

Luxshare Precision Industry Co., Ltd.

Annual Report 2022

2023-027



April 2023

Annual Report 2022

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List of References

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

Definitions

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

		Ltd.
Liding Dongguan	means	Liding Electronic Technology (Dongguan) Co., Ltd.
LuxcaseICT Yancheng	means	Luxcase Precision Technology (Yancheng) Co., Ltd.
Xiexun Wan'an	means	Wan'an Xiexun Electronic Co., Ltd.
Smart Manufacturing Changshu	means	Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.
Fujian JK	means	Fujian JK Wiring Systems Co., Ltd..
Xingning Electronics	means	Xingning Luxshare Electronic Co., Ltd.
Luxsan Kunshan	means	Luxsan Technology (Kunshan) Co., Ltd.
BCS Suzhou	means	Bisaisi Automotive Technology (Suzhou) Co., Ltd.
SpeedTech	means	SpeedTech Corp.
Luxshare Automation Jiangsu	means	Luxshare Automation (Jiangsu) Ltd.
Dongguan Luxshare Technology	means	Dongguan Luxshare Technology Co., Ltd.
Luxshare Electronic Kunshan	means	Luxshare Electronic Technology (Kunshan) Co., Ltd.
Luxshare Electronic Enshi	means	Luxshare Electronic Technology (Enshi) Co., Ltd.
TIME Interconnect Technology	means	TIME Interconnect Technology Limited
Huarong Technology	means	Shenzhen Huarong Technology Co., Ltd.

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any)	
Changes in controlling shareholder (if any)	No

V. Other related information

Accounting firm engaged by the Company

Name of accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Office address of accounting firm	Rooms 1, 2 &

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

Yes No

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

Yes No

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

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

Applicable N/A

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

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

Applicable N/A

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

VIII. Main quarterly financial indicators

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	41,599,710,846.10	40,361,448,994.51	63,291,092,079.16	

VIII. Main q

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VIII. Main

No

In RMB

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

Section III Management's Discussion and Analysis

I. Situations of our industry during the reporting period

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

(I) Consumer electronics

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

(II) Communication and data center

Like the consumer electronics industry, the year of 2022 witnessed a challenging experience for the communications industry with the demand slowing in 2022 due to geopolitics, global inflation, global economic downturns and the impact of varying degrees of IC shortages on ODMs. However, in the long run, a series of technological innovations such as AIGC, the emergence of new technologies, and the commercialization and popularization of 5G in the future will put forward higher requirements for computing power and transmission. While product R&D and production are facing challenges, the industry is still in a period of rapid development.

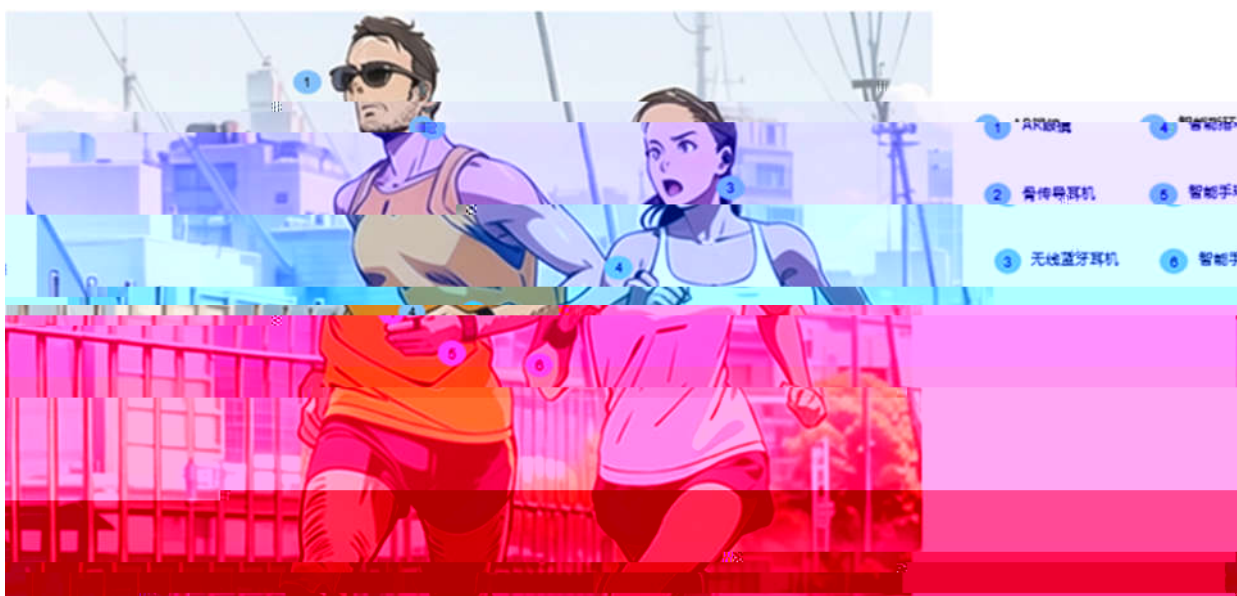
which has greatly helped vehicle manufacturers promote and apply new products and technologies, and enhance their competitiveness. At present, the electrification and intelligence of China's automotive market is showing high growth, with the development speed leading the world, which offers a platform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

(IV) Our position in the industry

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

7. Laptop	15. Security camera
8. Bluetooth mouth	

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



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

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

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

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



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

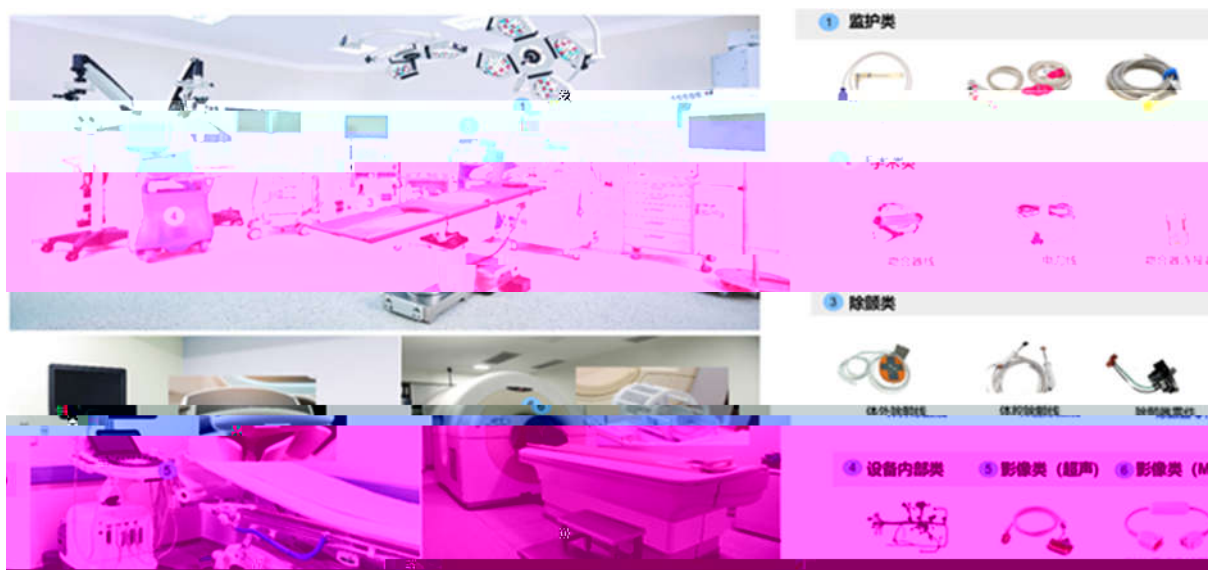
6. In the RF communications scenario, we deeply integrated and focused on product lines such as antennas, CPE, tower amplifier and RF units;

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

7. Against the electrification, networking, and intellectualization of automobiles, we have extended our product layout to multiple-

