Company's existing total share capital of 7,203,315,644 shares as the base, a cash dividend of RMB 2.989461 per 10 shares was distributed to all shareholders, resulting in an adjustment of the conversion price from RMB 56.98 per share to RMB 56.68 per share, effective from July 11, 2024.

(4) Due to the exercise of stock options by incentive recipients under the Company's 2018 stock option incentive plan, resulting in the addition of 2,320,401 shares, the exercise by incentive recipients of the first grant of stock options under the Company's 2019 stock option incentive plan, as well as the reservation of shares for future issuance to incentive recipients, resulting in a total addition of 9,993,551 shares, the exercise by incentive recipients of the first grant of stock options under the Company's 2019 stock option incentive plan, as well as the reservation of shares for future issuance to incentive recipients, resulting in a total addition of 5,234,887 shares, and the exercise of stock options by incentive recipients under the Company's

2022 stock option incentive plan, resulting in the addition of 7,733,438 shares, the conversion price was adjusted from RMB 56.68 per share to RMB 56.56 per share, effective from October 9, 2024.

(7) As of the end of the reporting period, the conversion price of the Company's convertible bonds stands at RMB 56.56 per share.

## 2. Accumulative Conversion of Convertible Bonds into Shares

☒Applicable ☐N/A

Convertible bond abbreviation	Beginning and ending dates	Total issued convertible bonds (piece)	Total issue amount (RMB)	Amount of accumulative converted shares (RMB)	Number of accumulative converted shares (share)	Proportion of accumulated converted share to the total shares issued by the Company before conversion	Amount of unconverted bonds (RMB)	Proportion of amount of unconverted bonds to the total issued amount
Convertible bonds of Luxshare	From May 10, 2021 to November 2, 2026	30,000,000	3,000,000,000.00	1,013,400.00	17,346.00	0.00%	2,998,986,600.00	99.97%

## 3. Top 10 Holders of Convertible Corporate Bonds

No.	Name of holder of convertible corporate bonds	Nature of holder of convertible corporate bonds	Number of convertible corporate bonds held at the end of the reporting period	Amount of convertible corporate bonds held at the end of the reporting period (RMB)	Percentage of convertible corporate bonds held at the end of the reporting period
1	New China Life Insurance Co., Ltd. - Dividend - Individual Dividend - 018L-FH002 Shenzhen	Other	1,521,336	152,133,600.00	5.07%
2	China Construction Bank Corporation - CEE & Partners New Blue Chip Flexible Allocation Mixed Securities Investment Fund	Other	1,451,370	145,137,000.00	4.84%
3	China Merchants Bank Co., Ltd. - Bosera CSI Convertible Bond and Exchangeable Bond Exchange Traded Open-ended Index Securities Investment Fund	Other	1,294,766	129,476,600.00	4.32%
4	New China Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 018L-CT001 Shenzhen	Other	1,206,389	120,638,900.00	4.02%
5	China Galaxy Securities Co., Ltd.	State-owned Legal Person	929,667	92,966,700.00	3.10%
6	ICBC Credit Suisse Tianfeng Fixed Income Pension Product - Bank of China Limited	Other	753,957	75,395,700.00	2.51%
7	The Hongkong and Shanghai Banking Corporation Limited	Foreign legal person	653,171	65,317,100.00	2.18%
8	China Merchants Bank Co., Ltd. - Industrial Securities Enhanced Income Bond Securities Investment Fund	Other	580,690	58,069,000.00	1.94%
9	Huatai-PineBridge Yousheng Convertible Bond Fixed Income Pension Product - China Merchants Bank Co., Ltd.	Other	508,548	50,854,800.00	1.70%
10	National Council for Social Security	Other	501,057	50,105,700.00	1.67%

	Fund Portfolio 414				
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#### 4. Significant Changes in the Profitability, Assets and Credit Status of the Guarantors

☐Applicable ☒N/A

#### 5. The Company's Liabilities, Changes in Credit at the End of the Reporting Period and Cash Arrangements for Debt Repayment in Future Years

According to the Credit Rating Report (Lian He [2024] No. 4400) issued by China Lianhe Credit Rating Co., Ltd. on June 18, 2024, 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 Annual Report.

#### V. The Loss in the Scope of Consolidated Statements of the Company during the Reporting Period Exceeded 10% of the Net Assets at the End of the Previous Reporting Period

☐Applicable ☒N/A

#### VI. Overdue Interest-Bearing Debts Other than Bonds at the End of the Reporting Period

☐Applicable ☒N/A

#### VII. There were Violations of Rules and Regulations during the Reporting Period

☐Yes ☒No

#### VIII. Main Accounting Data and Financial Indicators of the Company for the Most Recent Two Years as of the End of the Reporting Period

In RMB 10,000

Item	December 31, 2024	December 31, 2023	Y/Y% Change
Current ratio	1.2166	1.2591	-3.38%
Equity-debt ratio	62.16%	56.61%	5.55%
Quick ratio	0.9382	0.8615	8.90%
	2024	2023	Y/Y% Change
Net profit, excluding non-recurring profit and loss	1,169,430.56	1,018,555.36	14.81%
EBITDA - total debt ratio	42.59%	61.41%	-18.82%
Interest coverage ratio	12.01	10.36	15.93%
Cash interest coverage ratio	21.37	22.58	-5.36%
EBITDA - interest coverage ratio	19.64	17.98	9.23%
Rate of loans due and repaid	100.00%	100.00%	0.00%
Rate of interest due and paid	100.00%	100.00%	0.00%



## Section X Financial Report

### I. Auditor's Report

Audit opinion	Unqualified Opinion
Signing date of audit report	April 24, 2025
Auditor	BDO China Shu Lun Pan Certified Public Accountants LLP
Auditor report document number	Xin Kuai Shi Bao Zi [2025] No. ZB10848
Name of certified public accountants	QIANG Guiying, ZHANG Yehua

#### Main Body of Auditor's Report

#### I. Audit Opinion

We have audited the financial statements of Luxshare Precision Industry Co., Ltd. ("Luxshare Precision"), which comprise the consolidated and parent company's balance sheets as at December 31, 2024, 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, 2024, and the consolidated and parent company's operating results and cash flows for the year then ended.

#### II. Basis for Opinion

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

#### III. Key Audit Matters

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

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

Key audit matters	How we addressed the matter in our audit
<b>(I) Revenue recognition</b>	
<p>For details and analysis of the accounting policies for revenue recognition, please refer to the accounting policies described in Note (26) under "III. Significant Accounting Policies and Accounting Estimates" and Note (47) under "V. Notes to Consolidated Financial Statement Items" in the Notes to the Financial Statements.</p> <p>In 2024, Luxshare Precision's operating income presented in its consolidated financial statements amounted to RMB 268,794,737,600.00. Luxshare Precision has a large number of customers at home and abroad. Under different delivery methods, the Company recognizes revenue upon the transfer of control of a related product to a customer. If a customer is also the supplier of some raw materials, the Company recognizes the purchase of raw materials and sales of products respectively based on the transfer of inventory risks and rewards, product liability, credit risk bearers and business nature, that is, the sales revenue is recognized based on the gross amount. The revenue is one of the Company's key performance indicators and the main source of the Company's profits, so we identify the revenue from product</p>	<p>For product sales revenue recognition, the audit procedures we performed primarily included:</p> <ol style="list-style-type: none"> <li>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;</li> <li>2. Sample the product sales revenue to make test thereof according to different regions and customers: check supporting documents related to revenue recognition;</li> <li>3. Implement the analytical procedures on income and gross profit and determine whether there are abnormal fluctuations in the amount of revenue for the current period;</li> <li>4. Understand the modes of cooperation between the Company and customers and suppliers, and evaluate the product liability share and the transfer of control;</li> <li>5. Evaluate the accuracy and completeness of revenue in conjunction with the confirmation procedures for receivables &amp; payables and inventories; and</li> <li>6. Analyze the post-period recovery of accounts receivable.</li> </ol>

sales as the key audit matter based on the importance of the accounting policy for revenue recognition and the amount involved.	
<b>(II) Provision for decline in value of inventories</b>	
<p>Please see the accounting policies described in the Item (11) under the Note “III. Significant accounting policies and accounting estimates” and the Item (11) under the Note “V. Notes to consolidated financial statements” to the financial statements (8).</p> <p>As at December 31, 2024, Luxshare Precision’s inventories and provision for decline in value of inventories presented in its consolidated financial statements amounted to RMB 32,918,819,600.00 and RMB1,216,144,000.00 respectively. Inventories of the Company are stated at the lower of cost or net realizable value.</p> <p>For finished products, their net realizable value is determined at the estimated selling price of these inventories less the estimated costs necessary to make the sale and relevant taxes; for the inventories that need to be processed, in the ordinary production and operation process, their net realizable value is determined at the estimated selling price of finished products less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The determination of the net realizable value of inventories involves the management’s use of significant accounting estimates and judgments, and the provision for decline in value of inventories is of significance to the consolidated financial statements, so we identify the provision for decline in value of inventories as the key audit matter.</p>	<p>For the provision for impairment of inventories, the audit procedures we performed primarily included:</p> <ol style="list-style-type: none"> <li>1. Understand, evaluate and test the design of the key internal controls of the management related to the provision for decline in value of inventories and the operational effectiveness of those controls;</li> <li>2. Obtain the Company’s calculation sheet of the provision for decline in value of inventories, review the net realizable value of inventories and the provision for decline in value of inventories, and evaluate whether the judgment made by the management in determining the net realizable value of inventories is reasonable;</li> <li>3. Check the quantity and conditions of inventories, focus on inspecting the long-term inventories, and analyze the adequacy of the provision for decline in value of inventories if any indication exists that such inventories may be impaired, in conjunction with roll-forward procedures; and</li> <li>4. Check the current changes of the provision for decline in value of inventories made in previous years and analyze the rationality of the changes in the provision for decline in value of inventories.</li> </ol>

#### IV. Other Information

The management of Luxshare Precision (“management”) is responsible for other information. Other information comprises the information included in the 2024 Annual Report of Luxshare Precision, but does not include the financial statements and our auditor’s report thereon.

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

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

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

#### V. Responsibilities of the Management and those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to enable the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### VI. Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

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

## II. Financial Statements

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

### 1. Consolidated Balance Sheet

Prepared by: Luxshare Precision Industry Co., Ltd.

December 31, 2024

In RMB

Item	Closing balance	Opening balance
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Current assets:		
Cash and bank balances	48,359,655,992.93	33,619,539,457.51
Balances with clearing agencies		
Placements with banks and other financial institutions		
Financial assets held for trading	1,403,110,810.03	1,720,764,175.32
Derivative financial assets		
Notes receivable	349,773,515.66	261,073,349.06
Accounts receivable	32,561,098,916.58	23,504,481,889.07
Receivable financing	1,106,284,192.29	587,585,009.82
Prepayments	389,200,419.67	486,702,941.36
Premiums receivable		
Amounts receivable under reinsurance contracts		
Reserves for reinsurance contract receivable		
Other receivables	916,828,350.56	322,407,052.71
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	31,702,675,549.03	29,757,930,319.35
Incl: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	4,199,154,224.92	1,047,566,017.54
Other current assets	17,557,463,274.05	2,920,078,401.07
Total current assets	138,545,245,245.72	94,228,128,612.81
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	7,488,295,934.01	4,232,941,741.05
Investment in other equity instruments	112,765,072.04	249,122,251.32
Other non-current financial assets	39,311,504.56	35,700,000.00
Investment properties	35,664,816.93	23,353,936.24
Fixed assets	48,231,236,929.70	44,560,506,279.62
Construction in progress	5,379,186,127.71	2,226,217,016.31
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	858,486,974.92	648,963,968.09
Intangible assets	2,791,469,756.34	2,663,069,103.86
Incl: Data resources		
Development expenditure		
Incl: Data resources		

Goodwill	1,885,826,820.02	1,729,242,734.88
Long-term deferred expenses	770,001,330.59	590,266,003.15
Deferred tax assets	817,693,476.29	872,943,835.40
Other non-current assets	16,872,400,444.43	9,931,644,112.92
Total non-current assets	85,282,339,187.54	67,763,970,982.84
Total assets	223,827,584,433.26	161,992,099,595.65
Current liabilities:		
Short-term borrowings	35,313,128,924.26	20,514,182,240.47
Loans from the central bank		
Taking from banks and other financial institutions		
Held-for-trading financial liabilities	155,278,918.84	117,942,421.18
Derivative financial liabilities		
Notes payable	878,335,711.94	492,585,900.03
Accounts payable	65,087,993,138.64	45,908,515,295.43
Receipts in advance		
Contract liabilities	262,507,706.68	243,566,923.42
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Funds from securities trading agency		
Funds from underwriting securities agency		
Employee benefits payable	3,011,324,225.36	2,330,318,991.75
Taxes payable	1,238,288,633.06	1,021,324,275.18
Other payables	502,369,570.62	406,677,940.53
Including: Interest payable		
Dividends payable	52,175,292.26	11,894,022.29
Fees and commissions payable		
Amounts payable under reinsurance contracts		
Held-for-sale liabilities		
Non-current liabilities due within one year	2,256,471,507.26	2,867,295,870.89
Other current liabilities	5,168,824,236.48	932,701,803.30
Total current liabilities	113,874,522,573.14	74,835,111,662.18
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	19,619,741,634.77	12,038,771,289.92
Bonds payable	3,305,436,590.71	2,799,499,850.29
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	727,982,667.37	552,488,888.66
Long-term payables		
Long-term employee benefits payable		
Provisions	7,088,481.43	642,733.24
Deferred income	649,108,632.44	595,323,601.05

Deferred tax liabilities	955,820,917.13	883,924,973.73
Other non-current liabilities	756,521.26	1,471,770.36
Total non-current liabilities	25,265,935,445.11	16,872,123,107.25
Total liabilities	139,140,458,018.25	91,707,234,769.43
Owners' equity:		
Share capital	7,236,462,142.00	7,148,168,213.00
Other equity instruments	527,271,028.72	527,289,020.28
Including: Preferred shares		
Perpetual bonds		
Capital reserve	7,546,227,379.20	5,011,944,633.92
Less: Treasury shares		
Other comprehensive income	-703,805,634.26	148,762,176.88
Special reserve	2,196,525.51	3,528,369.80
Surplus reserve	1,617,520,044.25	1,443,520,185.47
General risk reserve		
Unappropriated profit	53,101,139,440.57	42,026,971,911.25
Total owners' equity attributable to equity holders of the parent company	69,327,010,925.99	56,310,184,510.60
Minority interests	15,360,115,489.02	13,974,680,315.62
Total owners' equity	84,687,126,415.01	70,284,864,826.22
Total liabilities and owners' equity	223,827,584,433.26	161,992,099,595.65

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

## 2. Balance Sheet of the Parent Company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	5,038,281,861.44	5,363,878,981.02
Financial assets held for trading	219,657,223.74	339,580,922.63
Derivative financial assets		
Notes receivable	100,400,435.19	18,385,072.78
Accounts receivable	4,166,040,612.48	5,232,436,622.29
Receivable financing	10,672,541.60	5,119,974.62
Prepayments	5,617,570.43	192,114,139.17
Other receivables	606,750,541.46	575,065,087.05
Including: Interest receivable		
Dividends receivable	600,000,000.00	522,000,000.00
Inventories	379,489,201.25	306,259,656.55
Incl: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		106,998,410.96
Other current assets	30,959,564,120.80	14,458,131,132.12
Total current assets	41,486,474,108.39	26,597,969,999.19
Non-current assets:		
Debt investments		
Other debt investments		

Long-term receivables		
Long-term equity investments	25,026,704,626.12	23,601,999,275.38
Investment in other equity instruments	108,337,130.41	244,726,548.92
Other non-current financial assets	570,000,000.00	570,000,000.00
Investment properties		
Fixed assets	131,283,968.73	148,762,324.80
Construction in progress	8,785,414.12	3,826,779.93
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	37,622,664.83	41,694,063.64
Intangible assets	318,396,591.73	307,619,939.12
Incl: Data resources		
Development expenditure		
Incl: Data resources		
Goodwill	53,174,339.31	53,174,339.31
Long-term deferred expenses	5,712,784.40	7,326,817.04
Deferred tax assets	10,398,884.68	
Other non-current assets	6,334,563,156.20	899,875,137.66
Total non-current assets	32,604,979,560.53	25,879,005,225.80
Total assets	74,091,453,668.92	52,476,975,224.99
Current liabilities:		
Short-term borrowings	2,286,859,307.53	1,981,237,500.00
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	10,175,621,761.24	3,206,774,263.00
Accounts payable	1,610,259,742.70	2,294,947,814.95
Receipts in advance		
Contract liabilities	14,095,687.49	11,589,195.43
Employee benefits payable	74,830,682.22	50,854,577.38
Taxes payable	60,995,667.09	42,236,138.27
Other payables	7,920,582,369.71	6,064,454,178.70
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,363,153,534.40	1,975,796,524.14
Other current liabilities	5,046,304,840.42	804,229,371.60
Total current liabilities	28,552,703,592.80	16,432,119,563.47
Non-current liabilities:		
Long-term borrowings	17,377,321,891.70	9,676,736,000.00
Bonds payable	2,878,039,451.43	2,799,499,850.29
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	19,970,300.26	27,210,286.03
Long-term payables		
Long-term employee benefits payable		
Provisions		

Deferred income	2,026,179.60	3,619,077.63
Deferred tax liabilities		19,506,623.16
Other non-current liabilities		
Total non-current liabilities	20,277,357,822.99	12,526,571,837.11
Total liabilities	48,830,061,415.79	28,958,691,400.58
Owners' equity:		
Share capital	7,236,462,142.00	7,148,168,213.00
Other equity instruments	527,271,028.72	527,289,020.28
Including: Preferred shares		
Perpetual bonds		
Capital reserve	7,445,999,659.85	5,304,433,127.03
Less: Treasury shares		
Other comprehensive income	4,346,079.89	113,696,524.40
Special reserve		
Surplus reserve	1,617,520,044.25	1,443,520,185.47
Unappropriated profit	8,429,793,298.42	8,981,176,754.23
Total owners' equity	25,261,392,253.13	23,518,283,824.41
Total liabilities and owners' equity	74,091,453,668.92	52,476,975,224.99

### 3. Consolidated Income Statement

In RMB

Item	2024	2023
I. Total operating income	268,794,737,612.58	231,905,459,829.83
Including: Operating income	268,794,737,612.58	231,905,459,829.83
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	256,910,909,368.85	220,679,633,964.41
Including: Operating costs	240,809,417,980.59	205,041,300,458.59
Interest expenses		
Fee and commission expenses		
Surrenders		
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		
Changes in insurance contract reserves (net of reinsurers' share)		
Insurance policyholder dividends		
Expenses for reinsurance accepted		
Taxes and levies	636,749,261.74	534,815,230.06
Sales expenses	1,059,676,776.41	889,024,421.63
Administrative expenses	6,352,284,566.88	5,542,856,994.26
R&D expenses	8,555,957,431.46	8,188,767,532.85
Financial expenses	-503,176,648.23	482,869,327.02
Including: Interest expenses	1,462,653,485.39	1,376,870,146.38
Interest income	968,280,395.31	1,005,580,557.62
Add: Other income	993,203,577.89	825,189,115.07



Investment income (Loss is indicated by “-”)	4,546,940,655.44	1,771,282,791.44
Including: Income from investments in associates and joint ventures	3,318,152,092.00	2,044,361,609.89
Income from derecognition of financial assets measured at amortized cost	-795,197,080.77	-741,342,548.75
Foreign exchange gains (Loss is indicated by “-”)		
Net exposure hedging income (Loss is indicated by “-”)		
Income from changes in fair value (Loss is indicated by “-”)	-63,167,333.15	210,346,832.18
Impairment losses of credit (Loss is indicated by “-”)	-10,087,989.60	23,273,879.47
Impairment losses of assets (Loss is indicated by “-”)	-1,245,468,307.53	-1,318,867,316.40
Income from disposal of assets (Loss is indicated by “-”)	36,626,066.06	122,867,177.52
III. Operating profit (Loss is indicated by “-”)	16,141,874,912.84	12,859,918,344.70
Add: Non-operating income	53,603,053.92	93,459,027.40
Less: Non-operating expenses	86,739,225.98	68,334,885.79
IV. Total profit (Total losses are indicated by “-”)	16,108,738,740.78	12,885,042,486.31
Less: Income tax expenses	1,529,694,922.93	641,829,343.18
V. Net profit (Net loss is indicated by “-”)	14,579,043,817.85	12,243,213,143.13
(I) Categorized by the nature of continuing operation		
1. Net profit from continuing operations (Net loss is indicated by “-”)	14,579,043,817.85	12,243,213,143.13
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	13,365,651,026.16	10,952,656,702.16
2. Minority interest income	1,213,392,791.69	1,290,556,440.97
VI. Other comprehensive income, net of tax	-756,889,357.91	-491,540,544.45
Other comprehensive income attributable to owners of the parent company, net of tax	-814,249,035.79	-464,912,752.55
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	-71,080,798.95	-142,656,996.94
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	-71,080,798.95	-142,656,996.94
4. Changes in fair value of enterprises' own credit risks		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss	-743,168,236.84	-322,255,755.61

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	-743,168,236.84	-322,255,755.61
7. Others		
Other comprehensive income attributable to minority interests, net of tax	57,359,677.88	-26,627,791.90
VII. Total comprehensive income	13,822,154,459.94	11,751,672,598.68
Total comprehensive income attributable to owners of the parent company	12,551,401,990.37	10,487,743,949.61
Total comprehensive income attributable to minority interests	1,270,752,469.57	1,263,928,649.07
VIII. Earnings per share:		
(I) Basic earnings per share	1.86	1.54
(II) Diluted earnings per share	1.85	1.53

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

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

#### 4. Income Statement of the Parent Company

In RMB

Item	2024	2023
I. Total operating income	11,613,850,254.44	10,777,958,983.45
Less: Operating costs	10,915,461,165.83	10,090,180,041.66
Taxes and levies	16,696,075.89	11,450,527.78
Sales expenses	33,619,946.84	47,016,319.95
Administrative expenses	111,697,367.81	195,484,624.80
R&D expenses	394,442,224.92	359,110,228.82
Financial expenses	452,015,977.55	374,684,104.32
Including: Interest expenses	720,713,168.37	541,490,816.64
Interest income	261,960,850.84	209,233,345.56
Add: Other income	45,515,232.64	56,987,568.94
Investment income (Loss is indicated by “-”)	2,074,033,389.55	3,417,911,679.37
Including: Income from investments in associates and joint ventures	-10,214,447.00	-24,693,501.41
Income from derecognition of financial assets measured at amortized cost (Loss is indicated by “-”)	-32,618,718.19	-39,618,411.95
Net exposure hedging income		

(Loss is indicated by “-”)		
Income from changes in fair value (Loss is indicated by “-”)	-64,759,504.50	46,992,155.68
Impairment losses of credit (Loss is indicated by “-”)	-1,086,680.04	11,896,794.95
Impairment losses of assets (Loss is indicated by “-”)	-7,795,032.20	-15,796,979.97
Income from disposal of assets (Loss is indicated by “-”)	29,642.37	54,423.89
II. Operating profit (Loss is indicated by “-”)	1,735,854,543.42	3,218,078,778.98
Add: Non-operating income	922,466.47	10,152,797.38
Less: Non-operating expenses	5,861,240.70	6,700,314.33
III. Total profit (Total losses are indicated by “-”)	1,730,915,769.19	3,221,531,262.03
Less: Income tax expenses	-9,082,818.62	-2,943,604.35
IV. Net profit (Net loss is indicated by “-”)	1,739,998,587.81	3,224,474,866.38
(I) Net profit from continuing operations (Net loss is indicated by “-”)	1,739,998,587.81	3,224,474,866.38
(II) Net profit from discontinued operations (Net loss is indicated by “-”)		
V. Other comprehensive income, net of tax	-71,031,669.16	-143,511,980.28
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	-71,031,669.16	-143,511,980.28
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	-71,031,669.16	-143,511,980.28
4. Changes in fair value of enterprises' own credit risks		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amounts of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserve for cash flow hedges		
6. Translation differences of financial statements denominated in foreign currencies		
7. Others		
VI. Total comprehensive income	1,668,966,918.65	3,080,962,886.10
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Statement of Cash Flows

In RMB

Item	2024	2023
I. Cash flows from operating activities:		
Cash receipts from the sales of goods and the rendering of services	260,945,840,146.58	233,972,359,867.88
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in taking from other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
Net cash receipts from reinsurance business		
Net cash receipts from policyholders' deposits and investment contract liabilities		
Cash receipts from interest, fees and commissions		
Net increase in taking from banks and other financial institutions		
Net increase in financial assets sold under repurchase arrangements		
Net cash received from securities trading agency		
Receipts of tax refunds	7,372,655,841.77	7,825,905,318.68
Other cash receipts relating to operating activities	5,689,425,932.94	4,251,043,986.66
Sub-total of cash inflows from operating activities	274,007,921,921.29	246,049,309,173.22
Cash payments for goods purchased and services received	215,915,880,651.43	190,579,479,133.20
Net increase in loans and advances to customers		
Net increase in balance with the central bank and due from banks and other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payments for interest, fees and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to and on behalf of employees	23,188,596,123.73	19,100,916,568.64
Payments of various types of taxes	2,679,443,357.07	2,107,851,414.79
Other cash payments relating to operating activities	5,107,093,580.53	6,656,001,645.43
Sub-total of cash outflows from operating activities	246,891,013,712.76	218,444,248,762.06

Net cash flow from operating activities	27,116,908,208.53	27,605,060,411.16
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	59,421,492,564.65	16,307,306,597.29
Cash receipts from investment income	1,560,585,128.71	640,454,107.13
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	259,098,302.75	498,863,695.83
Net cash receipts from disposals of subsidiaries and other business entities		
Other cash receipts relating to investing activities	15,981,629.58	427,650,270.00
Sub-total of cash inflows from investing activities	61,257,157,625.69	17,874,274,670.25
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	12,110,699,704.87	11,387,449,010.98
Cash payments to acquire investments	82,979,924,160.82	25,906,263,865.11
Net increase in pledged loans receivables		
Net cash payments for acquisitions of subsidiaries and other business entities	1,729,156,509.11	
Other cash payments relating to investing activities	93,449,200.00	140,474,000.00
Sub-total of cash outflows from investing activities	96,913,229,574.80	37,434,186,876.09
Net cash flows from investing activities	-35,656,071,949.11	-19,559,912,205.84
III. Cash flows from financing activities:		
Cash receipts from capital contributions	2,406,563,693.54	546,698,698.52
Including: Cash receipts from capital contributions from minority owners of subsidiaries	599,177,529.88	
Cash receipts from borrowings	91,708,915,330.66	89,681,515,957.31
Other cash receipts relating to financing activities	6,758,358,667.41	3,531,424,971.41
Sub-total of cash inflows from financing activities	100,873,837,691.61	93,759,639,627.24
Cash repayments of borrowings	68,783,902,600.75	81,148,610,559.40
Cash payments for distribution of dividends or profits or settlement of interest expenses	3,717,457,760.53	2,530,927,017.73
Including: Payments for distribution of dividends or profits to minority owners of subsidiaries	49,589,480.71	89,877,050.50
Other cash payments relating to financing activities	2,482,035,263.87	6,009,836,397.50
Sub-total of cash outflows from financing activities	74,983,395,625.15	89,689,373,974.63
Net cash flows from financing activities	25,890,442,066.46	4,070,265,652.61
IV. Effect of foreign exchange rate changes on cash and cash equivalents	231,672,359.85	256,320,033.21
V. Net increase in cash and cash equivalents	17,582,950,685.73	12,371,733,891.14
Add: Opening balance of cash and cash equivalents	29,684,152,320.65	17,312,418,429.51
VI. Closing balance of cash and cash equivalents	47,267,103,006.38	29,684,152,320.65

## 6. Statement of Cash Flows of the Parent Company

In RMB

Item	2024	2023
I. Cash flows from operating activities:		
Cash receipts from the sales of goods and the rendering of services	13,960,787,538.02	13,856,860,176.69
Receipts of tax refunds	105,618,571.66	131,023,274.74
Other cash receipts relating to operating activities	100,274,296,230.66	26,805,451,217.01
Sub-total of cash inflows from operating activities	114,340,702,340.34	40,793,334,668.44
Cash payments for goods purchased and services received	14,739,237,402.97	18,017,487,335.51
Cash payments to and on behalf of employees	380,793,920.10	321,167,044.00
Payments of various types of taxes	27,465,227.26	7,503,228.53
Other cash payments relating to operating activities	90,765,070,519.94	22,673,942,894.86
Sub-total of cash outflows from operating activities	105,912,567,070.27	41,020,100,502.90
Net cash flow from operating activities	8,428,135,270.07	-226,765,834.46
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	1,029,020,423.92	6,536,880,258.56
Cash receipts from investment income	2,141,663,919.77	3,348,825,836.10
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	446,206.75	315,031.34
Net cash receipts from disposals of subsidiaries and other business entities		3,319,956.47
Other cash receipts relating to investing activities	24,529,145,489.00	
Sub-total of cash inflows from investing activities	27,700,276,039.44	9,889,341,082.47
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	243,888,929.06	76,811,665.74
Cash payments to acquire investments	9,731,679,200.44	10,673,528,047.25
Net cash payments for acquisitions of subsidiaries and other business entities		
Other cash payments relating to investing activities	37,663,015,910.00	
Sub-total of cash outflows from investing activities	47,638,584,039.50	10,750,339,712.99
Net cash flows from investing activities	-19,938,308,000.06	-860,998,630.52
III. Cash flows from financing activities:		
Cash receipts from capital contributions	1,807,386,163.66	546,698,698.52
Cash receipts from borrowings	14,059,049,529.26	12,787,980,000.00
Other cash receipts relating to financing activities	14,484,816,421.49	3,089,161,930.69
Sub-total of cash inflows from financing activities	30,351,252,114.41	16,423,840,629.21
Cash repayments of borrowings	6,685,639,601.04	6,182,849,970.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	2,781,084,626.44	1,470,835,061.65
Other cash payments relating to financing activities	8,493,152,733.44	5,986,958,422.03

Sub-total of cash outflows from financing activities	17,959,876,960.92	13,640,643,453.68
Net cash flows from financing activities	12,391,375,153.49	2,783,197,175.53
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-6,299,268.96	6,410,280.81
V. Net increase in cash and cash equivalents	874,903,154.54	1,701,842,991.36
Add: Opening balance of cash and cash equivalents	4,163,378,706.90	2,461,535,715.54
VI. Closing balance of cash and cash equivalents	5,038,281,861.44	4,163,378,706.90

## 7. Consolidated Statement of Changes in Owners' Equity

Current period

In RMB

Item	2024														
	Equity attributable to owners of the parent company													Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Unappropriated profit	Other	Subtotal		
Preferred shares		Perpetual bonds	Other												
I. Closing balance of the preceding year	7,148,168,213.00			527,289,020.28	5,011,944,633.92		148,762,176.88	3,528,369.80	1,443,520,185.47		42,026,971,911.25		56,310,184,510.60	13,974,680,315.62	70,284,864,826.22
Add: Changes in accounting policies															
Corrections of prior period errors															
Other															
II. Opening balance of the current year	7,148,168,213.00			527,289,020.28	5,011,944,633.92		148,762,176.88	3,528,369.80	1,443,520,185.47		42,026,971,911.25		56,310,184,510.60	13,974,680,315.62	70,284,864,826.22
III. Changes for the year (Decrease is indicated by "-")	88,293,929.00			-17,991.56	2,534,282,745.28		-852,567,811.14	-1,331,844.29	173,999,858.78		11,074,167,529.32		13,016,826,415.39	1,385,435,173.40	14,402,261,588.79
(I) Total comprehensive income							-814,249,035.79				13,365,651,026.16		12,551,401,990.37	1,270,752,469.57	13,822,154,459.94
(II) Owners' contributions and reduction in capital	88,293,929.00			-17,991.56	2,534,282,745.28								2,622,558,682.72	163,291,707.51	2,785,850,390.23
1 . Ordinary shares contributed by owners	88,292,139.00				1,719,094,024.66								1,807,386,163.66	599,177,529.88	2,406,563,693.54
2 . Capital contribution from holders of other equity instruments	1,790.00			-17,991.56	99,989.57								83,788.01	20,119,604.87	20,203,392.88
3 . Share-based payment recognized in					391,351,564.85								391,351,564.85	31,020,953.74	422,372,518.59



owners' equity															
4 . Other					423,737,166.20								423,737,166.20	-487,026,380.98	-63,289,214.78
(III) Profit distribution								173,999,858.78		-2,329,802,272.19			-2,155,802,413.41	-49,589,480.71	-2,205,391,894.12
1 . Transfer to surplus reserve								173,999,858.78		-173,999,858.78					
2 . Transfer to general risk reserve															
3 . Distributions to owners (or shareholders)										-2,153,401,833.67			-2,153,401,833.67	-49,589,480.71	-2,202,991,314.38
4 . Other										-2,400,579.74			-2,400,579.74		-2,400,579.74
(IV) Transfers within owners' equity							-38,318,775.35			38,318,775.35					
1 . Capitalization of capital reserve (or share capital)															
2 . Capitalization of surplus reserve (or share capital)															
3 . Loss offset by surplus reserve															
4 . Retained earnings carried forward from changes in defined benefit plans															
5 . Retained earnings carried forward from other comprehensive income															
6 . Other							-38,318,775.35			38,318,775.35					
(V) Special reserve								-1,331,844.29					-1,331,844.29	980,477.03	-351,367.26
1 . Transfer to special reserve in the current period								38,821,819.05					38,821,819.05	38,487,100.05	77,308,919.10

2 . Amount utilized in the current period								40,153,663.34					40,153,663.34	37,506,623.02	77,660,286.36
(VI) Others															
IV. Closing balance of the current period	7,236,462,142.00			527,271,028.72	7,546,227,379.20		703,805,634.26	2,196,525.51	1,617,520,044.25		53,101,139,440.57		69,327,010,925.99	15,360,115,489.02	84,687,126,415.01

## Prior period

In RMB

Item	2023													
	Equity attributable to owners of the parent company													Minority interests
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Unappropriated profit	Other	Subtotal	
I. Closing balance of the preceding year	7,099,908,647.00			527,319,637.88	3,652,626,861.74		651,458,316.25	2,094,879.61	1,121,072,698.83		32,288,416,277.22		45,342,897,318.53	13,440,972,378.66
Add: Changes in accounting policies														
Corrections of prior period errors														
Other														
II. Opening balance of the current year	7,099,908,647.00			527,319,637.88	3,652,626,861.74		651,458,316.25	2,094,879.61	1,121,072,698.83		32,288,416,277.22		45,342,897,318.53	13,440,972,378.66
III. Changes for the year (Decrease is indicated by "-")	48,259,566.00			-30,617.60	1,359,317,772.18		502,696,139.37	1,433,490.19	322,447,486.64		9,738,555,634.03		10,967,287,192.07	533,707,936.96
(I) Total comprehensive income							464,912,752.55				10,952,656,702.16		10,487,743,949.61	1,263,928,649.07
(II) Owners' contributions and reduction in capital	48,259,566.00			-30,617.60	1,359,317,772.18								1,407,546,720.58	-640,863,408.11
1 . Ordinary shares contributed by owners	48,256,556.00				498,442,142.52								546,698,698.52	

2 . Capital contribution from holders of other equity instruments	3,010.00			-30,617.60	170,204.36								142,596.76		142,596.76
3 . Share-based payment recognized in owners' equity					731,177,177.72								731,177,177.72	49,487,751.93	780,664,929.65
4 . Other					129,528,247.58								129,528,247.58	-690,351,160.04	-560,822,912.46
(III) Profit distribution									322,447,486.64		-1,251,884,454.95		-929,436,968.31	-89,877,050.50	-1,019,314,018.81
1 . Transfer to surplus reserve									322,447,486.64		-322,447,486.64				
2 . Transfer to general risk reserve															
3 . Distributions to owners (or shareholders)											-926,948,678.85		-926,948,678.85	-89,877,050.50	-1,016,825,729.35
4 . Other											-2,488,289.46		-2,488,289.46		-2,488,289.46
(IV) Transfers within owners' equity							-37,783,386.82				37,783,386.82				
1 . Capitalization of capital reserve (or share capital)															
2 . Capitalization of surplus reserve (or share capital)															
3 . Loss offset by surplus reserve															
4 . Retained earnings carried forward from changes in defined benefit plans															
5 . Retained earnings carried forward from other comprehensive income															

6 . Other						-37,783,386.82					37,783,386.82				
(V) Special reserve							1,433,490.19					1,433,490.19	519,746.50	1,953,236.69	
1 . Transfer to special reserve in the current period							32,093,607.36					32,093,607.36	30,153,711.05	62,247,318.41	
2 . Amount utilized in the current period							30,660,117.17					30,660,117.17	29,633,964.55	60,294,081.72	
(VI) Others															
IV. Closing balance of the current period	7,148,168,213.00			527,289,020.28	5,011,944,633.92		148,762,176.88	3,528,369.80	1,443,520,185.47		42,026,971,911.25		56,310,184,510.60	13,974,680,315.62	70,284,864,826.22

## 8. Statement of Changes in Owners' Equity of the Parent Company

Current period

In RMB

Item	2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
I. Closing balance of the preceding year	7,148,168,213.00			527,289,020.28	5,304,433,127.03		113,696,524.40		1,443,520,185.47	8,981,176,754.23		23,518,283,824.41
Add: Changes in accounting policies												
Corrections of prior period errors												
Other												
II. Opening balance of the current year	7,148,168,213.00			527,289,020.28	5,304,433,127.03		113,696,524.40		1,443,520,185.47	8,981,176,754.23		23,518,283,824.41
III. Changes for the year (Decrease is indicated by "-")	88,293,929.00			-17,991.56	2,141,566,532.82		-109,350,444.51		173,999,858.78	-551,383,455.81		1,743,108,428.72
(I) Total comprehensive income							-71,031,669.16			1,739,998,587.81		1,668,966,918.65

(II) Owners' contributions and reduction in capital	88,293,929.00			-17,991.56	2,141,566,532.82							2,229,842,470.26
1 . Ordinary shares contributed by owners	88,292,139.00				1,719,094,024.66							1,807,386,163.66
2 . Capital contribution from holders of other equity instruments	1,790.00			-17,991.56	99,989.57							83,788.01
3 . Share-based payment recognized in owners' equity					422,372,518.59							422,372,518.59
4 . Other												
(III) Profit distribution								173,999,858.78	-2,329,700,818.97			-2,155,700,960.19
1 . Transfer to surplus reserve								173,999,858.78	-173,999,858.78			
2 . Distributions to owners (or shareholders)									-2,153,401,833.67			-2,153,401,833.67
3 . Other									-2,299,126.52			-2,299,126.52
(IV) Transfers within owners' equity							-38,318,775.35		38,318,775.35			
1 . Capitalization of capital reserve (or share capital)												
2 . Capitalization of surplus reserve (or share capital)												
3 . Loss offset by surplus reserve												
4 . Retained earnings carried forward from changes in defined benefit plans												
5 . Retained earnings carried forward from other comprehensive income												
6 . Other							-38,318,775.35		38,318,775.35			
(V) Special												

reserve												
1 . Transfer to special reserve in the current period												
2 . Amount utilized in the current period												
(VI) Others												
IV. Closing balance of the current period	7,236,462,142.00			527,271,028.72	7,445,999,659.85		4,346,079.89		1,617,520,044.25	8,429,793,298.42		25,261,392,253.13

Prior period

In RMB

Item	2023											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
I. Closing balance of the preceding year	7,099,908,647.00			527,319,637.88	4,069,645,567.93		294,991,891.50		1,121,072,698.83	6,970,581,669.73		20,083,520,112.87
Add: Changes in accounting policies												
Corrections of prior period errors												
Other												
II. Opening balance of the current year	7,099,908,647.00			527,319,637.88	4,069,645,567.93		294,991,891.50		1,121,072,698.83	6,970,581,669.73		20,083,520,112.87
III. Changes for the year (Decrease is indicated by “-”)	48,259,566.00			-30,617.60	1,234,787,559.10		-181,295,367.10		322,447,486.64	2,010,595,084.50		3,434,763,711.54
(I) Total comprehensive income							-143,511,980.28			3,224,474,866.38		3,080,962,886.10
(II) Owners’ contributions and reduction in capital	48,259,566.00			-30,617.60	1,234,787,559.10							1,283,016,507.50
1 . Ordinary shares contributed by owners	48,256,556.00				498,442,142.52							546,698,698.52
2 . Capital contribution from holders of other equity instruments	3,010.00			-30,617.60	170,204.36							142,596.76
3 . Share-based payment recognized in owners’ equity					780,664,929.65							780,664,929.65
4 . Other					-44,489,717.43							-44,489,717.43
(III) Profit distribution									322,447,486.64	-1,251,663,168.70		-929,215,682.06
1 . Transfer to surplus reserve									322,447,486.64	-322,447,486.64		
2 . Distributions to owners (or shareholders)										-926,948,678.85		-926,948,678.85
3 . Other										-2,267,003.21		-2,267,003.21
(IV) Transfers within owners’ equity							-37,783,386.82			37,783,386.82		

1 . Capitalization of capital reserve (or share capital)												
2 . Capitalization of surplus reserve (or share capital)												
3 . Loss offset by surplus reserve												
4 . Retained earnings carried forward from changes in defined benefit plans												
5 . Retained earnings carried forward from other comprehensive income												
6 . Other							-37,783,386.82			37,783,386.82		
(V) Special reserve												
1 . Transfer to special reserve in the current period												
2 . Amount utilized in the current period												
(VI) Others												
IV. Closing balance of the current period	7,148,168,213.00			527,289,020.28	5,304,433,127.03		113,696,524.40		1,443,520,185.47	8,981,176,754.23		23,518,283,824.41



### III. Basic Information

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 computer, communication and other electronic equipment manufacturing industry.