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

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



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

III. Analysis of core competencies

(1) Digital application stimulates new potential of intelligent manufacturing

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

For the digital applications, we have introduced systems such as SAP, PLM, MES and ERP.

frontier technologies. Our R&D expenses are mainly divided into investment in cutting-edge technology and in product iteration. Our investment in cutting-

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

IV. Analysis of main business

1. Overview

(1) Consumer electronics business

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

(2) Automotive business

Given the further "electrification", "intelligence" and "networking" in the automotive industry in 2022, China's new energy vehicle industry is developing rapidly, and the proportion of automotive electronics in the manufacturing cost of the entire vehicle increases significantly. We relied on a strong intelligent manufacturing platform,

intelligent cockpit domain controllers, LCD instruments, AR HUDs, and DMSs, etc.) have strong market demand, showing rapid growth in performance. What's more, Luxshare Limited, our controlling shareholder, purchased shares in Chery Holding Group Co., Ltd. and its subsidiaries ("Chery Group") on February 11, 2022. Meanwhile, i

and precision components					
Communication interconnect products and precision components	12,834,368,214.51	6.00%	3,269,476,642.60	2.12%	292.55%
Consumer electronics	179,666,857,997.07	83.95%	134,637,995,600.46	87.46%	33.44%
Other connectors and other business	4,097,882,949.66	1.91%	4,039,354,643.37	2.62%	1.45%
By product					
Computer interconnect products and precision components	11,279,925,261.07	5.27%	7,856,595,729.78	5.10%	43.57%
Automotive interconnect products and precision components	6,149,359,869.13	2.87%	4,142,675,174.19	2.69%	48.44%
Communication interconnect products and precision components	12,834,368,214.51	6.00%	3,269,476,642.60	2.12%	292.55%
Consumer electronics	179,666,857,997.07	83.95%	134,637,995,600.46	87.46%	33.44%
Other connectors and other business	4,097,882,949.66	1.91%	4,039,354,643.37	2.62%	1.45%
By region					

Segment	Item	Unit	2022	2021	Y/Y % change
	Sales volume				

Computer interconnect products
and precision components

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

Remark

None

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

Yes No

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

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

B

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

Other information of major suppliers:

Applicable N/A

3. Expenses

In RMB

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

4. R&D investments

Applicable N/A

Description of major R&D project	Purpose	Progress	Objectives	Expected effect on the future development of Company
R&D of high-precision optical and sensor compound anti-shake camera motor	To add new structural design methods and introduce automated production equipment into key production processes, thereby improving production efficiency and stability	Completed and put into production	To achieve the mass production of project products	Through the implementation of this project, the R&D of high-precision optical and sensor compound anti-shake camera motors can help anti

molding technology for smartwatches	<p>low-pressure injection molding material is injected, cooled, and separated under pressure to produce semi-finished or finished products of a certain shape. Low-pressure injection molding technology is a packaging process that uses low injection pressure to inject hot melt glue into the mold in a molten state and quickly (3-60 seconds) solidify it. The packaged products have the effects of insulation, temperature resistance, dust resistance, waterproofness, moisture resistance, impact resistance, shock absorption, and chemical corrosion resistance.</p>	production	project products	<p>industrialization can be achieved quickly with the help of our intelligent production experience, and through the deep upstream and downstream cooperation with domestic equipment and material suppliers, this project will become an important part of the “chain-building, chain-supplementing, chain-extending, and chain-strengthening” of the domestic consumer electronics industry, driving the development of the regional industry</p>
This kind of product is produced successfully and		To realize the		
To increase R&D of the function headset function module based on mobile phone positioning	<p>To solve the current inconvenience in the use of wireless bluetooth headset, such as being easy to lose or difficulty in finding. This project mainly researches and develops a functional module for bluetooth headset that uses mobile phone positioning.</p>	Completed consumer testing and being applied, and two of product processing designs have been granted the patent for utility model	To achieve the mass production of project products	<p>The product is successfully researched and developed, and is granted the patent, and its application in the bluetooth headset can optimize the customers’ product functions and enhance the product competitiveness</p>
Completed obtain the patent	To increase product functions and improve its performance	Completed	To realize the functional applications and obtain the patent	<p>The product is successfully researched and developed, and is granted the patent, which can boost the product competitiveness and also enhance the value and leadership of the Company in the field of this product</p>

R&D of the product is researched and developed, and is granted the patent, which can boost the product competitiveness and also enhance the value and leadership of the Company in the field of this product

and improve its performance

smart housekeeper application, intelligent home fire monitoring system, integration of electronic nose technology for detecting health hazard

obtain the patents and products with competitiveness atad

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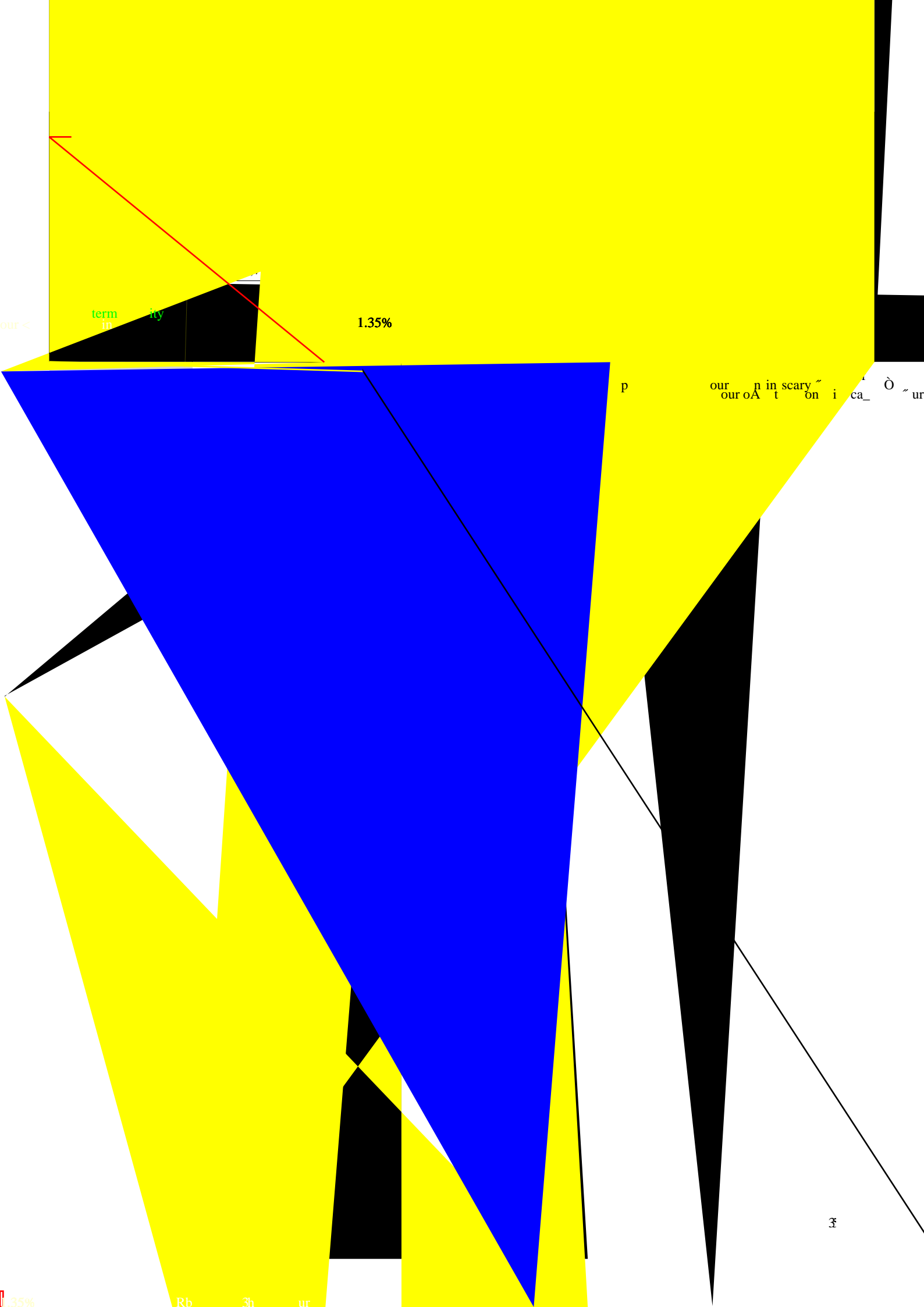
base 2 Ò Â Â i tit