As of December 31, 2024, the Company issued 7,236,462,142.00 shares in total, with its registered capital amounting to RMB7,236,462,142.00. The Company’s registered office is located at 2/F, Block A, Sanyo New Industrial Zone, West Haoyi Community, Shajing Street, Bao’an District, Shenzhen, China, while its place of business is located at No. 313 North Ring Road, Qingxi Town, Dongguan City, Guangdong, China. The main business activities of the Company include production and operation of connecting wires, connectors, computer peripherals, and plastic hardware products. The Company’s parent company is Luxshare Limited, and its actual controllers are WANG Laichun and WANG Laisheng.

The financial statements were approved by the Company’s board of directors on April 25, 2025 for issuance.

### IV. Basis of Preparation of Financial Statements

#### 1. Basis of Preparation

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

#### 2. Going Concern

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

### V. Significant Accounting Policies and Accounting Estimates

Reminders on specific accounting policies and accounting estimates:

The disclosed content already includes the specific accounting policies and accounting estimates formulated by the Company based on its actual production and operation characteristics. Please refer to Note V, (11) Financial Instruments, Note V, (17) Inventories, Note V, (21) Property, Plant, and Equipment, Note V, (24) Intangible Assets, Note V, (31) Revenue, etc.

#### 1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated and parent company's financial positions as of December 31, 2024, and the consolidated and parent company's operating results and cash flows for the year then ended.

## 2. Accounting Period

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

## 3. Operating Cycle

The Company's operating cycle is 12 months.

## 4. Functional Currency

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

## 5. Method for Determining Importance Criteria and Selection Basis

☒Applicable ☐N/A

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

## 6. Accounting Treatment of Business Combinations Involving Enterprises under Common Control and Business Combinations Not Involving Enterprises under Common Control

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

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

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

## 7. Criterion of Control and the Preparation Method of Consolidated Financial Statements

### 1. Criterion of Control

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

### 2. Consolidation Procedures

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

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

#### (1) Increase in Subsidiaries or Businesses

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

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

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

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

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

## (2) Disposal of Subsidiaries

### ① General Disposal

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

### ② Disposal of Subsidiaries by Steps

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

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

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

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

**(3) Acquisition of a Subsidiary's Minority Equity**

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

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

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

**8. Classification of Joint Arrangements and Accounting Treatment of Joint Operations**

Joint arrangements are classified into joint operations and joint ventures.

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

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

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

The Company accounts for investments in joint ventures using the equity method and the details are seen in Note "V. (19) Long-term equity investments".

**9. Recognition of Cash and Cash Equivalents**

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

**10. Foreign Currency Transactions and Translation of Foreign Currency Financial Statements****1. Foreign Currency Transactions**

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

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

**2. Translation of Financial Statements Denominated in Foreign Currencies**

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

and expenses in the income statement are translated at the exchange rates similar to the spot exchange rates at the dates of the transactions.

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

## 11. Financial Instruments

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

### 1. Classification of Financial Instruments

Based on the Company's business model for managing financial assets and the cash flow characteristics of financial assets, the financial assets are classified on initial recognition into financial assets measured at their 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 the other remaining financial assets as 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.

### 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 the 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 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 the 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 from other comprehensive income and included in retained earnings.

#### (4) Financial Assets at Fair Value through Profit or Loss

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

#### (5) Financial Liabilities at Fair Value through Profit or Loss

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

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

#### (6) Financial Liabilities Measured at the Amortized Cost

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

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

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

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

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

- the contractual right to receive cash flows from the financial assets has expired;
- the financial asset has been transferred and all the risks and rewards of ownership of the financial asset are substantially transferred to the transferee; or
- the financial asset has been transferred, and the Company neither transferred nor retained a substantial portion of all risks and rewards incidental to the ownership of the financial asset, but did not retain control over the financial asset.

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

When a financial asset is transferred, if the Company retains substantially all the risks and rewards of ownership of a financial asset, it does not derecognize the financial asset.

When the Company determines whether a transfer of a financial asset satisfies the derecognizing criteria prescribed above, it gives weight to the substance rather than form.

The Company divides a transfer of a financial asset into a transfer of the financial asset in its entirety or a transfer of part of the financial asset. For a transfer of a financial asset in its entirety that satisfies the derecognizing criteria, the difference between the following two amounts is recognized in profit or loss for the current period:

- (1) the carrying amount of the financial asset transferred; and
- (2) the sum of the consideration received from the transfer and (if the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income) any cumulative changes in fair value that was originally recognized in owners' equity.

If part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset in its entirety is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts. The difference between the following two amounts is recognized in profit or loss for the current period:

- (1) the carrying amount allocated to the part derecognized; and
- (2) the sum of the consideration received for the part derecognized and (if the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income) the amount of the part derecognized corresponding to the cumulative changes in fair value that was originally recognized in owners' equity.

A financial asset that does not qualify for derecognition continues to be recognized, and the consideration received is recognized as a financial liability.

#### 4. Derecognition of Financial Liabilities

If the present obligations of a financial liability are discharged in part or whole, the financial liability or any part thereof is derecognized; an agreement between the Company and the creditor to replace the existing financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the existing financial liability and the recognition of a new financial liability.

A substantial modification to the terms of an existing financial liability or any part thereof is accounted for as an extinguishment of the existing financial liability or any part thereof, and the financial liability with modified terms is recognized as a new financial liability at the same time.

When the Company derecognizes a financial liability or any part thereof, it recognizes the difference between the carrying amount of the financial liability derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the current period.

If the Company repurchases part of a financial liability, it allocates the carrying amount of the financial liability in its entirety between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount of the financial liability derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the current period.



## 5. Method of Determination of the Fair Value of Financial Assets and Financial Liabilities

If there is an active market for a financial instrument, the quoted price in the active market is used to establish the fair value of the financial instrument. If there is no active market for a financial instrument, a valuation technique is used to establish the fair value of the financial instrument. On valuation, the Company adopts the valuation technique which applies to the current circumstances and is supported by sufficient data available and other information, selects the input value consistent with the characteristics of the asset or liability considered by the market participants in the transaction of the relevant asset or liability, and prioritizes using the relevant observable input value. The unobservable input value can be used only when the relevant observable input value cannot be obtained or it is impracticable to obtain the relevant observable input value.

## 6. Test and Accounting Treatment of Impairment of Financial Tools

The Company estimates the expected credit losses of financial assets measured at amortized cost, financial assets (debt instruments) at fair value through other comprehensive income and financial guarantee contracts on a single or joint basis.

The Company comprehensively considers reasonable and well-founded information about past events, current conditions, and predictions of future economic conditions as well as the possibility of default to calculate the probability-weighted amount of the present value of the difference between cash flows receivable from contracts and cash flows expected to be recovered and include it in the expected credit loss.

For receivables and contract assets formed by transactions regulated by Enterprise Accounting Standards No. 14 - Revenue, regardless of whether they contain significant financing components, the Company always measures their allowance for expected credit losses equivalent to the amount expected throughout the entire term.

For lease receivables formed by transactions regulated by Enterprise Accounting Standards No. 21 - Leases, the Company chooses to measure its allowance for expected credit losses equivalent to the amount expected throughout the entire term.

For other financial instruments, the Company evaluates the credit risk of the relevant financial instruments on each balance sheet date based on changes since initial recognition.

The Company compares the possibility of default at the balance sheet date with the possibility of default upon initial recognition, to determine the relative change in the default risks of financial instruments during the expected lifetime, and assess whether the credit risk of the financial instruments has increased significantly since initial recognition. If a financial instrument is past due for more than 30 days, the Company usually believes that credit risk of the financial instrument has increased significantly, unless there is clear evidence that credit risk of the financial instrument has not increased significantly since initial recognition.

If a financial instrument has low credit risk on the balance sheet date, the Company believes that credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument has significantly increased since initial recognition, the Company measures its allowance for expected credit losses equivalent to the amount expected throughout the entire term. If the credit risk of a financial instrument has not significantly increased since initial recognition, the Company measures its allowance for expected credit losses equivalent to the amount expected over the next 12 months. The increase or reversal of allowance for expected credit losses resulting from this is recognized as impairment losses or gains in the current period's profit or loss. For financial assets (debt instruments) measured at fair value with changes recognized in other comprehensive income, the allowance for expected credit losses is recognized in other comprehensive income, and impairment losses or gains are recognized in the profit or loss for the period without reducing the carrying amount of the financial asset in the balance sheet.

1) The basis for recognizing accounts receivable confirmation combinations is as follows:

Item	Combination Categories	Basis for determination
Notes receivable	Combination 1: Bank acceptance draft	Acceptance draft types
Notes receivable	Combination 2: Commercial acceptance draft	Acceptance draft types

Upon recognizing revenue, our company initially recognizes accounts receivable, which are then transferred to settle with commercial bills. In accordance with the principle of continuous aging calculation, the aging of accounts receivable is traced back to the corresponding starting date of accounts receivable for aging calculation.

2) The basis for determining the combination of accounts receivable is as follows:

Item	Combination Categories	Basis for determination
Accounts receivable	Combination 1: Individual provision	If the credit risk characteristics of a counterparty are significantly different from other counterparties in the portfolio, a separate allowance for impairment is made for the amounts receivable from that counterparty.
Accounts receivable	Combination 2: Aging combination	The Company considers the credit risk characteristics of different customers, and assesses the expected credit losses of financial instruments based on shared risk characteristics and aging portfolios.

The Company starts calculating the aging of accounts receivable when the conditions for revenue recognition are met and initially recognized. The actual aging period extends from the initial recognition date to the balance sheet date.

3) The basis for determining the combination of other receivables is as follows:

Item	Combination Categories	Basis for determination
Other receivables	Combination 1: Individual provision	If the credit risk characteristics of a counterparty are significantly different from other counterparties in the portfolio, a separate allowance for impairment is made for the amounts receivable from that counterparty.
Other receivables	Combination 2: Aging combination	The Company considers the credit risk characteristics of different customers, and assesses the expected credit losses of financial instruments based on shared risk characteristics and aging portfolios.

The Company starts calculating the aging of other receivables when they are initially recorded. The actual aging period extends from the initial recognition date to the balance sheet date.

4) The basis for confirming the combination of accounts receivable financing is as follows:

Item	Combination Categories	Basis for determination
Receivable financing	Combination 1: Bank acceptance draft	Acceptance draft types

5) Criteria for determining individual provision for bad debt

The Company utilizes available reasonable and substantiated forward-looking information to assess the risk of default of financial instruments at the balance sheet date compared to the risk at the initial recognition date. This assessment involves considering whether there have been significant changes in the debtor's operating results, either actual or expected; whether there have been significant adverse changes in regulatory, economic, or technological environments; whether there have been significant changes in the value of collateral serving as security for the debt, or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor's economic incentives to repay according to the terms of the contract or affect the probability of default; whether there have been significant changes in the debtor's expected performance and repayment behavior, among other factors. Based on this analysis, the Company determines that credit risk has significantly increased. The Company also conducts a comprehensive analysis to assess whether the debtor is experiencing significant financial difficulties, has breached contracts or is in default, or if the debtor's financial difficulties have reduced the asset's liquidity, among other factors, to determine if impairment has occurred. If the Company's customers or other debtors experience severe financial difficulties, defaults on repayments, and have not provided effective credit enhancements or other safeguards, the Company conducts impairment testing separately for them, considering the risk of default and the expected credit loss rate for the entire duration. A provision for bad debts is then recognized based on the difference between the carrying amount of the financial asset and the present value of expected future cash flows.

The Company directly writes down the carrying amount of the financial asset if it no longer reasonably expects to recover all or part of the contractual cash flows associated with the financial asset.

## 12. Notes Receivable

For details, please refer to Note V, 11 "Financial Instruments" herein.

## 13. Accounts Receivable

For details, please refer to Note V, 11 "Financial Instruments" herein.

## 14. Receivables Financing

For details, please refer to Note V, 11 "Financial Instruments" herein.

## 15. Other Receivables

For details, please refer to Note V, 11 "Financial Instruments" herein.

## 16. Contract Assets

### 1. Recognition Method and Criteria for Contract Assets

The Company recognizes contract assets or contract liabilities on the balance sheet based on the relationship between performance obligations and customer payments. The right to consideration for goods transferred or services provided to customers (and where that right is conditional on factors other than the passage of time) is recognized as a contract asset. Contract assets and contract liabilities for the same contract are presented as a net amount. The unconditional right to consideration from customers (based solely on the passage of time) that the Company holds is separately presented as accounts receivable.

### 2. Method for Determining Expected Credit Losses on Contract Assets and the Accounting Treatment

The method for determining expected credit losses on contract assets and the accounting treatment thereof are detailed in Note X 6 Methods for Testing and Accounting Treatment of Financial Instrument Impairment in this attachment.

## 17. Inventories

### 1. Classification and Cost of Inventories

Inventories are classified into: materials in transit, raw materials, revolving materials, goods on hand, products in process, goods sold, work in process - outsourced, contract performance cost, etc.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

### 2. Pricing Methods of Inventories Transferred out

The Company delivers inventories at the price calculated using the weighted-average system monthly in arrears.

### 3. Inventory System

Adopts a perpetual inventory system.

### 4. Amortization Method for Low-value Consumables and Packaging Materials

The Company's inventory includes low-value consumables, packaging materials, etc. For high-value turnover materials, monthly amortization is carried out based on the estimated useful life upon issuance; for other low-value consumables, one-time amortization is carried out upon issuance; packaging materials are amortized using the one-time amortization method upon issuance.

### 5. Criteria for Recognition and Provision Method of Inventory Impairment

At the balance sheet date, inventories are measured at the lower of cost or net realizable value. If the cost of inventories is higher than the net realizable value, a provision for decline in value of inventories is made. Net realizable value is the estimated selling price in the ordinary course of business less costs expected to be incurred until completion and the estimated costs necessary to make the sale and relevant taxes.

For finished products, goods on hand, materials available for sale and other merchandise inventories available for sale, in the ordinary production and operation process, their net realizable value is determined at the estimated selling price of these inventories less the estimated costs necessary to make the sale and relevant taxes; and for the inventories that need to be processed,

in the ordinary production and operation process, their net realizable value is determined at the estimated selling price of finished products less the costs to be incurred until completion and the estimated costs necessary to make the sale and relevant taxes. The net realizable value of the inventories held to satisfy sales or service contracts is based on the contract price. If the quantity of inventories held is more than the quantity ordered in the sales contracts, the net realizable value of the excess portion of inventories is based on general selling prices.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value is higher than the carrying amount of inventories, the reversal is made to the extent of the amount originally provided for the decline in value of inventories. The amount of the reversal is recognized in profit or loss for the current period.

## 18. Held-for-sale Assets

### 1. Hold-for-sale

The assets of which carrying amount is recovered mainly through sales (including through exchange of non-monetary assets with commercial substance) rather than continuous use of non-current assets or disposal groups are classified as the held-for-sale assets. The Company classifies the non-current assets or disposal groups which meet all the following conditions as the held-for-sale assets:

- (1) they can be sold immediately under current conditions according to the practice of sales of such assets or disposal groups in similar transactions; and
- (2) the sale is very likely to happen, that is, the Company has made a resolution on a sale plan and obtained a confirmed purchase commitment, and such sale is expected to be completed within one year. The sale has been approved by the relevant authority or regulatory department of the Company if it is required to be so approved by the relevant provisions.

Classified as non-current assets held for sale (excluding financial assets, deferred tax assets, and assets arising from employee benefits) or disposal groups, whose carrying amount is higher than the net amount after deducting selling expenses from the fair value, the carrying amount is written down to the net amount after deducting selling expenses from the fair value, and the written-down amount is recognized as asset impairment loss and included in profit or loss for the current period, while simultaneously making provision for impairment of assets held for sale.

### 2. Termination of Operations

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

- (1) The component represents a separate major business or a separate major operating area.
- (2) The component is part of a related plan to dispose of a separate major business or a separate major operating area.
- (3) The component is a subsidiary acquired solely for resale.

Profit or loss from continuing operations and profit or loss from termination of operations are separately presented in the income statement. Impairment losses and reversals, operating losses, and gains from disposal related to termination of operations are reported as profit or loss from termination of operations. For termination of operations reported in the current period, the Company reclassifies the information previously reported as profit or loss from continuing operations as profit or loss from termination of operations in the financial statements for the current period.

## 19. Long-term Equity Investments

### 1. Judgment Criteria of Joint Control and Significant Influence

Joint control is the agreed sharing of control over an arrangement, and the relevant activities of such arrangement must be decided upon the unanimous consent of the parties sharing control. If the Company can exercise joint control over the investee along with other parties to joint ventures and enjoy rights over net assets of the investee, the investee is a joint venture of the Company.

Significant influence is the power to participate in the financial and operating policy decisions of an investee, but is not control or joint control with other parties over the establishment of those policies. If the Company can have significant influence over the investee, the investee is an associate of the Company.

## 2. Determination of Initial Investment Cost

### (1) Long-term equity investments formed by business combination

In case of a long-term equity investment of a subsidiary acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the Company's share of the carrying amount of the owners' equity of the absorbed party in the consolidated financial statements of the ultimate controller at the date of combination. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid for the combination is treated as an adjustment to the equity premium in the capital reserve. In case the equity premium in the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings. Where the Company becomes capable of exercising control over an investee under the common control due to additional investments or other reasons, the difference between the initial investment cost of the long-term equity investment recognized in the light of the above principles and the sum of the carrying amount of the long-term equity investment prior to combination plus the carrying amount of new consideration paid for further acquisition of shares on combination date is adjusted to the equity premium. If the equity premium is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

In case of a long-term equity investment acquired through a business combination not involving enterprises under common control, the Company regards the cost of combination determined on the date of acquisition as the initial investment cost of the long-term equity investment. If the Company becomes capable of exercising control over an investee not under common control due to additional investments or other reasons, the initial investment cost is the sum of the carrying amount of the equity investment originally held and the new investment cost.

### (2) Long-term equity investments obtained through forms other than business combination

For a long-term equity investment acquired by paying cash, the initial investment cost is the actual purchase price..

For a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of equity securities issued

## 3. Subsequent Measurement and Determination of Profit or Loss

### (1) Long-term equity investments accounted for using the cost method

The Company accounts for the long-term equity investments of the subsidiaries using the cost method, unless these investments meet the held-for-sale conditions. Except for cash dividends or profit distributions declared but undistributed included in the price or consideration actually paid on acquisition of investments, the Company recognizes its cash dividends or profit distributions declared by the investee as investment income in the current period.

### (2) Long-term equity investments accounted for using the equity method

The long-term equity investments of associates and joint ventures are accounted for using the equity method. Where the initial investment cost of a long-term equity investment exceeds the Company's interest in the fair values of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost of the long-term equity investment. Where the initial investment cost is less than the Company's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

The Company respectively recognizes its share of the net profits or losses and other comprehensive income made by the investee as investment income and other comprehensive income, and adjusts the carrying amount of the long-term equity investment accordingly. The carrying amount of the long-term equity investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributed to the Company. The Company adjusts the carrying amount of the long-term equity investment for other changes in owners' equity of the investee other than net profits or losses, other comprehensive income and profit distributions ("changes in other owners' equity"), and includes the corresponding adjustment in owners' equity.

For recognition of its share of the investee's net profits or losses or other comprehensive income and changes in other owners' equity, the Company recognizes its share of the investee's net profits and other comprehensive income after making appropriate adjustments based on the fair value of the investee's identifiable net assets at the date of acquisition in accordance with its accounting policies and period.

For unrealized profits or losses resulting from intragroup transactions between the Company and associates or joint ventures, the portion attributable to the Company is eliminated, and based on this, the investment income is recognized, unless the invested or sold assets constitute the business. The impairment loss of assets in the unrealized losses resulting from intragroup transactions between the Company and the investee is fully recognized.

The Company discontinues recognizing its share of net losses of the associate or joint venture after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of the Company's net investment in the associate or joint venture are reduced to zero, except to the extent that the Company has incurred obligations to assume additional losses. Where the associate or joint venture makes net profits subsequently, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

### (3) Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the current period.

If, on partial disposal of long-term equity investments accounted for using the equity method, the remaining equity is still accounted for using the equity method, the portion previously included in other comprehensive income is accounted for on a pro-rata basis, with the same basis as the relevant assets or liabilities directly disposed of by the investee, and changes in other owners' equity are transferred to profit or loss for the current period on a pro-rata basis.

When the Company loses joint control or significant influence on the investee due to disposal of equity investments or other reasons, the original equity investment included in other comprehensive income due to the use of equity method is accounted for on the same basis as the relevant assets or liabilities directly disposed of by the investee when the equity method discontinues, and the changes in other owners' equity are fully transferred to profit or loss for the current period when the equity method discontinues.

Where the Company loses control over the investee due to disposal of partial equity investments, if in preparing separate financial statements, the Company can exercise joint control or significant influence on the investee by virtue of its remaining equity, the remaining equity switches to the equity method for accounting, and is adjusted as if it is accounted for using the equity method since acquisition. Other comprehensive income recognized prior to acquisition of the control on the investee is carried forward proportionally on the same basis as the investee's direct disposal of related assets or liabilities, and changes in other owners' equity recognized using the equity method are transferred to profit or loss for the current period on a pro-rata basis; if the Company cannot exercise joint control or significant influence on the investee by virtue of its remaining equity, the remaining equity is recognized as financial assets, and the difference between the fair value and the carrying amount on the date when the Company loses control is recognized in profit or loss for the current period, and other comprehensive income and changes in other owners' equity recognized prior to acquisition of the control on the investee are fully carried forward.

Where all transactions from disposal of equity investments in a subsidiary through multiple transactions by steps until the loss of control belong to a single package, the Company accounts for each transaction as a disposal of equity investments in a subsidiary and the loss of control; however, the difference between the proceeds from each disposal before loss of control and the carrying amount of the long-term equity investments corresponding to the equity disposed of is first recognized in other comprehensive income in separate financial statements and then transferred to the profit or loss in the period in which the control is lost. Where all transactions do not belong to a single package, the Company accounts for each transaction respectively.

## 20. Investment Properties

Measurement of investment properties

Measured at cost

Depreciation or amortization methods

The Company's investment property is property held to earn rentals or for capital appreciation or both, including land use rights that have been leased out, land use rights that are held and ready to be transferred after appreciation, and buildings that have been leased out (including those that are available for rental after being built by the Company itself or completion of development activities, and are being built or in progress for rental in the future).

Subsequent costs incurred for an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Company and the cost of the asset can be measured reliably. Subsequent costs that fail to meet the recognition criteria above are recognized in profit or loss in the period in which they are incurred.

The Company measures the existing investment properties using the cost model. For investment properties measured using cost model for measurement - the buildings available for rental follow the same depreciation policies as those of the Company's fixed assets, and land use rights available for rental follow the same amortization policies as those of intangible assets.

## 21. Fixed Assets

### (1) Recognition of Fixed Assets

Fixed assets are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of 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 other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

### (2) Method of Depreciation

Category	Method of depreciation	Estimated useful life (year)	Residual value rate	Annual depreciation rate (%)
Buildings	Straight-line method	15-43	0, 1, 10	2.35-6.67
Machinery equipment		3-15	0, 0.01, 1, 10	6-33.33
Auxiliary production equipment	Straight-line method	5-10	10	9-18
Transportation	Straight-line method	3-5	1, 0	18-33

equipment				
Mould equipment	Straight-line method	3-10	10	9-30
Office equipment	Straight-line method	3-5	0, 0.01, 1, 10	18-33.33
Computer equipment	Straight-line method	3-10	0, 0.01, 1, 10	10-33.33
Other equipment	Straight-line method	3-15	0, 0.01, 1, 10	6-33.33
Land (Note 1)				

The Company provides for depreciation of fixed assets by category using the straight-line method, and determines the depreciation rate on the category, estimated useful life and estimated net residual value of fixed assets. For fixed assets with the provision for impairment, the depreciation amount will be determined in the future based on the carrying amount after deduction of the provision for impairment and remaining useful life. If a fixed asset has various component parts which have different useful lives or provide benefits to the enterprise in different manners, these component parts are depreciated separately by selecting different depreciation rates or methods.

The depreciation methods, useful life, residual value rate, and annual depreciation rate for various types of fixed assets are as follows:

Note 1: Refers to land ownership obtained by a U.S. subsidiary, and no depreciation is required.

### (3) Disposal of Fixed Assets

A fixed asset is derecognized when it is disposed of or when no future economic benefits are expected to be generated from its use or disposal. When a fixed asset is sold, transferred, retired or damaged, the Company recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes and fee in profit or loss for the current period.

## 22 Construction in Progress

A construction in progress is measured at the actual cost incurred. Actual cost includes construction and installation fees, qualifying borrowing costs and other necessary expenses necessarily incurred for bringing the asset to working condition for its intended use. The construction in progress is transferred to fixed assets when meeting working conditions for its intended use and the Company begins to make provision from next month. The standard and timing for capitalizing construction in progress into fixed assets for our company are as follows:

Category	Criteria and timing for transferring construction in progress to fixed assets
Buildings	(1) The main construction project and supporting projects have substantially completed. (2) The construction project meets the predetermined design requirements and has been accepted by survey, design, construction, and supervision units. (3) It has passed inspections by external departments such as fire, land, and planning. (4) If the construction project reaches the predetermined usable state but has not yet undergone final settlement, it will be transferred to fixed assets based on the actual construction cost according to the estimated value from the date it reaches the predetermined usable state.
Machinery and equipment requiring installation and commissioning	(1) Relevant equipment and other supporting facilities have been fully installed. (2) The equipment has been debugged and can maintain normal stable operation for a period of time. (3) Production equipment is capable of producing qualified products steadily for a period of time. (4) The equipment has been accepted by asset management personnel and users.

## 23 Borrowing Costs

### 1. Recognition of Capitalization of Borrowing Costs



Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the relevant asset. The amounts of other borrowing costs incurred are recognized as an expense in the period in which they are incurred, and recorded into profit or loss for the current period. Qualifying assets are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

## 2. Capitalization Period of Borrowing Costs

Capitalization period is the period from the date of commencement of capitalization of borrowing costs to the date of cessation of capitalization, excluding any period over which capitalization is suspended.

The capitalization of borrowing costs can commence only when all of the following conditions are satisfied:

- (1) expenditures for the asset are being incurred, and such expenditures include those expenditures incurred for the acquisition, construction or production of the qualifying asset that have resulted in payments of cash, transfer of non-cash assets, or the assumption of interest-bearing liabilities;
- (2) borrowing costs are being incurred; and
- (3) activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

When the qualifying asset being acquired, constructed or produced has become ready for its intended use or sale, the capitalization ceases.

## 3. Period over which Capitalization is Suspended

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months. However, capitalization of borrowing costs continues when the interruption is a necessary part of the process of preparing that asset for its intended use or sale. The borrowing costs incurred during these periods of interruption are recognized as profit or loss for the current period, and the capitalization of borrowing costs does not continue until the acquisition, construction or production of that asset is resumed.

## 4. Calculation Methods of Rate and Amount of Capitalization of Borrowing Cost

Where funds are borrowed under a specific-purpose borrowing for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs to be capitalized is the actual borrowing costs incurred for the current period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds.

Where funds are borrowed under general-purpose borrowings and are utilized for the acquisition, construction or production of a qualifying asset, the Company determines the amount of borrowing costs to be capitalized on such borrowings by multiplying a capitalization rate of the utilized general-purpose borrowings by the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the actual interest rates applicable to the general-purpose borrowings.

During the capitalization period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalized as part of the cost of the qualifying asset. The exchange differences arising from foreign currency borrowings and interest thereon other than specific-purpose borrowings denominated in foreign currency are recognized in profit or loss for the current period.

# 24 Intangible Assets

## (1) Service Life of Assets and its Determination Basis, Estimation, Amortization Method, or Review Procedures

### 1. Pricing Methods of Intangible Assets

- (1) The Company initially measures an intangible asset at cost of acquisition;

The cost of a separately acquired intangible asset comprises its purchase price, related taxes and any directly attributable expenditure for preparing the asset for its intended use.

## (2) Subsequent measurement

The Company analyzes and assesses the useful life of an intangible asset on its acquisition.

A finite-lived intangible asset is amortized during the period over which the asset generates economic benefits for the enterprise; an intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the enterprise, and is not be amortized.

## 2. Estimated Useful Lives of Intangible Assets with Finite Life

Item	Estimated useful life (year)	Amortization method	Residual value rate	Basis
Software	3-10	Straight-line method	None	Estimated period of benefit
Land use right	50	Straight-line method	None	Certificate of land use rights
Patent right	10	Straight-line method	None	Right term
Non-patent technology	10	Straight-line method	None	Estimated period of benefit
Other	6-18	Straight-line method	None	Estimated period of benefit

## 3. Basis for Judgment of an Intangible Asset with Indefinite Useful Life and Procedures for Review of Useful Life

The Company reviews the useful life of the indefinite intangible assets at the end of each period.

## (2) Scope of Capitalization for Research and Development (R&D) Expenses and Related Accounting Treatment Methods

### 1. The scope of capitalization for research and development (R&D) expenses

The scope of capitalization for research and development (R&D) expenses includes personnel salaries related to R&D activities, materials consumed, related depreciation and amortization expenses, utilities, and other related expenses incurred during the R&D process.

### 2. Specific criteria for an internal research and development project that are classified into the research phase and the development phase

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Research Stage: The stage of original planned investigation and research activities conducted to obtain and understand new scientific or technical knowledge, etc.

Development Stage: The stage of activities where research findings or other knowledge are applied to a plan or design before commercial production or use, in order to produce new or substantially improved materials, devices, products, etc.

### 3. Specific criteria of expenditure on the development phase qualifying for capitalization

Expenditure on the research phase is recognized in profit or loss for the period in which it is incurred. Expenditure on the development phase is recognized as an intangible asset only when the Company demonstrates that all of the following conditions are met; otherwise, it is recognized in profit or loss for the current period:

- (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (2) the intention to complete the intangible asset and use or sell it;
- (3) how the intangible asset will generate economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) the availability of adequate technical, financial and other resources to complete the development of and the ability to use or sell the intangible asset; and
- (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

If the Company fails to discriminate between expenditure on the research phase and expenditure on the development phase, all expenditures on research and development are recognized in the profit or loss for the current period.

## 25. Impairment of Long-Term Assets

Where any indication exists that long-term equity investments, investment properties measured at the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful life, oil and gas assets and other long-term assets may be impaired at the balance sheet date, the Company performs an impairment test thereon. If the result of the impairment test shows that the recoverable amount of an asset is lower than its carrying amount, the provision for impairment is made for the difference and the difference is included in the impairment loss. The recoverable amount of an asset is the higher of its fair value less disposal costs or the present value of the future cash flows expected to be derived from the asset. The provision for impairment of assets is calculated and recognized for an individual asset, and if it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the asset group to which the asset belongs. An asset group is the smallest identifiable group of assets that generates cash inflows.

Goodwill generated in a business combination, indefinite-lived intangible assets and intangible assets which do not meet the working conditions for their use are tested for impairment at least at the end of each year, irrespective of whether there is any indication that the asset may be impaired.

For the purpose of impairment testing of the Company, the carrying amount of goodwill generated in a business combination is, from the acquisition date, allocated on a reasonable basis to each of the related asset groups. If it is not possible to allocate to the related asset groups, it is allocated to each of the related sets of asset groups. Each of the related asset groups or sets of asset groups shall be an asset group or a set of asset groups that is able to benefit from the synergies of the business combination.

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, there may be an indication that a related asset group or set of asset groups may be impaired. In such circumstances, the Company firstly tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, calculates its recoverable amount, compares the recoverable amount with the related carrying amount and recognizes any impairment loss. Then, the Company tests the asset group or set of asset groups to which goodwill has been allocated for impairment and compares its carrying amount and recoverable amount. When the recoverable amount is less than its carrying amount, the amount of impairment loss first reduces the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduces the carrying amount of other assets (other than goodwill) within the asset group or set of asset groups, pro rata on the basis of the carrying amount of each asset. Once an impairment loss on the asset above is recognized, it will not be reversed in a subsequent period.

## 26. Long-Term Deferred Expenses

Long-term deferred expenses mean those that have been incurred but should be amortized in the current period and the subsequent periods of more than one year.

The amortization period and method of expenses are shown as follows:

Item	Amortization method	Amortization period
Housing decoration fees	Straight-line method	Period of benefit
Leasehold Improvements	Straight-line method	Period of benefit
Other	Straight-line method	Period of benefit

## 27. Contract Liabilities

The Company recognizes contract assets or contract liabilities on the balance sheet based on the relationship between performance obligations and customer payments. The Company presents the contract assets or liabilities in the balance sheet based on the

relationship between performance obligations and customer payments. The Company presents the obligations to transfer goods or offer services to customers as the consideration received or receivable from customers as the contract liabilities. Contract assets and contract liabilities for the same contract are presented as a net amount.

## **28. Employee Benefits**

### **(1) Accounting Treatment of Short-Term Benefits**

The Company recognizes the short-term benefits actually incurred during the accounting period when the employees serve the Company as liabilities, and includes the same as part of the cost of related assets or in profit or loss for the current period.

The employee benefits corresponding to payments of social security contributions and housing funds for employees by the Company and the appropriation to labor union funds and employee education fees are determined on such provision basis and at such provision rate as stipulated during the period when the employees provide services for the Company.

The staff welfare incurred by the Company is stated as the amount actually incurred and recorded into profit or loss for the current period or cost of related assets; non-monetary benefits are measured at fair value.

### **(2) Accounting Treatment of Post-Employment Benefits**

Defined contribution plans

The Company pays basic endowment insurance and unemployment insurance for employees pursuant to the relevant regulations of the local government. The amounts payable therefor, during the accounting period when the employees serve the Company, are calculated according to the payment base and proportion stipulated by the local regulations, which are recognized in profit or loss for the current period or the cost of related assets as liabilities.

### **(3) Accounting Treatment of Termination Benefits**

The Company recognizes the employment remuneration liabilities generated by termination benefits and records them into the profit or loss for the current period on the earlier of: when the Company cannot unilaterally withdraw the severance benefits provided as a result of the labor relationship termination plan or layoff proposal, or when it recognizes the costs or expenses related to the restructuring of the severance benefits payment.

## **29. Provisions**

The Company recognizes an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (1) the obligation is a present obligation of the Company;
- (2) it is probable that an outflow of economic benefits from the Company will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of the expenditure required to settle the related present obligation.

Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole when the Company reaches the best estimate. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

Where there is a continuous range of the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. Under any other circumstances, the best estimate is accounted for as follows:

- where the contingency involves a single item, the best estimate is the most likely amount; or
- where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

Where all or some of the expenditure required to settle an estimated liability is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement does not exceed the carrying amount of the estimated liability.

The Company reviews the carrying amount of a provision at the balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

### 30. Share-Based Payment

A share-based payment of the Company is a transaction in which the Company grants equity instruments, or incurs liabilities for amounts that are determined based on the price of equity instruments, in return for services rendered by employees or other parties. A share-based payment of the Company is classified as either an equity-settled share-based payment or a cash-settled share-based payment.

#### 1. Equity-settled share-based payment and equity instruments

An equity-settled share-based payment in exchange for services received from the employees is measured at the fair value of equity instruments granted to the employees. If the right under the share-based payment vests immediately following the grant, the Company, on grant date, recognizes related costs or expenses at an amount equal to the fair value of the equity instruments, with a corresponding increase in capital reserve. If the rights under the share-based payment do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, at each balance sheet date during the vesting period, the Company makes the best estimate of the number of equity instruments expected to vest, and based on this, recognizes the services received in the current period in the related costs or expenses at an amount equal to the fair value on the grant date, with a corresponding increase in capital reserve.

If the terms of equity-settled share-based payment are modified, the services received are recognized at least pursuant to the unmodified terms. In addition, any modifications that increase the fair value of the equity instruments, or changes that are beneficial to employees on the modification date are recognized as an increase in services.

If the granted equity instrument is cancelled within the vesting period, the Company treats the cancellation of equity instrument granted as the accelerated exercise, and the amount to be recognized during the remaining vesting period is immediately charged to profit or loss for the current period, and the capital reserve is recognized at the same time. However, if a new equity instrument is granted, and on the grant date thereof, is deemed to replace the cancelled equity instrument, the substitute equity instrument granted is accounted for pursuant to the terms and conditions for accounting for original equity instrument.

## 31. Revenue

### Disclosure of Accounting Policies Adopted for Revenue Recognition and Measurement by Business Type

#### 1. Accounting Policies Adopted for Revenue Recognition and Measurement

The revenue is recognized at the time when the Company has discharged the performance obligations in the contract, that is, when the customer obtains the control of the related goods or services. Obtainment of the control of the related goods or services means the ability to direct the use of such goods or services and obtain substantially all of the economic benefits from them.

If the contract has two or more performance obligations, the Company allocates the transaction price to each individual performance obligation on the inception of the contract by reference to relative standalone selling prices of goods or services promised thereby. The Company measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Company is entitled arising from the transfer of goods or services to the customer, excluding the amount collected on behalf of a third party and expected to be returned to the customer. The Company determines the transaction price with reference to the contract terms and in conjunction with past customary practices, and in doing so, considers variable consideration, significant financing components in the contract, non-cash consideration, consideration payable to customers and other factors. The Company determines the transaction price including variable consideration to the extent that it is highly probable that its inclusion will not result in a significant revenue reversal of accumulatively recognized revenue in the future when the uncertainty has been subsequently resolved. If there is a significant financing component in the contract, the Company determines the transaction price based on the presumed amount payable in cash when the customer obtains the control of goods or services, and amortizes the differences between the transaction price and the contract consideration using the actual interest method within the term of the contract.

When meeting one of the following criteria, it belongs to the obligation performed over time, otherwise it constitutes the obligation performed at a point in time:

- the customer obtains and consumes the economic benefits generated by the Company's performance when the Company performs the contract;
- the customer can control the products in progress in the performance of the contract by the Company; or
- the products produced in the process of the Company's performance have irreplaceable uses, and the Company has the right to collect payment for the cumulative performance that has been completed up to date throughout the term of the contract.

For the obligation performed over time, the Company recognizes the revenue based on the performance progress over time, unless the performance progress cannot be reasonably determined. The Company determines the progress of performance obligation by taking the nature of goods or services and using the output/input method. When the performance progress cannot be reasonably determined, and the costs incurred are expected to be recoverable, the Company recognizes the revenue to the extent of costs incurred until the performance progress can be reasonably determined.

For the obligation performed at a point in time, the Company recognizes the revenue at the point in time when the customer obtains the control of the related goods or services. When judging whether the customer has obtained the control of goods or services, the Company considers the following signs:

- the Company has the current right to receive payment for such goods or services, that is, the customer has the current obligation to make payment for such goods or services;
- the Company has transferred the legal ownership of such goods to the customer, that is, the customer has the legal ownership of such goods;
- the Company has transferred such goods to the customer physically, that is, the customer has taken possession of such goods physically;
- the Company has transferred major risks and rewards of ownership of such goods to the customer, that is, the customer has obtained major risks and rewards of ownership of such goods; and

- the customer has accepted such goods or services.

The Company determines its role as a principal or agent based on whether it has control over the goods or services before transferring them to customers. If the Company can control the goods or services before transferring them to customers, it acts as a principal and recognizes revenue based on the total amount received or receivable. Otherwise, if the Company acts as an agent, it recognizes revenue based on the amount of commission or fees expected to be entitled to.

## 2. Disclosure of Specific Revenue Recognition Methods and Measurement Methods by Business Type

The Company organizes the production according to the sales contracts signed with or the orders placed by customers, and identifies the following models based on different geographical locations of customers and inventory management methods:

### (1) General sales

For domestic sales, the Company ships goods to the delivery location designated by a customer, and recognizes the revenue after the customer has signed the receipt of the products; and for foreign sales, the goods are delivered according to specific trade terms, and the revenue is recognized at a point in time when the control is transferred.

### (2) Supplier management inventory

Under this model, the Company ships the goods to the designated warehouse, the customer picks up the goods from the warehouse, and the revenue is recognized at a point in time when the control is transferred.

Situations where different revenue recognition methods and measurement methods are involved due to different operating models for similar businesses

Situations where different revenue recognition methods and measurement methods are involved due to different operating models for similar businesses

## 32. Contract Costs

Contract costs include contract performance cost and contract acquisition costs.

The cost incurred by the Company to perform a contract is not governed by the standards on inventories, fixed assets or intangible assets, and if meeting the following criteria, is recognized as an asset as the contract performance cost:

- such cost is directly related to an existing or expected contract;
- such cost increases the Company's future resources for fulfilling its performance obligations; and
- such cost is expected to be recovered.

If the incremental cost incurred by the Company to obtain a contract is expected to be recovered, it is recognized as an asset as the cost for contract acquisition.

The Company amortizes the asset related to the contract cost on the same basis as the recognition of the revenue of the goods or services related to the asset; provided that if the cost for contract acquisition is amortized for not more than one year, the Company includes it into the profit or loss for the current period in which it is incurred.

If the carrying amount of the asset related to the contract cost is higher than the difference between the following two amounts, the Company makes a provision for impairment of the excess and recognizes it as an impairment loss for the asset:

1. the remaining consideration expected to be obtained due to the transfer of the goods or services related to the asset; and
2. the cost to be incurred due to the transfer of the relevant goods or services.

If the impairment factors for prior periods have changed afterwards so that the above difference is higher than the carrying amount of the asset, the Company reverses a provision for impairment originally made and includes it in the profit or loss for the current period, provided that the carrying amount after reverse should not exceed the carrying amount the asset would have reached on the date of reverse had the provision for impairment been not made.

### 33. Government Grants

#### 1. Category

Government grants are monetary assets or non-monetary assets from the government to the Company at no consideration.

Government grants are classified into government grants related to assets and government grants related to income.

Government grants related to assets are government grants whose primary condition is that the Company should purchase, construct or otherwise acquire long-term assets. Government grants related to income are government grants other than those related to assets.

The specific standard based on which the Company classifies a grant as a government grant related to assets is that: the grant obtained by the Company is used to purchase, construct or otherwise acquire long-term assets.

The specific standard based on which the Company classifies a grant as a government grant related to income is that: government grants related to income are government grants other than those related to assets.

When classifying a grant whose subsidy object is not clearly specified in the government documents as a government grant related to assets or a government grant related to income, the Company judges whether the grant is used to purchase, construct or otherwise acquire long-term assets.

#### 2. Recognition Time Point

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.

### 34. Deferred Tax Assets/Deferred Tax Liabilities

Deferred tax assets and deferred tax liabilities

Income tax includes current and deferred tax. Except for the income tax arising from business combinations and transactions or events recognized directly in owners' equity (including other comprehensive income), the Company recognizes current tax and deferred tax in profit or loss for the current period.



The deferred tax assets and deferred tax liabilities are calculated and recognized based on the difference (temporary difference) between the tax base of assets and liabilities and the carrying amount of assets and liabilities.

A deferred tax asset is recognized for the deductible temporary difference to the extent that it is probable that future taxable income amounts will be available against which the deductible temporary difference can be utilized. A deferred tax asset is recognized for the carryforward of unused deductible losses and tax credits to the extent that it is probable that future taxable income amounts will be available against which the deductible losses and tax credits can be utilized.

A deferred tax liability is recognized for taxable temporary difference, except for special circumstances.

Special circumstances under which the deferred tax assets or deferred tax liabilities are not recognized for the taxable temporary difference include:

- the initial recognition of goodwill; and
- Transactions or events that neither constitute business combinations nor affect accounting profits and taxable income (or deductible losses) at the time of occurrence, and where the initial recognition of assets and liabilities does not result in the creation of temporary taxable differences and deductible temporary differences.

A deferred tax liability is recognized for the taxable temporary difference related to investments in subsidiaries, associates and joint ventures, unless the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred tax asset is recognized for the deductible temporary difference related to investments in subsidiaries, associates and joint ventures when it is probable that the temporary difference will reverse in the foreseeable future and taxable income amounts will be available in the future against which the deductible temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws.

The Company reviews the carrying amount of the deferred tax assets at the balance sheet date. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable income amounts will be available in future periods to allow the benefit of the deferred tax asset to be utilized. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable income amounts will be available.

The current tax assets and current tax liabilities are offset and presented on a net basis when the Company has the statutory right to settle on a net basis, and intends to settle on a net basis or to obtain assets and settle liabilities simultaneously.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset and presented on a net basis when both of the following conditions are satisfied:

- the taxpayer has the statutory right to settle the current tax assets and current tax liabilities on a net basis; and
- the deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax authority on the same taxpayer or different taxpayers, provided that during the period in which each material deferred tax asset and liability will be reversed, the taxpayer involved intends to settle the current tax assets and liabilities on a net basis or obtain assets and settle liabilities simultaneously.

## **35. Leases**

### **(1) Accounting Treatment Method for Lessees Leasing**

The term “lease” refers to an agreement whereby the lessor conveys to the lessee the right to use an asset for consideration in an agreed period of time. The Company shall assess whether a contract is a lease contract or contains a lease at the commencement date of the contract, which can be identified if one party to the contract conveys the right to use one or more identified assets for exchange of consideration in an agreed period of time.

If a contract contains several individual leases, the Company will split the contract and account for each individual lease separately. If a contract contains both lease and non-lease components, the lessee and the lessor will separate the lease and non-lease components.

#### 1. The Company as a lessee

##### (1) Right-of-use assets

At the commencement date of the lease, the Company recognizes right-of-use assets for leases excluding short-term leases and leases of low-value assets. The right-of-use assets are initially measured at cost. Such costs comprise:

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 by 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. Lease payments include:

fixed payments (including in-substance fixed payments), less any lease incentives receivable (if any);

variable lease payments that are based on an index or a rate;

amounts expected to be payable by the Company for the guaranteed residual value;

the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and

payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is applied.

Interest expenses incurred on the lease liabilities over the term of the relevant lease are calculated by the Company based on a fixed periodic interest rate, and recognized in the current profit or loss or the cost of the related assets.

Variable lease payments excluded from the measurement of lease liabilities are charged to profit or loss in the period when they are incurred or included in the cost of related assets.

After the commencement date of the lease term, the Company will re-measure the lease liabilities and adjust relevant right-of-use assets in one of the following cases, and charge the difference to the current profit or loss if the carrying amount of the right-of-use assets is decreased to zero but that of the lease liabilities needs to be deducted further:

When there is a change in the assessment of a purchase option, lease renewal option or termination option, or the actual exercise of the aforementioned options is not consistent with the original assessment, the Company will re-measure the lease liabilities at the present value of the modified lease payments discounted by using the revised discount rate; or

When there is a change in the in-substance fixed payments, the expected payable for the guaranteed residual value, or the index or rate used to determine the lease payments, the Company will re-measure the lease liabilities at the present value of the modified lease payments discounted by using the original discount rate. However, if the change in the lease payments is caused by the fluctuation of the floating interest, the present value shall be discounted by using the revised discount rate.

##### (3) Short-term leases and leases of low-value assets

The Company chooses not to recognize the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and recognize in the current profit or loss or the cost of the related assets payments associated with short-term leases and leases of low-value assets on a straight-line basis over the term of the relevant lease. Short-term leases are leases with a lease term of 12 months or less without a purchase option at the commencement date of leases. Leases of low-value assets are leases for which the single leased asset is of low value when it is brand new. The Company classifies leases for individual lease assets with a fair value of no more than RMB 40,000 when new as low-value asset leases. Lease of an asset that is sub-leased or that is expected to be sub-leased by the Company is not included in the lease of low-value assets.

#### (4) Lease modification

The Company accounts for a lease modification as a separate lease if both of the following conditions exist:

The modification has increased the scope of the lease by adding the right to use one or more leased assets; and

The consideration for the lease increases equals to the standalone price for the increase in scope of lease and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

For a modification that is not accounted for as a separate lease, at the effective date of the modification, the Company will allocate the consideration in the modified contract, determine the lease term of the modified lease and re-measure the lease liabilities at the present value of the modified lease payments discounted by using the revised discount rate.

For modifications that decrease the scope of the lease or shorten the lease term, the Company decreases the carrying amount of the right-of-use asset accordingly, and recognizes a gain or loss arising from the partial or full termination of the lease into the current profit or loss. For other modifications resulting in a re-measurement of lease liabilities, the Company makes a corresponding adjustment to the carrying amount of right-of-use assets.

## (2) Accounting Treatment Method for Lessors Leasing

At the commencement date of the lease, the Company classifies leases as finance leases and operating leases. Finance leases refer to the leases to which the Company has transferred substantially all the risks and rewards of ownership of the leased assets regardless of 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 income over the term of the relevant lease is calculated and recognized by the Company based on a fixed periodic interest rate. The Company accounts for derecognition and impairment of finance lease receivables in accordance with Note “V. (11) 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 “V. (11) Financial instruments - Policies on the contract modifications or re-negotiation”.

#### 1. 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 “V. (31) 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.

After the commencement date of the lease term, the subsequent measurement of right-of-use assets and lease liabilities and lease modifications are detailed in Note V, (35) Leases 1, "The Company as Lessee". In the subsequent measurement of lease liabilities arising from sale-and-leaseback transactions, the Company determines that the method of determining lease payments or modified lease payments will not result in the recognition of gains or losses related to the right-of-use obtained from the leaseback.

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 “V. (11) 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. (11) Financial instruments” for accounting treatment of the financial asset.

## 36. Segment Reporting

The Company determines operating segments based on its internal organizational structure, management requirements, and internal reporting system, and determines reportable segments based on operating segments and discloses segment information.

An operating segment is a component of the Company that simultaneously meets the following conditions: (1) The component can generate revenue and incur expenses in its ordinary activities; (2) The Company's management can regularly evaluate the operating results of the component to decide how to allocate resources to it and assess its performance; (3) The Company can obtain accounting information about the component's financial position, operating results, cash flows, etc. Two or more operating segments that have similar economic characteristics and meet certain conditions may be combined into a single operating segment.

### 37. Other Significant Accounting Policies and Accounting Estimates

None.

### 38. Key Accounting Estimates and Judgments

In the application of accounting policies, the Company, due to the inherent uncertainties in its operations, needs to make judgments, estimates, and assumptions regarding the measurement of items in the financial statements that cannot be accurately quantified. These judgments, estimates, and assumptions are based on the Company's management's historical experience and other relevant factors. They affect the reported amounts of income, expenses, assets, and liabilities, as well as disclosures of contingent liabilities at the balance sheet date. However, the actual results resulting from the uncertainty of these estimates may differ from the Company management's current estimates, leading to significant adjustments to the carrying amounts of affected assets or liabilities in the future.

The Company periodically reviews these judgments, estimates, and assumptions on a going concern basis. Changes in accounting estimates affect only the period of change, and their impact is recognized in the period of change. If they affect both the current period and future periods, their impact is recognized in both the period of change and future periods.

At the balance sheet date, the Company needs to make judgments, estimates, and assumptions in the following significant areas of the financial statements:

#### (1) Revenue Recognition

As described in Note V, (31) Revenue, the Company's revenue recognition involves the following significant accounting judgments and estimates: identifying customer contracts; estimating the collectability of consideration from customers for goods transferred; identifying performance obligations in contracts; estimating variable consideration in contracts and the amount of cumulative revenue recognized to date that is likely to be reversed when related uncertainties are resolved; determining whether significant financing components exist in contracts; estimating the standalone selling price of each distinct performance obligation in contracts; determining whether performance obligations are satisfied over time or at a point in time; determining progress towards satisfaction of performance obligations, etc.

The Company primarily relies on past experience and work to make these judgments, and these significant judgments and estimate changes may impact revenue, cost of goods sold, and income for the period, as well as the period's financial results, and may constitute significant impacts.

#### (2) Leasing

##### ① Lease Recognition

When determining whether a contract is a lease or contains a lease, the Company evaluates whether there is an identified asset over which the customer has control for a certain period. In this assessment, consideration is given to the nature of the asset, substantive substitution rights, and whether the customer has the right to obtain almost all of the economic benefits generated by using the asset during that period and can direct the use of the asset.

##### ② Lease Classification

As a lessor, the Company classifies leases as operating leases or finance leases. When making classifications, management analyzes and determines whether all risks and rewards related to the ownership of the leased asset have substantially transferred to the lessee.

##### ③ Lease Liabilities

As a lessee, lease liabilities are initially measured at the present value of the lease payments unpaid at the commencement date of the lease term. When measuring the present value of lease payments, the Company estimates the discount rate used and the lease term for leases with renewal or termination options. In assessing the lease term, the Company considers all relevant facts and circumstances that bring economic benefits to the Company from exercising the option, including expected changes in facts and circumstances between the commencement date of the lease term and the exercise date of the option. Different judgments and

estimates may affect the recognition of lease liabilities and right-of-use assets and subsequently impact profit or loss in subsequent periods.

### (3) Impairment of Financial Assets

The Company assesses impairments of financial instruments using the expected credit loss model, which requires significant judgments and estimates based on all reasonable and supportable information, including forward-looking information. In making such judgments and estimates, the Company infers expected changes in the credit risk of debtors based on historical data combined with changes in economic policies, macroeconomic indicators, industry risks, external market conditions, technological environments, and customer situations.

### (4) Inventory Impairment Provision

In accordance with the inventory accounting policy, the Company recognizes inventory impairment provisions for inventory with a cost higher than net realizable value and for obsolete and slow-moving inventory. Inventory impairment to net realizable value is based on an assessment of the salability of inventory and its net realizable value. Identifying inventory impairment requires management to make judgments and estimates based on obtaining conclusive evidence and considering factors such as the purpose of holding inventory and the impact of post-balance sheet events. Differences between actual results and original estimates will affect the carrying value of inventory and the recognition or reversal of inventory impairment provisions during the period when estimates are changed.

### (5) Fair Value of Financial Instruments

For financial instruments with no active market, the Company determines their fair value using various valuation methods, including discounted cash flow model analysis, etc. When valuing, the Company estimates aspects such as future cash flows, credit risks, market volatility, and correlations, and selects appropriate discount rates. These related assumptions have uncertainties, and changes in them will affect the fair value of financial instruments. For equity instrument investments or contracts with quoted prices, the Company does not consider cost as the best estimate of their fair value.

### (6) Impairment of Long-term Assets

The Company assesses whether there are indications of impairment for non-financial assets other than financial assets as of the balance sheet date. For intangible assets with uncertain useful lives, impairment tests are performed when there are indicators of impairment in addition to annual impairment tests. For other non-financial assets other than financial assets, impairment tests are conducted when there are indications that their carrying amounts may not be recoverable.

When the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and the present value of expected future cash flows, an impairment is recognized.

The net amount after deducting costs to sell from fair value is determined by reference to the sale agreement price of similar assets in fair transactions or observable market prices, minus incremental costs directly attributable to the disposal of the asset.

In estimating the present value of expected future cash flows, significant judgments are made regarding the production, selling price, relevant operating costs of the asset (or asset group), and the discount rate used in the calculation of present value. The Company uses all relevant information available to estimate recoverable amount, including forecasts of production, selling prices, and relevant operating costs based on reasonable and supportable assumptions.

Goodwill is tested for impairment at least annually. This requires estimating the present value of future cash flows of the cash-generating units or groups of cash-generating units to which goodwill is allocated. In estimating the present value of future cash flows, the Company needs to forecast the future cash flows generated by the cash-generating units or groups of cash-generating units and select appropriate discount rates to determine the present value of future cash flows.

### (7) Depreciation and Amortization

The Company depreciates and amortizes investment properties, property, plant, and equipment, and intangible assets using the straight-line method over their estimated useful lives after considering their residual values. The Company periodically reviews the useful lives to determine the amount of depreciation and amortization expense to be recognized in each reporting period. The

useful lives are determined by the Company based on past experience with similar assets and anticipated technological changes. If there is a significant change in previous estimates, depreciation and amortization expenses will be adjusted in future periods.

#### (8) Deferred Tax Assets

The Company recognizes deferred tax assets for all unused tax losses to the extent that it is probable that sufficient taxable profits will be available to offset the losses. This requires significant judgment by management to estimate the timing and amount of future taxable profits, considering tax planning strategies, to determine the amount of deferred tax assets to be recognized.

#### (9) Income Taxes

In the normal course of business, there is inherent uncertainty in the final tax treatment and calculation of certain transactions. Approval from the tax authorities is required for some items to be deducted before tax. If the final determination of these tax matters differs from the originally estimated amount, the difference will affect the current income tax and deferred income tax recognized in the period of final determination.

### 39. Changes in Significant Accounting Policies and Accounting Estimates

#### (1) Changes in Significant Accounting Policies

☒Applicable ☐N/A

In RMB

Content and reasons for changes in accounting policies.	Names of significant affected items in the financial statements.	Amount of impact
Implementation of Accounting Standards Interpretation No. 17	See Other Notes	See Other Notes
Implementation of Provisional Regulations on Accounting Treatment for Enterprise Data Resources	See Other Notes	
Implementation of Accounting Standards Interpretation No. 18	See Other Notes	

##### (1) Implementation of Accounting Standards Interpretation No. 17

The Ministry of Finance released Accounting Standards Interpretation No. 17 (CK [2023] No. 21, hereinafter referred to as "Interpretation No. 17") on October 25, 2023.

##### ① Classification of Current Liabilities and Non-current Liabilities

Interpretation No. 17 clarifies that:

A liability shall be classified as a current liability if the enterprise does not have the substantive right to defer settlement of the liability for more than one year after the balance sheet date.

For liabilities arising from loan arrangements, the enterprise's right to defer settlement of the liability for more than one year after the balance sheet date may depend on whether the enterprise has complied with the conditions stipulated in the loan arrangement (hereinafter referred to as contractual conditions). In assessing whether the substantive right to defer debt settlement exists, the enterprise shall only consider the contractual conditions that should be complied with on or before the balance sheet date, and shall not consider the contractual conditions that should be complied with after the balance sheet date.

Settlement of a liability when classifying the liquidity of the liability refers to the enterprise discharging the liability by transferring cash, other economic resources (such as goods or services), or the enterprise's own equity instruments to the counterparty. If the terms of a liability result in the enterprise settling the liability by delivering its own equity instruments at the option of the counterparty, and the enterprise classifies such option as an equity instrument in accordance with the provisions of "Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments" and separately recognizes it as an equity component of a compound financial instrument, then such terms do not affect the liquidity classification of the liability.

This interpretation shall be effective from January 1, 2024. The implementation of this provision has not had a significant impact on the Company's financial position and operating results.

## ② Disclosure of Supplier Financing Arrangements

Interpretation No. 17 requires enterprises to disclose information related to supplier financing arrangements in the notes, to help financial statement users assess the impact of these arrangements on the enterprise's liabilities, cash flows, and exposure to liquidity risk. The impact of supplier financing arrangements should also be considered when identifying and disclosing liquidity risk information. This disclosure provision applies only to supplier financing arrangements. Supplier financing arrangements are transactions with the following characteristics: one or more financing providers provide funds to pay for the enterprise's amounts due to its suppliers, and the enterprise agrees to repay the financing provider on or after the date its suppliers receive the funds, according to the terms and conditions of the arrangement. Compared with the original payment due date, the supplier financing arrangement extends the enterprise's payment period, or accelerates the enterprise's suppliers' collection period.

This interpretation shall be effective from January 1, 2024. When first implementing this interpretation, enterprises are not required to disclose comparable period information and some opening balance information. The implementation of this provision has not had a significant impact on the Company's financial position and operating results. The implementation of this regulation did not have a material impact on the Company's financial position and operating results.

## ③ Accounting Treatment of Sale-and-Leaseback Transactions

Interpretation No. 17 provides that when a lessee subsequently measures a lease liability arising from a sale-and-leaseback transaction, the method of determining lease payments or modified lease payments shall not result in the recognition of gains or losses related to the right-of-use obtained from the leaseback. When first implementing this provision, enterprises shall retrospectively adjust sale-and-leaseback transactions conducted after the initial implementation date of "Accounting Standard for Business Enterprises No. 21 - Leases".

This interpretation shall be effective from January 1, 2024, and allows enterprises to implement it earlier than the release year. The Company implemented this provision from January 1, 2024, and the implementation of this provision has not had a significant impact on the Company's financial position and operating results.

## (2) Implementation of Provisional Regulations on Accounting Treatment for Enterprise Data Resources

The Ministry of Finance released the "Provisional Regulations on Accounting Treatment for Enterprise Data Resources" (CK [2023] No. 11) on August 1, 2023, which is applicable to the relevant accounting treatment of data resources that are confirmed as intangible assets or inventories in accordance with relevant provisions of enterprise accounting standards, as well as data resources that are legally owned or controlled by the enterprise, are expected to bring economic benefits to the enterprise, but do not meet the conditions for asset recognition and are not recognized as assets, and sets out specific requirements for the disclosure of data resources.

This provision shall be effective from January 1, 2024, and enterprises shall adopt the prospective method. Relevant expenditures for data resources that have been expensed and included in profit or loss before the effective date of this provision shall not be adjusted. The implementation of this regulation did not have a material impact on the Company's financial position and operating results.

## (3) Implementation of the Provisions on "Accounting Treatment for Guarantee-Type Quality Assurance Not Constituting a Single Performance Obligation" in Accounting Standards Interpretation No. 18

The Ministry of Finance released Accounting Standards Interpretation No. 18 (CK [2024] No. 24, hereinafter referred to as "Interpretation No. 18") on December 6, 2024. This interpretation is effective from the date of issuance and allows enterprises to implement it earlier than the release year.

Interpretation No. 18 stipulates that when accounting for estimated liabilities arising from guarantee-type quality assurance that does not constitute a single performance obligation, in accordance with the relevant provisions of "Accounting Standard for Business Enterprises No. 13 - Contingent Events", the estimated liability amount shall be debited to "Cost of Main Business", "Cost of Other Businesses", etc., and credited to "Estimated Liabilities", and shall be correspondingly presented in "Operating Cost" in the income statement and "Other Current Liabilities", "Non-current Liabilities Due within One Year", "Estimated Liabilities", etc., in the balance sheet.



When an enterprise first implements the content of this interpretation, if the guarantee-type quality assurance was originally accrued and included in "Sales Expenses", etc., it shall be retrospectively adjusted as an accounting policy change. The Company did not accrue guarantee-type quality assurance in 2023, so the impact on 2023 is 0. The main impact of the Company's implementation of this provision from 2024 is as follows:

Content and reasons for changes in accounting policies.	Affected Statement Items	Consolidated		Parent Company	
		2024	2023	2024	2023
Accounting Policy Change	Operating cost	6,837,433.86			
	Sales expenses	-6,837,433.86			

## (2) Changes in Significant Accounting Estimates

☐Applicable ☒N/A

## (3) Adjustments to Relevant Items in the Opening Financial Statements for the First Year of Implementation of New Accounting Standards Starting from 2024

☐Applicable ☒N/A

## 40. Others

None.

## VI. Taxes

### 1. Major Categories of Taxes and Tax Rates

Tax category	Taxation basis	Tax rate
Value added tax	VAT payable is the output tax based on the sales of goods and taxable labor income calculated pursuant to the tax law, net of the input tax that is allowed to be deducted in the current period	20%, 19%, 18%, 13%, 10%, 9%, 8%, 7%, 6%, 5%, 3%, 0%
Urban maintenance and construction tax	Subject to the actual payment of VAT and consumption tax	7%, 5%
Enterprise income tax	Subject to the taxable income amount	30%, 25%, 21%, 20%, 19%, 17%, 16.5%, 15%, 10%, 0%

Disclosure of taxpayers (if any) with different rates of enterprise income tax:

Taxpayer	Rate of enterprise income tax
Luxshare Precision Industry Co., Ltd.	15
Xiexun Electronic (Ji'an) Co., Ltd.	15
ASAP Technology (Jiangxi) Co., Ltd.	15
Lanto Electronic Limited	15
Bozhou Lanto Electronic Limited	15
Huzhou Jiuding Electronic Co., Ltd.	15
Luxshare Automation (Jiangsu) Ltd.	15
Merry Electronics (Suzhou) Co., Ltd.	15
Luxshare Electronic Technology (Kunshan) Co., Ltd.	15

Yongxin County Boshuo Electronics Co., Ltd.	15
Luxshare Precision Industry (Chuzhou) Co., Ltd.	15
Merry Electronics (Huizhou) Co., Ltd.	15
Fujian JK Wiring Systems Co., Ltd.	15
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	15
Jiangxi ASAP Electronics Co., Ltd.	15
Suzhou Luxshare Technology Co., Ltd.	15
Suining Luxshare Precision Industry Co., Ltd.	15
Luxshare Precision Industry (Baoding) Co., Ltd.	15
Shanxi Luxshare Precision Industry Co., Ltd.	15
Dongguan Xuntao Electronics Co., Ltd.	15
Luxshare iTech (Zhejiang) Co., LTD.	15
Shenzhen Luxshare Acoustics Technology Ltd.	15
Luxshare Precision Industry (Enshi) Co., Ltd.	15
Luxshare Precision Limited	Note 1
Luxshare Precision Technology Co., Ltd.	Note 1
Taiwan Luxshare Precision Limited	20
ICT-LANTO LIMITED(HK)	Note 1
Luxshare Standard Limited (HK)	Note 1
Luxshare Technologies Limited	Note 1
LUXSHAREICT (Japan)	Note 2
Yunding Technology Co., Ltd.	Note 1
Luxis Technology Limited	Note 1
Luxshare Precision Investment Co., Ltd.	Note 1
SpeedTech Corp.	20
Luxshare India Private Limited	25
Luxshare Lanto India Private Limited	25
LuxshareICT, Inc.	Note 3
LUXSHARE-ICT EUROPE LIMITED	19
ICT Legend S. DE R.L. DE C.V.	30
Luxshare Technologies Mexico S.de.R.L.de c.v.	30
Linkz Cables Mexico S.deR.L. de C.V.	30
Suk kunststofftechnik GmbH	15
Korea LuxshareICT Co.,Ltd	Note 4
Luxshare-ICT (Vietnam) Limited	10
Luxshare-ICT (Van Trung) Company Limited	10
Luxshare-ICT (Nghe An) Limited	0
Caseteck Singapore PTE.LTD.,	17
Singapore Luxshare Co., Ltd.	17
Xuancheng Luxshare Precision Industry Co., Ltd.	15
TIME Interconnect Technology (Huizhou) Limited	15
Huaxun Industrial (Suzhou) Co., Ltd.	15
Luxis Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	15
Luxshare Precision Industry (Jiangsu) Co., Ltd.	15
Luxis Technology (Kunshan) Co., Ltd.	15
Dongguan Luxshare Technology Co., Ltd.	15
Luxshare Precision Accessory (Suzhou) Ltd.	15
Luxshare Precision Industry (Yancheng) Co., Ltd.	15
Luxshare Rechuan Technology (Huizhou) Co., Ltd.	15
TIME Interconnect Technology Limited	0
Time Interconnect Investment Limited	0
TIME Interconnect (HK) Limited	16.5
TIME Interconnect Industrial Co., Ltd.	16.5
TIME Interconnect Industrial Co., Ltd.	16.5
Huaxun Hong Kong Limited	0
Huaxun Cable Co., Ltd.	Note 1

Linkz International Limited	16.5
HOVER MANUFACTURING COMPANY LIMITED	16.5
TIME Interconnect Server Technology Co., Ltd.	16.5
Time Interconnect America Inc	Note 3
Luxshare Technologies International, Inc.	Note 3
DA CHUANG PRECISION LIMITED	16.5%
Time Interconnect MedTech UK Limited	19%
Da Chuang Investment Limited	0
Stellar Prosperity LLC	Note 3
Time Interconnect Singapore Pte. Ltd.	17%
LUXSHARE TECHNOLOGIES SINGAPORE PTE.LTD.	17%
Luxcase Precision Co., Ltd.	Note 1
Luxcase Korea Co., Ltd.	Note 4
Cosmic M.E. Inc.	Note 2
Luxshare Precision Industry (Yancheng) Co., Ltd.	15
Luxshare Rechuan Technology (Huizhou) Co., Ltd.	15
Luxshare Technology (Vietnam) Co., Ltd.	0
Other subsidiaries	25

## 2. Tax Incentives

### Corporate income tax

1. The Company was identified as a high-tech enterprise by the Science, Technology and Innovation Commission of Shenzhen Municipality, Finance Bureau of Shenzhen Municipality, and Shenzhen Tax Service, State Taxation Administration on December 26, 2024, with the High-tech Enterprise Certificate No. GR202444202119 valid for three years. As provided for in the Notice by the Ministry of Finance and the State Administration of Taxation on Preferential Policies for Enterprise Income Taxes Related to Enterprises' Technological Innovation and the Notice by the State Administration of Taxation on Issues Concerning the Implementation of Preferential Enterprise Income Taxes for High-tech Enterprises, the Company enjoys an enterprise income tax of 15% for 2023.

2. The subsidiary, Xiexun Electronic (Ji'an) Co., Ltd. ("Ji'an Xiexun"), was identified as a high-tech enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Finance Bureau, and Jiangxi Provincial Tax Service, State Taxation Administration on November 22, 2023, with the High-tech Enterprise Certificate No. GR202336001430 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.

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 2024.

4. The subsidiary, Lanto Electronic Limited ("Lanto Kunshan"), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 6, 2023, with the High-tech Enterprise Certificate No. GR202332005205 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.

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 October 19, 2024, with the High-tech Enterprise Certificate No. GR202434000453 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 2024.

6. The sub-subsidiary, Huzhou Jiuding Electronic Co., Ltd. (“Huzhou Jiuding”), was identified as a high-tech enterprise by the Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service, State Taxation Administration and Local Taxation Bureau of Zhejiang Province on December 8, 2023, with the High-tech Enterprise Certificate No. GR202333009628 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.

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 19, 2024, with the High-tech Enterprise Certificate No. 得 GR202432006579 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 2024.

8. The sub-subsidiary, Merry Electronics (Suzhou) Co., Ltd. (“Meite Suzhou”), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 6, 2023, with the High-tech Enterprise Certificate No. GR202332001066 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.

9. The subsidiary, Luxshare Electronic Technology (Kunshan) Co., Ltd. (“Luxshare Electronic Kunshan”), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 9, 2024, with the High-tech Enterprise Certificate No. GR202432003413 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 2024.

10. The sub-subsidiary, Yongxin County Boshuo Electronics Co., Ltd. (“Yongxin Boshuo”), was identified as a high-tech enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Finance Bureau, and Jiangxi Provincial Tax Service, State Taxation Administration on December 8, 2023, with the High-tech Enterprise Certificate No. GR202336002349 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.

11. The subsidiary, Luxshare Precision Industry (Chuzhou) Co., Ltd. (“Luxshare Chuzhou”), was identified as a high-tech enterprise by the Anhui Provincial Department of Science and Technology, Department of Finance of Anhui Province, and Anhui Provincial Tax Service, State Taxation Administration on October 18, 2022, with the High-tech Enterprise Certificate No. GR202234002571 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.

12. The sub-subsidiary, Merry Electronics (Huizhou) Co., Ltd. (“Merry Huizhou”), was identified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration on November 8, 2024, with the High-tech Enterprise Certificate No. GR202444005192 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 2024.

13. The subsidiary, Fujian JK Wiring Systems Co., Ltd. (“Fujian JK”), was identified as a high-tech enterprise by the Fujian Provincial Department of Science and Technology, Fujian Provincial Department of Finance, and Fujian Provincial Tax Service, State Taxation Administration on December 28, 2023, with the High-tech Enterprise Certificate No. GR202335000667 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.

14. The subsidiary, Jiangxi Luxshare Intelligent Manufacture Co., Ltd. (“Smart Manufacturing Jiangxi”), was identified as a high-tech enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Finance Bureau, and Jiangxi

Provincial Tax Service, State Taxation Administration on October 28, 2024, with the High-tech Enterprise Certificate No. GR202436000547 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 2024.

15. The sub-subsidiary, Jiangxi ASAP Electronics Co., Ltd. ("ASAP Electronics"), was identified as a high-tech enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Finance Bureau, and Jiangxi Provincial Tax Service, State Taxation Administration on October 28, 2024, with the High-tech Enterprise Certificate No. GR202436000704 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 2024.

16. The sub-subsidiary, Suzhou Luxshare Technology Co., Ltd. ("Suzhou 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 6, 2024, with the High-tech Enterprise Certificate No. 202432000635 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 2024.

17. The sub-subsidiary, Suining Luxshare Precision Industry Co., Ltd. ("Luxshare Suining"), is eligible for the tax policy on enterprise income tax for the western region as stipulated in the Announcement of the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on Continuing the Policy of Enterprise Income Tax for the Western Region Development" From January 1, 2021, to December 31, 2030, encouraged industry enterprises established in the western region are subject to a reduced enterprise income tax rate of 15%. Suining Luxshare Precision Industry Co., Ltd. is located in Suining City, Sichuan Province. Following the enterprise income tax policy for the western region, the Company enjoys and declares taxes according to the encouraged industry enterprises in the western region. In the fiscal year 2024, the enterprise income tax is levied at a rate of 15%. Suining Luxshare was identified as a high-tech enterprise by the Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration on November 5, 2024, with the High-tech Enterprise Certificate No. GR202451000551 valid for three years.

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 November 22, 2022, with the High-tech Enterprise Certificate No. GR202213002272 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.

19. The sub-subsidiary, Shanxi Luxshare Precision Industry 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 2024.

20. The sub-subsidiary, Dongguan Xuntao Electronics 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 2024.

21. The subsidiary, Kunshan Luxis Precision Industry Co., Ltd. ("Luxis Kunshan"), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 6, 2023, with the High-tech Enterprise Certificate No. GR202332000097 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.

22. The subsidiary, Luxshare iTech (Zhejiang) Co., Ltd. (“iTech Zhejiang”), was identified as a high-tech enterprise by the Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration on December 8, 2023, with the High-tech Enterprise Certificate No. GR202333005916 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.
23. The subsidiary, Shenzhen Luxshare Acoustics Technology Ltd. (“Luxshare Electroacoustic”), was identified as a high-tech enterprise by the Science, Technology and Innovation Commission of Shenzhen Municipality, Finance Bureau of Shenzhen Municipality, and Shenzhen Tax Service, State Taxation Administration on December 12, 2023, with the High-tech Enterprise Certificate No. GR202344206957 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2024.
24. The subsidiary, Enshi Luxshare Precision Industry Co., Ltd. (“Luxshare Enshi”), was qualified for tax reduction in accordance with the Announcement on the Continuation of Preferential Enterprise Income Tax Policies in the Western Region of China issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission which provided that enterprise income tax should be levied at a reduced rate of 15% on enterprises engaged in the encouraged industries in the western region for the period from January 1, 2021 to December 31, 2030. Since it is located in 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 2024. Enshi Luxshare, on November 29, 2022, was recognized as a high-tech enterprise by the Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and the State Taxation Bureau of Hubei Province. It obtained the certificate number GR202242006527 for high-tech enterprise certification, valid for three years.
25. The sub-subsidiary, Xuancheng Luxshare Precision Industry Co., Ltd. (“Luxshare Xuancheng”), was identified as a high-tech enterprise by the Anhui Provincial Department of Science and Technology, Department of Finance of Anhui Province, and Anhui Provincial Tax Service, State Taxation Administration on November 28, 2024, 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 2024.
26. According to 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 the 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 the 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 the next four years and Luxshare Vietnam paid the enterprise income tax at a 10% tax rate in 2024.
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 the 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 2024.
28. According to 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 the 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 2024.

On March 20, 2023, the Company received official document 1534/GXN-BCT from the Industrial and Commercial Bureau confirming the preferential treatment for auxiliary industry products 4 exempt 9 halved: 2020-2021-2023-2024: Corporate Income Tax (CIT) 0%; 2025-2032: CIT 10% reduced by half

The discount not received is regional: 2 exempt 4 halved.

29. Dongguan Huarong Communications Technology Co., Ltd. was identified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration on December 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, the Company enjoys an enterprise income tax of 15% for 2023.

30. Shenzhen Huarong Technology Co., Ltd. was identified as a high-tech enterprise by the Science, Technology and Innovation Commission of Shenzhen Municipality, Finance Bureau of Shenzhen Municipality, and Shenzhen Tax Service, State Taxation Administration on December 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, the Company enjoys an enterprise income tax of 15% for 2023.

31. TIME Interconnect Technology (Huizhou) Limited was identified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration on December 22, 2022, with the High-tech Enterprise Certificate No. GR202244011952 valid for three years. As provided for in the Notice by the Ministry of Finance and the State Administration of Taxation on Preferential Policies for Enterprise Income Taxes Related to Enterprises' Technological Innovation and the Notice by the State Administration of Taxation on Issues Concerning the Implementation of Preferential Enterprise Income Taxes for High-tech Enterprises, the Company enjoys an enterprise income tax of 15% for 2023.

32. Dongguan Luxshare Technology Co., Ltd. was certified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province, and the Guangdong Provincial Taxation Bureau of the State Administration of Taxation on November 6, 2023. It obtained the High-tech Enterprise Certificate with No. GR202332004181, valid for three years. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Enterprise Income Tax Preferential Policies for Enterprise Technological Innovation and the Notice of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Tax Policies for High-tech Enterprises, the Company paid enterprise income tax at a rate of 15% for the year 2024.

33. The subsidiary Luxis Electronic Technology (Kunshan) Co., Ltd. (hereinafter referred to as "Luxis Technology") was certified as a high-tech enterprise by the Jiangsu Provincial Science and Technology Department, the Jiangsu Provincial Finance Department, and the Jiangsu Provincial Taxation Bureau of the State Administration of Taxation on November 6, 2023. It obtained Certificate No. GR202332006405, valid for three years. According to the relevant provisions of the national policy on preferential taxation for high-tech enterprises, Luxis Technology paid enterprise income tax at a rate of 15% for the year 2024.

34. Subsidiary Luxshare Precision Industry (Yancheng) Co., Ltd. (hereinafter referred to as "Yancheng Luxshare") was recognized as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service of the State Taxation Administration on December 16, 2024, and obtained certificate number GR202432011857, valid for three years. In accordance with the relevant regulations on preferential income tax policies for national high-tech enterprises, Yancheng Luxshare will pay corporate income tax at a tax rate of 15% in 2024.

35. Luxshare Rechuan Technology (Huizhou) Co., Ltd. (hereinafter referred to as "Luxshare Rechuan") was recognized as a high-tech enterprise by the Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, and Guangdong Provincial Tax Service of the State Taxation Administration on November 28, 2024, and obtained certificate number GR202444006343, valid for three years. In accordance with the relevant regulations on preferential income tax policies for national high-tech enterprises, Luxshare Rechuan will pay corporate income tax at a tax rate of 15% in 2024.

36. Luxshare Technology (Vietnam) Co., Ltd. (hereinafter referred to as "Vietnam Technology") enjoys a 10% corporate income tax rate for 15 years from the date of commencement of business operations for all investment projects in the Nghe An Southeast Economic Zone, in accordance with the provisions of Article 14, Paragraph 1 of Decree 85/2007/QĐ-TTg issued on June 11, 2007. It is exempt from corporate income tax for 4 years from the date of taxable income, and enjoys a 50% reduction in the taxable amount for the subsequent 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 2024.

#### Value-added tax:

1. On September 3, 2023, the Ministry of Finance and the Taxation Bureau issued the Announcement on the Value-added Tax Incremental Deduction Policy for Advanced Manufacturing Enterprises (Announcement No. 43 of 2023 by the Ministry of Finance and the State Administration of Taxation). Advanced manufacturing enterprises refer to general taxpayers in the manufacturing industry among high-tech enterprises (including their non-legal person branch institutions). From January 1, 2023, to December 31, 2027, advanced manufacturing enterprises are allowed to deduct 5% of the deductible input VAT amount as an additional deduction against the payable value-added tax amount.

### 3. Others

Note 1. As per the tax law in Hong Kong, Hong Kong adopts a territorial source principle of taxation, under which only profits which have a source in Hong Kong are taxable there, while profits sourced elsewhere are not subject to Hong Kong gain tax. Luxshare Technologies Limited, Luxshare Standard Limited (HK), ICT-LANTOLIMITED (HK), Luxshare Precision Limited, Luxshare Precision Technology Co., Ltd., Yunding Technology Co., Ltd., Luxis Technology Limited, Luxshare Precision Investment Co., Ltd., Luxcase Precision Co., Ltd. and Da Chuang Investment Limited are not required to pay income tax in Hong Kong.

Note 2. LUXSHAREICT (Japan) and Cosmic M.E. Inc. are entitled to the graded tax rate for the capital amounting to not more than JPY100 million. Corporate income tax (national tax): at 15% for the portion of taxable income within JPY8 million (inclusive), and at 23.2% for the portion in excess thereof. Local corporate income tax (national tax): at 10.3% of total corporate taxable income (national tax).