mode		production	the project product	and enhance business growth momentum
R&D of automotive MCU products	<p>The R&D project has successfully enabled the control of power battery current output through automotive microcontrollers (MCUs), meeting international standards TIA/EIA-568D and IEC-60603-7.</p> <p>The electrical performance of the product has a 100% pass rate for conductivity, and IC chip has passed the functionality testing</p>	In the stage of sample installation testing and validation	To achieve the mass production of the project product	This project will expand and improve automotive product lines and enhance business growth momentum
R&D of 48V light hybrid electric motor controller housing	To develop and apply 48V platform series products	Completed	To develop and apply 48V platform series products	Luxshare will gain irreplaceable experience in terms of entering the 48V mild hybrid field, and its subsequent /

			laser light source, four optical signals can be distributed 3. To be compatible with the latest generation of software control interface protocols	3. Intensive layout and heat dissipation treatment
R&D of field-level 5G edge computing intelligent industrial gateway	To increase product functions and improve its performance	In the stage of small-scale trial production	To achieve the mass production of the project product To improve miniaturization of base station antenna units, reduce the influence between high and low	Leveraging the platform of 5G edge industrial gateways and the promotion of industrial interconnection and Industry 4.0, the project will increase the product market share
R&D of high-performance base station antennas for communication systems	To increase product functions and improve its performance	Product development has been completed		

Proportion of R&D personnel to total number of employees	7.77%	7.05%
Education background of R&D personnel		
Undergraduate	8,772	
Master	762	
Other	762	
Age of R&D personnel		
Below 30		
30-49	7,706	

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



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1.35%

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financial assets)								
2. Derivative financial assets	115,918,643.05	-88,878,993.60						27,039,649.45
4. Other investments								

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

In RMB

Type of security	Security code	Short name	Initial iL
------------------	---------------	------------	------------

Forward	5,184.08	54,182.69	-1,282.78	1,827,774.3 1	1,777,380 .88	55,577.5 1	1.23%
Option	397,843.68	2,454.98	-79.79	1,428,474.2 8	1,804,727 .7	21,590.2 6	0.48%
Total	403,027.76	56,637.67	-1,362.57	3,256,248.5 9	3,582,108 .58	77,167.7 7	1.71%
Whether there's any material change in the accounting policies and accounting principles for hedge business in the reporting period as compared with the preceding reporting period	No material change						
Actual gain or loss in the reporting period	1) The actual loss from our investment in derivatives in the reporting period for the purpose of hedging is RMB -13.6257 mi g .						

Special opinion issued by the
independent directors

Lanto
Electronic
Limited Subsidiary

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.

Lisen Precision Technology (Kunshan) Co., Ltd.

Joint venture

No significant effect on the production, operation

to prevent operating risks. In light of the general economic development trend of enhancing internal and external circulations, and the general background that huge demands for consumer electronic products will be stimulated, the smart consumer electronic products that change life with technology will grow vigorously. Our products include smart wearable, smart home, smart display, etc. We have strong comprehensive capabilities in respect of core components and system assembly for complete units, and have made full preparations for new products/businesses. In the field of AR/VR/MR, we will make complete and in-depth product deployment, leverage our remarkable advantages in production process, lean production, automation and other areas, and strive to make good achievements in the new area. In the field of communication interconnect, by focusing on technology development and combining the efforts of enterprises, universities and research institutes, we are leading the way in certain market segments in the world. In the future, we will adhere to the strategic principle of integrating “application, development and early research”, closely follow the market trends and frontier technologies, and strive to make all-round breakthroughs on more market segments. With respect to the radio frequency communication business, we will focus on the strategic plan of “core components + modules + system”, make continuous investments in design and R&D, improve the capability to produce core components on our own, and improve our

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

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

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

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

As of December 31, 2022, our equity-debt ratio was 60.38%. In 2023, we will continue to promote the high-quality development of our business in a solid and orderly manner, and we still have a need for funds in the expansion of new markets and investments of new projects. Along with the improvement of our position in the industry and stabilization of our relationship with customers, we have obtained certain competitive advantages. We will continue to strictly control capital expenditures in each project, regularly analyze and review the return on investment in each capital expenditure project, and continue to improve our management of accounts receivable, inventories and other areas, to maximize the efficiency of capital utilization. We will fully consider the effective use of financing instruments at different periods according to the requirements of our development strategy and reasonably adjust our asset and liability structure so as to create more value for our shareholders.

5. Future risks

(1) Risk of fluctuation of macro economy

The numerous uncertainties existing in the global macro environment at present, such as the trade frictions between China and the United States, worsening geopolitical situation and extensive geopolitical struggles. Adverse factors in the macroeconomic environment might increase the downward pressure on the global economy, and lead to elevated inflation in major developed economies, which will significantly suppress household income, purchasing power, and consumption demand. If the uncertainties of the macro environment continue for a long time, the industry and the Company will be impacted and face certain challenges.

(2) Exchange rate risk

At present, our revenue from the overseas market constitutes a large proportion in our total operating revenue, and our overseas transactions are mainly settled in US Dollars. Our sales on the overseas market totaled RMB85,046,280,900, RMB143,452,850,200 and RMB193,803,646,900 in 2020, 2021 and 2022, representing 91.94%, 93.18% and 90.55% of our revenue from main business respectively. Because China implements the managed floating rate system, the foreign exchange rates fluctuate along with the

gains or losses may affect our operating results. In order to reduce the uncertainties caused by the fluctuation of foreign exchange rates on our operating results, we will strive to keep abreast of the movement of foreign exchange rates and control the proportion of foreign currency denominated assets in our net assets, and through foreign exchange contracts, 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 through 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, the pandemic and the United States and other factors, our major customers will put forward increasingly high requirements for the deployment of our production capacity, which will in turn put forward higher requirements for our operating entities and pool of outstanding talents. If our management level cannot satisfy the requirements of our business 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 with our major customers. At present, our customers are relatively concentrated, most of whom are first-class customers in the industry, have strong and leading competencies and stable cooperation relationship with us, if any major customer falls into serious difficulties, it will bring certain operating risks. We will further diversify customers, products and business. With a strong R&D team as the supporting point, we will continue to carry out horizontal expansion and transfer to new markets and new business.

XII. Investigation, research, communication and activities

Applicable N/A

Date	Place	Main topic of discussion and information provided	Particulars of the investigation and research activity available at
February 13, 2022	Company meeting room at No. 10 Beihuan Qingxi Dongguang Guang	Introduction about Strategic Cooperation Framework Agreement signed between us and the Group	Refer to the Record of Investor Relations Activity dated February 13, 2022 published on www.cninfo.com.cn on February 13, 2022
February 22, 2022	Company meeting room	Introduction about our private placement of shares in 2022	Refer to the Record of Investor Relations Activity dated February 23, 2022 published on www.cninfo.com.cn on February 22, 2022
April 20, 2022	Company meeting room	Introduction about our operating status in 2021 and the first quarter of 2022	Refer to the Record of Investor Relations Activity dated April 28, 2022 published on www.cninfo.com.cn on April 30, 2022

Investor Our performance Refer to the Record

(II) Independence in personnel

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

(III) Independence in finance

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

(IV) Independence in organization

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

(V) Independence in operation

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

III. Horizontal competition

Applicable N/A

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

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

2021						as disclosed in our Announcement No. 2022-047.
Second extraordinary general meeting of shareholders in 2022	Extraordinary general meeting of shareholders	general of	57.98%	September 23, 2022	September 24, 2022	A total of 2 proposals, including

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Total	--	--	--	--	--	6,460,963	8,444,220	0	0	14,905,183	--
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Guangzhou Yuexiu Financial Holding Group Co., Ltd.