Note 3. The applicable tax rate of LuxshareICT, Inc (USA), Time Interconnect America Inc, Luxshare Technologies International, Inc and Stellar Prosperity LLC is shown as follows:

	Applicable tax rate
Income tax (federal)	21%
Local tax (state)	8.84%

Note 4. The applicable tax rate of Korea Luxshare ICT Co., Ltd is shown as follows:

Total profits	Corporate tax	Local tax
Less than KRW200 million	10%	10% of corporate taxable income



KWR200 million - KWR20 billion	20%	
KWR20 billion - KWR300 billion	22%	
Above KWR300 billion	25%	

## VII. Notes to Items in Consolidated Financial Statements

### 1. Cash and Bank Balances

In RMB

Item	Closing balance	Opening balance
Cash on hand	397,054.85	376,233.09
Bank deposit	47,209,722,547.17	29,683,776,087.56
Other monetary funds	1,149,536,390.91	3,935,387,136.86
Total	48,359,655,992.93	33,619,539,457.51
Including: Total amount of funds deposited abroad	12,072,659,854.46	4,220,620,462.47

Other descriptions:

### 2. Held-for-trading Financial Assets

In RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	1,403,110,810.03	1,720,764,175.32
Among which,		
Derivative financial assets	102,882,710.63	92,485,140.01
Bank wealth management	1,300,228,099.40	1,628,279,035.31
Among which,		
Total	1,403,110,810.03	1,720,764,175.32

Other descriptions:

### 3. Notes Receivable

#### (1) Categorized Presentation of Notes Receivable

In RMB

Item	Closing balance	Opening balance
Bank acceptance bill	272,654,650.91	254,212,467.87
Commercial acceptance bill	77,118,864.75	6,860,881.19

Total	349,773,515.66	261,073,349.06
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**(2) Classification and Disclosure of Bad Debt Provision Methods**

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Among which,										
Notes receivable for which bad-debt provision is made by group	349,915,671.41	100.00%	142,155.75	0.04%	349,773,515.66	261,103,603.98	100.00%	30,254.92	0.01%	261,073,349.06
Among which,										
Bank Acceptance Bill	272,654,650.91	77.92%			272,654,650.91	254,212,467.87	97.36%			254,212,467.87
Commercial Acceptance Bill	77,261,020.50	22.08%	142,155.75	0.18%	77,118,864.75	6,891,136.11	2.64%	30,254.92	0.44%	6,860,881.19
Total	349,915,671.41	100.00%	142,155.75	0.04%	349,773,515.66	261,103,603.98	100.00%	30,254.92	0.01%	261,073,349.06

If the bad-debt provision for notes receivable is made according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

☐Applicable ☒N/A

**(3) Bad-Debt Provision Made, Recovered or Reversed in the Current Period**

Bad-debt provision in the current period:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Other	
Commercial Acceptance Bill	30,254.92	111,900.83				142,155.75
Total	30,254.92	111,900.83				142,155.75

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

☐Applicable ☒N/A

**(4) Notes Receivable That Have Been Endorsed or Discounted by the Company at the End of the Period and Have Not Yet Matured on the Balance Sheet Date**

In RMB

Item	Derecognized amount at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bill		185,108,908.06
Total		185,108,908.06

#### 4. Accounts Receivable

##### (1) Disclosure by Aging

In RMB

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	32,609,451,617.85	23,580,290,365.01
Including: Not overdue	32,170,748,865.58	23,209,441,667.74
1 to 60 days overdue	401,427,444.54	341,699,208.94
61 to 120 days overdue	29,534,317.27	16,518,539.98
121 to 180 days overdue	3,569,655.75	2,507,628.90
181 to 365 days overdue	4,171,334.71	10,123,319.45
1 to 2 years	38,076,106.26	1,807,300.60
2 to 3 years	623,701.86	1,834,977.79
More than 3 years	34,102,707.61	32,175,421.76
3 to 4 years	1,939,995.40	1,186,741.20
4 to 5 years	932,628.29	
More than 5 years	31,230,083.92	30,988,680.56
Total	32,682,254,133.58	23,616,108,065.16

##### (2) Classification and Disclosure of Bad Debt Provision Methods

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivable for which bad-debt provision is made individually	67,527,487.92	0.21%	67,527,487.92	100.00%		67,527,487.92	0.29%	67,527,487.92	100.00%	
Among which,										
Amount accrued individually	67,527,487.92	0.21%	67,527,487.92	100.00%		67,527,487.92	0.29%	67,527,487.92	100.00%	
Provision on an individual basis	32,614,726,645.66	99.79%	53,627,729.08	0.16%	32,561,098,916.58	23,548,580,577.24	99.71%	44,098,688.17	0.19%	23,504,481,889.07
Among which,										

Group by aging	32,614,726,645.66	99.79%	53,627,729.08	0.16%	32,561,098,916.58	23,548,580,577.24	99.71%	44,098,688.17	0.19%	23,504,481,889.07
Total	32,682,254,133.58	100.00%	121,155,217.00	0.37%	32,561,098,916.58	23,616,108,065.16	100.00%	111,626,176.09	0.47%	23,504,481,889.07

Provision for bad debts made individually: 67,527,487.92

In RMB

Description	Opening balance		Closing balance			
	Book balance	Bad-debt provision	Book balance	Bad-debt provision	Provision proportion	Reason for provision
Entity 1	36,297,404.00	36,297,404.00	36,297,404.00	36,297,404.00	100.00%	预计无法收回
Entity 2	30,988,680.56	30,988,680.56	30,988,680.56	30,988,680.56	100.00%	预计无法收回
Entity 3	241,403.36	241,403.36	241,403.36	241,403.36	100.00%	预计无法收回
Total	67,527,487.92	67,527,487.92	67,527,487.92	67,527,487.92		

Provision for bad debts made by group: 53,627,729.08

In RMB

Description	Closing balance		
	Book balance	Bad-debt provision	Provision proportion
Undue	32,170,748,865.58	16,085,374.43	0.05%
1 to 60 days overdue	401,427,444.54	20,071,372.23	5.00%
61 to 120 days overdue	29,534,317.27	8,860,295.18	30.00%
121 to 180 days overdue	3,569,655.75	1,427,862.30	40.00%
181 to 365 days overdue	4,171,334.71	2,085,667.36	50.00%
1 to 2 years (excluding 1 year) overdue	1,778,702.26	1,600,832.03	90.00%
Over 2 years overdue	3,496,325.55	3,496,325.55	100.00%
Total	32,614,726,645.66	53,627,729.08	

Descriptions on basis for determining the group:

If the bad-debt provision for accounts receivable is made according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

☐Applicable ☒N/A

### (3) Bad-Debt Provision Made, Recovered or Reversed in the Current Period

Bad-debt provision in the current period:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Other	
Accounts receivable	111,626,176.09	11,571,804.07		9,199,092.15	7,156,328.99	121,155,217.00
Total	111,626,176.09	11,571,804.07		9,199,092.15	7,156,328.99	121,155,217.00

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

In RMB

Entity name	Amount recovered or reversed	Reason for reversal	Recovery method	Basis for determining the provision ratio for the original bad debt reserve and its reasonableness
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**(4) Accounts Receivable with Top Five Closing Balance - By Debtor**

In RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contractual assets	The proportion of the total closing balance of accounts receivable and contractual assets	Closing balance of accounts receivable allowance for doubtful accounts and contractual asset impairment provision
Entity 1	8,641,029,352.97		8,641,029,352.97	26.44%	4,320,514.68
Entity 2	1,870,990,453.55		1,870,990,453.55	5.72%	935,495.23
Entity 3	1,778,322,302.87		1,778,322,302.87	5.44%	889,161.15
Entity 4	1,255,128,272.12		1,255,128,272.12	3.84%	627,564.14
Entity 5	1,140,793,785.46		1,140,793,785.46	3.49%	570,396.89
Total	14,686,264,166.97		14,686,264,166.97	44.93%	7,343,132.09

**5. Receivables Financing****(1) Accounts Receivable Financing Classification Representation**

In RMB

Item	Closing balance	Opening balance
Notes receivable	1,106,284,192.29	587,585,009.82
Total	1,106,284,192.29	587,585,009.82

**(2) End-of-Period Company Endorsed or Discounted Accounts Receivable Financing Not Yet Due on the Balance Sheet Date**

In RMB

Item	Derecognized amount at the end of the period	Amount not derecognized at the end of the period
Bank Acceptance Bill	3,188,626,132.72	
Total	3,188,626,132.72	

**6. Other Receivables**

In RMB

Item	Closing balance	Opening balance
Other receivables	916,828,350.56	322,407,052.71
Total	916,828,350.56	322,407,052.71

**(1) Other Receivables****1) Classification of Other Receivables by Nature of Funds**

In RMB

Nature of Funds	Closing balance	Opening balance
Petty Cash	1,267,335.56	823,391.43
Deposits, Guarantees	112,233,870.80	88,785,715.85
Receivable Export Tax Refund	728,279,127.64	104,916,374.47
Advances	26,510,643.76	40,590,467.27
Other	56,476,424.53	92,142,220.12
Total	924,767,402.29	327,258,169.14

**2) Disclosures by Aging**

In RMB

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	921,840,282.22	324,150,839.67
Including: Not overdue	909,652,408.69	321,911,620.10
1 to 60 days overdue	3,882,135.91	501,138.07
61 to 120 days overdue	340,535.25	71,769.00
121 to 180 days overdue	132,957.87	313,632.50
181 to 365 days overdue	7,832,244.50	1,352,680.00
1 to 2 years	2,347,924.57	2,529,880.47
2 to 3 years	110,331.50	100,000.00
More than 3 years	468,864.00	477,449.00
3 to 4 years		477,449.00
4 to 5 years	468,864.00	
Total	924,767,402.29	327,258,169.14

**3) Classification and Disclosure by Bad Debt Provision Method**☒Applicable ☐N/A

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	
Provision for Bad Debts by Individual Item	110,331.50	0.01%	110,331.50	100.00%		2,177,340.03	0.67%	2,177,340.03	100.00%	
Among which,										
Amount accrued individually	110,331.50	0.01%	110,331.50	100.00%		2,177,340.03	0.67%	2,177,340.03	100.00%	
Provision for Bad	924,657,070.79	99.99%	7,828,720.23	0.85%	916,828,350.56	325,080,829.11	99.33%	2,673,776.40	0.82%	322,407,052.71

Debts by Group										
Among which,										
Group by aging	924,657,070.79	99.99%	7,828,720.23	0.85%	916,828,350.56	325,080,829.11	99.33%	2,673,776.40	0.82%	322,407,052.71
Total	924,767,402.29	100.00%	7,939,051.73	0.86%	916,828,350.56	327,258,169.14	100.00%	4,851,116.43	1.48%	322,407,052.71

Provision for bad debts made individually: 110,331.50

In RMB

Description	Opening balance		Closing balance			
	Book balance	Bad-debt provision	Book balance	Bad-debt provision	Provision proportion	Reason for provision
Entity 1	2,177,340.03	2,177,340.03				
Entity 2			110,331.50	110,331.50	100.00%	
Total	2,177,340.03	2,177,340.03	110,331.50	110,331.50		

Provision for bad debts made by group: 7,828,720.23

In RMB

Description	Closing balance		
	Book balance	Bad-debt provision	Provision proportion
Undue	909,652,408.69	4,550,301.13	0.50%
1 to 60 days overdue	3,882,135.91	38,821.36	1.00%
61 to 120 days overdue	340,535.25	17,026.76	5.00%
121 to 180 days overdue	132,957.87	13,295.79	10.00%
181 to 365 days overdue	7,832,244.50	1,566,448.90	20.00%
1 to 2 years (excluding 1 year) overdue	2,347,924.57	1,173,962.29	50.00%
Over 2 years overdue	468,864.00	468,864.00	100.00%
Total	924,657,070.79	7,828,720.23	

Descriptions on basis for determining the group:

Provision for Bad Debts is made according to the Expected Credit Loss General Model:

In RMB

Bad-debt provision	Phase I	Phase II	Phase III	Total
	Expected Credit Loss for the Next 12 Months	Lifetime Expected Credit Loss (No Credit Impairment Incurred)	Lifetime Expected Credit Loss (Credit Impairment Incurred)	
Balance as of January 1, 2024	4,851,116.43			4,851,116.43
Balance as of January 1, 2024 in this period				
Reversal of this period	1,595,715.30			1,595,715.30
Write-down of this period	2,177,340.03			2,177,340.03
Other changes	6,860,990.63			6,860,990.63
Balance as of December 31, 2024	7,939,051.73			7,939,051.73

Criteria for stage classification and the provision ratios for bad debt reserves

Significant changes in the book balance of loss provisions for the current period

☐Applicable ☒N/A

#### 4) Provision, Recovery, or Reversal of Bad Debt Provision for the Current Period

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 or Write-down	Other	
Other receivables	4851116.43	0.00	1,595,715.30	2,177,340.03	6,860,990.63	7,939,051.73
Total	4851116.43	0.00	1,595,715.30	2,177,340.03	6,860,990.63	7,939,051.73

Significant Amounts of Bad Debt Provision Reversals or Recoveries for the Current Period:

In RMB

Entity name	Amount recovered or reversed	Reason for reversal	Recovery method	Basis for determining the provision ratio for the original bad debt reserve and its reasonableness

#### 5) Other Receivables Categorized by the End-of-period Balances of the Top Five Debtors

In RMB

Entity name	Nature of the Funds	Closing balance	Aging	The proportion of the end-of-period balance to the total amount of other receivables.	End-of-period balance of bad debt provision
Entity 1	Receivable Export Tax Refund	728,279,127.64	Undue	78.75%	3,641,395.64
Entity 2	Advances	11,333,588.12	Undue	1.23%	56,667.94
Entity 3	Other	8,949,782.28	Undue	0.97%	44,748.91
Entity 4	Equity transfer payment	7,832,244.50	Overdue 181 days-365 days	0.85%	1,566,448.90
Entity 5	Security deposit	7,488,619.34	Undue	0.81%	37,443.10
Total		763,883,361.88		82.61%	5,346,704.49

### 7. Prepayments

#### (1) Presentation of Prepayments By Aging

In RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	384,546,897.15	98.81%	478,716,760.07	98.36%



1 to 2 years	3,781,553.09	0.97%	3,062,960.52	0.63%
2 to 3 years	119,969.43	0.03%	3,509,779.84	0.72%
More than 3 years	752,000.00	0.19%	1,413,440.93	0.29%
Total	389,200,419.67		486,702,941.36	

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

## (2) Prepayments with Top Five Closing Balance - by Prepayment Beneficiary

Prepayment receiver	Closing balance	Proportion in total closing balance of prepayments (%)
Entity 1	36,694,454.68	9.43
Entity 2	27,770,236.39	7.14
Entity 3	18,616,085.51	4.78
Entity 4	15,000,000.00	3.85
Entity 5	14,835,747.74	3.81
Total	112,916,524.32	29.01

Other descriptions:

## 8. Inventories

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

No

### (1) Classification of Inventories

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value
Raw material	8,389,249,910.28	360,585,150.02	8,028,664,760.26	7,122,401,927.24	471,624,816.03	6,650,777,111.21
Products in process	6,905,615,542.64	327,519,683.21	6,578,095,859.43	5,171,213,240.36	176,099,689.81	4,995,113,550.55
Goods on hand	16,723,010,243.68	520,090,372.92	16,202,919,870.76	17,873,073,315.30	363,208,839.96	17,509,864,475.34
Revolving materials	441,841,240.11		441,841,240.11	137,193,748.06		137,193,748.06
Contract performance cost	222,913,808.73	7,334,064.16	215,579,744.57	466,878,832.49	116,430,069.76	350,448,762.73
Goods sold	101,538,974.56	614,732.16	100,924,242.40	80,403,021.27	1,180,800.02	79,222,221.25
Materials in transit	45,746,042.34		45,746,042.34	27,648,149.64		27,648,149.64
Work in process	88,903,789.16		88,903,789.16	7,662,300.57		7,662,300.57

- outsourced						
Total	32,918,819,551.50	1,216,144,002.47	31,702,675,549.03	30,886,474,534.93	1,128,544,215.58	29,757,930,319.35

## (2) Provision for Decline in Value of Inventories and Provision for Impairment of Contract Performance Cost

In RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Other	Reversal or write off	Other	
Raw material	471,624,816.03	154,860,231.75	10,527,290.60	270,025,484.46	6,401,703.90	360,585,150.02
Products in process	176,099,689.81	321,541,935.08	2,079,174.92	171,923,420.34	277,696.26	327,519,683.21
Goods on hand	363,208,839.96	432,398,499.98	72,716,939.88	347,124,903.38	1,109,003.52	520,090,372.92
Contract performance cost	116,430,069.76	7,280,194.23		116,430,069.76	-53,869.93	7,334,064.16
Goods sold	1,180,800.02	-361,043.34		205,024.52		614,732.16
Total	1,128,544,215.58	915,719,817.70	85,323,405.40	905,708,902.46	7,734,533.75	1,216,144,002.47

Provision for inventory impairment by group

In RMB

Combination name	Closing			Beginning		
	Closing balance	Falling price reserves	Provision ration of falling price reserve	Opening balance	Falling price reserves	Provision ration of falling price reserve

Criteria for calculating the reserve for inventory decline price by combination

## 9. Non-Current Assets Maturing within One Year

In RMB

Item	Closing balance	Opening balance
Time deposits maturing within one year	4,199,154,224.92	1,047,566,017.54
Total	4,199,154,224.92	1,047,566,017.54

## 10. Other Current Assets

In RMB

Item	Closing balance	Opening balance
Input tax to be deducted	2,472,487,412.50	2,106,402,441.64
Large-amount deposit note	15,006,005,743.99	709,769,171.50
Income tax prepaid	66,690,699.83	61,578,636.66
Duty forward	11,310,127.64	36,279,446.62
Other	969,290.09	6,048,704.65
Total	17,557,463,274.05	2,920,078,401.07

Other descriptions:

**11. Investments in Other Equity Instruments**

In RMB

Project name	Closing balance	Opening balance	Gains recognized as other comprehensive income in the current period	Loss recognized in other comprehensive income in the current period	Gains accrued to other comprehensive income at the end of the current period	Loss accrued to other comprehensive income at the end of the period	Dividend income recognized for the period	Reasons specified as measured at fair value and for which changes are included in other comprehensive income
Beijing XiaoLong Technology Co., Ltd.	8,360,449.71	9,049,791.33		689,341.62		1,639,550.29		Not for short-term trading purposes
Beijing Hui Bo Jin Technology Co., Ltd.	9,945,236.33	9,846,904.41	98,331.92			54,763.67		Not for short-term trading purposes
Jingtuo Liyin Technology (Beijing) Co., Ltd.	3,898,804.00	3,356,343.85	542,460.15		898,804.00			Not for short-term trading purposes
Zhejiang Tony Electronics Co., Ltd.	41,321,637.56	172,691,671.36		85,309,421.72	33,097,542.31			Not for short-term trading purposes
Shenzhen Huaxida Technology Co., Ltd.	23,680,000.00	28,138,181.82		4,458,181.82		26,320,000.00		Not for short-term trading purposes
Asia-Pacific Emerging Industries Venture Capital Co., Ltd.	529,137.63	1,039,358.55		510,220.92		202,668.17		Not for short-term trading purposes
Shenzhen Shifang Sports Technology Co., Ltd.	25,029,806.81	25,000,000.00	29,806.81		29,806.81			Not for short-term trading purposes
<b>Total</b>	<b>112,765,072.04</b>	<b>249,122,251.32</b>	<b>670,598.88</b>	<b>90,967,166.08</b>	<b>34,026,153.12</b>	<b>28,216,982.13</b>		

Termination acknowledgement exists in the current period

In RMB

Project name	Cumulative gains transferred to retained earnings	Cumulative losses transferred to retained earnings	Reasons for termination of confirmation
Zhejiang Tony Electronics Co., Ltd.	38,318,775.35		Disposal of partial stock equity

Disclosure of non-trading equity instrument investments for the current period.

In RMB

Project name	Recognized dividend income	Cumulative gain	Cumulative loss	Amount transferred from other comprehensive income to retained earnings	Reasons specified as measured at fair value and for which changes are included in other comprehensive income	Other reasons for transferring comprehensive income to retained earnings
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Other descriptions:

## 12. Long-Term Equity Investments

In RMB

Investee	Opening balance (book value)	Opening balance of provision for impairment	Opening balance								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	Other		
I. Joint ventures												
Riyimao Industrial Co., Ltd.	132,877,500.01				17,144,827.70			10,000,278.75		4,645,217.50	144,667,266.46	
Subtotal	132,877,500.01				17,144,827.70			10,000,278.75		4,645,217.50	144,667,266.46	
II. Associates												
Associates	4,100,064,241.04	34,372,608.46	9,138,308.47	23,958,950.95	3,301,007,264.30	-6,025,193.24	4,443,221.08		36,410,782.10	-4,629,441.05	7,343,628,667.55	70,783,390.56
Subtotal	4,100,064,241.04	34,372,608.46	9,138,308.47	23,958,950.95	3,301,007,264.30	-6,025,193.24	4,443,221.08		36,410,782.10	-4,629,441.05	7,343,628,667.55	70,783,390.56
Total	4,232,941,741.05	34,372,608.46	9,138,308.47	23,958,950.95	3,318,152,092.00	-6,025,193.24	4,443,221.08	10,000,278.75	36,410,782.10	15,776.45	7,488,295,934.01	70,783,390.56

Determining the recoverable amount by subtracting the disposal costs from the fair value

☐Applicable ☒N/A

Determining the recoverable amount by the present value of expected future cash flows

☐Applicable ☒N/A

Reasons for the significant differences between the above information and the information used or external information used in impairment tests in previous years

Reasons for significant differences between the information used in impairment tests in previous years and the actual situation in the current year

Other descriptions:

**13. Other Non-Current Financial Assets**

In RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value through profit or loss (equity investments)	39,311,504.56	35,700,000.00
Total	39,311,504.56	35,700,000.00

Other descriptions:

**14. Investment Properties****(1) Investment Properties Measured at Cost**☒Applicable ☐N/A

In RMB

Item	Buildings	Land use right	Construction in progress	Total
I. Original carrying amount				
1. Opening balance	17,026,921.77	12,072,663.74		29,099,585.51
2. Increase in the current period	4,203,894.00	9,275,314.80		13,479,208.80
(1) Purchase				
(2) Transferred from inventories\fixed assets\construction in progress	3,820,060.20	9,229,174.50		13,049,234.70
(3) Increase in business combination				
(4) Others	383,833.80	46,140.30		429,974.10
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	21,230,815.77	21,347,978.54		42,578,794.31
II. Accumulated depreciation and amortization				
1. Opening balance	5,745,649.27			5,745,649.27

2. Increase in the current period	1,168,328.11			1,168,328.11
(1) Provision or amortization	1,168,328.11			1,168,328.11
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	6,913,977.38			6,913,977.38
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance				
IV. Book value				
1. Closing book value	14,316,838.39	21,347,978.54		35,664,816.93
2. Opening book value	11,281,272.50	12,072,663.74		23,353,936.24

Determining the recoverable amount by subtracting the disposal costs from the fair value

☐Applicable ☒N/A

Determining the recoverable amount by the present value of expected future cash flows

☐Applicable ☒N/A

Reasons for the significant differences between the above information and the information used or external information used in impairment tests in previous years

Reasons for significant differences between the information used in impairment tests in previous years and the actual situation in the current year

Other descriptions:

(2) Investment Properties Measured Using the Fair Value Model

☐Applicable ☒N/A

15. Fixed Assets

In RMB		
Item	Closing balance	Opening balance
Fixed assets	48,231,236,929.70	44,560,506,279.62
Fixed asset clearance		
Total	48,231,236,929.70	44,560,506,279.62

**(1) Fixed Assets**

In RMB

Item	Buildings	Office equipment	Machinery equipment	Computer equipment	Auxiliary production equipment	Transportation equipment	Other equipment	Mould equipment	Total
I. Original carrying amount									
1. Opening balance	14,750,390,912.14	441,192,055.61	35,566,529,056.29	367,131,802.86	3,380,766,029.55	99,604,854.12	12,411,377,316.21	6,444,881,025.11	73,461,873,051.89
2. Increase in the current period	2,031,772,884.16	191,776,711.55	10,409,028,434.05	98,804,508.74	762,969,065.93	25,423,690.73	1,850,071,766.42	1,763,430,671.56	17,133,277,733.14
(1) Purchase	287,471,272.52	148,105,334.86	7,075,889,891.29	56,307,763.89	655,155,764.50	24,721,776.28	1,371,944,297.84	1,451,762,605.15	11,071,358,706.33
(2) Transferred from construction in progress	1,236,097,707.85	5,451,508.65	724,429,555.49	170,173.36	101,524,765.00		465,833,088.81	311,668,066.41	2,845,174,865.57
(3) Increase in business combination	477,964,944.47	33,293,722.12	2,539,002,596.06	30,035,990.15	3,788,458.71	695,519.05	11,549,599.50		3,096,330,830.06
(4) Others	30,238,959.32	4,926,145.92	69,706,391.21	12,290,581.34	2,500,077.72	6,395.40	744,780.27		120,413,331.18
3. Decrease in the current period	206,028,152.93	33,812,641.35	608,475,380.33	18,772,846.10	331,991,524.27	5,944,251.83	438,023,740.62	324,729,836.32	1,967,778,373.74
(1) Disposal or scrap	1,806,278.74	16,165,207.80	434,083,827.75	14,149,007.21	237,917,972.57	5,477,062.34	408,208,831.86	213,618,846.47	1,331,427,034.73
(2) Decrease in business combination		14,165.88	1,246,206.96	224,334.21	1,642.78		2,567,954.98	22,928,344.20	26,982,649.01
(3) Others	204,221,874.19	17,633,267.67	173,145,345.62	4,399,504.68	94,071,908.92	467,189.49	27,246,953.78	88,182,645.65	609,368,690.00
4. Closing balance	16,576,135,643.37	599,156,125.81	45,367,082,110.01	447,163,465.50	3,811,743,571.21	119,084,293.02	13,823,425,342.01	7,883,581,860.35	88,627,372,411.28
II. Accumulated depreciation									
1. Opening balance	3,085,462,511.01	229,591,369.68	14,250,004,058.76	203,530,637.63	1,540,059,122.18	58,475,250.87	5,533,557,161.36	3,510,952,303.79	28,411,632,415.28
2. Increase in the current period	1,045,566,070.42	97,198,365.36	6,757,041,453.75	82,470,880.86	581,821,063.95	13,712,247.96	2,455,850,607.89	1,465,307,894.62	12,498,968,584.81
(1) Provision	779,723,013.10	73,216,071.80	4,915,438,477.24	55,399,409.32	578,657,642.92	13,348,988.57	2,447,792,854.90	1,465,307,894.62	10,328,884,352.47
(2) Increase in business combination	237,717,018.89	20,572,060.51	1,791,607,876.60	19,753,162.06	1,226,047.06	356,863.99	7,962,292.96		2,079,195,322.07
(3) Others	28,126,038.43	3,410,233.05	49,995,099.91	7,318,309.48	1,937,373.97	6,395.40	95,460.03		90,888,910.27
3. Decrease in the current period	28,130,326.46	22,209,341.91	431,724,320.32	13,755,485.53	215,055,009.73	5,078,567.79	323,242,297.96	222,987,749.19	1,262,183,098.89



(1) Disposal or scrap	873,750.51	11,260,780.39	331,500,951.84	10,331,055.68	144,640,465.94	4,825,259.16	259,989,685.22	174,099,126.65	937,521,075.39
(2) Decrease in business combination		10,518.59	1,121,586.27	177,625.73	475.23		2,303,566.34	20,411,651.32	24,025,423.48
(3) Others	27,256,575.95	10,938,042.93	99,101,782.21	3,246,804.12	70,414,068.56	253,308.63	60,949,046.40	28,476,971.22	300,636,600.02
4. Closing balance	4,102,898,254.97	304,580,393.13	20,575,321,192.19	272,246,032.96	1,906,825,176.40	67,108,931.04	7,666,165,471.29	4,753,272,449.22	39,648,417,901.20
III. Provision for impairment									
1. Opening balance	63,256,923.55	11,249.57	350,346,711.70	1,317,734.53	8,492,189.57	42,534.87	44,440,330.59	21,826,682.61	489,734,356.99
2. Increase in the current period		74,216.79	269,635,002.92	321,927.22	5,334,797.40		13,228,583.51	9,594,871.92	298,189,399.76
(1) Provision		5,755.84	264,961,084.20	246,134.43	5,334,797.40		13,195,063.94	9,594,871.92	293,337,707.73
(2) Increase in business combination		68,460.95	4,673,918.72	75,792.79			33,519.57		4,851,692.03
(3) Others									
3. Decrease in the current period		1,558.38	11,045,469.14	177,939.00	7,459,379.95		412,883.01	21,108,946.88	40,206,176.36
(1) Disposal or scrap		1,558.38	11,045,447.68	177,933.90	7,459,379.95		406,820.13	21,108,909.33	40,200,049.37
(2) Others			21.46	5.10			6,062.88	37.55	6,126.99
4. Closing balance	63,256,923.55	83,907.98	608,936,245.48	1,461,722.75	6,367,607.02	42,534.87	57,256,031.09	10,312,607.65	747,717,580.39
IV. Book value									
1. Closing book value	12,409,980,464.85	294,491,824.70	24,182,824,672.35	173,455,709.79	1,898,550,787.79	51,932,827.11	6,100,003,839.63	3,119,996,803.48	48,231,236,929.70
2. Opening book value	11,601,671,477.58	211,589,436.36	20,966,178,285.83	162,283,430.70	1,832,214,717.80	41,087,068.38	6,833,379,824.26	2,912,102,038.71	44,560,506,279.62

**(2) Fixed Assets without Title Certificate**

In RMB

Item	Book value	Reasons for not obtaining the title certificate
Plant, office and dormitory buildings of Fujian JK	6,254,694.58	Note 1
Changshu Luxshare Factory and Auxiliary Building Project	1,069,470,709.04	The certificate is undergoing the formalities
Suzhou Meite Cadre Training Center	757,066.50	The certificate is undergoing the formalities
Plants A and B of Luxshare Dongguan	44,306,785.28	The certificate is undergoing the formalities
Plant and Dormitory of Electronic Technology	117,397,465.38	The certificate is undergoing the formalities
Jiangxi Energy Factory #1	36,160,255.05	The certificate is undergoing the formalities
New plant of LuxcaseICT Yancheng	88,848,928.97	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.

**(3) Impairment Testing of Fixed Assets**□Applicable ☒N/A**16 Construction in Progress**

In RMB

Item	Closing balance	Opening balance
Construction in progress	5,379,186,127.71	2,226,217,016.31
Total	5,379,186,127.71	2,226,217,016.31

**(1) Construction in Progress**

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Plant construction	3,456,407,782.24		3,456,407,782.24	1,147,091,150.13		1,147,091,150.13
Equipment installation project	1,361,491,192.81		1,361,491,192.81	702,303,869.84		702,303,869.84
Mould improvement	151,542,851.11		151,542,851.11	178,571,369.63		178,571,369.63
Other	409,744,301.55		409,744,301.55	198,250,626.71		198,250,626.71

Total	5,379,186,127. 71		5,379,186,127. 71	2,226,217,016. 31		2,226,217,016. 31
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**(2) Changes in Significant Constructions in Progress for the Current Period**

In RMB

Project name	Budget	Opening balance	Increase in the current period	Amount transferred to fixed assets in the current period	Other decrease in the current period	Closing balance	Proportion of accumulated project investment in budget	Project progress	Amount of accumulated capitalized interest	Including: Amount of current capitalized interest	Current interest capitalization rate	Source of funding
Plant construction of Luxshare Changshu	4,152,734,386.86	559,342,664.30	1,251,435,374.56	711,247,654.02	24,000.00	1,099,506,384.84	74.68%	74.68%				Other
Equipment installation project of Luxshare Changshu	1,142,834,251.00	10,756,588.37	591,513,631.81	404,047,459.88	23,381,639.64	174,841,120.66	84.70%	84.70%				Other
Vietnam plant project	1,239,999,000.00		412,598,544.80		-2,141,933.26	414,740,478.06	33.27%	33.27%				Other
Yi'an project construction	1,503,652,370.49	533,130,563.29	202,187,979.02	535,151,690.76		200,166,851.55	59.98%	59.98%				Other
Plant construction of Luxshare Yi'an Phase II	930,680,875.00		788,744,776.46			788,744,776.46	84.75%	84.75%				Other
Mexico Luxshare plant	570,144,000.00		349,530,749.43			349,530,749.43	61.31%	61.31%				Other
<b>Total</b>	<b>9,540,044,883.35</b>	<b>1,103,229,815.96</b>	<b>3,596,011,056.08</b>	<b>1,650,446,804.66</b>	<b>21,263,706.38</b>	<b>3,027,530,361.00</b>						

**(3) Impairment Test of Construction in Progress**□Applicable    ☒N/A**17. Right-of-use Assets****(1) Situations of Right-of-use Asset**

In RMB

Item	Buildings	Machinery equipment	Transportation equipment	Total
I. Original carrying amount				
1. Opening balance	880,914,391.15	2,976,922.93	1,218,754.15	885,110,068.23
2. Increase in the current period	553,053,760.71	40,136,163.14	625,457.40	593,815,381.25
(1) New leases	264,001,445.97		618,547.50	264,619,993.47
(2) Increase in business combination	285,811,063.40	26,863,595.17		312,674,658.57
(3) Revaluation adjustment				
(4) Others	3,241,251.34	13,272,567.97	6,909.90	16,520,729.21
3. Decrease in the current period	156,499,975.29	3,344,126.24		159,844,101.53
(1) Disposal	156,499,975.29	3,344,126.24		159,844,101.53
4. Closing balance	1,277,468,176.57	39,768,959.83	1,844,211.55	1,319,081,347.95
II. Accumulated depreciation				
1. Opening balance	233,558,161.75	2,382,957.82	204,980.57	236,146,100.14
2. Increase in the current period	345,782,953.77	17,641,514.71	464,969.40	363,889,437.88
(1) Provision	233,577,719.65	6,294,393.00	464,969.40	240,337,082.05
(2) Increase in business combination	112,144,203.22	10,163,443.11		122,307,646.33
(3) Others	61,030.90	1,183,678.60		1,244,709.50
3. Decrease in the current period	136,299,441.03	3,141,723.96		139,441,164.99
(1) Disposal	137,840,788.80	3,228,515.33		141,069,304.13
(2) Others	-1,541,347.77	-86,791.37		-1,628,139.14
4. Closing balance	443,041,674.49	16,882,748.57	669,949.97	460,594,373.03
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				

4. Closing balance				
IV. Book value				
1. Closing book value	834,426,502.08	22,886,211.26	1,174,261.58	858,486,974.92
2. Opening book value	647,356,229.40	593,965.11	1,013,773.58	648,963,968.09

## (2) Situations of Impairment Test of The Right to Use Assets

☐Applicable ☒N/A

Other descriptions:

## 18 Intangible Assets

### (1) Intangible Assets

In RMB

Item	Land use right	Patent right	Non-patent technology	Software	Other	Total
I. Original carrying amount						
1. Opening balance	2,498,014,602.47	196,397,259.67	116,282,172.25	436,522,399.64	110,335,587.66	3,357,552,021.69
2. Increase in the current period	243,207,599.05	9,966,914.19	44,283,984.69	139,588,531.41	-3,623,164.35	433,423,864.99
(1) Purchase	143,950,735.41	6,928,987.48	46,091,592.28	116,938,747.69		313,910,062.86
(2) Internal R&D						
(3) Increase in business combination	110,558,066.56	3,053,092.15		22,636,428.53	419,971.48	136,667,558.72
(4) Others	-11,301,202.92	-15,165.44	-1,807,607.59	13,355.19	-4,043,135.83	-17,153,756.59
3. Decrease in the current period	24,638,052.66		1,523,936.20	7,141,582.24	-10,375.81	33,293,195.29
(1) Disposal			1,106,684.86	7,259,593.55		8,366,278.41
(2) Others	24,638,052.66		417,251.34	-118,011.31	-10,375.81	24,926,916.88
4. Closing balance	2,716,584,148.86	206,364,173.86	159,042,220.74	568,969,348.81	106,722,799.12	3,757,682,691.39
II. Accumulated amortization						
1. Opening balance	285,255,159.17	74,994,587.19	62,749,522.70	244,110,282.91	27,373,365.86	694,482,917.83
2. Increase in the current period	71,613,503.33	44,112,978.22	42,343,197.30	111,847,643.55	7,942,729.84	277,860,052.24

(1) Provision	68,100,011.87	44,123,608.24	43,182,275.15	95,734,985.02	8,944,308.30	260,085,188.58
(2) Transfer from investment properties						
(3) Increase in business combination	3,502,335.00			16,111,545.60		19,613,880.60
(4) Other increase	11,156.46	-10,630.02	-839,077.85	1,112.93	-1,001,578.46	-1,839,016.94
3. Decrease in the current period	1,303,702.14		604,611.82	4,411,079.93	-2,334.96	6,317,058.93
(1) Disposal			618,258.61	4,454,789.96		5,073,048.57
(2) Other decrease	1,303,702.14		-13,646.79	-43,710.03	-2,334.96	1,244,010.36
4. Closing balance	355,564,960.36	119,107,565.41	104,488,108.18	351,546,846.53	35,318,430.66	966,025,911.14
III. Provision for impairment						
1. Opening balance						
2. Increase in the current period				187,023.91		187,023.91
(1) Provision						
(2) Others				187,023.91		187,023.91
3. Decrease in the current period						
(1) Disposal						
(2) Others						
4. Closing balance				187,023.91		187,023.91
IV. Book value						
1. Closing book value	2,361,019,188.50	87,256,608.45	54,554,112.56	217,235,478.37	71,404,368.46	2,791,469,756.34
2. Opening book value	2,212,759,443.30	121,402,672.48	53,532,649.55	192,412,116.73	82,962,221.80	2,663,069,103.86

The proportion of intangible assets formed through internal R&D in the balance of intangible assets at the end of this period

## (2) Data Resources Recognized as Intangible Assets

☐Applicable ☒N/A

## (3) Information on Land Use Rights for Which Title Certificates Have Not Been Obtained

In RMB

Item	Book value	Reasons for not obtaining the title certificate
Luxshare Energy purchases land from Hong Sheng Electronics	2,648,576.34	The certificate is undergoing the formalities

Other descriptions:

**(4) Impairment Test of Intangible Assets**□Applicable ☒N/A**19. Goodwill****(1) Original Carrying Amount of Goodwill**

In RMB

Investee name or event forming goodwill	Opening balance	Increase		Decrease		Closing balance
		Formed by business combination	Other	Disposal	Other	
ASAP Technology (Jiangxi) Co., Ltd.	42,325,745.85					42,325,745.85
Lanto Electronic Limited	376,682,429.24					376,682,429.24
Bozhou Lanto Electronic Limited	9,564,372.61					9,564,372.61
M&A of KERTONG goodwill	53,174,339.31					53,174,339.31
Fujian JK Wiring Systems Co., Ltd..	17,717,209.29					17,717,209.29
Huzhou Jiuding Electronic Co., Ltd.	1,730,318.45					1,730,318.45
SpeedTech Corp.	26,656,146.69					26,656,146.69
Luxshare Electronic Technology (Kunshan) Co., Ltd.	4,582,880.91					4,582,880.91
Suk kunststofftechni k 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



M&A of Taiqiao Investment Co., Ltd.	441,595.93					441,595.93
Luxcase Precision Technology (Yancheng) Co., Ltd.	814,784,800.96					814,784,800.96
Zhejiang Puxing Electronic Technology Co., Ltd.	804,455.51					804,455.51
Caldigit Holding(Cayman)	41,765,582.41					41,765,582.41
TaiHan Precision Technology Co., Ltd.	9,972,872.88					9,972,872.88
TIME Interconnect Technology Limited	175,669,057.02					175,669,057.02
Shenzhen Huarong Technology Co., Ltd.	157,013,624.50					157,013,624.50
Lisheng Intelligent Technology (Shanghai) Co., Ltd.		139,752,637.63				139,752,637.63
Cosmo Corporation Cayman Limited		2,947,391.44				2,947,391.44
Luxis Hongkong Co., Ltd.		8,864,483.14				8,864,483.14
Luxis Singapore Co., Ltd.		5,473,877.90				5,473,877.90
Total	1,766,342,187.34	157,038,390.11		454,304.97		1,922,926,272.48

## (2) Impairment Provision for Goodwill

In RMB

Investee name or event forming goodwill	Opening balance	Increase		Decrease		Closing balance
		Provision	Other	Disposal	Other	
Merry Electronics (Suzhou) Co., Ltd.	8,570,588.06					8,570,588.06
Sukunststofftechnik GmbH	9,552,894.63					9,552,894.63
Merry Electronics (Shanghai) Co., Ltd.	454,304.97					454,304.97

Fujian JK Wiring Systems Co., Ltd.	17,717,209.29					17,717,209.29
Zhejiang Puxing Electronic Technology Co., Ltd.	804,455.51					804,455.51
Total	37,099,452.46					37,099,452.46

### (3) Specific Method of Determining the Recoverable Amount

Determining the recoverable amount by subtracting the disposal costs from the fair value

☐Applicable ☒N/A

Determining the recoverable amount by the present value of expected future cash flows

☐Applicable ☒N/A

Reasons for the significant differences between the above information and the information used or external information used in impairment tests in previous years

Reasons for significant differences between the information used in impairment tests in previous years and the actual situation in the current year

### (4) Other Descriptions:

Note 1: The goodwill of the Company is formed by business combinations not involving enterprises under common control in previous years and this year. On the balance sheet date, the Company conducted impairment tests on goodwill. The recoverable amount of the asset group involved in goodwill is determined according to the present value of the future cash flow of the asset group and the net realizable value. The management determines the growth rate and gross margin based on the macro market environment, historical experience and the development stage forecast of product segments involved in different asset groups. Depending on the different asset groups involved, the growth rate used in the forecast for the current year is -7.61%-35%, the gross margin is 3.00%-41.00%, and the discount rate is 2.33%-11.80%. The parameters used in goodwill impairment test of major asset groups are as follows:

Asset group name	Gross margin	Growth rate	Discount rate
Lanto Electronic Limited	10.00%-11.62%	1.00%-1.06%	11.80%
Shenzhen Kertong Industrial Co., Ltd.	26.00%-28.14%	11.00%-11.91%	11.35%
Luxcase Precision Technology (Yancheng) Co., Ltd.	4.50%-4.68%	8.00%-9.70%	11.66%
Shenzhen Huarong Technology Co., Ltd.	4.00%-8.00%	15.00%-20.0%	11.62%

Note 2: Converge Technology Limited is a Hong Kong-listed company. The recoverable amount is determined by subtracting the disposal costs from the fair value.

## 20. Long-Term Deferred Expenses

In RMB

Item	Opening balance	Increase in the current period	Amortization amount in the current period	Other reduced amount	Closing balance
Housing decoration fees	470,324,441.17	311,599,181.56	218,880,005.31		563,043,617.42
Leasehold Improvements		21,767,792.49	10,332,660.85		11,435,131.64
Other	119,941,561.98	164,504,359.69	88,923,340.14		195,522,581.53
Total	590,266,003.15	497,871,333.74	318,136,006.30		770,001,330.59

Other descriptions:

## 21. Deferred Tax Assets/Deferred Tax Liabilities

### (1) Deferred Tax Assets that are not Offset

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	1,649,936,808.02	330,064,622.97	1,143,132,621.04	224,368,274.81
Unrealized profit of internal transaction	566,937,262.62	108,377,935.56	541,695,019.14	96,205,468.40
Deductible losses	2,834,636,576.35	558,091,603.57	3,129,088,911.68	474,034,583.26
Share-based payment	851,905,499.97	145,070,321.94	1,029,585,993.98	163,582,703.34
Tax and accounting difference for depreciation of fixed assets	1,107,945,180.38	267,798,539.82	642,643,662.15	160,660,915.54
Government grants related to income	650,779,269.27	104,790,898.28	590,824,033.43	94,809,630.59
Exchange differences of foreign operations	24,946,662.65	5,801,621.73	68,848,999.67	13,769,799.93
Lease liabilities	547,820,096.66	113,864,083.52	410,088,669.15	71,535,638.48
Changes in the fair value of other equity instruments	28,014,313.96	4,202,147.10	22,965,122.40	3,444,768.36
Valuation of derivative financial instruments	1,430,225.00	307,436.25	12,795,763.95	3,198,940.99
Dismissal welfare	1,816,635.00	363,327.00	2,231,853.00	446,370.60
Unused vacation bonus	2,552,205.00	510,441.00	2,649,530.00	529,906.00
Other	108,751,641.52	20,079,756.50	122,671,291.67	23,352,718.56
Total	8,377,472,376.40	1,659,322,735.24	7,719,221,471.26	1,329,939,718.86

**(2) Deferred Tax Liabilities that are not Offset**

In RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Assets valuation appreciation of business combination not involving enterprises under common control	555,834,740.55	123,998,754.99	613,468,097.18	138,602,301.85
Changes in fair value of other investments in equity instruments	37,038,853.65	5,555,828.05	156,725,739.33	23,508,860.90
Accelerated depreciation of fixed assets	6,237,429,963.57	1,069,635,156.61	5,334,807,068.28	821,130,904.46
Accumulative recognition of overseas investment interests by equity method	1,221,918,845.24	242,805,330.85	1,032,240,690.00	206,448,138.00
Valuation of derivative financial instruments	484,114,120.03	98,803,296.98	452,705,163.11	71,282,964.19
Right-of-use assets	511,955,792.78	105,436,102.09	380,058,524.89	65,285,746.10
Unrealized exchange gains	998,799,492.08	122,175,703.20	64,324,553.60	9,648,683.04
Support funds allocated by the government	16,905,531.40	2,535,829.71	13,883,542.73	2,082,531.41
Prepaid pension	7,424,799.00	1,484,959.80	6,748,781.00	1,349,756.20
Other	133,221,197.43	25,019,213.80	5,895,798.70	1,580,971.04
<b>Total</b>	<b>10,204,643,335.73</b>	<b>1,797,450,176.08</b>	<b>8,060,857,958.82</b>	<b>1,340,920,857.19</b>

**(3) Deferred Tax Assets or Liabilities Presented in Net Amount after Offsetting**

In RMB

Item	Offset amount between deferred tax assets and liabilities at the end of the period	Closing balance of deferred tax assets or liabilities after offset	Offset amount between deferred tax assets and liabilities at the beginning of the period	Opening balance of deferred tax assets or liabilities after offset
Deferred tax assets	841,629,258.95	817,693,476.29	456,995,883.46	872,943,835.40
Deferred tax liabilities	841,629,258.95	955,820,917.13	456,995,883.46	883,924,973.73

**22. Other Non-current Assets**

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Large-denomination time deposits and fixed deposits	15,176,496,070.96		15,176,496,070.96	8,363,006,126.99		8,363,006,126.99
Prepayments for equipment,	1,688,136,531.37		1,688,136,531.37	1,416,220,632.39		1,416,220,632.39

construction, and land						
Prepayment for equity acquisition deposit				141,654,000.00		141,654,000.00
Prepaid pension	7,767,842.10		7,767,842.10	6,748,719.45		6,748,719.45
Other				4,014,634.09		4,014,634.09
<b>Total</b>	<b>16,872,400,444.43</b>		<b>16,872,400,444.43</b>	<b>9,931,644,112.92</b>		<b>9,931,644,112.92</b>

Other descriptions:

### 23. Assets Whose Ownership or Use is Restricted

In RMB

Item	Closing				Beginning			
	Book balance	Book value	Restricted type	Restricted case	Book balance	Book value	Restricted type	Restricted case
Cash and bank balances	1,092,552,986.55	1,092,552,986.55	Security deposit	Restricted by the issuance of bills, letters of credit	3,935,387,136.86	3,935,387,136.86	Security deposit	Restricted by the issuance of bills, letters of credit
Notes receivable					164,567,477.58	164,567,477.58	Pledge	Notes receivable pledge financing
Fixed assets	2,220,047,990.97	2,220,047,990.97	Mortgage	Fixed assets mortgage financing	635,803,443.15	635,803,443.15	Mortgage	Fixed assets mortgage financing
Intangible assets	283,667,319.28	283,667,319.28	Pledge	Land use right pledge financing	401,674,060.39	401,674,060.39	Pledge	Land use right pledge financing
Non-current assets due within one year	1,528,473,944.06	1,528,473,944.06	Pledge	Restricted by the issuance of bills, letters of credit				
Other current assets	7,543,420,254.18	7,543,420,254.18	Pledge	Restricted by the issuance of bills, letters of credit				
Other non-current assets	2,887,664,827.23	2,887,664,827.23	Pledge	Restricted by the issuance of bills, letters of credit	2,874,097,749.98	2,874,097,749.98	Pledge	Restricted by the issuance of bills, letters of credit
<b>Total</b>	<b>15,555,827,322.27</b>	<b>15,555,827,322.27</b>			<b>8,011,529,867.96</b>	<b>8,011,529,867.96</b>		

Other descriptions:

## 24. Short-term Borrowings

### (1) Classification of Short-term Borrowings

In RMB

Item	Closing balance	Opening balance
Pledge loans	5,115,528,239.21	4,260,029,345.26
Mortgage loans	170,391,059.73	171,321,000.00
Guaranteed loans	137,652,490.73	550,036,618.19
Credit loans	29,889,557,134.59	15,532,795,277.02
Total	35,313,128,924.26	20,514,182,240.47

Descriptions on classification of short-term borrowings:

## 25. Held-for-trading Financial Liabilities

In RMB

Item	Closing balance	Opening balance
Held-for-trading financial liabilities	155,278,918.84	117,942,421.18
Among which,		
Derivative financial liabilities	155,278,918.84	117,942,421.18
Among which,		
Total	155,278,918.84	117,942,421.18

Other descriptions:

## 26. Notes Payable

In RMB

Category	Closing balance	Opening balance
Commercial Acceptance Bill	315,839,575.13	168,339.81
Bank Acceptance Bill	562,496,136.81	492,417,560.22
Total	878,335,711.94	492,585,900.03

The total amount of notes payable due but unpaid at the end of this period is RMB0.00. The reason for the unpaid maturity is.

## 27. Accounts Payable

### (1) Presentation of Accounts Payable

In RMB

Item	Closing balance	Opening balance
Within 1 year	64,944,368,254.71	45,810,846,164.38
1 to 2 years	102,710,401.01	78,664,332.26

2 to 3 years	26,053,747.26	12,249,724.48
More than 3 years	14,860,735.66	6,755,074.31
Total	65,087,993,138.64	45,908,515,295.43

## 28. Other Payables

In RMB

Item	Closing balance	Opening balance
Dividends payable	52,175,292.26	11,894,022.29
Other payables	450,194,278.36	394,783,918.24
Total	502,369,570.62	406,677,940.53

### (1) Interest Payable

In RMB

Item	Closing balance	Opening balance
Common stock dividend	52,175,292.26	11,894,022.29
Total	52,175,292.26	11,894,022.29

Other descriptions, including significant dividends payable that have not been paid for more than 1 year, should disclose the reasons for non-payment:

### (2) Other Payables

#### 1) Presentation of Other Payables by Nature

In RMB

Item	Closing balance	Opening balance
Within 1 year	370,193,703.86	373,822,808.71
1 -2 years	74,689,108.49	7,536,142.05
2 -3 years	1,209,333.75	2,845,498.74
More than 3 years	4,102,132.26	10,579,468.74
Total	450,194,278.36	394,783,918.24

Other descriptions:

## 29. Contract Liabilities

In RMB

Item	Closing balance	Opening balance
Goods payments received in advance	262,507,706.68	243,566,923.42
Total	262,507,706.68	243,566,923.42

Significant contractual liabilities older than 1 year

In RMB

Item	Closing balance	Reasons for non-repayment or carry-
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		forward
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Amount of and reason for significant changes in book value during the reporting period

In RMB

Item	Change amount	Reason for change
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### 30. Employee Benefits Payable

#### (1) Presentation of Employee Benefits Payable

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term benefits	2,308,412,279.99	22,568,896,008.66	21,894,613,923.67	2,982,694,364.98
II. Post-employment benefits - defined contribution plan	21,690,291.76	1,345,724,913.24	1,341,649,099.74	25,766,105.26
III. Termination benefits	216,420.00	40,954,604.44	38,307,269.32	2,863,755.12
Total	2,330,318,991.75	23,955,575,526.34	23,274,570,292.73	3,011,324,225.36

#### (2) Presentation of Short-Term Benefits

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance and subsidy	2,276,238,841.52	20,516,940,439.83	19,874,328,849.69	2,918,850,431.66
2. Employee welfare	6,412,988.21	161,158,132.11	165,994,946.76	1,576,173.56
3. Social insurance premium	14,221,233.88	702,331,892.97	701,062,646.03	15,490,480.82
Including: Medical insurance premium	12,624,862.84	520,440,024.11	519,100,974.79	13,963,912.16
Employment injury insurance premium	1,242,738.45	61,613,047.12	61,589,598.85	1,266,186.72
Maternity insurance premium	353,632.59	120,278,821.74	120,372,072.39	260,381.94
4. Housing provident fund	4,789,647.81	375,622,497.79	375,065,520.52	5,346,625.08
5. Trade union funds and staff education funds	2,447,522.42	60,696,668.77	29,158,511.37	33,985,679.82
6. Short-term compensated absences		14,816.96	14,816.96	
8. Other short-term benefits	4,302,046.15	752,131,560.23	748,988,632.34	7,444,974.04
Total	2,308,412,279.99	22,568,896,008.66	21,894,613,923.67	2,982,694,364.98

#### (3) Presentation of Defined Contribution Plan

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
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1. Basic endowment insurance premium	21,078,236.43	1,293,506,236.40	1,289,427,554.61	25,156,918.22
2. Unemployment insurance premium	612,055.33	52,218,676.84	52,221,545.13	609,187.04
Total	21,690,291.76	1,345,724,913.24	1,341,649,099.74	25,766,105.26

Other descriptions:

### 31. Taxes Payable

In RMB

Item	Closing balance	Opening balance
Value added tax	210,242,341.64	132,476,622.34
Enterprise income tax	640,603,703.76	561,049,186.85
Individual income tax	86,831,143.55	77,002,005.54
Urban maintenance and construction tax	82,297,500.74	46,681,016.77
Property tax	31,103,839.66	41,139,838.65
Education surcharges	42,537,753.28	28,316,821.64
Local education surcharges	28,122,537.68	18,936,169.14
Land use tax	3,998,051.42	5,206,233.88
Stamp duty	49,728,828.53	50,252,147.37
Disability insurance	61,153,367.06	49,635,583.88
Other	1,669,565.74	10,628,649.12
Total	1,238,288,633.06	1,021,324,275.18

Other descriptions:

### 32. Non-Current Liabilities Due within One Year

In RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	2,102,524,892.10	2,688,496,752.82
Bonds payable due within one year		49,591,565.40
Lease liabilities due within one year	153,946,615.16	129,207,552.67
Total	2,256,471,507.26	2,867,295,870.89

Other descriptions:

### 33. Other Current Liabilities

In RMB

Item	Closing balance	Opening balance
Short-term bonds payable	5,039,811,780.82	802,722,191.78
Payable for purchase returns	45,653,413.49	46,968,630.49
Entrusted loans	22,183,798.56	10,417,821.56

Unconfirmed instrument	61,175,243.61	24,834,420.45
Short-term tickets payable		40,012,542.80
Other		7,746,196.22
Total	5,168,824,236.48	932,701,803.30

Increase and decrease in short-term bonds payable:

In RMB

Other descriptions:

Bond name	Face value	Nominal interest rate	Issue date	Bond maturity	Amount of issue	Opening balance	Issued during the period	Accrued interest at face value	Premium or discount amortization	Repaid during the period	Other	Closing balance	Default or not
Short-term bonds payable	100.00	2.70%	November 15, 2023	177 days	800,000,000.00	802,722,191.78		7,723,709.86		810,445,901.64			No
Short-term bonds payable	100.00	2.33%	March 07, 2024	177 days	800,000,000.00		800,000,000.00	9,039,123.29		809,039,123.29			No
Short-term bonds payable	100.00	2.16%	April 12, 2024	180 days	500,000,000.00		500,000,000.00	5,326,027.40		505,326,027.40			No
Short-term bonds payable	100.00	2.01%	June 28, 2024	270 days	1,000,000,000.00		1,000,000,000.00	10,242,739.73				1,010,242,739.73	No
Short-term bonds payable	100.00	1.97%	July 12, 2024	265 days	1,000,000,000.00		1,000,000,000.00	9,283,287.67				1,009,283,287.67	No
Short-term bonds payable	100.00	1.96%	July 24, 2024	268 days	1,000,000,000.00		1,000,000,000.00	8,591,780.82				1,008,591,780.82	No
Short-term bonds payable	100.00	2.14%	September 20, 2024	270 days	1,000,000,000.00		1,000,000,000.00	5,980,273.97				1,005,980,273.97	No
Short-term bonds payable	100.00	2.15%	September 25, 2024	268 days	1,000,000,000.00		1,000,000,000.00	5,713,698.63				1,005,713,698.63	No
Total					7,100,000,000.00	802,722,191.78	6,300,000,000.00	61,900,641.37		2,124,811,052.33		5,039,811,780.82	

### 34. Long-Term Borrowings

#### (1) Classification of Long-Term Borrowings

In RMB

Item	Closing balance	Opening balance
Pledge loans	198,100,000.00	181,159,890.80
Mortgage loans	516,823,897.89	1,605,792,188.08
Guaranteed loans	5,219,696.50	72,496,000.00
Credit loans	18,899,598,040.38	10,179,323,211.04
Total	19,619,741,634.77	12,038,771,289.92

Descriptions on classification of long-term borrowings:

Other descriptions, including interest rate range:

### 35. Bonds Payable

#### (1) Bonds Payable

In RMB

Item	Closing balance	Opening balance
Convertible bonds	3,305,436,590.71	2,799,499,850.29
Total	3,305,436,590.71	2,799,499,850.29

#### (2) Increase and Decrease in Bonds Payable (Excluding Preferred Shares, Perpetual Bonds and Other Financial Instruments Classified as Financial Liabilities)

In RMB

Bond name	Face value	Nominal interest rate	Issue date	Bond maturity	Amount of issue	Opening balance	Issued during the period	Accrued interest at face value	Premium or discount amortization	Repaid during the period	Debt-to-equity conversion	Closing balance	Default or not
1. Convertible bonds of Luxshare	100.00		November 03, 2020	6	3,000,000,000.00	2,799,499,850.29		46,500,000.00	77,123,389.15	45,000,000.00	83,788.01	2,878,039,451.43	No
2. SpeedTech Convertible Bonds	22497.00		March 06, 2024	3	449,940,000.00		449,940,000.00		22,542,860.72			427,397,139.28	No
Total					3,449,940,000.00	2,799,499,850.29	449,940,000.00	46,500,000.00	54,580,528.43	45,000,000.00	83,788.01	3,305,436,590.71	

**(3) Description of Convertible Corporate Bonds**

Explanation of bonds payable: The Company's subsidiary, SpeedTech Technology Co., Ltd., issued convertible corporate bonds with a total issue amount of NT\$2 billion, a coupon rate of 0%, and a term of 3 years. The circulation period is from March 6, 2024 to March 6, 2027.

**36. Lease Liabilities**

In RMB

Item	Closing balance	Opening balance
Lease payment	779,860,687.46	600,566,123.03
Minus: Unrecognized financing costs	-51,878,020.09	-48,077,234.37
Total	727,982,667.37	552,488,888.66

Other descriptions:

**37. Provisions**

In RMB

Item	Closing balance	Opening balance	Reason
Product quality warranty	7,088,481.43	642,733.24	Provision
Total	7,088,481.43	642,733.24	

Other descriptions, including major assumptions and estimation descriptions related to significant provisions:

**38. Deferred Income**

In RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Government grants related to income	595,323,601.05	225,421,929.08	171,636,897.69	649,108,632.44	Asset-related
Total	595,323,601.05	225,421,929.08	171,636,897.69	649,108,632.44	--

Other descriptions:

**39. Other Non-Current Liabilities**

In RMB

Item	Closing balance	Opening balance
Other	756,521.26	1,471,770.36
Total	756,521.26	1,471,770.36

Other descriptions:

## 40. Share Capital

In RMB

	Opening balance	Increase and decrease (+, -)					Closing balance
		New shares issued	Stock dividend	Shares converted from capital reserve	Other	Subtotal	
Total shares	7,148,168,213.00	88,292,139.00			1,790.00	88,293,929.00	7,236,462,142.00

Other descriptions:

Other descriptions: The Company's share capital increased by RMB 88,293,929.00 in the current period, including 88,292,139.00 shares exercised by the stock option incentive recipients at their sole discretion, and 1,790.00 shares converted from convertible bonds. After the said exercise and conversion, the Company's share capital increased to 7,236,462,142.00 shares.

## 41. Other Equity Instruments

### (1) Basic Information on Preferred Shares, Perpetual Bonds and Other Financial Instruments Outstanding at the End of the Period

### (2) Table of Changes in Preferred Shares, Perpetual Bonds, and Other Financial Instruments Outstanding at the End of the Period

In RMB

Financial instruments outstanding	Beginning		Increase		Decrease		Closing	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Convertible bonds		527,289,020.28				17,991.56		527,271,028.72
Total		527,289,020.28				17,991.56		527,271,028.72

Explanation of the changes in other equity instruments during the period, reasons for the changes, and the basis for related accounting treatment:

Other descriptions: The 10th meeting of the fourth session of the Board of Directors of the Company reviewed and passed the Proposal on Clarifying the Specific Plan for the Public Issuance of Convertible Corporate Bonds. The Company received the Approval for the Public Issuance of Convertible Corporate Bonds to Luxshare Precision Industry Co., Ltd. issued by the China Securities Regulatory Commission on February 19, 2020 (CSRC Permit [2020] No. 247), approving the Company to publicly issue convertible corporate bonds with a total face value of RMB 3,000 million, with a term of 6 years. The RMB 3,000 million convertible corporate bonds of the Company were listed and traded on the Shenzhen Stock Exchange on November 3, 2020, with the bond abbreviation "Luxshare Convertible Bonds" and the bond code "128136".

Other descriptions:

**42. Capital Reserve**

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share premium)	4,431,226,649.93	2,436,345,130.07		6,867,571,780.00
Other capital reserve	580,717,983.99	424,957,144.06	327,019,528.85	678,655,599.20
Total	5,011,944,633.92	2,861,302,274.13	327,019,528.85	7,546,227,379.20

Other explanations, including changes during the period and reasons for the changes:

**43. Other Comprehensive Income**

In RMB

Item	Opening balance	Amount recognized in the current period						Closing balance
		Amount of income before tax in the current period	Less: amount previously included in other comprehensive income and transferred to profit or loss for the current period	Less: amount previously included in other comprehensive income and transferred to retained earnings for the current period	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified into profit or loss	114,304,549.36	- 90,296,567.20		38,318,775.35	- 19,215,768.25	- 109,399,574.30		4,904,975.06
Changes in fair value of other investments in equity instruments	114,304,549.36	- 90,296,567.20		38,318,775.35	- 19,215,768.25	- 109,399,574.30		4,904,975.06
II. Other comprehensive income to be reclassified into profit or loss	34,457,627.52	- 685,808,558.96				- 743,168,236.84	57,359,677.88	- 708,710,609.32
Translation difference of foreign currency financial statements	34,457,627.52	- 685,808,558.96				- 743,168,236.84	57,359,677.88	- 708,710,609.32

Total other comprehensive income	148,762,176.88	776,105,126.16		38,318,775.35	19,215,768.25	852,567,811.14	57,359,677.88	703,805,634.26
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Other descriptions, including those on the adjustment for conversion of the effective part of profit or loss of cash flow hedging into the initial recognition amount of the hedged item:

#### 44. Special Reserve

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Safety production expenses	3,528,369.80	38,821,819.05	40,153,663.34	2,196,525.51
Total	3,528,369.80	38,821,819.05	40,153,663.34	2,196,525.51

Other explanations, including changes during the period and reasons for the changes:

#### 45. Surplus Reserve

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	1,443,520,185.47	173,999,858.78		1,617,520,044.25
Total	1,443,520,185.47	173,999,858.78		1,617,520,044.25

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

#### 46. Undistributed Profits

In RMB

Item	Current Period	Prior Period
Undistributed profits at the end of prior period before adjustment	42,026,971,911.25	32,288,416,277.22
Undistributed profits at the beginning of the period after adjustment	42,026,971,911.25	32,288,416,277.22
Add: Net profits attributable to the owners of the parent company in the current period	13,365,651,026.16	10,952,656,702.16
Less: Apportion to statutory surplus reserve	173,999,858.78	322,447,486.64
Common stock dividends payable	2,153,401,833.67	926,948,678.85
Other	-35,918,195.61	-35,295,097.36
Undistributed profits at the end of the period	53,101,139,440.57	42,026,971,911.25

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.

#### 47. Operating Income and Operating Costs

In RMB

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Income	Cost	Income	Cost
Principal business	265,136,042,440.22	238,369,649,081.85	229,308,417,348.68	203,310,851,043.48
Other business	3,658,695,172.36	2,439,768,898.74	2,597,042,481.15	1,730,449,415.11
Total	268,794,737,612.58	240,809,417,980.59	231,905,459,829.83	205,041,300,458.59

The Company's audited total profit, net profit, and net profit after deducting non-recurring gains and losses for the most recent accounting year, whichever is lower, is negative

☐Yes ☒No

Breakdown of operating revenue and operating costs

In RMB

Classification of contract	Segment 1		Segment 2				Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
Business type								
Among which,								
Merchandise sales revenue	268,794,737,612.58	240,809,417,980.59					268,794,737,612.58	240,809,417,980.59
Classified on by operating area								
Among which,								
Type of market or customer								
Among which,								
Contract type								
Among which,								

Classified by time of transfer of goods								
Among which,								
Confirm at a certain point	268,794,737,612.58	240,809,417,980.59					268,794,737,612.58	240,809,417,980.59
Classified by contract term								
Among which,								
Classified by sales channel								
Among which,								
Total	268,794,737,612.58	240,809,417,980.59					268,794,737,612.58	240,809,417,980.59

Information related to performance obligations:

Item	Time of performance or fulfillment of obligations	Key payment terms	Nature of the Company's commitment to transfer goods	Whether they are the primary obligor	Amounts expected to be refunded to customers by the Company	The type of quality assurance provided by the Company and related obligations
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Other descriptions:

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the incomes corresponding to the contracts signed whose performance has not been commenced or completed amount to RMB0.00, of which RMB is expected to be recognized in, RMB is expected to be recognized in, and RMB is expected to be recognized in.

Information related to variable consideration in contracts:

Significant contract amendments or significant adjustments in transaction prices.

In RMB

Item	Accounting treatment methods	Amount of impact on revenue.
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Other descriptions:

**48. Taxes and Surcharges**

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Urban maintenance and construction tax	187,197,278.99	135,828,066.62
Education surcharges	89,973,288.24	74,879,240.47
Property tax	102,848,049.47	94,893,905.31
Land use tax	10,692,002.96	12,471,189.05
Vehicle and vessel use tax	72,842.74	63,832.43
Stamp duty	171,712,516.66	156,855,629.56
Local education surcharges	63,333,446.42	50,692,853.69
Other	10,919,836.26	9,130,512.93
Total	636,749,261.74	534,815,230.06

Other descriptions:

**49. Management Expenses**

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Personnel expenses	3,291,003,288.36	2,955,300,979.92
Depreciation and amortization expenses	1,313,585,644.28	1,141,476,216.54
Materials and consumables	441,684,750.18	436,597,420.45
Office expenses	261,112,275.37	241,922,242.64
Repair and miscellaneous purchases	245,249,122.98	157,359,307.86
Utilities	93,925,288.27	65,353,249.13
Leasing expenses	74,248,136.79	116,187,241.86
Travel and transportation expenses	72,675,594.95	42,414,743.05
Other expenses	558,800,465.70	386,245,592.81
Total	6,352,284,566.88	5,542,856,994.26

Other descriptions:

**50. Selling Expenses**

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Employee benefits	682,250,740.68	598,361,422.40
Storage and lease expenses	41,138,477.88	30,444,556.09
Consumables and miscellaneous purchases	35,350,941.27	18,734,939.68
Business entertainment expenses	36,256,043.62	34,681,627.31
Depreciation and amortization	13,454,868.55	19,007,296.20
Travel expenses	6,723,517.25	23,367,644.53
Material expenditure	44,466,816.13	16,493,491.17
Transportation expenses	21,532,162.49	6,688,139.24
Consulting and advisory expenses	27,608,616.92	18,527,534.76
Office expenses	3,833,859.41	1,162,239.79
Other	147,060,732.21	121,555,530.46

Total	1,059,676,776.41	889,024,421.63
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Other descriptions:

## 51. R&D Expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Personnel expenses	4,743,098,552.35	4,474,219,036.60
Mould and material expenses	1,532,623,500.70	1,223,716,713.86
Depreciation and amortization expenses	905,914,983.86	1,071,507,770.65
Consumables and miscellaneous	414,999,915.67	298,285,961.53
Repair and inspection	440,348,249.99	373,156,578.61
Service fees	71,461,490.74	206,099,670.82
Utilities	97,573,364.08	126,487,095.42
Transportation and travel expenses	67,647,210.31	55,143,408.18
Commercial insurance	5,138,622.27	4,193,418.58
Leasing expenses	28,591,943.61	72,638,748.64
Other expenses	248,559,597.88	283,319,129.96
Total	8,555,957,431.46	8,188,767,532.85

Other descriptions:

## 52. Financial Expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Interest expenses	1,462,653,485.39	1,376,870,146.38
Interest income	-968,280,395.31	-1,005,580,557.62
Foreign exchange gains or losses	-1,010,171,618.93	72,796,425.87
Other	12,621,880.62	38,783,312.39
Total	-503,176,648.23	482,869,327.02

Other descriptions:

## 53. Other Incomes

In RMB

Sources of other incomes	Amount recognized in the current period	Amount recognized in the prior period
Government grants related to income	933,138,071.97	791,098,788.52
Input tax credit offset	50,878,985.48	20,559,877.99
Withholding personal income tax processing fees	9,186,520.44	13,530,448.56
Total	993,203,577.89	825,189,115.07

**54. Income from Changes in Fair Value**

In RMB

Sources of income from changes in fair value	Amount recognized in the current period	Amount recognized in the prior period
Financial assets held for trading	-67,078,837.71	210,346,832.18
Including: Income from changes in fair value of derivative financial instruments	-67,078,837.71	210,346,832.18
Other non-current financial assets	3,911,504.56	
Total	-63,167,333.15	210,346,832.18

Other descriptions:

**55. Investment Income**

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Long-term equity investment income accounted for using the equity method	3,318,152,092.00	2,044,361,609.89
Investment income from disposal of long-term equity investment	10,018,847.56	
Investment income from disposal of held-for-trading financial assets	1,100,723,169.18	279,341,611.63
Dividends from other equity instrument investments during holding period		264,713.32
Gains from derecognition of financial assets measured at amortized cost.	-300,000.00	
Income from derecognition of financial assets measured at amortized cost	-795,197,080.77	-741,342,548.75
Interest income from fixed deposits/large certificates of deposit/financial investments	913,543,627.47	188,657,405.35
Total	4,546,940,655.44	1,771,282,791.44

Other descriptions:

**56. Impairment Losses of Credit**

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Bad debt loss of notes receivable	-111,900.83	270,661.65
Bad debt loss of accounts receivable	-11,571,804.07	25,623,112.25
Bad debt loss of other receivables	1,595,715.30	-2,619,894.43
Total	-10,087,989.60	23,273,879.47

Other descriptions:

**57. Impairment Losses of Assets**

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
I. Loss of inventory depreciation and impairment loss of contract performance cost	-915,719,817.70	-1,126,386,426.94
II. Impairment losses on long-term equity investments	-36,410,782.10	
IV. Impairment loss of fixed assets	-293,337,707.73	-191,676,433.95
X. Impairment loss of goodwill		-804,455.51
Total	-1,245,468,307.53	-1,318,867,316.40

Other descriptions:

**58. Income from Disposal of Assets**

In RMB

Sources of income from asset disposal	Amount recognized in the current period	Amount recognized in the prior period
Income from disposal of fixed assets	33,453,842.59	121,555,370.09
Income from disposal of intangible assets	-27,187.26	53,313.42
Income from disposal of right-of-use assets	3,199,410.73	1,258,494.01
Total	36,626,066.06	122,867,177.52

**59. Non-operating Income**

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period	Amount included in non-recurring profit or loss for the current period
Income from compensation for breach of contract	39,964,895.05	70,247,182.56	39,964,895.05
Income from asset retirement	411,576.65	5,791,215.56	411,576.65
Negative goodwill	368,076.97		368,076.97
Other	12,858,505.25	17,420,629.28	12,858,505.25
Total	53,603,053.92	93,459,027.40	53,603,053.92

Other descriptions:

**60. Non-operating Expenses**

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period	Amount included in non-recurring profit or loss for the current period
External donation	13,126,197.65	11,692,180.78	13,126,197.65
Asset retirement loss	35,454,250.29	22,307,439.97	35,454,250.29
Compensation, liquidated	33,398,576.31	14,784,120.05	33,398,576.31

damages and fines			
Other	4,760,201.73	19,551,144.99	4,760,201.73
Total	86,739,225.98	68,334,885.79	86,739,225.98

Other descriptions:

## 61. Income Tax Expenses

### (1) Income Tax Expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Current income tax expense	1,318,434,467.92	1,024,939,081.02
Deferred income tax expense	211,260,455.01	-383,109,737.84
Total	1,529,694,922.93	641,829,343.18

### (2) Reconciliation of Income Tax Expenses to the Accounting Profit

In RMB

Item	Amount recognized in the current period
Total profits	16,108,738,740.78
Income tax expense calculated based on statutory/applicable tax rate	2,416,310,811.12
Effect of different tax rates of subsidiaries operating in other jurisdictions	-3,979,377.54
Effect of adjustment on income tax for prior period	-6,069,264.98
Effect of non-taxable income	-531,028,394.10
Effect of non-deductible cost, expense and loss	17,281,971.96
Effect of utilizing deductible loss not recognized for deferred tax assets for prior period	-294,706,265.10
Effect of deductible temporary difference or deductible loss not recognized for deferred tax assets for the current period	500,510,840.21
Super deduction for R&D expenses	-646,390,676.18
Equity exercise difference	-24,326,254.68
Tax preferences for the employment of key groups of people	-6,659,969.28
Pillar Two - Income Tax	107,508,710.47
Other	1,242,791.03
Income tax expenses	1,529,694,922.93

Other descriptions:

Note 1: The Company falls within the scope of the legislative template for the global anti-base erosion rules (GloBE rules, hereinafter referred to as the Pillar Two legislative template). The Company is temporarily exempted from recognizing deferred income tax assets or liabilities and disclosing relevant information arising from the implementation of the Pillar Two legislative template, and will account for Pillar Two income tax as current income tax when it arises. In 2024, certain jurisdictions where the Company operates have implemented Pillar Two related regulations. Based on currently available information, the Company has assessed the potential risk exposure related to the current year's financial performance. The assessment results may not fully reflect the future actual situation. Based on the assessment results, the Company has accrued a Pillar Two top-up tax of RMB

107,508,710.47 in certain jurisdictions, because the effective tax rate of Pillar Two in these specific jurisdictions is below 15% due to specific tax incentives. Given that more countries are about to enact Pillar Two legislation, the Company will continue to track the relevant legislative developments in the jurisdictions where it operates to assess their potential future impact on the financial statements.

## 62. Other Comprehensive Income

For details, please refer to Note VII, (43) Other Comprehensive Income.

## 63. Items in the Cash Flow Statement

### (1) Cash Related to Operating Activities

Other cash received related to operating activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Special subsidies and grants	978,065,597.45	730,512,293.94
Lease income	4,559,939.73	86,864,463.17
Interest income	968,280,395.31	1,005,580,557.62
Non-operating income	53,603,053.92	83,854,908.45
Reversal of restricted funds	1,015,829,661.21	
Recovery of current accounts and disbursements	2,669,087,285.32	2,344,231,763.48
Total	5,689,425,932.94	4,251,043,986.66

Descriptions on other cash received related to operating activities:

Other cash paid related to operating activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Selling expenses	304,480,783.35	239,741,364.82
General and administrative expenses	1,557,776,270.74	1,354,873,317.36
R&D expenses	984,404,201.77	1,079,345,043.17
Inter-company transactions	2,196,525,468.36	1,342,835,159.67
Transferred to restricted funds		2,554,396,002.20
Non-operating expenses	51,284,975.69	46,027,445.82
Handling charges	12,621,880.62	38,783,312.39
Total	5,107,093,580.53	6,656,001,645.43

Descriptions on other cash paid related to operating activities:

### (2) Cash Related to Investing Activities

Other cash received related to investing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
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Reversal of restricted funds	15,981,629.58	427,650,270.00
Total	15,981,629.58	427,650,270.00

Significant cash receipts related to investing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
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Descriptions on other cash received related to investing activities:

Other cash paid related to investing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Payment for acquisition of equity deposits		140,474,000.00
Transferred to restricted funds	93,449,200.00	
Total	93,449,200.00	140,474,000.00

Significant cash payments related to investing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
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Descriptions on other cash paid relating to investing activities:

### (3) Cash Related to Financing Activities

Other cash received related to financing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Short-term financing bonds	6,300,000,000.00	2,800,000,000.00
Reversal of restricted funds		701,054,171.58
Issuance of convertible bonds	457,707,250.00	
Other	651,417.41	30,370,799.83
Total	6,758,358,667.41	3,531,424,971.41

Descriptions on other cash received related to financing activities:

Other cash paid related to financing activities

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Short-term financing bonds	2,100,000,000.00	5,800,000,000.00
Leasing expenses	275,253,700.68	203,632,926.89
Financing fees	8,781,563.19	6,203,470.61
Refund of minority shareholder equity payment	98,000,000.00	
Total	2,482,035,263.87	6,009,836,397.50

Descriptions on other cash paid related to financing activities:

Changes in liabilities generated from financing activities

□Applicable    ☒N/A**64. Supplementary Information to Cash Flow Statement****(1) Supplementary Information to Cash Flow Statement**

In RMB

Supplementary information	Current period	Prior period
1 . Reconciliation of net profit to cash flow from operating activities		
Net profits	14,579,043,817.85	12,243,213,143.13
Add: Provision for impairment of assets	1,255,556,297.13	1,295,593,436.93
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	10,330,052,680.58	9,619,607,257.96
Depreciation of right of use assets	240,337,082.05	176,390,984.93
Amortization of intangible assets	260,085,188.58	233,129,170.31
Amortization of Long-term deferred expenses	318,136,006.30	467,456,067.68
Loss from disposal of fixed assets, intangible assets and other long-term assets ("-" means income)	-36,626,066.06	-122,867,177.52
Loss from fixed assets retirement ("-" means income)	35,042,673.64	16,516,224.41
Loss from changes in fair value ("-" means income)	63,167,333.15	-210,346,832.18
Financial expenses ("-" means income)	1,462,653,485.39	1,376,870,146.38
Investment loss ("-" means income)	-4,546,940,655.44	-1,771,282,791.44
Decrease in deferred income tax assets ("-" means increase)	983,198,754.74	339,083,213.97
Increase in deferred tax liabilities ("-" means decrease)	916,326,231.88	-694,171,671.54
Decrease in inventories ("-" means increase)	-2,032,345,016.57	7,239,478,351.05
Decrease in operating receivables ("-" means increase)	-23,567,944,319.50	2,054,810,808.92
Increase in operating accounts payable ("-" means decrease)	26,857,164,714.81	-4,658,419,921.83
Other		
Net cash flow from operating activities	27,116,908,208.53	27,605,060,411.16
2 . Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		

Fixed assets acquired under finance leases		
3 . Net changes in cash and cash equivalents:		
Closing balance of cash	47,267,103,006.38	29,684,152,320.65
Less: Opening balance of cash	29,684,152,320.65	17,312,418,429.51
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	17,582,950,685.73	12,371,733,891.14

## (2) Net Cash Paid for Obtaining Subsidiaries in the Current Period

In RMB

	Amount
Cash or cash equivalents paid in the current period for business combinations occurring in the current period	2,127,571,639.64
Among which,	
Including: Lisheng Intelligent Technology (Shanghai) Co., Ltd.	100,000,000.00
CosmoCorporationCaymanLimited	515,061,750.00
Luxis Hongkong Co., Ltd.	1,043,273,432.98
Luxis Singapore Co., Ltd.	469,236,456.66
Cosmic M.E. Inc.	
Less: Cash and cash equivalents held by subsidiaries on the acquisition date	398,415,130.53
Among which,	
Including: Lisheng Intelligent Technology (Shanghai) Co., Ltd.	3,957,029.40
CosmoCorporationCaymanLimited	114,420,250.27
Luxis Hongkong Co., Ltd.	179,916,276.76
Luxis Singapore Co., Ltd.	96,057,483.11
Cosmic M.E. Inc.	4,064,090.99
Among which,	
Net cash paid for obtaining subsidiaries	1,729,156,509.11

Other descriptions:

Note 1: The Company acquired Cosmic M.E. Inc. in the current period and obtained control through capital increase.

Note 2: The cash paid for acquiring Viant Communications (Hong Kong) Co., Limited in the current period is less than the consolidation cost, which is due to the equity acquisition deposit paid in the previous period being converted into equity payment.

## (3) Composition of Cash and Cash Equivalents

In RMB

Item	Closing balance	Opening balance
I. Cash	47,267,103,006.38	29,684,152,320.65
Including: Cash	397,054.85	376,233.09

Including: Cash on hand	47,209,722,547.17	29,683,776,087.56
Other monetary funds available for payment at any time	56,983,404.36	
III. Closing balance of cash and cash equivalents	47,267,103,006.38	29,684,152,320.65

#### (4) Restricted Cash and Cash Equivalents Included in Cash and Cash Equivalents

In RMB

Item	Current period	Prior period	Reasons for still being classified as cash and cash equivalents
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#### (5) Cash and Cash Equivalents not Classified as Monetary Funds

In RMB

Item	Current period	Prior period	Reasons for not being classified as cash and cash equivalents
Other monetary funds	1,092,552,986.55	3,935,387,136.86	Restricted cash due to opening bills, letters of credit, etc.
Total	1,092,552,986.55	3,935,387,136.86	

Other descriptions:

None.

#### (6) Other Significant Activity Explanations

##### 1. Supplier financing arrangements

(1) Terms and conditions of supplier financing arrangements (e.g., extension of payment terms and provision of guarantees, etc.)

The Company handles reverse factoring business through the supply chain finance service platform provided by factoring companies and provides factoring services to relevant suppliers. Factoring companies agree to accept the accounts receivable of designated suppliers from the Group due to sales of goods or provision of services to the Company, and simultaneously provide financing services to relevant suppliers. Suppliers can decide whether to factor or not. Participating suppliers can receive payment from the bank in advance. According to the agreement between the Company and the financial service platform, the relevant accounts payable will be paid to the factoring company within 1-12 months after the digital certificate is issued by the platform or the supplier's factoring financing is disbursed. The payment terms between the Company and suppliers have not changed due to this reverse factoring arrangement, and the Company has not provided any guarantee to the bank.

##### (2) Financial liabilities subject to supplier financing arrangements

Presentation item	Closing balance	Balance at the end of last year
Accounts payable	128,922,854.80	
Including: amounts received by suppliers from financing providers	128,922,854.80	

##### (3) Payment due date range

	Closing
Financial liabilities subject to supplier financing arrangements	Between 1-12 months after the

	Closing
	platform issues digital certificates and suppliers' factoring financing is disbursed
Comparable financial liabilities not subject to supplier financing arrangements	Between 1-12 months after receiving invoices

## 65. Notes on Changes in Owners' Equity Statement Items

Explanation of the names and amounts of "Other" items adjusted to the balance at the end of the previous year, etc.:

None.