Ms. SONG Yuhong, 51 years old, Chinese nationality; Master of Laws, Wuhan University; Bachelor of Laws, Southwest University of Political Science & Law; MBA, Grandes Écoles de Commerce; is now partner of DeHeng Law Offices (Shenzhen), and is a member of the International Bar Association.

WANG
Laichun

WANG Laisheng	Fengshun Luxshare Precision Industry Co., Ltd.	Managing Director	July 4, 2014		No
WANG Laisheng	Dongguan Luxshare Precision Industry Co., Ltd.	Chairman	November 27, 2015		No
WANG Laisheng	Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Director	December 25, 2015		No
LIU Zhonghua	Guangdong Provincial Expressway Development Co., Ltd.	Independent director	December 4, 2017	September	

Explanation about the posts held at other entities	N/A
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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 mn

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

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

Committee	Members	No. of meetings held	Date of meeting
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Audit Committee	LIU Zhonghua, ZHANG Ying and SONG Yuhong	3	October 25, 2022	Considered the Work Report of the Internal Audit Department for the Third Quarter of 2022.	Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC and the Work Rules of the Audit Committee of the Board of Directors, the Audit Committee performed its duties diligently, expressed opinions taking into account our actual situation, and through sufficient communication and discussions, unanimously approved the Report.		
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Remuneration and Appraisal Committee

ZHANG Ying, LIU Zhonghua and SONG Yuhong

Remuneration and Appraisal Committee	ZHANG Ying, LIU Zhonghua and SONG Yuhong	2	September 24, 2022	Considered the Performance Appraisal Measures for the 2021 Stock Option Incentive Plan.	Pursuant to the Company Law, the Code of Corporate Governance for Listed Companies promulgated by the CSRC and the Work Rules of the Remuneration and Appraisal Committee of the Board of Directors, the Remuneration and Appraisal Committee reviewed the Performance Appraisal Measures for the 2021 Stock Option Incentive Plan, determined that the Measures reflected and produced the effect of incentive and fairness, and unanimously approved the Proposal.	© , the ance for
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Strategy Committee	WANG Laichun, ZHANG Ying and LIU Zhonghua	1	March 09, 2022
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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)	579
Total number of current employees of the major subsidiaries at the end of the reporting period (person)	236,353
Total number of current employees at the end of the reporting period (person)	236,932
Total number of salaried employees during the reporting period (person)	236,932
Total number of retired employees to or for whom the parent and the major subsidiaries are obligated to make payments (person)	0
Structure of profession	
Type of profession	Number of employees (person)
Production staff	198,549
Sales staff	2,628
Technical staff	18,421
Financial staff	438
Administrative staff	16,896
Total	236,932
Education	
Degree of education	Number of employees (person)
Undergraduate	16,196
College	22,508
Secondary specialized school, senior middle school and below	198,228
Total	236,932

2. Remuneration polipoe

which will help us retain and attract outstanding talents, and human resources required for our development.

3. Training programs

adjusted as follows: to distribute to all shareholders a cash dividend of RMB7.00 per share based on the total share capital of 7,085,454,576 shares, totaling RMB70,854,545,760.

Special explanation
Whether to comply with the provisions of the AOA or resolutions of the general meeting of shareholders of the Company?
Whether the relevant decision-making process and measures are sound?
Whether the independent directors have performed their duties and exercised their functions?
Whether the minority shareholders have sufficient opportunities to express their opinions and requests and their legitimate interests are fully protected?
Whether the conditions and procedures in respect of any amendment of the cash dividend policy comply with regulations and are transparent?
Whether the Company has made a profit in the reporting period, but the Company does not propose to distribute dividends to shareholders?
Applicable <input checked="" type="checkbox"/> N/A
Particulars of profit distribution and transfer of capital reserves
<input checked="" type="checkbox"/> Applicable N/A
Number of bonus shares per 10 shares (share)
Amount of cash dividends per 10 shares (RMB) (including tax)
Share capital based on which the distribution proposal is made (share)
Amount of cash dividends (RMB) (inclusive of tax)
Amount of cash dividends distributed in other ways (share repurchase) (RMB)
Total amount of cash dividends (including other ways) (RMB)
Distributable profit (RMB)

Particulars of cash dividends distribution: 50% of cash dividends distributed in other ways (share repurchase) (RMB) 10,000,000,000.00

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) 2018 stock option incentive plan

On December 3, 2021, we held the 6th meeting of the fifth Board of Directors and the 6th meeting of the fifth Board of Supervisors, deliberating and approving the Proposal on Achievement of Vesting Conditions for the Third Vesting Period under 2018 Stock Option Incentive Plan. The grantees meeting these vesting conditions may exercise options in the third vesting period at their sole discretion, and the actual exercisable period is from December 24, 2021 to September 23, 2022. For details, please refer to the Suggestive Announcement (Revised) on Exercise at Their Sole Discretion in the Third Vesting Period under 2018 Stock Option Incentive Plan (Announcement No. 2021-105). During the reporting period, the grantees exercised their options to purchase 1,573,156 shares in total within the second vesting period in initial grant under the 2019 Stock Option Incentive Plan.

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

On December 5, 2022, we held the 14th meeting of the fifth Board of Directors and the 14th meeting of the fifth Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Quantity and Cancellation of Some Stock Options under the 2018 Stock Option Incentive Plan and the Proposal on Achievement of Vesting Conditions for the Fourth Exercise Period of the 2018 Stock Option Incentive Plan. Due to the resignation of grantees or their failure to meet the assessment standards, we adjusted the exercise quantity under the 2018 Stock Option Incentive Plan accordingly and cancelled 1,230,044 stock options granted but not exercised. The number of grantees subject to the stock option incentive plan was changed from 1,653 to 1,607, and the quantity of stock options granted but not exercised was changed from 60,875,365 to 59,645,321. For details, please refer to the Announcement on Adjustment of the Exercise Quantity and Cancellation of Some Stock Options under the 2018 Stock Option Incentive Plan and (Announcement No. 2022-107). Meanwhile, the grantees meeting these vesting conditions may exercise options in the fourth vesting period at their sole discretion, and the actual exercisable period is from December 13, 2022 to September 22, 2023. For details, please refer to the Suggestive Announcement on Exercise at Their Sole Discretion in the Fourth Vesting Period under 2018 Stock Option Incentive Plan (Announcement No. 2022-110). During the reporting period, the grantees exercised their options to purchase 15,164,369 shares in total within the fourth vesting period of the 2018 Stock Option Incentive Plan.

(2) 2019 stock option incentive plan

On July 2, 2021, we held the 2nd meeting of the fifth Board of Directors and the 2nd meeting of the fifth Board of Supervisors, deliberating and approving the Proposal on Achievement of Vesting Conditions for the Second Vesting Period of the Initial Grant under 2019 Stock Option Incentive Plan. The grantees meeting these vesting conditions may exercise options in the second vesting period at their sole discretion, and the actual exercisable period is from July 15, 2021 to April 21, 2022. For details, please see the Suggestive Announcement on Exercise at Their Sole Discretion in the Second Vesting Period in Initial Grant under 2019 Stock Option Incentive Plan (Announcement No. 2021-069). During the reporting period, the grantees exercised their options to purchase 1,573,156 shares in total within the second vesting period of the stock options in initial grant under the 2019 Stock Option Incentive Plan.