## 66. Foreign Currency Monetary Items

### (1) Foreign Currency Monetary Items

In RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			39,277,668,276.45
Including: USD	5,372,558,785.92	7.1884	38,620,101,576.74
EUR	6,246,485.86	7.5257	47,009,178.65
HKD	47,709,974.62	0.9260	44,179,436.50
JPY	102,005,692.99	0.0462	4,716,029.20
TWD	1,764,783,070.97	0.2229	393,370,146.52
VND	137,382,460,070.67	0.0003	38,879,236.20
KRW	2,653,753,059.94	0.0049	13,104,232.61
GBP	139,542.05	9.0765	1,266,553.42
INR	123,447,826.93	0.0854	10,539,605.12
SGD	63,980.08	5.3214	340,463.61
MXN	273,957,978.89	0.3498	95,823,104.15
THB	39,215,354.33	0.2126	8,338,713.73
Accounts receivable			19,590,197,020.50
Including: USD	2,694,804,022.42	7.1884	19,371,329,234.75
EUR	670,428.42	7.5257	5,045,443.18
HKD	1,383,609.81	0.9260	1,281,222.68
JPY	68,472,922.44	0.0462	3,165,708.62
TWD	722,757,926.78	0.2229	161,102,741.88
VND	4,085,726,183.75	0.0003	1,156,260.51
KRW	3,434,507.90	0.0049	16,959.60
GBP	5,571.56	9.0765	50,570.27
INR	551,072,056.99	0.0854	47,048,879.01
Long-term borrowings			309,568,812.01
Including: USD			
EUR			
HKD			
JPY	112,899,000.00	0.0462	5,219,659.47
TWD	1,365,406,696.01	0.2229	304,349,152.54

Other receivables			118,367,962.10
Including: USD	12,576,879.97	7.1884	90,407,644.01
EUR	3,207.31	7.5257	24,137.25
HKD	4,461,341.95	0.926	4,131,202.64
JPY	44,108,439.58	0.0462	2,039,265.49
TWD	44,220,276.00	0.2229	9,856,699.52
VND	4,261,767,491.17	0.0003	1,206,080.20
KRW	132,462,687.32	0.0049	654,100.75
GBP	40.69	9.0765	369.32
INR	40,885,795.82	0.0854	3,490,706.59
SGD	35,700.01	5.3214	189,974.04
MXN	527,803.00	0.3498	184,611.24
THB	29,078,254.93	0.2126	6,183,171.05
Short-term borrowings			250,853,772.32
Including: USD	29,867,065.35	7.1884	214,696,412.59
TWD	162,213,368.01	0.2229	36,157,359.73
Accounts payable			34,316,316,571.00
Including: USD	4,679,087,617.77	7.1884	33,635,153,431.56
EUR	1,361,683.17	7.5257	10,247,619.07
HKD	53,608,905.43	0.926	49,641,846.43
JPY	2,002,144,712.63	0.0462	92,565,156.50
TWD	249,123,286.99	0.2229	55,529,580.67
VND	1,212,685,614,452.30	0.0003	343,190,028.89
KRW	48,890,263.26	0.0049	241,420.12
GBP	4,785.00	9.0765	43,431.05
INR	51,940,867.92	0.0854	4,434,555.48
SGD	297,125.61	5.3214	1,581,124.22
MXN	2,521,497.69	0.3498	881,951.81
THB	577,534,813.46	0.2126	122,806,425.20
Other payables			87,142,766.84
Including: USD	6,601,029.44	7.1884	47,450,840.01
EUR	14,650.75	7.5257	110,257.15
HKD	9,363,973.61	0.926	8,671,039.56
JPY	144,694,354.81	0.0462	6,689,654.11
TWD	51,752,748.99	0.2229	11,535,687.75
VND	1,725,463,321.55	0.0003	488,306.12
KRW	15,807,432.16	0.0049	78,057.10
GBP	91,380.08	9.0765	829,411.30
INR	1,533,289.06	0.0854	130,907.62
SGD	45,143.69	5.3214	240,227.63
MXN	18,483,326.26	0.3498	6,464,968.48
THB	20,856,453.94	0.2126	4,434,895.51
CAD	3,666.40	5.0498	18,514.51

Other descriptions:

**(2) Descriptions on Overseas Business Entities, Including, with Respect to Significant Overseas Business Entities, Disclosure of their Overseas Main Business Place, Functional Currency and Selection Basis, and the Reasons for Changes in Functional Currency (If any)**

☒Applicable ☐N/A

Names of important overseas operating entities	Main place of business	Functional currency	Basis for selecting functional currency	Whether functional currency has changed
Luxshare-ICT (Vietnam) Limited	Vietnam	Vietnamese Dong	Legal currency of the country where registered	No
Luxshare-ICT (Van Trung) Company Limited	Vietnam	Vietnamese Dong	Legal currency of the country where registered	No
Luxshare-ICT (Nghe An) Limited	Vietnam	Vietnamese Dong	Legal currency of the country where registered	No
Luxshare Precision Limited	Hong Kong	US Dollar	Main currency used for business income and expenditure	No

## 67. Leases

### (1) The Company as Lessee

☒Applicable ☐N/A

Variable lease payments not included in lease liability measurement

☐Applicable ☒N/A

Lease expense for short-term leases or low-value assets with simplified treatment

☒Applicable ☐N/A

Item	Current period	Prior period
Interest expense on lease liabilities	36,018,332.18	27,150,426.74
Simplified short-term lease expenses recognized in the cost of related assets or in current period profit or loss	117,612,055.32	201,471,466.53
Simplified lease expenses for low-value assets recognized in the cost of related assets or in current period profit or loss (excluding short-term lease expenses for low-value assets)		
Variable lease payments not included in lease liability measurement recognized in the cost of related assets or in current period profit or loss		
Including: Portion generated from sale and leaseback transactions		
Income from subleasing right-of-use assets acquired		
Total cash outflow related to leases	392,865,756.00	405,104,393.42
Related profit or loss generated from sale and leaseback transactions		
Cash inflows from sale and leaseback transactions		
Cash outflows from sale and leaseback transactions		

Sale and leaseback transactions involved

## 68. Others

None.

## VIII. R&F Expenditures

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Personnel expenses	4,743,098,552.35	4,474,219,036.60
Mould and material expenses	1,532,623,500.70	1,223,716,713.86
Depreciation and amortization expenses	905,914,983.86	1,071,507,770.65
Consumables and miscellaneous	414,999,915.67	298,285,961.53
Repair and inspection	440,348,249.99	373,156,578.61
Service fees	71,461,490.74	206,099,670.82
Utilities	97,573,364.08	126,487,095.42
Transportation and travel expenses	67,647,210.31	55,143,408.18
Commercial insurance	5,138,622.27	4,193,418.58
Leasing expenses	28,591,943.61	72,638,748.64
Other expenses	248,559,597.88	283,319,129.96
Total	8,555,957,431.46	8,188,767,532.85
Including: Expense research and development costs	8,555,957,431.46	8,188,767,532.85
Capitalized research and development expenditures	0.00	0.00

## IX . Changes in Scope of Consolidation

### 1. Business Combination Not Involving Enterprises under Common Control

#### (1) Business Combination Not Involving Enterprises under Common Control in the Current Period

In RMB

Name of combined party	Time of acquisition of equity	Cost of acquisition of equity	Proportion of equity acquired	Method of acquisition of equity	Acquisition date	Basis for determining the acquisition date	Revenue of the acquired entity from acquisition date to end of period	Net profit of the acquired entity from acquisition date to end of period	Cash flow of the acquired entity from acquisition date to end of period
Lisheng Intelligent Technology (Shanghai) Co., Ltd.	January 2, 2024	100,000,000.00	100.00%	Cash acquisition	January 2, 2024	Obtaining control	31,204,596.10	-83,154,193.02	-98,558,428.49
CosmoCorporation Cayman Limited	April 22, 2024	515,061,750.00	100.00%	Cash acquisition	April 22, 2024	Obtaining control	1,114,748,690.65	45,485,571.63	94,733,519.65
Luxis Hongkong Co., Ltd.	May 2, 2024	1,184,927,432.98	100.00%	Cash acquisition	May 2, 2024	Obtaining control	3,630,932,757.18	30,878,079.95	-528,281,344.88
Luxis Singapore Co., Ltd.	May 2, 2024	469,236,456.66	100.00%	Cash acquisition	May 2, 2024	Obtaining control	3,007,695,320.87	48,205,875.62	-183,339,234.89
Cosmic M.E. Inc.	July 1, 2024	3,631,146.16	71.43%	Cash acquisition	July 1, 2024	Obtaining control	5,948,004.10	-4,533,485.35	-735,994.22

Other descriptions:



**(2) Consolidation Cost and Goodwill**

In RMB

Consolidation cost	Lisheng Intelligent Technology (Shanghai) Co., Ltd.	Cosmo Corporation Cayman Limited	Luxis Hongkong Co., Ltd.	Luxis Singapore Co., Ltd.	Cosmic M.E. Inc.
--Cash	100,000,000.00	515,061,750.00	1,184,927,432.98	469,236,456.66	3,631,146.16
--Fair value of non-cash assets					
--Fair value of liabilities issued or assumed					
--Fair value of equity instruments issued					
--Fair value of contingent consideration					
--Fair value of equity held before the acquisition date at the acquisition date					
--Other					
Total consolidation cost	100,000,000.00	515,061,750.00	1,184,927,432.98	469,236,456.66	3,631,146.16
Less: Share of fair value of identifiable net assets acquired	-39,752,637.63	512,114,358.56	1,176,062,949.84	463,762,578.76	3,999,223.13
Goodwill/Amount by which consolidation cost is less than the share of fair value of identifiable net assets acquired	139,752,637.63	2,947,391.44	8,864,483.14	5,473,877.90	-368,076.97

Method for determining the fair value of the consolidation cost:

Explanation of contingent consideration and its changes

Main reasons for the formation of significant goodwill:

Other descriptions:

**(3) Identifiable Assets and Liabilities of the Acquired Entity at the Acquisition Date**

In RMB

	Lisheng Intelligent Technology (Shanghai) Co., Ltd.		Cosmo Corporation Cayman Limited		Luxis Hongkong Co., Ltd.		Luxis Singapore Co., Ltd.		Cosmic M.E. Inc.	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Assets:	22,881,612.24	22,881,612.24	879,611,550.37	853,868,303.58	1,636,396,531.85	1,563,693,924.93	1,071,353,171.91	1,052,838,755.21	19,989,884.41	20,802,571.37
Cash and bank balances	3,957,029.40	3,957,029.40	119,806,825.67	119,806,825.67	179,916,276.76	179,916,276.76	96,057,483.11	96,057,483.11	4,064,090.99	4,064,090.99
Receivables	1,353,813.84	1,353,813.84	142,921,850.95	142,921,850.95					1,488,592.73	1,488,592.73
Inventories			164,892,270.81	157,968,045.17	345,647,441.83	345,647,441.83	471,016,446.47	469,800,198.35	5,761,085.09	7,836,987.93
Fixed assets	3,855,834.00	3,855,834.00	127,662,794.53	109,223,016.33	519,887,515.10	479,977,318.58	377,397,984.53	362,773,665.15	1,242,899.21	438,377.07
Intangible assets	1,987,123.17	1,987,123.17	4,635,572.28	4,256,329.33	32,916,100.00	123,689.60	5,720,100.00	3,046,250.80	458,693.74	
Prepayments	5,918,611.62	5,918,611.62	3,551,573.11	3,551,573.11	1,592,255.82	1,592,255.82	426,901.23	426,901.23	1,672,812.53	1,672,812.53
Right-of-use assets	1,109,387.15	1,109,387.15	67,324,317.87	67,324,317.87	86,883,065.86	86,883,065.86	35,050,241.36	35,050,241.36		
Other assets	4,699,813.06	4,699,813.06	248,816,345.15	248,816,345.15	469,553,876.48	469,553,876.48	85,684,015.21	85,684,015.21	5,301,710.14	5,301,710.14
Liabilities:	62,634,249.87	62,634,249.87	367,497,191.81	367,497,191.81	460,333,582.01	460,333,582.01	607,590,593.15	607,590,593.15	14,390,972.02	14,390,972.02
Borrowings			64,444,479.99	64,444,479.99					7,329,241.58	7,329,241.58
Payables	205,643.84	205,643.84	137,012,030.80	137,012,030.80	182,373,349.56	182,373,349.56	172,778,987.06	172,778,987.06	4,635,013.47	4,635,013.47
Deferred tax liabilities			8,999,957.55	8,999,957.55					436,946.37	436,946.37
Other payables	49,047,360.80	49,047,360.80	59,639,040.82	59,639,040.82	2,822,087.11	2,822,087.11	340,660,000.00	340,660,000.00		
Other liabilities	13,381,245.23	13,381,245.23	97,401,682.65	97,401,682.65	275,138,145.34	275,138,145.34	94,151,606.09	94,151,606.09	1,989,770.60	1,989,770.60
Net assets	39,752,637.63	39,752,637.63	512,114,358.56	486,371,111.77	1,176,062,949.84	1,103,360,342.92	463,762,578.76	445,248,162.06	5,598,912.39	6,411,599.35
Less: Minority interests									1,599,689.26	1,831,873.92
Net assets acquired	39,752,637.63	39,752,637.63	512,114,358.56	486,371,111.77	1,176,062,949.84	1,103,360,342.92	463,762,578.76	445,248,162.06	3,999,223.13	4,579,725.43

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

Contingent liabilities of the acquired entity assumed in the business combination:

Other descriptions:

#### (4) Other Descriptions:

On September 30, 2024, the Company acquired 100% equity of Xinhao Optoelectronics (Dongguan) Co., Ltd., which was included in the scope of consolidation. The acquisition consideration was RMB 52,470,000.00. According to Accounting Standards Interpretation No. 13, for transactions not under common control, the Company may choose to use the simplified judgment method of "concentration test" when determining whether the acquired asset portfolio constitutes a business. In conducting a concentration test, if the fair value of the total assets acquired by the acquirer is almost equivalent to the fair value of a single identifiable asset or a group of similar identifiable assets among them, then the portfolio passes the concentration test and should be judged not to constitute a business. When acquiring 100% equity of Xinhao Optoelectronics (Dongguan) Co., Ltd., the proportion of the target company's construction in progress and intangible assets in its total assets reached 94.26%. This transaction passed the concentration test and was judged not to constitute a business. Therefore, the purchase cost is allocated based on the relative fair value of the various assets and liabilities acquired on the purchase date, and is not accounted for according to the accounting method for business combinations.

## 2. Changes in Consolidation Scope for Other Reasons

Descriptions on changes in the scope of consolidation for other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related situations:

1. The Company's changes in scope of consolidation caused by newly established subsidiaries in 2024 are stated as follows:

Company	Date of establishment
Luxshare Precision Industry (Lu'an) Co., Ltd.	February 09, 2024
Stellar Prosperity LLC	May 07, 2024
Time Interconnect Singapore Pte. Ltd.	September 05, 2024
Shanghai Lilinxunda Smart Terminal Co., Ltd.	June 03, 2024
Lilinxunda Smart Terminal (Jiashan) Co., Ltd.	August 06, 2024
Time Interconnect America Inc	July 18, 2024
DA CHUANG PRECISION LIMITED	July 23, 2024
Time Interconnect MedTech UK Limited	September 12, 2024
Da Chuang Investment Limited	September 25, 2024
Luxshare Energy (Jiangxi) Co., Ltd.	March 20, 2024
Chuzhou Luxshare Technologies Co., Ltd.	January 24, 2024
LUXSHARE TECHNOLOGIES SINGAPORE PTE. LTD.	May 28, 2024
Luxcase Precision Co., Ltd.	January 15, 2024
Luxcase Korea Co., Ltd.	July 15, 2024
Lijing Precision Technology (Zhejiang) Co., Ltd.	June 20, 2024
Luxshare Automotive Technology (Jiangsu) Co., Ltd.	December 10, 2024
Lide Technology (Vietnam) Co., Ltd.	August 02, 2024

2. Changes in the scope of consolidation due to the cancellation of subsidiaries by the Company in 2024 are as follows:

Company	Cancellation Date
Merry Electronics (Shanghai) Co., Ltd.	July 25, 2024
Rugao Luxshare Enterprise Management Services Partnership (Limited Partnership)	October 09, 2024

Lianxun Smart Equipment (Rugao) Co., Ltd.	July 01, 2024
Huizhi Software Technology (Huizhou) Co., Ltd.	June 07, 2024
Huiju Robotics Technology (Shanghai) Co., Ltd.	April 26, 2024

### 3. Others

On September 30, 2024, the Company acquired 100% equity of Xinhao Optoelectronics (Dongguan) Co., Ltd., which was included in the scope of consolidation. The acquisition consideration was RMB 52,470,000.00. According to Accounting Standards Interpretation No. 13, for transactions not under common control, the Company may choose to use the simplified judgment method of "concentration test" when determining whether the acquired asset portfolio constitutes a business. In conducting a concentration test, if the fair value of the total assets acquired by the acquirer is almost equivalent to the fair value of a single identifiable asset or a group of similar identifiable assets among them, then the portfolio passes the concentration test and should be judged not to constitute a business. When acquiring 100% equity of Xinhao Optoelectronics (Dongguan) Co., Ltd., the proportion of the target company's construction in progress and intangible assets in its total assets reached 94.26%. This transaction passed the concentration test and was judged not to constitute a business. Therefore, the purchase cost is allocated based on the relative fair value of the various assets and liabilities acquired on the purchase date, and is not accounted for according to the accounting method for business combinations.

## X. Equity in Other Entities

### 1. Equity in Subsidiaries

#### (1) Composition of the Enterprise Group

In RMB

Subsidiaries	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding ratio		Method of acquisition
					Direct	Indirect	
Luxshare Precision Technology Co., Ltd.	USD 9 million and RMB 100 million	Hong Kong	Hong Kong	Investment consulting	100.00%		Establishment
Taiwan Luxshare Precision Limited	NT\$618.758 million	Taiwan	Taiwan	Marketing business		100.00%	Establishment
LuxshareICT, Inc.	USD 2 million	United States	United States	Marketing business		100.00%	Establishment
LUXSHARE-ICT EUROPE LIMITED	GBP 100	UK	UK	Marketing business		100.00%	Establishment
Luxshare Precision Limited	USD 5 million	Hong Kong	Hong Kong	Trade	100.00%		Establishment
Yunding Technology Co., Ltd.	USD 7.58853 million	Hong Kong	Hong Kong	Investment consulting		100.00%	Establishment
Huzhou Jiuding Electronic Co., Ltd.	RMB 30,800,000	Huzhou	Huzhou	Processing and manufacturing		100.00%	Business combination involving enterprises not under common

							control
LUXSHARE-ICT Co., Ltd.	JPY 80 million	Japan	Japan	Marketing business		80.00%	Establishment
Korea LuxshareICT Co., Ltd	KRW 545,750,000	Korea	Korea	Marketing business		100.00%	Establishment
Luxshare India Private Limited	NPR557,500,000	India	Chennai	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Investment Co., Ltd.	USD 100	Hong Kong	Hong Kong	Investment consulting		100.00%	Establishment
Luxis Technology Limited	USD 1.5 million	Hong Kong	Hong Kong	Investment consulting		100.00%	Establishment
Luxis Singapore Co., Ltd	SGD 32.2 million	Singapore	Singapore	Investment consulting		100.00%	Business combination involving enterprises not under common control
Luxis Dezhou Co., Ltd	USD 32 million	Dezhou	Dezhou	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
Luxis Hongkong Co., Ltd	HKD 10,000	Hong Kong	Hong Kong	Investment consulting		100.00%	Business combination involving enterprises not under common control
Luxis Beijing Co., Ltd	USD 38,000,000	Beijing	Beijing	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
Cosmo Corporatrion Cayman Limited	USD 200,000	Cayman	Cayman	Investment consulting		100.00%	Business combination involving enterprises not under common control
Cosmo International Limited	USD 50,000	BVI	BVI	Investment consulting		100.00%	Business combination involving enterprises not under

							common control
Cosmo Supply Limited	HKD 13,372,300	Hong Kong	Hong Kong	Trade		100.00%	Business combination involving enterprises not under common control
Cosmo Crew Limited	HKD 50,000	Hong Kong	Hong Kong	Investment consulting		100.00%	Business combination involving enterprises not under common control
Cosmo Co USA Inc	USD 1,000,000	United States	United States	Investment consulting		100.00%	Business combination involving enterprises not under common control
Cosmo Industrial (Dongguan) Co., Ltd.	USD 11,000,000	Dongguan	Dongguan	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
Cosmo Manufacturing Thailand Co Limited	THB 600,000,000	Thailand	Thailand	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
Cosmo Lab Inc	USD 1,000,000	United States	United States	Investment consulting		100.00%	Business combination involving enterprises not under common control
Luxshare Lanto India Private Limited	INR 1,400,000	India	India	Processing and manufacturing		100.00%	Establishment
TIME Interconnect Technology Limited	HKD 19,459,520	Cayman	Cayman	Investment consulting		70.85%	Business combination involving enterprises not under common control
Huaxun Cable Co., Ltd.	HKD 8,390,000	BVI	BVI	Investment consulting		70.85%	Business combination

							involving enterprises not under common control
Linkz International Limited	HKD 10,000	Hong Kong	Hong Kong	Trade		70.85%	Business combination involving enterprises not under common control
Huaxun Industrial (Suzhou) Co., Ltd.	USD 30,000,000	Suzhou	Suzhou	Processing and manufacturing		70.85%	Business combination involving enterprises not under common control
Huaxun Hong Kong Limited	HKD 10,000,000	Hong Kong	Hong Kong	Investment consulting		70.85%	Business combination involving enterprises not under common control
Lingxun Wire Industry (Shanghai) Co., Ltd.	USD 15,000,000	Shanghai	Shanghai	Processing and manufacturing		67.31%	Business combination involving enterprises not under common control
HOVER MANUFACTURING COMPANY LIMITED	HKD 8,000,000	Hong Kong	Hong Kong	Investment consulting		70.85%	Business combination involving enterprises not under common control
Hover (Kunshan) Electronic Material Co., Limited	HKD 30,000,000	Kunshan	Kunshan	Processing and manufacturing		70.85%	Business combination involving enterprises not under common control
Kunshan Deqin Machinery Limited	RMB 1,000	Kunshan	Kunshan	Processing and manufacturing		70.85%	Business combination involving enterprises not under common control
Time Interconnect Investment Limited	HKD 77,934	BVI	BVI	Investment consulting		70.85%	Business combination involving enterprises not under

							common control
TIME Interconnect (HK) Limited	HKD 10,000	Hong Kong	Hong Kong	Investment consulting		70.85%	Business combination involving enterprises not under common control
TIME Interconnect Technology (Huizhou) Limited	USD 28,602,860	Huizhou	Huizhou	Processing and manufacturing		70.85%	Business combination involving enterprises not under common control
TIME Interconnect Industrial Co., Ltd.	HKD 2,000,000	Hong Kong	Hong Kong	Trade		70.85%	Business combination involving enterprises not under common control
TIME Interconnect Industrial Co., Ltd.	HKD 68,935,877	Hong Kong	Hong Kong	Trade		70.85%	Business combination involving enterprises not under common control
Huizhou Chuangxiang Technology Limited	RMB 14,525.01	Huizhou	Huizhou	Processing and manufacturing		70.85%	Business combination involving enterprises not under common control
Time Interconnect Wire Technology (Huizhou) Limited	RMB 2,997.53	Huizhou	Huizhou	Processing and manufacturing		70.85%	Business combination involving enterprises not under common control
TIME Interconnect Server Technology Co., Ltd.	HKD 10,000	Hong Kong	Hong Kong	Trade		70.85%	Business combination involving enterprises not under common control
Dachuang Precision Smart Manufacturing (Dongguan) Co., Ltd.	RMB 20,000	Dongguan	Dongguan	Processing and manufacturing		70.85%	Establishment



Da Chuang Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	RMB 20,000	Kunshan	Kunshan	Processing and manufacturing		70.85%	Business combination involving enterprises not under common control
Huiju Dachuang Information (Shanghai) Co., Ltd.	RMB 5,000	Shanghai	Shanghai	Processing and manufacturing		70.85%	Establishment
Time Interconnect Technology (Jiangxi) Limited	RMB 5,000	Wan'an	Wan'an	Processing and manufacturing		70.85%	Establishment
Time Interconnect Technology (Kunshan) Limited	RMB 25,000	Kunshan	Kunshan	Processing and manufacturing		70.85%	Establishment
Linkz Cables Mexico S.deR.L. de C.V.	MXN 50,000	Mexico	Mexico	Processing and manufacturing		70.85%	Establishment
Cosmic M.E. Inc.	JPY 90,000,000	Japan	Japan	Processing and manufacturing		50.61%	Business combination involving enterprises not under common control
Time Interconnect America Inc	USD 50,000	United States	United States	Processing and manufacturing		70.85%	Establishment
DA CHUANG PRECISION LIMITED	USD 1,286.9	Cayman	Cayman	Processing and manufacturing		70.85%	Establishment
Time Interconnect MedTech UK Limited	GBP 50,000	UK	UK	Processing and manufacturing		70.85%	Establishment
Da Chuang Investment Limited	HKD 10,000	Hong Kong	Hong Kong	Investment consulting		70.85%	Establishment
Singapore Luxshare Co., Ltd.	USD 700,000	Singapore	Singapore	Marketing business		100.00%	Establishment
ICT Legend S. DE R.L. DE C.V.	MXN 246,109,367	Mexico	Mexico	Processing and manufacturing		100.00%	Establishment
Stellar Prosperity LLC	USD 40,000,000	United States	United States	Processing and manufacturing		100.00%	Establishment

Time Interconnect Singapore Pte. Ltd.	USD 40,0000	Singapore	Singapore	Investment consulting		100.00%	Establishment
ICT-LANTO LIMITED(HK)	USD 153,290,322	Hong Kong	Hong Kong	Trade	100.00%		Business combination involving enterprises not under common control
SpeedTech Corp.	TWD 1,719,573,000	Taiwan	Taiwan	Processing and manufacturing		30.46%	Business combination involving enterprises not under common control
Castle Rock, Inc.	TWD 104,000,000	Taiwan	Taiwan	Processing and manufacturing		12.18%	Business combination involving enterprises not under common control
Cyber Acoustics, LLC(USA)	USD 310,400	United States	United States	Trade		21.32%	Business combination involving enterprises not under common control
Caldigit Holding Limited	USD 3,000,000	United States	Cayman Islands	Investment consulting		12.18%	Business combination involving enterprises not under common control
TaiHan Precision Technology Co., Ltd.	TWD 1,500,000,000	Taiwan	Taiwan	Processing and manufacturing		8.83%	Business combination involving enterprises not under common control
Lide Technology (Vietnam) Co., Ltd.	USD 6,000,000	Vietnam	Vietnam	Processing and manufacturing		30.46%	Establishment
Luxshare-ICT (Vietnam) Limited	VND 2,805,633,600,000,000	Vietnam	Vietnam	Processing and manufacturing		100.00%	Establishment
Luxshare-ICT (Van Trung) Company Limited	VND 2,613,000,000,000,000	Vietnam	Vietnam	Processing and manufacturing		100.00%	Establishment

Luxshare-ICT (Nghe An) Limited	VND 2,724,865,040,650,000	Vietnam	Vietnam	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Kunshan) Co., Ltd.	RMB 50,800	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Industry (Baoding) Co., Ltd.	RMB 7,000	Baoding	Baoding	Processing and manufacturing		100.00%	Establishment
Xuancheng Luxshare Precision Industry Co., Ltd.	RMB 10,000	Xuancheng	Xuancheng	Processing and manufacturing		100.00%	Establishment
Luxshare Electronic (Shanghai) Co., Ltd.	RMB 10,000	Shanghai	Shanghai	Processing and manufacturing		88.00%	Establishment
Luxshare Precision Industry (Jiangsu) Co., Ltd.	RMB 5,000	Liyang	Liyang	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Yancheng) Co., Ltd.	RMB 5,000	Yancheng	Yancheng	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Hefei) Co., Ltd.	RMB 2,000	Hefei	Hefei	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Hubei) Co., Ltd.	RMB 5,000	Macheng	Macheng	Processing and manufacturing		100.00%	Establishment
Luxshare Automotive Technology (Shanghai) Co., Ltd.	RMB 2,000	Shanghai	Shanghai	Processing and manufacturing		90.00%	Establishment
Luxshare Precision Industry (Wuhu) Co., Ltd.	RMB 2,000	Wuhu	Wuhu	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Anhui) Co., Ltd.	RMB 5,000	Fuyang	Fuyang	Processing and manufacturing		100.00%	Establishment
Lisheng Intelligent Technology (Shanghai) Co., Ltd.	RMB 10,000	Shanghai	Shanghai	R&D Center		100.00%	Business combination involving enterprises not under common control
Lisheng Intelligent Technology (Chengdu) Co., Ltd.	RMB 5,000	Chengdu	Chengdu	R&D Center		100.00%	Business combination involving enterprises not under common control

Luxshare Precision Industry (Lu'an) Co., Ltd.	RMB 5,000	Lu'an	Lu'an	Processing and manufacturing		100.00%	Establishment
Lanto Electronic Limited	RMB 232,000	Kunshan	Kunshan	Processing and manufacturing	100.00%		Business combination involving enterprises not under common control
Bozhou Lanto Electronic Limited	RMB 13,000	Bozhou	Bozhou	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
Bozhou Xuntao Electronics Co., Ltd.	RMB 200	Bozhou	Bozhou	Processing and manufacturing		100.00%	Establishment
Suining Luxshare Precision Industry Co., Ltd.	RMB 2,000	Suining	Suining	Processing and manufacturing		100.00%	Establishment
Merry Electronics (Suzhou) Co., Ltd.	USD 91,836,735	Suzhou	Suzhou	Processing and manufacturing		51.00%	Business combination involving enterprises not under common control
Beijing Luxshare Acoustic Technology Co., Ltd.	RMB 1,000	Beijing	Beijing	Processing and manufacturing		100.00%	Establishment
Shanxi Luxshare Precision Industry Co., Ltd.	RMB 9,000	Changzhi	Changzhi	Processing and manufacturing		100.00%	Establishment
Changzhi Luxshare Precision Industry Co., Ltd.	RMB 2,000	Changzhi	Changzhi	Processing and manufacturing		100.00%	Establishment
Lanto Electronic (Suzhou) Limited	RMB 18,000	Suzhou	Suzhou	Processing and manufacturing		100.00%	Establishment
Wan'an Xiexun Electronic Co., Ltd.	RMB 4,000	Wan'an	Wan'an	Processing and manufacturing	100.00%		Establishment
Xiexun Electronic (Ji'an) Co., Ltd.	RMB 11,471.897944	Ji'an	Ji'an	Processing and manufacturing	100.00%		Business Combination Under Common Control
Yongxin County Boshuo Electronics Co., Ltd.	RMB 2,000	Yongxin County	Yongxin County	Processing and manufacturing		100.00%	Business combination involving enterprises

							not under common control
Xinyu Xiexun Electronics Co., Ltd.	RMB 1,100	Xinyu	Xinyu	Processing and manufacturing		100.00%	Establishment
Jiangxi ASAP Electronicss Co., Ltd.	RMB 1,000	Ji'an	Ji'an	Processing and manufacturing		100.00%	Establishment
Fujian JK Wiring Systems Co., Ltd..	USD 5,600,000	Fuzhou	Fuzhou	Processing and manufacturing	55.00%		Business combination involving enterprises not under common control
Jianou JK Wiring Systems Co., Ltd.	RMB 400	Jian'ou	Jian'ou	Processing and manufacturing		55.00%	Establishment
Luxshare Electronic Technology (Kunshan) Co., Ltd.	RMB 220,000	Kunshan	Kunshan	Processing and manufacturing	100.00%		Business combination involving enterprises not under common control
Shenzhen Luxshare Acoustics Technology Ltd.	RMB 2,800	Shenzhen	Shenzhen	Processing and manufacturing	100.00%		Establishment
Fengshun Luxshare Precision Industry Co., Ltd.	RMB 1,000	Fengshun	Fengshun	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Industry (Chuzhou) Co., Ltd.	RMB 75,800	Chuzhou	Chuzhou	Processing and manufacturing	100.00%		Establishment
Luxshare New Energy (Anhui) Co., Ltd.	RMB 18,000	Chuzhou	Chuzhou	Processing and manufacturing		100.00%	Establishment
Luxshare Precision Industry (Mingguang) Co., Ltd.	RMB 5,000	Chuzhou	Chuzhou	Processing and manufacturing		100.00%	Establishment
SuK Kunststofftechnik GmbH	EUR 25,564	Germany	Germany	Processing and manufacturing	100.00%		Business combination involving enterprises not under common control
Luxshare Automation (Jiangsu) Ltd.	RMB 3,000	Kunshan	Kunshan	Processing and manufacturing	70.00%		Business combination involving enterprises not under

							common control
Dongguan Luxshare Precision Industry Co., Ltd.	RMB 100,000	Dongguan	Dongguan	Processing and manufacturing	100.00%		Establishment
Guangdong Luxshare & Merry Electronics Co., Ltd.	RMB 20,000	Dongguan	Dongguan	Processing and manufacturing		51.00%	Establishment
Merry Electronics (Huizhou) Co., Ltd.	RMB 10,000	Huizhou	Huizhou	Processing and manufacturing		51.00%	Business combination involving enterprises not under common control
Xingning Luxshare-ICT Electronics Co., Ltd.	RMB 850	Xingning	Xingning	Processing and manufacturing		100.00%	Establishment
Xinhao Optoelectronics (Dongguan) Co., Ltd.	RMB 5,000	Dongguan	Dongguan	Processing and manufacturing		100.00%	Business combination involving enterprises not under common control
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	RMB 100,000	Ji'an	Ji'an	Processing and manufacturing	100.00%		Establishment
Shenzhen Luxshare Smart Life Co., Ltd.	RMB 3,000	Shenzhen	Shenzhen	Processing and manufacturing	70.00%		Establishment
Luxshare Standard Limited (HK)	USD 1,457,640	Hong Kong	Hong Kong	Processing and manufacturing		70.00%	Establishment
Luxshare Precision Industry (Enshi) Co., Ltd.	RMB 10,000	Enshi	Enshi	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Industry (Suzhou) Co., Ltd.	RMB 13,000	Suzhou	Suzhou	Processing and manufacturing	100.00%		Establishment
Luxshare iTech (Zhejiang) Co., LTD.	RMB 73,000	Jiashan	Jiashan	Processing and manufacturing	100.00%		Establishment
Luxshare Electronic Services (Zhejiang) Co., Ltd.	RMB 5,000	Jiashan	Jiashan	Processing and manufacturing		100.00%	Establishment
Shanghai Lilinxunda Smart Terminal Co., Ltd.	RMB 1,000	Shanghai	Shanghai	Processing and manufacturing		75.00%	Establishment

Lilinxunda Smart Terminal (Jiashan) Co., Ltd.	RMB 5,000	Jiashan	Jiashan	Processing and manufacturing		75.00%	Establishment
Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.	RMB 130,000	Changshu	Changshu	Processing and manufacturing	100.00%		Establishment
Dongguan Luxshare Technology Co., Ltd.	RMB 57,106.3656	Dongguan	Dongguan	Processing and manufacturing	89.43%		Establishment
Luxshare Technologies Limited	RMB 500	Hong Kong	Hong Kong	Processing and manufacturing		89.43%	Establishment
Dongguan Xuntao Electronics Co., Ltd.	RMB 53,981.79555	Dongguan	Dongguan	Processing and manufacturing		89.43%	Business combination involving enterprises not under common control
Xingning Luxshare-ICT Electronics Co., Ltd.	RMB 500	Xingning	Xingning	Processing and manufacturing		89.43%	Establishment
Suzhou Luxshare Technology Co., Ltd.	RMB 20,000	Kunshan	Kunshan	Processing and manufacturing		89.43%	Establishment
Hangzhou Xuntao Technology Co., Ltd.	RMB 2,500	Hangzhou	Hangzhou	Processing and manufacturing		89.43%	Establishment
Zhejiang Puxing Electronic Technology Co., Ltd.	RMB 1,460	Zhejiang	Zhejiang	Processing and manufacturing		89.43%	Business combination involving enterprises not under common control
Dongguan Luxshare Smart-Link Electronic Technology Co.,Ltd	RMB 8,000	Dongguan	Dongguan	Processing and manufacturing		89.43%	Establishment
Shenzhen Huarong Technology Co., Ltd.	RMB 1,250	Shenzhen	Shenzhen	Processing and manufacturing		67.98%	Business combination involving enterprises not under common control
Dongguan Huarong Communications Technology Co., Ltd.	RMB 2,000	Dongguan	Dongguan	Processing and manufacturing		67.98%	Business combination involving enterprises not under common control

Dongguan Huarong Supply Chain Management Co., Ltd.	RMB 1,000	Dongguan	Dongguan	Processing and manufacturing		67.98%	Business combination involving enterprises not under common control
Dongguan Changlong Communications Technology Co., Ltd.	RMB 200	Dongguan	Dongguan	Processing and manufacturing		67.98%	Business combination involving enterprises not under common control
Luxshare Rechuan Technology (Huizhou) Co., Ltd.	RMB 10,000	Huizhou	Huizhou	Processing and manufacturing		62.60%	Establishment
Shenzhen Sanhe Rongyu Technology Co., Ltd.	RMB 100	Shenzhen	Shenzhen	Processing and manufacturing		89.43%	Business combination involving enterprises not under common control
Shantou Luxshare Technologies Co., Ltd.	RMB 10,000	Shantou	Shantou	Processing and manufacturing		89.43%	Establishment
ASAP Technology (Jiangxi) Co., Ltd.	RMB 10,092.4134	Ji'an	Ji'an	Processing and manufacturing		89.43%	Business combination involving enterprises not under common control
Luxshare Technologies (Xi'an) Co., Ltd.	RMB 5,000	Xi'an	Xi'an	Processing and manufacturing		89.43%	Establishment
Luxshare Technologies International, Inc.	USD 1,000,000	United States	United States	Marketing business		89.43%	Establishment
Luxshare Technologies (Vietnam) Co., Ltd	VND 105,300,000,000	Vietnam	Vietnam	Processing and manufacturing		89.43%	Establishment
Luxshare Technologies Mexico S. de R.L.de c.v.	MXN 40,000	Mexico	Mexico	Processing and manufacturing		89.43%	Establishment
Luxshare Energy (Jiangxi) Co., Ltd.	RMB 10,000	Ji'an	Ji'an	Processing and manufacturing		89.43%	Establishment



Chuzhou Luxshare Technologies Co., Ltd.	RMB 3,000	Chuzhou	Chuzhou	Processing and manufacturing		89.43%	Establishment
LUXSHARE TECHNOLOGIES SINGAPORE PTE. LTD.	USD 100	Singapore	Singapore	Processing and manufacturing		89.43%	Establishment
Changshu Luxshare Industrial Investment Management Co., Ltd.	RMB 66,000	Changshu	Changshu	Investment consulting	100.00%		Establishment
Yancheng Luxshare Enterprise Management Services Partnership (Limited Partnership)	RMB 220,000	Yancheng	Yancheng	Investment consulting		9.09%	Establishment
Luxshare Smart Equipment (Yancheng) Co., Ltd.	RMB 220,100	Yancheng	Yancheng	Investment consulting		9.14%	Establishment
Jiashan Luxshare Enterprise Management Services Partnership (Limited Partnership)	RMB 220,000	Jiashan	Jiashan	Investment consulting		9.09%	Establishment
Jiashan Luxshare Smart Equipment Co., Ltd.	RMB 220,100	Jiashan	Jiashan	Investment consulting		9.14%	Establishment
Kunshan Luxshare Enterprise Management Development Co., Ltd.	RMB 20000	Kunshan	Kunshan	Investment consulting	100.00%		Establishment
Kunshan Luxshare Enterprise Management Services Partnership (Limited Partnership)	RMB 220,000	Kunshan	Kunshan	Investment consulting		9.09%	Establishment
Luxshare Smart Equipment (Kunshan) Co., Ltd.	RMB 220,100	Kunshan	Kunshan	Processing and manufacturing		9.14%	Establishment
Luxshare Electronic Technology (Enshi) Co., Ltd.	RMB 24,500	Enshi	Enshi	Processing and manufacturing	100.00%		Establishment
Luxis Technology (Kunshan) Co., Ltd.	RMB 24,500	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Luxcase Precision Technology (Yancheng) Co., Ltd.	RMB 6,264,312,296	Yancheng	Yancheng	Processing and manufacturing	49.75%		Business combination involving enterprises not under common

							control
Ripei Computer Accessories (Shanghai) Co., Ltd.	RMB 3,084.8	Shanghai	Shanghai	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Ri Shan Computer Accessories (Jia Shan) Co., Ltd.	RMB 143,768.4	Jiashan	Jiashan	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	RMB 63,892.8568	Shanghai	Shanghai	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Shengrui Electronic Technology (Shanghai) Co., Ltd.	RMB 6,360.3	Shanghai	Shanghai	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	RMB 250,000	Rugao	Rugao	Processing and manufacturing		49.75%	Business combination involving enterprises not under common control
Caseteck Singapore PTE. LTD.,	USD 730,000	Singapore	Singapore	Investment consulting		49.75%	Business combination involving enterprises not under common control
Luxshare Intelligent Manufacture Technology (Rugao) Co., LTD	RMB 10,000	Rugao	Rugao	Processing and manufacturing		49.75%	Establishment
Luxcase Precision Technology (Kunshan) Co., Ltd.	RMB 50,000	Kunshan	Kunshan	Processing and manufacturing		49.75%	Establishment

Luxcase Precision Technology (Vietnam) Co., Ltd.	VND 172,800,000,000	Vietnam	Vietnam	Processing and manufacturing		49.75%	Establishment
Luxcase Precision Co., Ltd.	USD 5 million	Hong Kong	Hong Kong	Trade		49.75%	Establishment
Luxcase Korea Co., Ltd.	USD 200,000	Korea	Korea	Marketing business		49.75%	Establishment
Lijing Precision Technology (Zhejiang) Co., Ltd.	RMB 50,000	Jiashan	Jiashan	Processing and manufacturing		49.75%	Establishment
Luxis Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	RMB 30,000	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Luxis Precision Intelligent Manufacturing (Shantou) Co., Ltd.	RMB 10,000	Shantou	Shantou	Trade		100.00%	Establishment
Luxshare Smart Manufacturing Electronic Services (Kunshan) Co., Ltd.	RMB 20,000	Kunshan	Kunshan	Processing and manufacturing	100.00%		Establishment
Liding Electronic Technology (Dongguan) Co., Ltd.	RMB 25,000	Dongguan	Dongguan	Processing and manufacturing	100.00%		Establishment
Luxshare Precision Technology (Nanjing) Co., Ltd.	RMB 5,000	Nanjing	Nanjing	Processing and manufacturing	100.00%		Establishment
Fengshun Luxshare Intelligent Manufacture Co., Ltd.	RMB 25,000	Fengshun	Fengshun	Processing and manufacturing	100.00%		Establishment
Lisen Precision Technology (Kunshan) Co., Ltd.	RMB 17,000	Kunshan	Kunshan	Processing and manufacturing	76.47%		Establishment
Huzhou Luxshare Precision Industry Co., Ltd.	RMB 25,000	Huzhou	Huzhou	Processing and manufacturing	100.00%		Establishment
Dongguan Luxshare Holdings Co., Ltd.	RMB 20,000	Dongguan	Dongguan	Investment consulting	100.00%		Establishment
Luxshare Automotive Technology (Jiangsu) Co., Ltd.	RMB 50,000	Jiangsu	Jiangsu	Processing and manufacturing	100.00%		Establishment

Descriptions on the difference between the shareholding ratio and the voting right ratio in the subsidiary:

None.

Basis for holding half or less voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

Basis for the control of significant structured entities included in the consolidation scope:

Basis for determining whether a company is an agent or a principal:

Other descriptions:

## (2) Significant Non-wholly-owned Subsidiaries

In RMB

Subsidiaries	Shareholding ratio of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared and distributed to minority shareholders in the current period	Balance of minority interest at the end of the period
Luxcase Precision Technology (Yancheng) Co., Ltd.	50.25%	761,376,979.54		8,415,125,932.92

Descriptions on the difference between the shareholding ratio of minority shareholders and their voting right ratio in the subsidiary:

None.

Other descriptions:

None.

## (3) Main Financial Information of Significant Non-wholly-owned Subsidiaries

In RMB

Subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Luxcase Precision Technology (Yancheng) Co., Ltd.	37,161,395,425.48	11,863,913,254.31	49,025,308,679.79	31,773,635,007.01	491,428,088.73	32,265,063,095.74	25,423,036,044.85	10,372,710,992.02	35,795,747,036.87	20,145,946,853.72	541,754,886.17	20,687,701,739.89

In RMB

Subsidiaries	Amount recognized in the current period				Amount recognized in the prior period			
	Operating income	Net profits	Total comprehensive income	Cash flow from operating activities	Operating income	Net profits	Total comprehensive incomes	Cash flow from operating activities

Luxcase Precision Technology (Yancheng) Co., Ltd.	91,031,818,462.24	1,515,310,752.67	1,652,200,287.07	8,840,659,814.27	79,079,113,772.15	1,965,034,291.16	2,067,110,420.31	6,533,472,194.48
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Other descriptions:

## 2. Equity in Joint Ventures or Associates

### (1) Summary Financial Information of Insignificant Joint Ventures and Associates

In RMB

	Closing balance/Amount recognized in the current period	Opening balance/Amount recognized in the prior period
Joint ventures:		
Total book value of investment	144,667,266.46	132,877,500.01
Total amount of the following items calculated according to shareholding ratio		
--Net profit	17,144,827.70	15,859,552.50
--Total comprehensive income	17,144,827.70	15,859,552.50
Associates:		
Total book value of investment	7,343,628,667.55	4,100,064,241.04
Total amount of the following items calculated according to shareholding ratio		
--Net profit	3,301,007,264.30	2,028,502,057.39
--Other comprehensive income	-6,025,193.24	-7,598,398.15
--Total comprehensive income	3,294,982,071.06	2,020,903,659.24

Other descriptions:

## 3. Others

None.

## XI. Government Grants

### 1. Government Grants Recognized as Receivables at the End of the Reporting Period

☐Applicable ☒N/A

Reasons for not receiving government grants as expected at the anticipated timing

☐Applicable ☒N/A

**2. Liabilities Related to Government Grant**

☑Applicable ☐N/A

In RMB

Accounting subject	Opening balance	Amount of new subsidies for the current period	Amount of non-operating income recognized for the current period	Amount transferred to other income for the current period	Other changes for the current period	Closing balance	Related to assets/income
Deferred income	595,323,601.05	225,421,929.08		171,636,897.69		649,108,632.44	Related to assets

**3. Government Grants Recognized in the Current Period's Profit or Loss**

☑Applicable ☐N/A

In RMB

Accounting subject	Amount recognized in the current period	Amount recognized in the prior period
Other income - Directly recorded	761,501,174.28	602,278,917.77
Offset financial expenses - Directly recorded	850,000.00	10,000,000.00
Other income - Transfer from deferred income	171,636,897.69	188,819,870.75
Total	933,988,071.97	801,098,788.52

Other descriptions:

**XII. Risks Associated with Financial Instruments****1. Types of Risks Generated by Financial Instruments****1. Credit Risk**

Credit risks refer to the risks that one party to a financial instrument suffers financial losses due to the failure of the other party to perform its obligations. The customer credit risks mainly faced by the Company come from credit sales. Before signing a new contract, the Company will assess the credit risks generated by new customers from perspectives such as external credit rating and, in some cases, bank credit certification (when the same is available). The Company has a credit limit, which is the maximum amount without additional approval, for each customer.

The Company ensures that its overall credit risk is within the controllable range through quarterly monitoring of credit rating of existing customers and monthly review of aging analysis of accounts receivable. Customers are grouped according to their credit characteristics when the credit risks from them are monitored. Customers rated as “high risk” will be placed on the restricted customer list, and only with additional approval can the Company sell them on credit in the future period, otherwise they must be required to pay the corresponding amount in advance.

**2. Liquidity Risk**

Liquidity risk refers to the risk of funds shortage when an enterprise is obligated to settle its obligations by delivering cash or other financial assets.

Our company's policy is to ensure sufficient cash to repay maturing debts. Liquidity risk is centrally controlled by our company's finance department. The finance department monitors cash balances, marketable securities that can be liquidated at any time, and rolling forecasts of cash flows for the next 12 months to ensure that the Company has sufficient funds to repay debts under all reasonable forecasts. Simultaneously, it continuously monitors compliance with loan agreements, obtains commitments from major financial institutions to provide sufficient standby funds to meet short-term and long-term funding needs.

The financial liabilities of our company are listed below based on undiscounted contractual cash flows by maturity date:

Item	Closing balance						
	Immediate repayment	Within 1 year	1-2 years	2-5 years	More than 5 years	Total undiscounted contract amount	Book value
Notes payable		878,335,711.94				878,335,711.94	878,335,711.94
Accounts payable		65,087,993,138.64				65,087,993,138.64	65,087,993,138.64
Other payables		502,369,570.62				502,369,570.62	502,369,570.62
Short-term borrowings and interest		35,355,677,012.42				35,355,677,012.42	35,313,128,924.26
Non-current liabilities due within one year		2,292,266,600.45				2,292,266,600.45	2,256,471,507.26
Long-term borrowings and interest			12,988,922,040.76	6,784,208,017.24	875,752,053.82	20,648,882,111.82	19,619,741,634.77
Other current liabilities (short-term financing notes)		5,075,178,904.11				5,075,178,904.11	5,039,811,780.82
Total		109,191,820,938.18	12,988,922,040.76	6,784,208,017.24	875,752,053.82	129,840,703,050.00	128,697,852,268.31

Item	Balance at the end of last year						
	Immediate repayment	Within 1 year	1-2 years	2-5 years	More than 5 years	Total undiscounted contract amount	Book value
Notes payable		492,585,900.03				492,585,900.03	492,585,900.03
Accounts payable		45,908,515,295.43				45,908,515,295.43	45,908,515,295.43
Other payables		406,677,940.53				406,677,940.53	406,677,940.53
Short-term borrowings		20,514,182,240.47				20,514,182,240.47	20,514,182,240.47
Current		2,867,295,870.8				2,867,295,870.8	2,867,295,870.8

Item	Balance at the end of last year						
	Immediate repayment	Within 1 year	1-2 years	2-5 years	More than 5 years	Total undiscounted contract amount	Book value
liabilities due within one year		9				9	9
Long-term borrowings and interest			1,905,178,810.77	9,770,446,879.15	363,145,600.00	12,038,771,289.92	12,038,771,289.92
Other current liabilities (short-term financing notes)		802,722,191.78				802,722,191.78	802,722,191.78
Total		70,991,979,439.13	1,905,178,810.77	9,770,446,879.15	363,145,600.00	83,030,750,729.05	83,030,750,729.05

As of the end of this Annual Reporting period, the balance of lease liabilities of the Company amounted to RMB 727,982,667.37, with an amount due within 1 year of RMB 153,946,615.16.

### 3. Market Risks

Market risks of financial instruments refer to the risks that the fair value or future cash flow of financial instruments will fluctuate due to market price changes, including exchange rate risk, interest rate risk and other price risks.

#### (1) Interest Rate Risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates.

Fixed-rate and floating-rate interest-bearing financial instruments expose our company to fair value interest rate risk and cash flow interest rate risk, respectively. Our company determines the proportion of fixed-rate and floating-rate instruments based on market conditions and maintains an appropriate mix of fixed and floating-rate instruments through regular reviews and monitoring. When necessary, our company utilizes interest rate swap instruments to hedge interest rate risk.

#### (2) Exchange Rate Risk

Exchange rate risk refers to the risk that the fair value of financial instruments or future cash flow will fluctuate due to the change in foreign exchange rate.

The Company continues to monitor the scale of foreign currency transactions and foreign currency assets and liabilities to minimize exposure to foreign exchange risk. Additionally, the Company may enter into forward foreign exchange contracts or currency swap agreements to mitigate exchange rate risk. For the current and prior periods, the Company has not entered into any forward foreign exchange contracts or currency swap agreements.

The foreign exchange risk faced by the Company primarily stems from financial assets and financial liabilities denominated in US dollars. The amounts of foreign currency financial assets and foreign currency financial liabilities converted into Renminbi are detailed in foreign currency monetary items.

#### (3) Other Price Risks

Other price risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to market price changes other than exchange rate risk and interest rate risk.

The other price risk faced by the Company primarily arises from investments in various equity instruments, exposing the Company to the risk of fluctuations in equity instrument prices.

Item	Closing balance	Balance at the end of last year
Investment in other equity instruments	65,001,637.56	200,829,853.18



Item	Closing balance	Balance at the end of last year
Total	65,001,637.56	200,829,853.18

## 2. Financial Assets

### (1) Classification By Transfer Method

☒Applicable ☐N/A

In RMB

Transfer methods	Nature of transferred financial assets	Amount of transferred financial assets	Termination confirmation status	Basis for termination confirmation judgment
Sale	Accounts receivable	24,275,201,634.20	Termination confirmed	Transfer of risks and reward
Discounting, endorsement	Receivable financing	7,017,903,704.22	Termination confirmed	Transfer of risks and reward
Discounting, endorsement	Notes receivable	509,943,952.93	Not terminated	
Total		31,803,049,291.35		

### (2) Financial Assets Terminated Due to Transfer

☒Applicable ☐N/A

In RMB

Item	Methods of financial asset transfer	Amount of financial assets terminated for recognition	Gains or losses related to termination recognition
Accounts receivable	Sale	24,275,201,634.20	-476,778,306.58
Receivable financing	Discounting, endorsement	7,017,903,704.22	-318,418,774.19
Total		31,293,105,338.42	-795,197,080.77

### (3) Continued Involvement in Transferred Financial Assets

☒Applicable ☐N/A

In RMB

Item	Asset transfer method	Amount of assets formed due to continued involvement	Amount of liabilities formed due to continued involvement
Notes receivable	Discounting, endorsement	185,108,908.06	185,108,908.06
Total		185,108,908.06	185,108,908.06

Other descriptions:

### XIII. Disclosure of Fair Value

#### 1. Closing Fair Value of Assets and Liabilities Measured at Fair Value

In RMB

Item	Closing fair value			
	Level I	Level II	Level III	Total
I. Continuous fair value measurement	--	--	--	--
(I) Held-for-trading financial assets		102,882,710.63	1,300,228,099.40	1,403,110,810.03
1. Financial assets at fair value through profit or loss		102,882,710.63	1,300,228,099.40	1,403,110,810.03
(3) Derivative financial assets		102,882,710.63	1,300,228,099.40	1,403,110,810.03
(III) Investment in other equity instruments	41,321,637.56		71,443,434.48	112,765,072.04
(III) Receivables financing			1,106,284,192.29	1,106,284,192.29
(IV) Other non-current financial assets			39,311,504.56	39,311,504.56
Total assets continuously measured at fair value	41,321,637.56	102,882,710.63	2,517,267,230.73	2,661,471,578.92
(VI) Held-for-trading financial liabilities		155,278,918.84		155,278,918.84
Derivative financial liabilities		155,278,918.84		155,278,918.84
Total liabilities continuously measured at fair value		155,278,918.84		155,278,918.84
II. Non-continuous fair value measurement	--	--	--	--

#### 2. Basis for Determining the Market Price of the Items Continuously and Not Continuously Measured at Fair Value at Level I

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

#### 3. Qualitative and Quantitative Information on the Valuation Techniques and Significant Parameters Used for Recurring and Non-recurring Level II Fair Value Measurement Items

Relevant Level 2 inputs, other than Level 1 inputs, are inputs related to the asset or liability that are directly or indirectly observable.

#### 4. Valuation Technology and Qualitative and Quantitative Information of Important Parameters Used in the Items Continuously and Not Continuously Measured at Fair Value at Level III

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

#### 5. Adjustment Information between the Opening Book Value and the Closing Book Value, and the Sensitivity Analysis of Unobservable Parameters for Items Continuously Measured at Fair Value at Level III

None.

#### 6. For Items Continuously Measured at Fair Value, if There is Conversion between Different Levels in the Current Period, the Reasons for the Conversion and the Policy for Determining the Conversion Time Point

None.

#### 7. Changes in Valuation Technology in the Current Period and Reasons for Changes

None.

#### 8. Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

None.

#### 9. Others

None.

### XIV. Related Parties and Related-party Transactions

#### 1. The Parent Company of the Company

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding ratio of the parent company in the Company	Voting rights ratio of the parent company in the Company
Luxshare Limited	Hong Kong	Industry	HKD10,000	37.74%	37.74%

Descriptions on the parent company of the Company

As of December 31, 2024, Luxshare Limited has pledged 32.81% of shares it held.

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

Other descriptions:

## 2. Subsidiaries of the Company

Please refer to Note “X.1. Equity in subsidiaries”.

## 3. Joint Ventures and Associates of the Company

For details on the significant joint ventures or associates of the Company, For details, please refer to Note X, 2 "Interests in joint arrangements 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
SpeedTech 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 sub-subsidiary of the Company
MERRY & LUXSHARE (VIET NAM) CO.,LTD	Joint-stock company of a majority-owned sub-subsidiary of the Company
Zhuhai Kinwong Flexible Circuit Co., Ltd.	Associates of the Company
Lisheng Automotive Technology (Guangzhou) Co., Ltd.	Associates of the Company

Other descriptions:

## 4. Other Related Parties

Name of other related parties	Relationship between other related parties and the Company
BCS Automotive Technology (Shenzhen) Co., Ltd.	An enterprise controlled by the Company's parent company
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 Technology (Kunshan) Co., Ltd.	An enterprise controlled by the Company's parent company
Luxsan Investment (Jiangsu) Co., Ltd.	An enterprise controlled by the Company's parent company
Luxsan Intelligent Equipment (Kunshan) Co., Ltd.	An enterprise controlled by the Company's parent company
LUXSAN TECHNOLOGY LIMITED	An enterprise controlled by the Company's parent company
BCS Automotive Interface Solutions GmbH (Germany)	An enterprise controlled by the Company's parent company
BCS Automotive Interface Solutions US, LLC (USA)	An enterprise controlled by the Company's parent company
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	An enterprise controlled by the Company's parent company
BCS Automotive Interface Solutions s.r.o. (Czech)	An enterprise controlled by the Company's parent company
BCS AIS Ensamblajes Mexico S. de R.L.de C.V. (Mexico)	An enterprise controlled by the Company's parent company
BCS AIS JAPAN CO., LTD.	An enterprise controlled by the Company's parent company
Shishuo Electronics (Kunshan) Co., Ltd.	An enterprise controlled by the Company's parent company
Xianshuo Technology (Shanghai) Co., Ltd.	An enterprise controlled by the Company's parent company
Guangzhou Luxvisions Innovation Technology Limited	Other related party of the Company
Luxvisions Innovation (Ji'an) Co., Ltd.	Other related party of the Company
Luxvisions Innovation Technology Co., Ltd.	Other related party of the Company
LUXVISIONS INNOVATION TECHNOLOGY LIMITED	Other related party of the Company
Xinguang Energy Technology (Anhui) Co., Ltd.	Other related party of the Company
Dongguan Terry Leather Co., Ltd.	Other related party of the Company

Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Other related party of the Company
Teleray (Hong Kong) International Company Limited	Other related party of the Company
Basibo Leather Goods (Guilin) Co., Ltd.	Other related party of the Company
Dongguan Dubo Leather Goods Co., Ltd.	Other related party of the Company
Dongguan Gaowei Optical Electronics Co., Ltd.	Other related party of the Company
Gaowei Optical Electronics Co., Ltd.	Other related party of the Company
Dongguan Liten Innovation Electronics Co., Ltd.	Other related party of the Company
Shangrao City Luxvisions Innovation Technology Co., Ltd.	Other related party of the Company
Xinhao Photoelectric Technology (HK) Limited	Other related party of the Company
COWELL OPTIC ELECTRONICS LTD	Other related party of the Company
Chery Automobile Co., Ltd.	Other related party of the Company
Henan Chery Auto Co., Ltd.	Other related party of the Company
Chery Commercial Vehicle (Anhui) Co., Ltd.	Other related party of the Company
Chery New Energy Automobile Co., Ltd.	Other related party of the Company
Anhui Zhuodun Safety Technology Co., Ltd.	Other related party of the Company
Da'ao Automotive Products (Wuhu) Co., Ltd.	Other related party of the Company
Southeast (Fujian) Automobile Industry Co., Ltd.	Other related party of the Company
Ruijing Supply Chain Technology (Anhui) Co., Ltd.	Other related party of the Company
Wuhu Ecotech Powertrain Co., Ltd.	Other related party of the Company
Wuhu Qida Power Battery System Co., Ltd.	Other related party of the Company
Wuhu Chery Automobile Parts Procurement Co., Ltd.	Other related party of the Company
Shenzhen Xinhao Photoelectric Technology Limited	Other related party of the Company
Dahao Technology (Dongguan) Co., Ltd.	Other related party of the Company
Xinhao Optoelectronics (Enshi) Co., Ltd.	Other related party of the Company
Xunmu Information Technology (Shanghai) Co., Ltd.	Enterprise Controlled by the Actual Controller
Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	Enterprise Controlled by the Actual Controller

Other descriptions:

## 5. Related-Party Transactions

### (1) Related-Party Transactions of Purchasing and Selling Goods, Rendering and Accepting Services

Purchasing goods/accepting services

In RMB

Related party	Related-party transactions	Amount recognized in the current period	Approved transaction limit	Whether the transaction limit is exceeded	Amount recognized in the prior period
Riyimao Industrial Co., Ltd.	Processing services	11,676,783.04		No	8,666,666.79
Assem Technology Co., Ltd.	Equipment and appliances	21,317.70		No	517,891.33
Assem Technology Co., Ltd.	Purchasing goods	38,009,538.53		No	443,692.28
Assem Technology Co., Ltd.	Service fees	200,986.80		No	25,501,235.88
BCS Automotive Technology (Shenzhen) Co., Ltd.	Purchasing fixed assets			No	221,636.87
Bisaisi Automotive Technology (Suzhou) Co., Ltd.	Purchasing goods	4,730,893.90	30,000,000.00	No	18,700,732.83
Bisaisi Automotive	Purchasing fixed	404,514.30		No	

Technology (Suzhou) Co., Ltd.	assets				
Guangzhou Luxvisions Innovation Technology Limited	Purchasing goods	8,970,533.02		No	
Guangzhou Luxvisions Innovation Technology Limited	Service fees	3,739,220.73		No	3,663,133.48
Guangzhou Luxvisions Innovation Technology Limited	Equipment			No	76,318.48
Luxvisions Innovation (Ji'an) Co., Ltd.	Rent and Utility Expenses	1,173,816.51		No	
Luxvisions Innovation (Ji'an) Co., Ltd.	Service fees			No	33,849.06
Luxvisions Innovation Technology Co., Ltd.	Equipment and appliances			No	429,489.75
Lisheng Automotive Technology (Guangzhou) Co., Ltd.	Purchasing goods	378,662.72		No	
LUXVISIONS INNOVATION TECHNOLOGY LIMITED	Purchasing goods	161,635.61		No	457,613.05
LUXVISIONS INNOVATION TECHNOLOGY LIMITED	Equipment and appliances			No	914,452.98
Luxsan Technology (Kunshan) Co., Ltd.	Utilities			No	9,658,090.82
Luxsan Investment (Jiangsu) Co., Ltd.	Rent and Utility Expenses	45,621,594.42	100,000,000.00	No	39,528,673.28
Luxsan Investment (Jiangsu) Co., Ltd.	Service fees	222,657.40		No	
Luxsan Intelligent Equipment (Kunshan) Co., Ltd.	Purchasing fixed assets	2,746,854.88		No	
Shishuo Electronics (Kunshan) Co., Ltd.	Purchasing goods	951,574.04		No	
Shishuo Electronics (Kunshan) Co., Ltd.	Purchasing fixed assets	3,433,589.17		No	
Shishuo Electronics (Kunshan) Co., Ltd.	Rent and Utility Expenses	27,913,845.59		No	
Shishuo Electronics	Service fees	4,455,822.76		No	

(Kunshan) Co., Ltd.					
LUXSAN TECHNOLOGY LIMITED	Purchasing goods	1,243,805,181.85	1,700,000,000.00	No	1,189,126,782.26
MERRY & LUXSHARE (VIET NAM) CO.,LTD	Purchasing goods	273,111,739.58		No	71,739,173.68
MERRY & LUXSHARE (VIET NAM) CO.,LTD	Purchasing fixed assets	137,894.26		No	
BCS Automotive Interface Solutions GmbH (Germany)	Purchasing goods, services, and fixed assets	3,511,373.54	120,000,000.00	No	36,595,812.14
BCS Automotive Interface Solutions US, LLC (USA)	Purchasing goods	2,742,393.36		No	92,923.55
BCS Automotive Interface Solutions US, LLC (USA)	Service fees	2,069,324.00		No	
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	Purchasing goods	28,954,288.18	50,000,000.00	No	5,410,212.91
Xinguang Energy Technology (Anhui) Co., Ltd.	Outsourcing fees	534,961.52		No	900,429.00
Shenzhen Xinhao Photoelectric Technology Limited	Purchasing goods	56,882.00		No	
Lihao Optoelectronics Technology (Nantong) Co., Ltd.	Purchasing goods	2,091,516.75		No	4,320,397.20
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Purchasing goods	116,366,628.76		No	39,367,448.03
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Service fees			No	890,219.06
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Purchasing fixed assets	730,760.00		No	1,726,385.36
Teleray (Hong Kong) International Company Limited	Purchasing goods	9,753,772.43		No	2,709,161.11
Dongguan Dubo Leather Goods Co., Ltd.	Purchasing goods	25,798,219.01		No	
Basibo Leather Goods (Guilin) Co., Ltd.	Purchasing goods	769,108.89		No	
Chery Automobile Co., Ltd.	Service fees	126,658.07		No	
Chery New Energy	Service fees	18,795.20		No	

Automobile Co., Ltd.					
Chery Commercial Vehicle (Anhui) Co., Ltd.	Service fees	60,000.00		No	
Wuhu Chery Automobile Parts Procurement Co., Ltd.	Service fees	209,339.88		No	
Ruijing Supply Chain Technology (Anhui) Co., Ltd.	Service fees	60,878.81		No	
Southeast (Fujian) Automobile Industry Co., Ltd.	Service fees	240,000.00		No	
Dongguan Gaowei Optical Electronics Co., Ltd.	Service fees	8,755,540.47	25,000,000.00	No	11,517,032.81
Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	Rent and Utility Expenses	4,058,949.65		No	2,389,436.16
Xunmu Information Technology (Shanghai) Co., Ltd.	Leasing fixed assets	196,028.47		No	

## Schedule of Sales of Goods / Provision of Services

In RMB

Related party	Related-party transactions	Amount recognized in the current period	Amount recognized in the prior period
Assem Technology Co., Ltd.	Other labors	2,545,941.86	2,546,700.11
Zhuhai Kinwong Flexible Circuit Co., Ltd.	Selling products		
Shangrao City Luxvisions Innovation Technology Co., Ltd.	Selling products	2,031,029.15	122,520.00
Shangrao City Luxvisions Innovation Technology Co., Ltd.	Service fees	42,090.58	
Guangzhou Luxvisions Innovation Technology Limited	Selling fixed assets	24,255.12	534,229.50
Guangzhou Luxvisions Innovation Technology Limited	Service fees	2,843,560.95	
Guangzhou Luxvisions Innovation Technology Limited	Selling products	196,571,675.28	132,801,682.91
LUXVISIONS INNOVATION TECHNOLOGY LIMITED	Selling products	328,964.84	
LUXVISIONS INNOVATION TECHNOLOGY LIMITED	Service fees		495,622.71
Bisaisi Automotive Technology (Suzhou) Co., Ltd.	Selling products	380,631,364.62	396,983,841.26
Bisaisi Automotive Technology (Suzhou) Co.,	Service fees		



Ltd.			
BCS Automotive Interface Solutions GmbH (Germany)	Selling products	376,888.22	6,727,835.59
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	Selling products	2,848,978.78	27,529,559.67
BCS Automotive Interface Solutions US, LLC (USA)	Selling products	36,811,529.54	24,226,761.76
BCS Automotive Interface Solutions s.r.o. (Czech)	Selling products	945,269.99	94,165.76
BCS AIS JAPAN CO., LTD.	Service fees	91,556.86	
Luxsan Technology (Kunshan) Co., Ltd.	Selling products	49,176,148.86	78,602,371.08
Luxsan Technology (Kunshan) Co., Ltd.	Selling products	117,362.28	36,934,393.03
Luxsan Intelligent Equipment (Kunshan) Co., Ltd.	Selling products	164,568,796.14	230,417,667.66
Luxsan Intelligent Equipment (Kunshan) Co., Ltd.	Service fees	22,199,376.38	
Luxsan Intelligent Equipment (Kunshan) Co., Ltd.	Selling fixed assets	6,855,754.28	
Luxsan Investment (Jiangsu) Co., Ltd.	Selling products	1,988,421.27	5,047,357.29
Luxsan Investment (Jiangsu) Co., Ltd.	Selling fixed assets	8,710.00	
LUXSAN TECHNOLOGY LIMITED	Selling fixed assets		8,550,535.36
LUXSAN TECHNOLOGY LIMITED	Selling products	1,103,511,747.87	832,394,772.18
LUXSAN TECHNOLOGY LIMITED	Service fees	52,026,295.12	
Shishuo Electronics (Kunshan) Co., Ltd.	Selling products	3,993,531.40	
Xianshuo Technology (Shanghai) Co., Ltd.	Selling products	56,229.41	
Xunmu Information Technology (Shanghai) Co., Ltd.	Selling products		3,200.00
MERRY & LUXSHARE (VIET NAM) CO.,LTD	Selling products	140,970,238.68	36,766,791.14
MERRY & LUXSHARE (VIET NAM) CO.,LTD	Service fees	18,457,986.91	16,173,198.52
MERRY & LUXSHARE (VIET NAM) CO.,LTD	Selling fixed assets	84,868.73	
Lihao Optoelectronics Technology (Nantong) Co., Ltd.	Selling products	594,000.00	19,675,233.05
Lihao Optoelectronics Technology (Nantong) Co., Ltd.	Service fees	141,509.43	
Lihao Optoelectronics Technology (Nantong) Co., Ltd.	Utility and Rent Expenses	2,810,183.94	
Dahao Technology (Dongguan) Co., Ltd.	Selling products	195,000.00	
Dahao Technology (Dongguan) Co., Ltd.	Providing services	378,538.75	
Xinhao Photoelectric Technology (HK) Limited	Service fees	401,140.61	258,979.73
Xinguang Energy Technology (Anhui) Co., Ltd.	Selling products	2,241,071.85	12,998,999.32
Xinguang Energy Technology (Anhui) Co., Ltd.	Service fees	239,780.08	

Xinguang Energy Technology (Anhui) Co., Ltd.	Utility and Rent Expenses	3,944,285.38	
Xinguang Energy Technology (Anhui) Co., Ltd.	Selling fixed assets	200,727.41	
Xinhao Optoelectronics (Enshi) Co., Ltd.	Selling products	96,000.00	
Shenzhen Xinhao Photoelectric Technology Limited	Service fees	195,600.00	195,600.00
Dongguan Gaowei Optical Electronics Co., Ltd.	Selling products	127,228,633.19	8,059,987.00
Dongguan Gaowei Optical Electronics Co., Ltd.	Service fees		148,944.09
Lisheng Automotive Technology (Guangzhou) Co., Ltd.	Selling products	62,859,970.42	1,337,518.57
Lisheng Automotive Technology (Guangzhou) Co., Ltd.	Selling fixed assets	1,435,671.00	
Lisheng Intelligent Technology (Shanghai) Co., Ltd.	Selling products		360,474.69
COWELL OPTIC ELECTRONICS LTD	Selling products	1,585,006,865.58	47,483,807.36
COWELL OPTIC ELECTRONICS LTD	Service fees	7,576,020.65	
Chery Automobile Co., Ltd.	Selling products	94,360,726.96	102,949,356.35
Chery Automobile Co., Ltd.	Service fees	1,619,864.16	404,966.04
Henan Chery Auto Co., Ltd.	Selling products	903,452.43	-479,403.24
Chery Commercial Vehicle (Anhui) Co., Ltd.	Selling products	13,465,076.89	18,196,506.19
Chery New Energy Automobile Co., Ltd.	Selling products	187,870,478.44	
Wuhu Chery Automobile Parts Procurement Co., Ltd.	Selling products	365,522,591.00	
Anhui Zhuodun Safety Technology Co., Ltd.	Selling products	7,885,208.17	
Da'ao Automotive Products (Wuhu) Co., Ltd.	Selling products	115,123.95	
Southeast (Fujian) Automobile Industry Co., Ltd.	Selling products	174,118,875.18	
Wuhu Qida Power Battery System Co., Ltd.	Selling products	105,071.00	
Ruijing Supply Chain Technology (Anhui) Co., Ltd.	Selling products	1,096,867,437.45	
Wuhu Ecotech Powertrain Co., Ltd.	Selling products	4,227,801.60	
Tairui Precision Co., Ltd.	Selling products		11,724.37
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Selling products	11,870,420.33	2,454,655.35
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Lease of Fixed Assets	25,000.00	
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Selling fixed assets		2,000.00
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Service fees		353,771.00
Teleray (Hong Kong) International Company Limited	Selling products	399,169.46	
Teleray (Hong Kong) International Company Limited	Service fees	595,750.32	

Basibo Leather Goods (Guilin) Co., Ltd.	Selling products	303,284.53	
Dongguan Dubo Leather Goods Co., Ltd.	Providing services	3,782,226.52	
Dongguan Dubo Leather Goods Co., Ltd.	Selling products	3,070.38	
Dongguan Liten Innovation Electronics Co., Ltd.	Selling products	694,101.03	

Descriptions on related-party transactions of purchasing and selling goods, and rendering and accepting services

## (2) Related-party Lease

The Company acts as the lessor:

In RMB

Name of lessee	Types of leased assets	Lease income recognized in the current period	Lease income recognized in the prior period
Xinguang Energy Technology (Anhui) Co., Ltd.	Buildings	3,944,285.38	
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Fixed assets	25,000.00	
Lihao Optoelectronics Technology (Nantong) Co., Ltd.	Buildings	2,810,183.94	

The Company acts as the lessee:

In RMB

Lessor	Types of leased assets	Expenses related to short-term leases and low-value assets leases subject to simplified treatment, if any		Variable lease payments through profit or loss not included in the measurement of lease liabilities, if any		Paid rent		Assumed interest expenses of lease liabilities		Added right-of-use assets	
		Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period
Luxvisions Innovation (Ji'an) Co., Ltd.	Fixed assets and buildings						2,415,740.00	51,189.45	51,827.16	3,098,840.57	
Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	Fixed assets and buildings	2,609,752.65				3,986,581.90		144,009.07		9,861,596.54	
Luxsan Investment (Jiangsu) Co., Ltd.	Fixed assets and buildings	996,998.38				32,300,000.00		1,328,474.10	1,984,124.96		
Luxsan Technology (Kunshan) Co., Ltd.	Fixed assets and buildings						30,600,000.00				
Shishuo Electronics (Kunshan) Co., Ltd.	Fixed assets and buildings	18,156,662.77				14,393,654.28					

Descriptions on related-party leases

**(3) Related Party Asset Transfer and Debt Restructuring**

In RMB

Related party	Related-party transactions	Amount recognized in the current period	Amount recognized in the prior period
Shenzhen Xinhao Photoelectric Technology Limited	Acquisition of Equity	52,470,000.00	

**(4) Remuneration of Key Managers**

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Compensation of key managers	21,977,907.97	12,830,400.00
Share-based payment of key managers	10,871,666.58	12,019,751.67

**(5) Other Related-Party Transactions****6. Accounts Receivable and Payable of Related Parties****(1) Receivables**

In RMB

Project name	Related party	Closing balance		Opening balance	
		Book balance	Bad-debt provision	Book balance	Bad-debt provision
Accounts receivable					
	BCS Automotive Interface Solutions GmbH (Germany)			1,324,482.00	662.24
	BCS Automotive Interface Solutions Romania s.r.l. (Romania)	5,879,311.15	2,939.66	14,600,815.64	7,300.41
	BCS Automotive Interface Solutions s.r.o. (Czech)	636,985.82	318.49	83,825.90	41.91
	BCS Automotive Interface Solutions US, LLC (USA)	19,288,226.26	9,644.11	20,232,577.86	10,116.29
	COWELL OPTIC ELECTRONICS LTD	1,135,630,655.19	567,815.33	92,216.75	46.11
	LUXSAN TECHNOLOGY LIMITED	303,551,636.02	151,775.82	250,986,471.18	125,493.24
	MERRY & LUXSHARE (VIET NAM) CO.,LTD	53,834,010.55	26,917.01	20,589,657.46	10,294.83
	Xinhao Photoelectric Technology (HK) Limited	150,902.71	75.45	43,319.52	21.66

	Anhui Zhuodun Safety Technology Co., Ltd.	3,947,801.26	1,973.90		
	Basibo Leather Goods (Guilin) Co., Ltd.	12,711.50	6.36		
	Da'ao Automotive Products (Wuhu) Co., Ltd.	71,876.99	35.94		
	Assem Technology Co., Ltd.	1,062,922.27	531.46	1,412,127.29	706.06
	Dongguan Dubo Leather Goods Co., Ltd.	7,442.37	3.72		
	Dongguan Gaowei Optical Electronics Co., Ltd.	48,940,694.04	24,470.35	8,992,751.31	4,496.38
	Dongguan Liten Innovation Electronics Co., Ltd.	214,539.96	107.27		
	Southeast (Fujian) Automobile Industry Co., Ltd.	3,117.44	1.56		
	Guangzhou Luxvisions Innovation Technology Limited	68,645,628.77	34,322.81	137,683,353.53	68,841.68
	Lihao Optoelectronics Technology (Nantong) Co., Ltd.	561,043.93	280.52	1,272,105.69	636.05
	Lisheng Automotive Technology (Guangzhou) Co., Ltd.	25,226,467.08	12,613.23	1,511,395.99	755.70
	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	307,139,085.72	153,569.54	302,574,007.23	151,287.00
	Luxsan Investment (Jiangsu) Co., Ltd.	710,667.33	355.33	2,962,511.55	1,481.26
	Luxsan Intelligent Equipment (Kunshan) Co., Ltd.	127,753,223.71	63,876.61	184,417,695.50	92,208.85
	Chery Automobile Co., Ltd.	1,675,159.09	837.58	50,708,439.08	25,354.22
	Henan Chery Auto Co., Ltd.	1,021,310.22	510.66	408.97	0.20
	Chery Commercial Vehicle (Anhui) Co., Ltd.	2,690,119.36	1,345.06	19,452,711.52	9,726.36
	Chery New Energy Automobile Co., Ltd.	98,092,042.98	49,046.02		
	Ruijing Supply Chain Technology (Anhui) Co., Ltd.	964,114,232.91	482,057.12		
	Shangrao City Luxvisions Innovation Technology Co., Ltd.	1,696,754.15	848.38	118,085.00	59.04

	Shenzhen Xinhao Photoelectric Technology Limited	207,336.00	103.67	207,336.00	103.67
	Shishuo Electronics (Kunshan) Co., Ltd.	141,178.16	70.59		
	Teleray (Hong Kong) International Company Limited	600,158.58	300.08		
	Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	6,656,776.85	3,328.39	2,371,233.21	1,185.62
	Wuhu Ecotech Powertrain Co., Ltd.	4,777,415.81	2,388.71		
	Wuhu Qida Power Battery System Co., Ltd.	87,881.23	43.94		
	Wuhu Chery Automobile Parts Procurement Co., Ltd.	191,391.44	95.70		
	Xianshuo Technology (Shanghai) Co., Ltd.	63,531.19	31.77		
	Xinguang Energy Technology (Anhui) Co., Ltd.	707,168.10	353.58	15,854,406.07	7,927.20
Other receivables					
	BCS Automotive Interface Solutions GmbH (Germany)			4,150,973.34	
	BCS Automotive Interface Solutions US, LLC (USA)			1,835,605.65	
	BCS AIS JAPAN CO., LTD.	8,193.97	40.97		
	COWELL OPTIC ELECTRONICS LTD	1,120,275.25	5,601.38	566,896.90	2,834.48
	LUXSAN TECHNOLOGY LIMITED				
	MERRY & LUXSHARE (VIET NAM) CO.,LTD	695,533.77	3,477.67	54,214.88	271.07
	Xinhao Photoelectric Technology (HK) Limited			126,709.50	633.55
	Dongguan Gaowei Optical Electronics Co., Ltd.			10,121.46	50.61
	Guangzhou Luxvisions Innovation Technology Limited			6,620,554.60	33,102.77

	Lihao Optoelectronics Technology (Nantong) Co., Ltd.				
	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	860,894.57	4,304.47	183,851.00	919.26
	Shishuo Electronics (Kunshan) Co., Ltd.	770,000.00	3,850.00		
	Luxsan Technology (Kunshan) Co., Ltd.				
	Teleray (Hong Kong) International Company Limited			373,541.60	1,867.71
	SpeedTech Energy Co., Ltd.				
Prepayments					
	BCS Automotive Interface Solutions GmbH (Germany)	1,310,863.83		16,758.58	
	BCS Automotive Interface Solutions Romania s.r.l. (Romania)	7,912,116.46		8,626,289.64	
	BCS Automotive Interface Solutions US, LLC (USA)	1,489,939.67		1,468,031.23	
Other non-current assets					
	Assem Technology Co., Ltd.	159,443.34			
Notes receivable					
	Anhui Zhuodun Safety Technology Co., Ltd.	1,672,143.48			
	Southeast (Fujian) Automobile Industry Co., Ltd.	2,000,000.00			
	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	9,221,816.92			
	Chery Commercial Vehicle (Anhui) Co., Ltd.	1,200,000.00			
	Chery New Energy Automobile Co., Ltd.	33,244,294.25			
	Ruijing Supply Chain Technology (Anhui) Co., Ltd.	67,867,078.68			
	Wuhu Chery Automobile Parts Procurement Co., Ltd.	400,000.00			



**(2) Payables**

In RMB

Project name	Related party	Closing balance	Opening balance
Accounts payable			
	BCS Automotive Interface Solutions Romania s.r.l. (Romania)	6,591,598.23	2,729.66
	BCS Automotive Interface Solutions GmbH (Germany)	376,283.99	
	BCS Automotive Interface Solutions US, LLC (USA)	2,867,122.31	10,064,934.58
	LUXSAN TECHNOLOGY LIMITED	971,975,182.23	338,536,004.32
	LUXVISIONS INNOVATION TECHNOLOGY LIMITED		585,128.90
	MERRY & LUXSHARE (VIET NAM) CO.,LTD	106,485,831.25	43,589,524.60
	Basibo Leather Goods (Guilin) Co., Ltd.	115,906.00	
	Assem Technology Co., Ltd.	18,738,531.94	11,442,488.98
	Dongguan Dubo Leather Goods Co., Ltd.	28,426,484.02	
	Southeast (Fujian) Automobile Industry Co., Ltd.	374,557.26	
	Gaowei Optical Electronics Co., Ltd.	13,801.73	
	Guangzhou Luxvisions Innovation Technology Limited	968,516.26	1,217,397.22
	Lihao Optoelectronics Technology (Nantong) Co., Ltd.	475,757.82	3,012,052.57
	Luxvisions Innovation (Ji'an) Co., Ltd.	1,279,460.00	4,380.00
	Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	1,316,019.80	892,581.04
	Lisheng Automotive Technology (Guangzhou) Co., Ltd.	336,248.13	
	Bisaisi Automotive Technology (Suzhou) Co., Ltd.	1,615,136.67	9,829,821.10
	Luxsan Investment (Jiangsu) Co., Ltd.	15,275,458.83	38,169,781.48
	Luxsan Intelligent Equipment (Kunshan) Co., Ltd.	3,103,946.01	
	Chery Automobile Co., Ltd.	94,068.42	
	Chery New Energy Automobile Co., Ltd.	4,994.26	
	Riyimao Industrial Co., Ltd.	5,323,943.98	5,532,481.51
	Shishuo Electronics (Kunshan) Co., Ltd.	14,342,009.43	
	Teleray (Hong Kong) International Company Limited	8,264,943.06	2,520,685.43
	Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	29,021,690.30	14,283,178.83

	Wuhu Chery Automobile Parts Procurement Co., Ltd.	1,206,120.83	
	Xinguang Energy Technology (Anhui) Co., Ltd.	35,901.89	713,564.13
	Xunmu Information Technology (Shanghai) Co., Ltd.	60,412.41	
Other payables			
	Luxsan Investment (Jiangsu) Co., Ltd.		1,982,319.68
	Riyimao Industrial Co., Ltd.		
	Teleray (Hong Kong) International Company Limited	217,785.76	166,040.61
	BCS AIS Ensembles Mexico S. de R.L.de C.V. (Mexico)		563,387.00
	Assem Technology Co., Ltd.	18,523.56	
Contract liabilities			
	BCS Automotive Interface Solutions US, LLC (USA)	1,347,060.73	15,150.91
	LUXSAN TECHNOLOGY LIMITED	7,417,293.51	
	Chery New Energy Automobile Co., Ltd.	1,530,973.45	
	Xinhao Optoelectronics (Enshi) Co., Ltd.	7,311,600.00	
Lease liabilities			
	Luxvisions Innovation (Ji'an) Co., Ltd.	1,976,213.53	
	Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd.	8,556,408.61	
	Luxsan Investment (Jiangsu) Co., Ltd.	27,366,505.96	

## 7. Others

None.