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

failure to meet the assessment standards, we adjusted the exercise quantity of reserved grant under the 2019 Stock Option Incentive Plan accordingly and cancelled 599,316 stock options granted but not exercised. The number of grantees subject to the stock option incentive plan was changed from 250 to 239, and the quantity of stock options granted but not exercised was changed from 16,547,958 to 15,948,642. For details, please refer to the Announcement on Adjustment of the List of Grantees in Reserved Grant and Option Quantity as well as Cancellation of Some Options under the 2019 Stock Option Incentive Plan (Announcement No. 2022-008). Meanwhile, the grantees meeting these vesting conditions may exercise options in the second vesting period at their sole

2022 and 172.021 million stock options would be granted to 3,759 eligible grantees. For details, please refer to the Announcement on Granting Stock Options to Grantees under the 2022 Stock Option Incentive Plan (Announcement No. 2022-106).

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

HUAN G Dawei	Board Secretary & Deputy General Manager	659,085.00	439,390.00	219,695.00	10.1700	439,390.00	31.7500				
HUAN G Dawei	Board Secretary & Deputy General Manager	500,000.00			30.3500	500,000.00	31.7500				
WU Tiansong	CFO	263,634.00	131,817.00		10.0600	263,634.00	31.7500				

WU
Tiansong

Enterprises and other applicable laws, regulations and normative documents, taking into account the characteristics of our industry

reported to the management; (C) ineffective control environment; (D) any material misstatement in the financial report for the current period that is identified by external auditor but fails to be identified through internal control; (E) any serious violation of the laws and regulations; (F) the Company running at a loss for consecutive years due to any reason other than policy-related loss, which might threaten the Company's ability to continue as a going concern; and (G) ineffective supervision by the management and related functional departments over the internal control.

2. The significant deficiencies in internal control over financial reporting include: (A) failure to select and apply accounting policies pursuant to the generally accepted accounting principles; (B) failure to establish anti-fraud procedures and controls; (C) absence of or ineffective control system for important business; (D) lack of internal controls in and disorderly management of subsidiaries; and (E) great outflow of or frequent changes in senior officers (especially those in charge of internal control, financial and human resources departments), or great outflow of personnel on the relevant posts.

3. General deficiencies in internal control over financial reporting include deficiencies in control other than material weakness and significant deficiency.

posts; (C) absence of or ineffective control system for important business relating to the production and operation of the Company; (D) ineffective internal control over information disclosure, resulting in any public condemnation of the Company by any regulatory authority; and (E) failure to correct any problem, in particular, any material weakness or significant deficiency, identified in any assessment of internal controls.

2. The

Section V Environment and Social Responsibilities

I. Major environmental issues

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

Yes No

Policies and industry standards related to environmental protection

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

1. Emission standards of air pollutants

The sulfuric acid mist, nitric acid mist (measured in NO_x) and unit product benchmark exhaust volume generated by our anodic oxidation line comply with the standards provided in Tables 5 and 6 of Discharge Standard of Electroplating Pollutants (GB21900-2008). Section 3.9 of the Technical Specification for Application and Issuance of Pollutant Discharge Permit - Electronics Industry (HJ1031-2019) provides that this standard uses non-methane hydrocarbons as a comprehensive control indicator for VOC emissions; after the release and implementation of the Discharge Standard of Pollutants for Electronic Industry, such Standard shall apply. In this project, the particulate matter generated from machining, sulfuric acid mist from aluminum solution concentration, non-methane hydrocarbon from dispensing, gluing and printing and nitric acid mist from cleaning process (measured in NO_x) comply with Level 2 provided in the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). The 55 standard NO_x pollution concentration limit for unorganized waste gas monitoring points comply with the standards provided in Table 2 of the Integrated Emission

at unorganized exhaust monitoring points in the plant comply with the corresponding standards provided in Appendix A of Control Standard for Unorganized Emissions of Volatile Organic Compounds (GB37822-2019); the non-methane hydrocarbons and particulate matter concentrations at unorganized exhaust monitoring points at the plant boundary comply with the special emission limits for air pollutants provided in Table 3 of Integrated Emission Standard of Air Pollutants (DB31_933-2015); the odor complies with the corresponding standards provided in Table 3 of Emission Standard of Odor Pollutants (DB311025-2016).

2. Discharge standards of water pollutants

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

3. Emission standards of noise pollution

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

4. Discharge standards of solid wastes

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

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

1. Emission standards of air pollutants

The emission concentrations of nitrogen oxides and sulfuric acid mist produced by our anode line comply with the emission limits of air pollutants for new enterprises provided in Table 5 of the Discharge Standard of Electroplating Pollutants (GB21900-2008), and the benchmark exhaust of the project complies with Table 6. The emission concentrations of non-methane hydrocarbons from injection molding process complies with the special emission limits provided in Table 5 of the Emission Standard of Pollutants from Synthetic Resin Industry (GB31572-2015), and the particulate matter, non-methane hydrocarbons, xylene, benzene series, chromium and its compounds, nickel and its compounds from other processes comply with the emission limits of atmospheric pollutants from organized emissions provided in Table 1 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). The emission concentrations of particulate matter, sulfuric acid mist, nitrogen oxides, non-methane hydrocarbons, xylene, benzene series and its compounds, chromium and its compounds, and nickel and its compounds from unorganized emissions comply with the concentration limits of air pollutant emission monitoring at the boundaries of enterprises provided in Table 3 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). The concentrations of unorganized emission of ammonia, hydrogen sulfide and odor comply with Level 2 standards on new renovation and expansion provided in Table 1 of, and the organized emission concentrations thereof comply with Table 2 of the Emission Standard of Odorous Pollutants (GB14554-93). The concentrations of unorganized emission of non-methane hydrocarbons in the plant comply with Table 2 of the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). Alkali mist and phosphoric acid mist refer to the standards provided in Table 1 of Integrated Emission Standard of Air Pollutants (DB31/933-2015). In accordance with the Notice of the Nantong Municipal Government Office on Issuing the 2020 \hat{A} / g -

pretreatment equipment in the plant, the total chromium and total nickel in wastewater pretreatment plant outlet comply with the standard limits provided in Table 3 of the Discharge Standard of Electroplating Pollutants (GB21900-2008); Rugao Fugang Water Treatment Co., Ltd. as the sewage treatment plant in the park complies with Level 3 provided in Table 4 of Integrated Standards of Wastewater Discharge (GB8979-1996) for water quality management. The ammonia nitrogen, total nitrogen, and total phosphorus comply with the management requirements of Rugao Fugang Water Treatment Co., Ltd., and the total aluminum complies with the standards provided in Table 3 of the Discharge Standard of Electroplating Pollutants (GB21900-2008); the benchmark drainage of unit products complies with the requirements in Table 2 of the Discharge Standard of Electroplating Pollutants. The tail water from the sewage treatment plant in the park is discharged into the central river after reaching the Level 1A standards provided in the

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

4. Discharge standards of solid wastes

The solid wastes of the said company mainly consist of general solid wastes and hazardous wastes. For storage of general solid wastes, it refers to the environmental protection requirements on anti-

5. Completion acceptance report of Ri Ming watch project.

Pollution Permit No.:

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

Luxcase Precision Technology (Yancheng) Co., Ltd.	Air pollutants	NOx	Treated exhaust gas meets the standards and is emitted at high altitude	19	Plant roof, and both east and west sides	21.01	Discharge Standard of Electroplating Pollutants (GB21900-2008) and the Emission Standard of Boiler Air Pollutants
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Luxshare Precision Technology (Yanqing) Co., Ltd.	Water pollutants	Chemical oxygen demand	Pip		41.75	Integrated Discharge	Wastewater Discharge Standards (GB 8978-1996)	Standards	729.32	/
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Luxcase Precision Technology (Yancheng) Co., Ltd.	Reuse of heavy metal wastewater	Total copper	Reuse without discharge	1	Without discharge	0	Discharge Standard of Electroplating Pollutants (GB21900-2008)	0	/	/Ri Ming
Luxcase Precision Co., Ltd. Technology (Yancheng) Co., Ltd.	Reuse of heavy metal wastewater	Total chromium	pollutants and Reused at high altitude discharge	1	Without discharge	0	Discharge Standard of Electroplating Pollutants (GB21900-2008)	0	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Oil mist	Treated exhaust gas meets the standards and is emitted at high altitude	63	Plant roof	0.2	Integrated Emission Standard of Air Pollutants (DB31_933-2015)	0.213	/	/
(0B5)1 (Shanghai) Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	Particulate matter	Treated exhaust gas meets the standards and is emitted at high altitude	6	Plant roof	2.7	Integrated Emission Standard of Air Pollutants (DB31_933-2015)	0.845	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Air pollutants	VOCs	Treated exhaust gas meets the standards and is emitted at	3	Plant roof					

exhaust gas

Computer Accessory of Air Pollutants

Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	PH value	Pipe discharge	1	Main outlet of sewage station	7.4	Integrated Discharge (DB31-199	Wastewater Standard
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Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Total phosphorus	Pipe discharge	1	Main outlet of sewage station	0.42	Integrated Wastewater Discharge Standard (DB31-199-2018)	0.14	/	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	Total nitrogen	Pipe discharge	1	Main outlet of sewage station	3.1	Integrated Wastewater Discharge Standard (DB31-199-2018)	1.358	5.25	/
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Water pollutants	BOD5	Pipe discharge	1	Main outlet of sewage station	31.6	Integrated Wastewater Discharge Standard (DB31-199-2018)	5.772	/	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	NOx (anode)	Treated exhaust gas meets the standards and is emitted at high altitude	2	A2/A14	2.25	Discharge Standard of Electroplating Pollutants (GB21900-2008)	3.423	11.987	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	NOx (boiler)	Treated exhaust gas meets the standards and is emitted at high altitude	3	A2/A14/waste water treatment station	32	(Tong Zheng Ban Fa {2020} No. 34)	1.451	11.987	/
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Air pollutants	Particulate matter (boiler)	Treated exhaust gas meets the standards and is emitted at high altitude	3	A2/A14/waste water treatment station	4.575	Table 3 of Emission Standard of Boiler Air Pollutants (GB13271-2014)	0.224	8.698	/

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

Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Air pollutants	Sulfuric acid mist	Treated exhaust gas meets the standards and is emitted at high altitude	4	A2/A14/waste water treatment station/hazardous waste warehouse	0.43	Discharge Standard of
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Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Water pollutants	Biochemical oxygen demand	Pipe discharge	1	Main outlet of sewage station	2.209	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	0.477	19.791	/
Rida Intelligent Manufacturing Technology (Rugao) Co., Ltd.	Water pollutants	Total aluminum	Pipe discharge	1	Main outlet of sewage station	0.091	Standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008), Level 3 provided in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), the requirements on pipe connection of Rugao Fugang Water Treatment Co., Ltd., standards provided in Table 3 of Discharge Standard of Electroplating Pollutants (GB21900-2008)	0.019	0.297	/

Treatment of pollutants

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

1. Prevention measures for exhaust gas pollution:

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

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

Dust generated from sandblasting, drilling, and laser engraving is treated by wet dust collector after collection. The emission concentration and emission rate of dust generated from sandblasting, drilling, and laser engraving can meet the corresponding limits provided in the Integrated Emission Standard of Air Pollutants (DB32/4041-2021). According to the Industrial Source Coefficient Handbook for the Second National Pollution Source Census as the mechanical industry coefficient handbook - pre-treatment - dry pre-treatment - shot blasting, dust can be removed by the single tube (multi-tube parallel) cyclone device with a removal efficiency

of 60%. Then after wet dust collector treatment, the removal efficiency can reach over 90%. Based on the actual operation of the project, the removal efficiency of sandblasting dust after treatment by its own dust collector and then by wet dust collector can reach over 90%, and the removal efficiency of drilling and laser engraving dust is around 85%. Therefore, the said company's dust, after treatment by wet dust collector, can be discharged in steady compliance with standards.

Natural gas boilers use domestically advanced low-nitrogen combustion technology, which is a feasible technology for the Technical Specification for Application and Issuance of Pollutant Discharge Permits - Boilers. According to routine monitoring data of existing projects and low-nitrogen combustion retrofitting and commissioning reports, the SO₂, NO_x, and particulate matter in boiler flue gas can meet the corresponding limits of the Emission Standard of Boiler Air Pollutants (DB32/4385-2022).

2. Prevention measures for wastewater pollution:

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

3. Measures for noise pollution prevention:

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

4. Prevention measures for hazardous waste pollution:

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

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

1. Prevention measures for exhaust gas pollution:

(1) A closed operation room is set up for the CNC machining process. All oil mist generated therefrom is treated through a cyclone tower oil mist washing tower and discharged through a 17-meter-high exhaust duct. The oil mist in the discharged exhaust gas meets the emission limits for air pollutants provided in the Integrated Emission Standard of Air Pollutants (DB31/933-2015);

according to routine monitoring reports of existing projects, the removal rate of CNC machining exhaust gas after treatment by oil

gases (measured as non-

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

4. Prevention measures for hazardous waste pollution:

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

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

1. Prevention measures for exhaust gas pollution:

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

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

Dust generated from sandblasting, drilling, and laser engraving is treated by wet dust collector after collection. The emission concentration and emission rate of dust generated from sandblasting, drilling, and laser engraving can meet the corresponding limits provided in the Integrated Emission Standard of Air Pollutants (GB16297-1996). According to the Industrial Source Coefficient Handbook for the Second National Pollution Source Census as the mechanical industry coefficient handbook - pre-treatment - dry pre-treatment - shot blasting, dust can be removed by the single tube (multi-tube parallel) cyclone device with a removal efficiency of 60%. Then after wet dust collector treatment, the removal efficiency can reach over 90%. Based on the actual operation of the project, the removal efficiency of sandblasting dust after treatment by its own dust collector and then by wet dust collector can reach over 90%, and the removal efficiency of drilling and laser engraving dust is around 85%. Therefore, the said company dust, after treatment by wet dust collector, can be discharged in steady compliance with standards.

2. Prevention measures for wastewater pollution:

The said company implements the principle of “separation of rainwater and sewage, and separation of clean water and polluted water”. Different kinds of wastewater enter the corresponding sewage pool through different pipes. The pipes are overhead and pasted with signs of flow direction. The completeness of the pipes is checked regularly, and any abnormality, if found, will be handled immediately. All pools and floors of the sewage station are paved and hardened for anti seepage and anti corrosion. Domestic wastewater is treated using a two-stage septic tank system. The two-stage septic tank is composed of two interconnected sealed septic tanks. Feces enter the first tank through an inlet pipe and flow downstream to the second septic tank. The effluent from the second septic tank is collected in a collection tank and then discharged to the municipal sewerage system.

biochemical system, and the treated wastewater is discharged to the sewage treatment plant. According to existing testing reports, the quality of the said company's effluent meets the relevant standards for the sewage station. Heavy metal wastewater is treated and reused through a process of "sterilization + membrane treatment + evaporation and crystallization + ion exchange." The main process remains unchanged. The concentrated water of low-concentration wastewater is subject to ultrafiltration, sand filtration, and reverse osmosis, while high-concentration wastewater is subject to sedimentation and pressure filtration before entering PFET evaporation, and then the purified water is reused in the anodizing process.