## XV. Share-based Payment

### 1. General Situation of Share-based Payment

☒Applicable ☐N/A

In RMB

Categories of recipients	Grants awarded this period		Exercised this period		Unlocked this period		Expired this period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Sales staff			5,977,817.00	27,397,574.76			1,333,665.00	11,805,595.90
Management staff			43,685,361.00	163,789,800.22			5,372,038.00	41,052,083.88
Research and development			27,480,998.00	135,832,153.87			7,010,148.00	53,115,858.46

personnel								
Total			77,144,176.00	327,019,528.85			13,715,851.00	105,973,538.24

Outstanding stock options or other equity instruments issued at the end of the period

☒Applicable ☐N/A

Categories of recipients	Outstanding stock options issued at the end of the period		Outstanding equity instruments issued at the end of the period	
	Range of exercise prices	Remaining contract term	Range of exercise prices	Remaining contract term
Sales staff	13.05-35.33	1 -3 years		
Management staff	13.05-35.33	1 -3 years		
Research and development personnel	13.05-35.33	1 -3 years		

Other descriptions:

## 2. Payment Situation Settled by Equity

☒Applicable ☐N/A

In RMB

Method for determining the fair value of equity instruments granted on the grant date	Black-Scholes module
Key parameters for determining the fair value of equity instruments granted on the grant date	Historical volatility, risk-free rate
Basis for determining the number of equity instruments eligible for exercise	The Company determines based on factors such as the equity instruments corresponding to the incentive objects in employment, and forecasts of the Company's future annual performance
Reasons for significant differences between current period estimates and prior period estimates	None
Accumulated amount of share-based payments settled in equity recognized in capital reserve	2,595,810,862.76
Total expenses recognized for share-based payments settled in equity for the current period	422,372,518.59

Other descriptions:

(1) On September 25, 2018, the Proposal on Granting Stock Options to Grantees under the 2018 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd. was approved upon deliberation at the 5th meeting of the fourth session of the Board of Directors of the Company. Accordingly, the Company granted 97.50 million of stock options to 1,899 eligible grantees at the exercise price of RMB17.58 per share. After 12 months from the date on which the registration of grants was completed, grantees meeting the exercise conditions would exercise the options in five periods, with a proportion of 20% for each period, in the following 60 months; According to the Proposal on Achievement of the Exercise Conditions for the Second Exercise Period under the 2018 Stock Option Incentive Plan approved upon deliberation at the 27th meeting of the fourth session of Board of Directors of the Company held on December 2, 2020, given that the exercise condition for the second exercise period under the 2018 Stock Option Incentive Plan had been matured, it was agreed that 1,718 grantees of the 2018 Stock Option Incentive Plan would independently exercise their options at the exercise price of RMB10.28 per share, with the estimated stock options to be exercised

numbering 31,212,577 (the actual number of stock options to be exercised shall be subject to registered number by Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.)

(2) On April 22, 2019, the Company held the 9th meeting of the fourth session of Board of Directors, deliberating and approving the Proposal on Granting Stock Options to Initial Grantees under the 2019 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., whereby it was determined that 50,076,000 stock options would be granted to 348 eligible grantees and 12,519,000 stock options would be reserved for future granting. The stock options initially granted under this incentive plan was RMB 23.36 per share.

(3) On November 27, 2019, the Company held the 13th meeting of the fourth session of Board of Directors, deliberating and approving the Proposal on Grant of Stock Options to Grantees in Reserved Grant under the 2019 Stock Option Incentive Plan, pursuant to which the Company granted 16,274,700 stock options to 263 eligible grantees at an exercise price of RMB17.93 per share, and after 12 months from the date on which the registration of grants was completed, grantees meeting the exercise conditions would exercise the stock options in five periods, with a proportion of 20% for each period, in the following 60 months.

(4) On December 3, 2021, the Company held the 6th meeting of the fifth session of Board of Directors, deliberating and approving the Proposal on Granting Stock Options to Grantees under the 2021 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., whereby it was determined that 52,419,000 stock options would be granted to 1,097 eligible grantees on December 3, 2021 as the grant date of the incentive plan. The exercise price of stock options initially granted under this incentive plan was RMB 35.87 per share. Since 22 original grantees resigned from the Company and 3 original grantees gave up all stock options to be granted to them for personal reasons, the number of grantees subject to this stock option incentive was changed from 1,097 to 1,072 and the quantity of stock options granted was changed from 52,419,000 to 52,092,000.

On September 15, 2022, the Company held the 11th meeting of the fifth session of Board of Directors and the 11th meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Grant of Stock Options to Grantees in Reserved Grant under the 2021 Stock Option Incentive Plan, whereby it was determined that 13,101,000 stock options would

be granted to 365 eligible grantees on September 15, 2022 as the grant date of the reserved stock options. The exercise price of reserved stock options under this incentive plan was RMB 35.76 per share. Since 9 original grantees resigned from the Company or gave up all stock options to be granted to them for personal reasons, the number of grantees subject to this stock option incentive was changed from 365 to 356 and the quantity of stock options granted was changed from 13,101,000 to 12,785,800.

(5) On December 15, 2022, the Company held the 14th meeting of the fifth session of Board of Directors, deliberating and approving the Proposal on Grant of Stock Options to Grantees under the 2022 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., whereby it was determined that 172,021,000 stock options would be granted to 3,759 eligible grantees on December 5, 2022 as the grant date of the reserved stock options. The exercise price of stock options initially granted under this incentive plan was RMB 30.35 per share. Since 254 original grantees resigned from the Company or gave up all stock options to be granted to them for personal reasons, the number of grantees subject to this stock option incentive was changed from 3,759 to 3,505 and the quantity of stock options granted was changed from 172,021,000 to 168,513,000.

### 3. Share-based Payment Settled in Cash

☐Applicable ☒N/A

**4. Stock-based Compensation Expense for the Current Period**

☒Applicable ☐N/A

In RMB

Categories of recipients	Share-based payment expenses settled by equity	Share-based payment expenses settled in cash
Sales staff	27,475,949.63	
Management staff	229,965,066.16	
Research and development personnel	164,931,502.80	
Total	422,372,518.59	

Other descriptions:

**5. Others**

None.

**XVI. Commitments and Contingencies****1. Significant Commitments**

Significant commitments on the balance sheet date

The Company has no significant commitments that require disclosure.

**2. Contingencies****(1) Significant Contingencies on the Balance Sheet Date**

The Company has no significant contingencies to be disclosed.

**(2) Notes shall be made if the company has no significant contingencies that need to be disclosed**

The Company has no significant contingencies to be disclosed.

**3. Others**

None.

**XVII. Events after the Balance Sheet Date****1. Significant Non-adjusting Events**

In RMB

Item	Content	Impact on financial position	Reason for inability to
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		and operating results	estimate the impact
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## 2. Profit Distribution Information

Proposed cash dividend per 10 shares (RMB)	2
Proposed bonus shares per 10 shares (shares)	0
Proposed capitalization from capital reserve per 10 shares (shares)	0
Cash dividend per 10 shares reviewed and approved for distribution (RMB)	2
Bonus shares per 10 shares reviewed and approved for distribution (shares)	0
Capitalization from capital reserve per 10 shares reviewed and approved for distribution (shares)	0
Profit Distribution Plan	According to the resolution of the Eleventh Meeting of the Sixth Board of Directors, the Company will distribute profits for the current year. Based on a total share capital of 7,247,395,805 shares, a cash dividend of RMB 2 (tax included) will be distributed for every 10 shares to all shareholders, totaling RMB 1,449,479,161 (tax included) in cash dividends. The remaining undistributed profit will be carried forward for distribution in subsequent years.

## 3. Explanation of Other Events after the Balance Sheet Date

1. On January 2, 2025, the Company signed an equity closing agreement with Bose Corporation and Bose Export, Inc. to acquire 100% of the shares held by Bose Corporation and Bose Export, Inc. in Bose Corporation S.A. de C.V. As of the date of this Annual Report, the Company has paid an acquisition cost of RMB 245 million and the closing has been completed.

2. According to the resolution of the 11th meeting of the sixth session of the Board of Directors of the Company, the Company plans to apply for a total comprehensive credit line of RMB 52.1 billion from 20 banks. The final approved credit line by the banks shall prevail, including RMB loans, bank acceptance bills, letters of credit, guarantees, forward foreign exchange, and other credit varieties in both domestic and foreign currencies. The credit lines mentioned above all have a term of one year.

3. On January 21, 2025, the Company held the Seventh Meeting of the Sixth Board of Directors, and reviewed and approved the "Proposal on Providing Guarantees for Wholly-Owned Subsidiaries". The Company intends to acquire company equity and target operating assets related to the product integration business (hereinafter referred to as the "Transaction") held by a controlling subsidiary (hereinafter referred to as the "Transferor") of Wingtech Technology Co., Ltd. (hereinafter referred to as "Wingtech Technology" or "Transferor Guarantor") through its wholly-owned subsidiary Luxshare Communications (Shanghai) Co., Ltd. (hereinafter referred to as "Luxshare Communications" or "Transferee") in cash. The Company will provide joint and several liability guarantees for the relevant payment obligations under the Transaction (hereinafter referred to as the "Guarantee Matter"). The total guarantee amount at any point in time during the guarantee period is expected to not exceed RMB 3,500,000,000. The final actual guarantee amount will be subject to the amount of equity/asset closing. The guarantee period is from the date of approval by the Board of Directors until the fulfillment of the relevant payment obligations under the Transaction.

4. On January 23, 2025, the Company's wholly-owned subsidiary Luxshare Communications (Shanghai) Co., Ltd. (hereinafter referred to as "Luxshare Communications") signed an "Equity Transfer Agreement" with Wingtech Communications Co., Ltd. (hereinafter referred to as "Wingtech Communications"). Luxshare Communications acquired 100% equity (hereinafter collectively referred to as the "ODM Phase I Target Companies") held by Wingtech Communications in Jiaxing Yongrui Electronics Technology Co., Ltd. (hereinafter referred to as "Jiaxing Yongrui"), Shanghai Wingtech Electronics Technology Co., Ltd. (hereinafter referred to as "Shanghai Wingtech Electronics"), and Shanghai Wingtech Information Technology Co., Ltd. (hereinafter referred to as "Shanghai Wingtech Information") (including its subsidiaries). The Company completed the payment of

the first installment of the agreement and the closing procedures for the ODM Phase I Target Companies on January 26, 2025. The remaining equity transfer payment will be adjusted based on the audit and appraisal results and paid according to the agreement.

5. On March 20, 2025, the Company convened the Tenth Meeting of the Sixth Board of Directors and the Ninth Meeting of the Sixth Supervisory Committee, and reviewed and approved the "Proposal on Acquiring Equity and Assets of Some Subsidiaries of Wingtech Technology Co., Ltd." agreeing that Luxshare Precision would sign an "Equity Transfer Agreement (Kunming Wenxun)" (hereinafter referred to as the "OEM Transfer Agreement") with Wingtech Technology, and Luxshare Communications would sign an "Equity and Asset Transfer Agreement" (hereinafter referred to as the "ODM Phase II Transfer Agreement", collectively with the "OEM Transfer Agreement" referred to as the "Transaction Transfer Agreements") with Wingtech Technology. The agreements stipulate that the Company and Luxshare Communications will acquire the equity and business asset packages (hereinafter referred to as the "Transaction") of relevant subsidiaries of Wingtech Technology related to the consumer electronics system integration business. The initial payment amount will be determined based on the sum of the book net asset amount of the target companies as of the pricing base date of December 31, 2024, and the debt-to-equity conversion amount. The final transaction consideration and other specific matters will be negotiated between the parties based on the audit and appraisal results. On April 18, 2025, the Company paid the first transfer payment of RMB 2.421 billion.

6. On September 13, 2024, the Company convened the Third Meeting of the Sixth Board of Directors and the Third Meeting of the Sixth Supervisory Committee, and reviewed and approved the "Proposal on Acquiring Equity of Leoni AG and its Wholly-Owned Subsidiary". The Company intends to acquire 50.1% equity of Leoni AG (hereinafter referred to as "Leoni Company") and 100% equity of Leoni AG's wholly-owned subsidiary Leoni Kabel GmbH (hereinafter referred to as "Leoni K"). This acquisition was approved by the First Antitrust Enforcement Division of the State Administration for Market Regulation on January 6, 2025. As of the date of this Annual Report, the acquisition is still in progress.

## XVIII. Other Significant Events

### 1. Segment Information

#### (1) Basis of Segments Determination and Accounting Policies

None.

#### (2) Financial Information of Segments

In RMB

Item		Offset among segments	Total
None.			

#### (3) If the Company has no reporting segments, or is unable to disclose the total assets and liabilities of each reporting segment, it shall explain the reasons

##### 1. Explanation of reasons

The Group determines operating segments based on internal organizational structure, management requirements, and internal reporting systems, and discloses segment information based on operating segments.

Operating segments refer to components of the Group that simultaneously meet the following conditions: (1) the component generates revenue and incurs expenses in its daily activities; (2) the Group's management can regularly evaluate the operating results of the component to determine resource allocation and performance evaluation; (3) the Group can obtain relevant

accounting information such as financial condition, operating results, and cash flows of the component. If two or more operating segments have similar economic characteristics and meet certain conditions, they are combined into one operating segment.

As over 90% of the Group's revenue and performance originate from the electronics product business, segment information is not presented.

#### (4) Other Descriptions:

None.

## 2. Other Significant Transactions and Events Affecting Investors' Decisions

None.

## 3. Others

None.

## XVIX. Notes to Key Items in Financial Statements of the Parent Company

### 1. Accounts Receivable

#### (1) Disclosure by Aging

In RMB

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	4,168,329,575.66	5,233,442,091.29
Undue	4,155,964,561.00	5,227,457,238.25
1 to 60 days overdue	9,719,696.55	5,937,121.62
61 to 120 days overdue	2,226,760.81	47,731.42
121 to 180 days overdue	418,557.30	
181 to 365 days overdue		
1 to 2 years		670,086.81
2 to 3 years	600,221.26	1,832,777.87
More than 3 years	2,181,398.76	242,560.49
3 to 4 years	1,939,995.40	
More than 5 years	241,403.36	242,560.49
Total	4,171,111,195.68	5,236,187,516.46

#### (2) Classification and Disclosure of Bad Debt Provision Methods

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivable	241,403.36	0.01%	241,403.36	100.00%		241,403.36	0.01%	241,403.36	100.00%	



for which bad-debt provision is made individually										
Among which,										
Entity 1	241,403.36	0.01%	241,403.36	100.00%		241,403.36	0.01%	241,403.36	100.00%	
Provision on an individual basis	4,170,869,792.32	99.99%	4,829,179.84	0.12%	4,166,040,612.48	5,235,946,113.10	99.99%	3,509,490.81	0.07%	5,232,436,622.29
Among which,										
Group by aging	1,949,959,357.74	46.74%	4,829,179.84	0.25%	1,945,130,177.90	1,531,093,301.52	29.24%	3,509,490.81	0.23%	1,527,583,810.71
Related party group in the scope of consolidation	2,220,910,434.58	53.25%			2,220,910,434.58	3,704,852,811.58	70.75%			3,704,852,811.58
Total	4,171,111,195.68	100.00%	5,070,583.20	0.12%	4,166,040,612.48	5,236,187,516.46	100.00%	3,750,894.17	0.07%	5,232,436,622.29

Provision for bad debts made individually: 241,403.36

In RMB

Description	Opening balance		Closing balance			
	Book balance	Bad-debt provision	Book balance	Bad-debt provision	Provision proportion	Reason for provision
Entity 1	241,403.36	241,403.36	241,403.36	241,403.36	100.00%	Unrecoverable
Total	241,403.36	241,403.36	241,403.36	241,403.36		

Provision for bad debts made by group: 4,829,179.84

In RMB

Description	Closing balance		
	Book balance	Bad-debt provision	Provision proportion
Undue	1,935,054,126.42	967,527.19	0.05%
1 to 60 days overdue	9,719,696.55	485,984.83	5.00%
61 to 120 days overdue	2,226,760.81	668,028.24	30.00%
121 to 180 days overdue	418,557.30	167,422.92	40.00%
181 to 365 days overdue			
1 to 2 years (excluding 1 year) overdue			
Over 2 years overdue	2,540,216.66	2,540,216.66	100.00%
Total	1,949,959,357.74	4,829,179.84	

Descriptions on basis for determining the group:

If the bad-debt provision for accounts receivable is made according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision.

□Applicable ☒N/A

**(3) Bad-Debt Provision Made, Recovered or Reversed in the Current Period**

Bad-debt provision in the current period:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Other	
Amount accrued individually	241,403.36					241,403.36
Provision on a group basis	3,509,490.81	1,319,689.03				4,829,179.84
Total	3,750,894.17	1,319,689.03				5,070,583.20

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

In RMB

Entity name	Amount recovered or reversed	Reason for reversal	Recovery method	Basis for determining the provision ratio for the original bad debt reserve and its reasonableness

**(4) Accounts Receivable with Top Five Closing Balance - By Debtor**

In RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contractual assets	The proportion of the total closing balance of accounts receivable and contractual assets	Closing balance of accounts receivable allowance for doubtful accounts and contractual asset impairment provision
Entity 1	752,775,397.43		752,775,397.43	18.05%	
Entity 2	522,818,761.58		522,818,761.58	12.53%	
Entity 3	418,683,585.64		418,683,585.64	10.04%	
Entity 4	363,993,359.29		363,993,359.29	8.73%	181,996.68
Entity 5	227,025,825.01		227,025,825.01	5.44%	113,512.91
Total	2,285,296,928.95		2,285,296,928.95	54.79%	295,509.59

**2. Other Receivables**

In RMB

Item	Closing balance	Opening balance
Dividends receivable	600,000,000.00	522,000,000.00
Other receivables	6,750,541.46	53,065,087.05
Total	606,750,541.46	575,065,087.05

**(1) Dividends Receivable****1) Classification of Dividends Receivable**

In RMB

Item (or Investee)	Closing balance	Opening balance
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	600,000,000.00	500,000,000.00
Dongguan Leader Precision Industry Co., Ltd.		22,000,000.00
Total	600,000,000.00	522,000,000.00

**2) Classification and Disclosure by Bad Debt Provision Method**□Applicable ☒N/A**(2) Other Receivables****1) Classification of Other Receivables by Nature of Funds**

In RMB

Nature of Funds	Closing balance	Opening balance
Petty Cash	8,000.00	12,800.00
Deposits, Guarantees	6,776,463.78	5,818,945.78
Other		47,500,000.00
Total	6,784,463.78	53,331,745.78

**2) Disclosures by Aging**

In RMB

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	6,784,463.78	53,331,745.78
Undue	6,784,463.78	53,331,745.78
Total	6,784,463.78	53,331,745.78

**3) Classification and Disclosure by Bad Debt Provision Method**

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Among which,										
Provision for Bad Debts by Group	6,784,463.78	100.00%	33,922.32	0.50%	6,750,541.46	53,331,745.78	100.00%	266,658.73	0.50%	53,065,087.05

Among which,										
Group by aging	6,784,463.78	100.00%	33,922.32	0.50%	6,750,541.46	53,331,745.78	100.00%	266,658.73	0.50%	53,065,087.05
Total	6,784,463.78	100.00%	33,922.32	0.50%	6,750,541.46	53,331,745.78	100.00%	266,658.73	0.50%	53,065,087.05

Provision for bad debts made by group: 33,922.32

In RMB

Description	Closing balance		
	Book balance	Bad-debt provision	Provision proportion
Undue	6,784,463.78	33,922.32	0.50%
Total	6,784,463.78	33,922.32	

Descriptions on basis for determining the group:

Provision for Bad Debts is made according to the Expected Credit Loss General Model:

In RMB

Bad-debt provision	Phase I	Phase II	Phase III	Total
	Expected Credit Loss for the Next 12 Months	Lifetime Expected Credit Loss (No Credit Impairment Incurred)	Lifetime Expected Credit Loss (Credit Impairment Incurred)	
Balance as of January 1, 2024	266,658.73			266,658.73
Balance as of January 1, 2024 in this period				
Reversal of this period	232,736.41			232,736.41
Balance as of December 31, 2024	33,922.32			33,922.32

Criteria for stage classification and the provision ratios for bad debt reserves

Significant changes in the book balance of loss provisions for the current period

☐Applicable ☒N/A

#### 4) Provision, Recovery, or Reversal of Bad Debt Provision for the Current Period

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 or Write-down	Other	
Other receivables	266,658.73		232,736.41			33,922.32
Total	266,658.73		232,736.41			33,922.32

Significant Amounts of Bad Debt Provision Reversals or Recoveries for the Current Period:

In RMB

Entity name	Amount recovered or reversed	Reason for reversal	Recovery method	Basis for determining the provision ratio for the original bad debt reserve and its reasonableness
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**5) Other Receivables Categorized by the End-of-period Balances of the Top Five Debtors**

In RMB

Entity name	Nature of the Funds	Closing balance	Aging	The proportion of the end-of-period balance to the total amount of other receivables.	End-of-period balance of bad debt provision
Entity 1	Deposits, Guarantees	4,216,931.94	Undue	62.16%	21,084.66
Entity 2	Deposits, Guarantees	731,800.00	Undue	10.79%	3,659.00
Entity 3	Deposits, Guarantees	711,414.94	Undue	10.49%	3,557.07
Entity 4	Deposits, Guarantees	324,486.00	Undue	4.78%	1,622.43
Entity 5	Deposits, Guarantees	200,000.00	Undue	2.95%	1,000.00
Total		6,184,632.88		91.17%	30,923.16

**3. Long-Term Equity Investments**

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	24,764,098,059.43	28,560,179.80	24,735,537,879.63	23,305,219,310.74	28,560,179.80	23,276,659,130.94
Investment in associates and joint ventures	325,539,354.95	34,372,608.46	291,166,746.49	359,712,752.90	34,372,608.46	325,340,144.44
Total	25,089,637,414.38	62,932,788.26	25,026,704,626.12	23,664,932,063.64	62,932,788.26	23,601,999,275.38

**(1) Investment in Subsidiaries**

In RMB

Investee	Opening balance (book value)	Opening balance of provision for impairment	Opening balance				Closing balance (book value)	Closing balance of provision for impairment
			Additional investment	Reduced investment	Provision for impairment	Other		

ASAP Technology (Jiangxi) Co., Ltd.	- 1,432,007.44		7,143,582.51	4,923,383.98			788,191.09	
Xiexun Electronic (Ji'an) Co., Ltd.	259,296,522.80		6,225,563.06				265,522,085.86	
Suining Luxshare Precision Industry Co., Ltd.	3,422,369.04		376,491.95				3,798,860.99	
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	34,911,287.88			1,710,255.64			33,201,032.24	
Lanto Electronic Limited	3,681,652,421.20		85,085,759.57				3,766,738,180.77	
Dongguan Leader Precision Industry Co., Ltd.	69,076,201.11		1,146,356.30				70,222,557.41	
Luxshare Precision Industry (Kunshan) Co., Ltd.	523,595,588.18		4,702,644.89				528,298,233.07	
Wan'an Xiexun Electronic Co., Ltd.	41,110,509.28			541,038.25			40,569,471.03	
Fujian JK Wiring Systems Co., Ltd..	97,584,243.83		1,414,248.64				98,998,492.47	
Xingning Luxshare-ICT Electronics Co., Ltd.	1,094,800.64		247,223.29				1,342,023.93	
Luxshare Precision Industry (Chuzhou) Co., Ltd.	789,917,224.28		1,413,263.52				791,330,487.80	
SuK Kunststofftechnik GmbH	33,746,516.14						33,746,516.14	
Fengshun Luxshare Precision Industry Co., Ltd.	10,241,740.26		48,028.62				10,289,768.88	
Shenzhen Luxshare Acoustics Technology Ltd.	10,192,940.63	28,560,179.80	3,154,808.68				13,347,749.31	28,560,179.80

Dongguan Luxshare Precision Industry Co., Ltd.	1,045,022,757.50		10,020,895.15				1,055,043,652.65	
Luxshare Automation (Jiangsu) Ltd.	90,453,837.59		12,810,025.62				103,263,863.21	
Shenzhen Luxshare Smart Life Co., Ltd.	21,000,000.00						21,000,000.00	
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	1,106,312,362.53		16,600,223.10				1,122,912,585.63	
Dongguan Xuntao Electronics Co., Ltd.	5,914,170.83		2,394,384.58				3,519,786.25	
Luxshare Electronic Technology (Kunshan) Co., Ltd.	2,345,433,473.54		26,358,137.51				2,371,791,611.05	
Luxshare Precision Accessory (Kunshan) Ltd.	106,425,642.96		962,869.87				107,388,512.83	
Luxshare Precision Industry (Enshi) Co., Ltd.	104,705,435.98		993,195.72				105,698,631.70	
Yongxin County Boshuo Electronics Co., Ltd.	1,795,120.07		465,783.52				2,260,903.59	
LUXSHAR E-ICT Co., Ltd.	2,893,330.29		463,368.85				3,356,699.14	
Taiwan Luxshare Precision Limited	217,363,027.92		35,501,045.48				252,864,073.40	
Luxshare-ICT, Inc.	66,204,214.47		9,671,981.60				75,876,196.07	
Korea Luxshare-ICT Co., Ltd.	6,274,220.94		124,102.82				6,398,323.76	
LUXSHAR E-ICT EUROPE LIMITED	182,206.32						182,206.32	
Merry Electronics (Suzhou) Co., Ltd.	22,977,439.49		6,797,211.17				29,774,650.66	
Merry Electronics (Huizhou) Co., Ltd.	4,955,296.40		348,752.20				5,304,048.60	

Jiangxi ASAP Electronics Co., Ltd.	1,935,963.58		787,978.52				2,723,942.10	
Luxshare Precision Industry (Baoding) Co., Ltd.	3,008,247.88			368,609.64			2,639,638.24	
Shanxi Luxshare Precision Industry Co., Ltd.	5,255,498.04		1,339,477.46				6,594,975.50	
Dongguan Luxshare Smart-Link Electronic Technology Co.,Ltd	1,084,393.78		295,210.12				1,379,603.90	
Guangdong Luxshare & Merry Electronics Co., Ltd.	1,058,103.73						1,058,103.73	
Bozhou Lanto Electronic Limited	10,654,450.8 5		2,018,151.22				12,672,602.0 7	
Luxshare Precision Industry (Yancheng) Co., Ltd.	331,513.63		25,523.80				357,037.43	
Huzhou Jiuding Electronic Co., Ltd.	3,766,868.38		280,653.51				4,047,521.89	
Xinyu Xiexun Electroinc Co., Ltd.	5,054,587.74		435,758.64				5,490,346.38	
Luxshare Precision Industry (Suzhou) Co., Ltd.	130,000,000. 00						130,000,000. 00	
Luxshare iTech (Zhejiang) Co., LTD.	856,754,225. 85		19,170,805.1 4				875,925,030. 99	
Bozhou Xuntao Electronics Co., Ltd.	278,263.38		3,501.08				281,764.46	
Dongguan Luxshare Technology Co., Ltd.	1,224,422,03 4.00		21,172,863.1 6				1,245,594,89 7.16	
Xuancheng Luxshare Precision Industry Co., Ltd.	32,328,232.1 6		795,491,566. 96	7,025,955.40			820,793,843. 72	
Beijing Luxshare Acoustic	17,731,767.0 1		4,216,686.08				21,948,453.0 9	



Technology Co., Ltd.								
Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.	1,412,504,883.00		16,657,610.33				1,429,162,493.33	
Xingning Luxshare-ICT Electronics Co., Ltd.	414,381.52		56,073.68				470,455.20	
SpeedTech Corp.	4,663,484.82		374,198.64				5,037,683.46	
Luxshare Technologies Limited	2,321,682.80						2,321,682.80	
Changshu Luxshare Industrial Investment Management Co., Ltd.	163,367,000.00		560,000.00				163,927,000.00	
Kunshan Luxshare Enterprise Management Development Co., Ltd.	200,000,000.00						200,000,000.00	
Luxshare Precision Industry (Jiangsu) Co., Ltd.	659,998.94		712,577.26				1,372,576.20	
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	30,156,949.64		1,708,056.18				31,865,005.82	
Luxcase Precision Technology (Yancheng) Co., Ltd.	5,776,788.944.83		6,699,922.78				5,783,488,867.61	
Luxis Technology (Kunshan) Co., Ltd.	248,069,692.59		700,232.50				248,769,925.09	
Luxshare Electronic Technology (Enshi) Co., Ltd.	45,000,000.00						45,000,000.00	
Liding Electronic Technology (Dongguan) Co., Ltd.	252,945,935.17			431,023.41			252,514,911.76	
Luxshare Technologies (Xi'an) Co., Ltd.	611,229.41		2,988,186.01	4,555,358.74			-955,943.32	
Luxis Precision Intelligent	322,901,747.85		9,087,258.22				331,989,006.07	

Manufacturing (Kunshan) Co., Ltd.								
Luxshare Precision Technology (Nanjing) Co., Ltd.	52,478,980.4 4		1,488,887.13				53,967,867.5 7	
Luxshare Electronic (Shanghai) Co., Ltd.	8,207,584.50			1,829,270.20			6,378,314.30	
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	39,311,010.6 8		5,730,395.27				45,041,405.9 5	
Ripei Computer Accessories (Shanghai) Co., Ltd.	0.01		575,113.61	575,113.62				
Shengrui Electronic Technology (Shanghai) Co., Ltd.	599,753.33		158,699.49				758,452.82	
Ri Shan Computer Accessories (Jia Shan) Co., Ltd.	20,080,258.1 6		14,896,494.1 7				34,976,752.3 3	
LUXSHAR E-ICT (VIETNAM) LIMITED	2,011,240.83		974,532.86				2,985,773.69	
Hangzhou Xuntao Technology Co., Ltd.	14,633,434.4 7						14,633,434.4 7	
Da Chuang Precision Intelligent Manufactur ing (Kunshan) Co., Ltd.	22,642,594.4 1		4,546,455.74				27,189,050.1 5	
Fengshun Luxshare Intelligent Manufacture Co., Ltd.	250,000,000. 00		63,997.87				250,063,997. 87	
Luxshare Smart Manufactur ing Electronic Services (Kunshan) Co., Ltd.	35,500,000.0 0		168,113,780. 36				203,613,780. 36	
Suzhou Luxshare Technology Co., Ltd.	45,033,548.3 4		7,344,433.66				52,377,982.0 0	
Yancheng Luxshare								

Enterprise Management Services Partnership (Limited Partnership)								
Luxshare Precision Industry (Wuhu) Co., Ltd.	1,859,235.33		985,942.05				2,845,177.38	
Dongguan Huarong Communications Technology Co., Ltd.	621,603.75		12,171.57				633,775.32	
Luxshare Precision Accessory (Suzhou) Ltd.	8,316,551.18		2,914,014.86				11,230,566.04	
Zhejiang Puxing Electronic Technology Co., Ltd.	839,654.67						839,654.67	
Luxshare Rechuan Technology (Huizhou) Co., Ltd.	4,728,491.06		1,182,393.85				5,910,884.91	
Luxshare Automotive Technology (Shanghai) Co., Ltd.	564,585.71		290,930.66				855,516.37	
Luxshare Precision Industry (Hubei) Co., Ltd.	819,325.20		651,063.83				1,470,389.03	
Luxshare-ICT (Van Trung) Company Limited	1,899,556.76		531,648.35				2,431,205.11	
Shenzhen Huarong Technology Co., Ltd.	1,151,526.40		213,723.04				1,365,249.44	
Dongguan Luxshare Holdings Co., Ltd.	131,800,000.00						131,800,000.00	
Shantou Luxshare Technologies Co., Ltd.	7,332.16						7,332.16	
Time Interconnect Technology (Jiangxi) Limited	956,470.98		1,213,847.16				2,170,318.14	
Time Interconnect Technology	680,207.74		2,086,700.82				2,766,908.56	

(Kunshan) Limited								
Luxshare Precision Industry (Anhui) Co., Ltd.	69,312.21						69,312.21	
Huzhou Luxshare Precision Industry Co., Ltd.	39,550,000.00		132,805,911.52				172,355,911.52	
CASETEK SINGAPORE PTE.LTD.	1,289,759.72			183,635.71			1,106,124.01	
Luxcase Precision Technology (Kunshan) Co., Ltd.	559,415.27		8,595,745.03				9,155,160.30	
Luxshare Precision Industry (Mingguang) Co., Ltd.	460,628.47			247,128.47			213,500.00	
Dongguan Huarong Supply Chain Management Co., Ltd.			127,593.41				127,593.41	
Huiju Dachuang Information (Shanghai) Co., Ltd.			487,150.71				487,150.71	
Chuzhou Luxshare Technologies Co., Ltd.			636,938.27				636,938.27	
Luxshare Energy (Jiangxi) Co., Ltd.			141,230.35				141,230.35	
Luxshare New Energy (Anhui) Co., Ltd.			23,953.01				23,953.01	
Lilianxun Da Intelligent Terminal (Jiashan) Co., Ltd.			3,591,186.89				3,591,186.89	
Luxshare Technologies International			1,632,346.70				1,632,346.70	
Total	23,276,659,130.94	28,560,179.80	1,481,269,521.75	22,390,773.06			24,735,537,879.63	28,560,179.80

## (2) Investment in Associates and Joint Ventures

In RMB

Investe	Openi	Openi	Opening balance			Closin	Closin
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Entity	Original balance (book value)	Original 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	Other	Original balance (book value)	Original balance of provision for impairment
I. Joint ventures												
II. Associates												
Siliconch	23,958,950.95			23,958,950.95								
Zhuhai Kinwong Flexible Circuit Co., Ltd.	189,278,315.16	34,372,608.46			-6,643,198.01						182,635,117.15	34,372,608.46
Lisheng Automotive Technology (Guangzhou) Co., Ltd.	112,102,878.33				-3,571,248.99						108,531,629.34	
Subtotal	325,340,144.44	34,372,608.46		23,958,950.95	-10,214,447.00						291,166,746.49	34,372,608.46
Total	325,340,144.44	34,372,608.46		23,958,950.95	-10,214,447.00						291,166,746.49	34,372,608.46

Determining the recoverable amount by subtracting the disposal costs from the fair value

☐Applicable ☒N/A

Determining the recoverable amount by the present value of expected future cash flows

☐Applicable ☒N/A

Reasons for the significant differences between the above information and the information used or external information used in impairment tests in previous years

None.

Reasons for significant differences between the information used in impairment tests in previous years and the actual situation in the current year

None.

**(3) Other Descriptions:**

None.

**4. Operating Income and Operating Costs**

In RMB

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Income	Cost	Income	Cost
Principal business	11,253,222,393.80	10,665,261,039.90	10,632,214,770.04	10,025,885,162.48
Other business	360,627,860.64	250,200,125.93	145,744,213.41	64,294,879.18
Total	11,613,850,254.44	10,915,461,165.83	10,777,958,983.45	10,090,180,041.66

Breakdown of operating revenue and operating costs

In RMB

Classification of contract	Segment 1		Segment 2				Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
Business type								
Among which,								
Classified by operating area								
Among which,								
Type of market or customer								
Among which,								
Contract type								
Among which,								
Classified by time of transfer of goods								
Among which,								
Classified by contract term								
Among which,								

Classified by sales channel								
Among which,								
Total								

Information related to performance obligations:

Item	Time of performance or fulfillment of obligations	Key payment terms	Nature of the Company's commitment to transfer goods	Whether they are the primary obligor	Amounts expected to be refunded to customers by the Company	The type of quality assurance provided by the Company and related obligations
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Other descriptions:

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the incomes corresponding to the contracts signed whose performance has not been commenced or completed amount to RMB0.00, of which RMB is expected to be recognized in, RMB is expected to be recognized in, and RMB is expected to be recognized in.

Significant contract amendments or significant adjustments in transaction prices.

In RMB

Item	Accounting treatment methods	Amount of impact on revenue.
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Other descriptions:

## 5. Investment Income

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Investment income from long-term equity investments accounted for using the cost method	1,881,900,000.00	3,436,245,988.83
Long-term equity investment income accounted for using the equity method	-10,214,447.00	-24,693,501.41
Investment income from disposal of long-term equity investment	10,018,847.56	-48,976,370.39
Investment income from disposal of held-for-trading financial assets	3,192,622.62	93,809,534.50
Dividends from other equity instrument investments during holding period		264,713.32
Income from derecognition of financial assets measured at amortized cost	-32,618,718.19	-39,618,411.95
Investment income from wealth management products	221,755,084.56	879,726.47
Total	2,074,033,389.55	3,417,911,679.37

**6. Others**

None.

**XX. Supplementary Information****1. Breakdown of Non-Recurring Profit and Loss for the Current Period**☒Applicable ☐N/A

In RMB

Item	Amount	Remark
Profit or loss from disposal of non-current assets	1,583,392.42	
Government grants recognized in profit or loss (excluding government grants that are closely related to the business of the Company, in accordance with national policy requirements, enjoyed according to specific criteria, and having a continuous impact on the Company's profit or loss)	933,138,071.97	
Fair value changes in financial assets and financial liabilities held by non-financial enterprises and gains or losses from the disposal of financial assets and financial liabilities, except for effective hedging transactions related to the Company's ordinary operating activities	1,044,148,947.84	
Gain or loss on assets under entrusted investment or management	906,650,515.66	
Other non-operating income and expenses	1,906,501.58	
Other non-operating income and expenses except the above items	-476,778,306.58	
Investment income from disposal of joint ventures	10,018,847.56	
Less: Amount affected by the income tax	412,248,026.21	
Amount affected by minority interests (after tax)	337,074,481.35	
Total	1,671,345,462.89	--

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

☒Applicable ☐N/A

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

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

☐Applicable ☒N/A



**2. ROE and Earnings per Share**

Profit in the reporting period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	21.34%	1.86	1.85
Net profit after deduction of non-recurring profit and loss attributable to ordinary shareholders of the Company	18.92%	1.63	1.62

**3. Accounting Data Differences Under Domestic and Foreign Accounting Standards****(1) Differences of Net Profit and Net Assets in Financial Reports Disclosed according to International Financial Reporting Standards (IFRS) and Chinese Accounting Standards at the Same Time**

☐Applicable ☒N/A

**(2) Difference of Net Profit and Net Asset in Financial Reports Disclosed according to Overseas Accounting Standards and Chinese Accounting Standards at the Same Time**

☐Applicable ☒N/A

**(3) Descriptions on the Reasons for the Differences of Accounting Data under the Accounting Standards at Home and abroad, and the Name of the Overseas Institution if Difference Adjustment is Made to the Data Audited by an Overseas Audit Institution****4. Others**

None.