3. Measures for noise pollution prevention:

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

4. Prevention measures for hazardous waste pollution:

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

Environmental self-monitoring program

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

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

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

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

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

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

Lux

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

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

Improvement project	Program	Investment (RMB0'000)	Annual power savings (kwh)	Annual cost savings (RMB)
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Lighting improvement	& §	h	Ò	”
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B and C	ice water and cooling water inlet and outlet temperatures		
Air compressor room linkage control system and frequency conversion energy saving improvement	Installation of online monitoring of air pressure systems, joint control and deployment of air compressors	0	
Clean room air pressure replaced by vacuum suction	Switch air pressure to vacuum generator	0	57.6

plants to respond to issues related to climate changes in a comprehensive manner. Based on our actual business and with reference to the external standards, it identifies the applicable climate risks and opportunities, rank them according to the

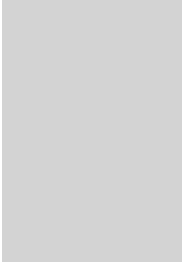
Section VI Significant Matters

I. Fulfillment of commitments

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

Applicable N/A

Commitments	Committed by	Commitment Type	Commitment details	Commitment date	Commitment period	Fulfillment of commitments
Commitments relating to any initial public offering or subsequent fund raising	HUANG Dawei; LI Wei; LIU Zhonghua; SONG Yuhong; WANG Laichun; WANG Laisheng; WANG Tao; WU Tiansong; ZHANG Ying	Other commitments	<p>In order to seriously protect the legitimate rights and interests of the Company and all of its shareholders, each of all directors and executives of the Company hereby makes commitments as follows:</p> <ol style="list-style-type: none"> 1. I promise not to damage the Company's interest by transferring benefits to any other entity or individual free of charge or under unfair conditions or otherwise; 2. I promise to restrain the duty-related consumption of directors and executives; 3. I promise not to use the Issuer's assets to engage 			



Commitment until the completion of this non-public

	<p>WANG Laisheng; WU Tiansong; XIONG Tengfang; XU Huaibin, XUE Haigao; YE Yiling; ZHANG Ying</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>			
<p>Commitments relating to any initial public offering or subsequent fund raising</p>	<p>Luxshare Limited; WANG Laichun; WANG Laisheng</p>	<p>Other commitments</p>	<p>In order to seriously protect the legitimate rights and interests of the Company and all of its shareholders, each of the controlling shareholder and actual controllers of the Company hereby commitments as follows:</p> <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</p>			

<p>Commitments relating to any initial public offering or subsequent fund raising</p>	<p>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</p>	<p>Other commitments</p>	<p>investors, we/I are/am willing to compensate for such losses according to the law.</p> <p>3. From the date of this commitment till the date of completion of this offering, if the CSRC or any other competent securities regulatory authority adopts any new regulation regarding the remedial measures for diluted earnings and commitments in connection therewith, and the commitments set forth above do not satisfy the requirements of such new regulation, we/I will make supplementary commitments pursuant to the new regulation.</p> <p>Each of all directors and executives of the Company hereby commitments as follows:</p> <p>(1) I will not transfer benefits to any other entity or individual without compensation or on unfair terms,</p>			
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			<p>my powers, or infringe on the interest of the Company.</p>			
<p>Commitments relating to any initial public offering or subsequent fund raising</p>	<p>Luxshare Limited</p>	<p>Commitments relating to horizontal competition, related-party transactions and occupation of funds</p>	<p>The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: 1. We and other entities controlled by us will reduce related-party transactions with the Company to the maximum extent practicable. 2. With respect to any related</p>			

	Laichun; WANG Laisheng	occupation of funds	other shareholders. With respect to any related-party transaction between us/me or any other entity controlled by us/me and the Issuer, we/I will carry out such transaction on an arm's length basis and customary commercial terms, and will not request the Issuer to offer any terms more favorable than the terms that may be offered by any third party in an arm's length transaction, or accept any such terms offered by the Issuer. We/I will strictly perform all related-party transaction agreements (if any) entered into with the Issuer in good faith, and will not seek any interest or benefit in contravention of the commitments set forth above. If we/I breach any commitment set forth above, we/I agree to indemnify the Issuer and its minority shareholders for all losses arising therefrom.			
Commitments relating to any initial public offering or subsequent fund raising	Luxshare Limited; Shenzhen Zixin Investment Co., Ltd.	Commitments relating to horizontal competition, related-party transactions and occupation of funds				

			of the Issuer or any entity controlled by the Issuer in or outside China. I will use my control over the other entities controlled by me to cause such entities to fulfill the commitments set forth above in the same manner. If I breach any commitment set forth above, I agree to assume the relevant legal liabilities, including without limitation, to indemnify the Issuer and its minority shareholders for all losses arising therefrom.			
Other commitments	WANG Laisheng	Commitments on Shareholding Increase	(1) For this shareholding increase plan and subsequent share management, I will not conduct insider trading or short term trading, or purchase or sell shares during the sensitive period in strict accordance with the relevant provisions of applicable laws, regulations and normative documents. (2) I will not reduce shares of the Company during the period of the shareholding increase and within the statutory period, and will complete complete this shareholding increase plan during the aforesaid period of implementation.	April 11, 2022	October 11, 2022	Fulfilled
Other commitments	Luxshare Limited	Other commitments	Luxshare Limited, as the controlling shareholder of the Company, hereby undertakes not to sell any share of the Company through the stock trading system within 12 months after the completion of this disposal.	February 3, 2021	February 2, 2022	Fulfilled
Whether the commitments have been fulfilled on time?	Yes					

purposes.

III. Illegal provision of guarantees for external parties

Applicable N/A

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

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

Applicable N/A

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

Applicable N/A

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

Applicable N/A

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

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

Applicable N/A

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

VIII. Appointment and dismissal of accounting firms

Accounting firm currently engaged:

Name of domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of domestic accounting firm (in RMB0'000)	234.6
Consecutive years in which the domestic accounting firm has provided auditing service	15
Certified public accountant of the domestic accounting firm	LI Jing and Danjie
Consecutive years in which the certified public accountant of the domestic accounting firm has provided auditing service	4

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

Yes

Engaged an independent firm to audit and certify the effectiveness of internal controls, financial advisor or sponsor:

Applicable

We engaged [REDACTED] an Certified Public Accountants LLP as our internal control auditor.

IX. Suspension and termination after disclosure of the annual report

Applicable

X. Bankruptcy and reorganization

Applicable

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

XI. Pending arbitration proceedings

Applicable

Amount claimed
(RMB0'000)

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 RMB'000)	% of the total amount of the same type of transactions	Approved limit of transaction amount (in RMB'000)	Whether or not exceed the approved limit	Method of settlement	Market price available for the same type of

Particulars of huge-amount sales returns	N/A
If the total amount of daily related-party transactions that are expected to occur during the reporting period is estimated by type, the actual transactions occurred during the reporting period (if any)	When expecting the annual daily related party transactions, the Company conducts the appraisal and calculation of possible related party transactions according to the market situation, but the actually accrued amount is determined based on market situation, the two parties' business development, actual demands and specific implementation progress, resulting in certain differences between actually accrued amount and expected amount. The foregoing belongs to the acts of normal business and will not have a significant impact on daily operation and performance of the Company.
Reason of any great difference between transaction price and reference market price (if applicable)	N/A

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

Applicable N/A

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

3. Related-party transactions involving joint external investment

Applicable N/A

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

4. Accounts receivable from and payable to related parties

Applicable N/A

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

5. Financial business with its related financial companies

Applicable N/A

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

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

Applicable N/A

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

7. Other significant related-party transactions

Applicable N/A

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

XV. Significant contracts and performance thereof


1. Trusteeship, contracting and leases

(1) Trusteeship

Applicable N/A

No such case during the period

Total amount of guarantee approved to be provided for subsidiaries during the



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		10,000	August 4, 2021	4,955.02	Joint and several guarantee			August 3, 2026	No	Yes
		4,000	November 10, 2021	763.54	Joint and several guarantee			Three years after expiration of the debt performance period		
expiration of the debt		11,000	January 12, 2022	10,025.42	Joint and several guarantee			Three years after expiration of the debt performance period	No	Yes
		3,000	April 6, 2022	2,998.67	Joint and several guarantee			April 5, 2025	No	Yes
		5,500	June 1, 2022	4,531.71	Joint and several guarantee			June 1, 2025	No	Yes

Huaxun

Total amount guaranteed (D+E+F)

69,646

Particulars of the guarantees provided using complex method:

N/A

3. Entrusted management of cash assets**1 Entrusted wealth management**Applicable N/A

Entrusted wealth management during the reporting period:

Type	Source of funds	Total amount	Outstanding nta

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

I. Changes in shares

1. Changes in share

Supervisors of the Company on December 3, 2021.

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

4. Deliberation and approval by the 9th meeting of the fifth Board of Directors and the 9th meeting of the fifth Board of Supervisors of the Company on July 4, 2022.

5. Deliberation and approval by the 14th meeting of the fifth Board of Directors and the 14th meeting of the fifth Board of Supervisors of the Company on December 5, 2022.

Transfer of share ownership:

Applicable N/A

1. Period in which the stock options vested in the second vesting period of the initial grant under the 2019 stock option incentive plan may be exercised by the relevant grantees: From July 15, 2021 to April 21, 2022.

2. Period in which the stock options vested in the third vesting period under the 2018 stock option incentive plan may be exercised by the relevant grantees: From December 24, 2021 to September 23, 2022.

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

WU Tiansong	499,382	0	63,750	563,132	Lock-up shares for senior officers	The restricted conditions are released according to the requirements on the lock-up shares for senior officers
Total	6,152,646	34; 0 L	5,026,239	orw1,178,885	aers e 2 -- Total	be --

II. Offering and listing of securities

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

Applicable N/A

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

Applicable N/A

1. Upon review and approval by the 2nd meeting of the fifth Board of Directors, the 6th meeting of the fifth Board of Directors, the 6th meeting of the fifth Board of Directors, the 7th meeting of the fifth Board of Directors, the 9th meeting of the fifth Board of Directors, and the 14th meeting of the fifth Board of Directors of the Company, the vesting conditions for the second vesting period in initial grant under 2019 stock option incentive plan, the third vesting period under 2018 stock option incentive plan, the second vesting period in reserved grant under 2019 stock option incentive plan, the third vesting period in initial grant under 2019 stock option incentive plan, and the fourth vesting period under 2018 stock option incentive plan were satisfied, and the Company agreed that the relevant stock option grantees of the Company exercise options at their sole discretion, and a total of additional 44,157,507 shares were issued to the grantees exercising options at their sole discretion during the reporting period.

2. The Company publicly offered 30 million convertible corporate bonds (abbreviation: Luxshare Convertible Bonds; bond code: 128136) on November 3, 2020, and the period for which the convertible corporate bonds can be converted into shares is from May 10, 2021 to November 2, 2026. During the reporting period, the number of shares converted into by bonds was 3,737.

3. Outstanding employee shares

Applicable N/A

III. Shareholders and actual controllers

1. Number of shareholders and shareholding structure of the Company

Unit: Share

Total number of ordinary shareholders at the end of the reporting period	291,302	Total ordinary shareholders as of the end of the month prior to the disclosure date of annual report	340,682	Total number of
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Securities Clearing Company Limited	person					8		
China Securities Finance Corporation Limited	Domestic non-owned corporation	1.19%	84,428,888			84,428,888		
Central Huijin Investment Ltd.	Stated owned corporation	0.82%	58,041,012			58,041,012		

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

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

Yes No

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

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/	Date of establishment	Change in organization code	Main business
Shanghai	Li	0	Share or non-share	

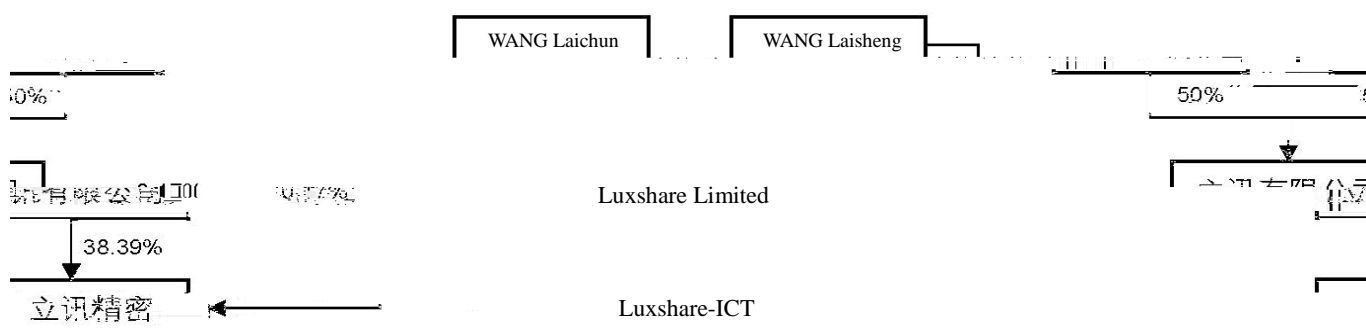
	Limited in 1999, and in 2004, Mr. WANG Laisheng and Ms. WANG Laisheng jointly established founded Luxshare Precision Industry (Shenzhen) Co., Ltd. (now known as “Luxshare Precision Industry Co., Ltd.”).
Whether or not control any other company listed on a domestic or foreign stock exchange in the past ten years	None

Change in the actual controllers during the reporting period:

Applicable N/A

Our actual controllers have remained unchanged during the reporting period.

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



Whether the actual controllers control the Company through any trust or other ways of asset management?

Applicable N/A

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

We did not h

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

Bond name	Bond abbreviation	Bond code	Issue date	Start date	Maturity date	Bond balance	Interest rate	Principal and interest payment method	Trading venue
Phase A and Phase B ultra-short-term financing bonds in 2022	Luxshare-ICT SCP001	012281625	April 24, 2022	April 26, 2022	October 21, 2022	800,000,000.00	2.62%	A lump sum payment of principal and interest at maturity	Interbank bond market

ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Luxshare-ICT SCP003	4	■ 2022	2022	25, 2022	000.00		sum payment of principal and interest at maturity	bond market
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Phase IV
ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd. (STAR Market Notes)

LuM f f

Market Notes)									
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	22 Luxshare-ICT SCP008	1012282674	July 28, 2022	July 29, 2022	April 25, 2023	800,000,000.00	2.15%	A lump sum payment of principal and interest at maturity	Interbank bond market
Investors' appropriate arrangements (if any)	Institutional investors on the national interbank bond market (except for purchasers prohibited by laws and regulations of China)								
Applicable trading mechanism	Public trading								

N/A

2.15%

2022 of Luxshare Precision Industry Co., Ltd.	accountants LLP	West 4th Ring, Haidian District, Beijing	ou ts LLP		
Phase I ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Golden C Internationalr	1101, 1103 & 1103 Units, 11, South Blo 2 Buildingx 1, Chaowai West Street, Chaoyang District, Beijing	and None B	XING&Ò ddP	LÂ

Phase II ultra-short-term financing bonds in in 2022 of Luxshare Precision Industry&

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term

ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Lun Pan Certified Public Accountants LLP	Courtyard 16, Middle Road of West 4th Ring, Haidian District, Beijing	Zhijie		
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financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Firm	Square, the 4th Central Road No. 1, Futian District, Shenzhen			
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Precision Industry Co., Ltd. (STAR Market Notes)		South Road, Shanghai			
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	China Merchants Bank Co., Ltd.	China Merchants Bank Building, No. 7088 Houhai Avenue, Shenzhen	None	LUO Yingying	0755-88026159
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Beijing Han Kun (Shenzhen) Law Firm	20/F, Tower 3, Jiali Construction Square, the 4th Central Road No. 1, Futian District, Shenzhen	None	TONG Linwen	0755-36806500
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	BDO China Shu Lun Pan Certified Public Accountants LLP	10/F, Building 7, Courtyard 16, Middle Road of West 4th Ring, Haidian District, Beijing	LI Jing and ZHEN Zhijie	ZHU Jiandi	010-88210608
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Golden Credit Rating International Co., Ltd.	1101, 1102 and 1103 Units, 11/F, South Block, Building 1, Chaowai West Street, Chaoyang District, Beijing	None	XING Dong	010-62299850
Phase VIII ultra-short-term financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	Interbank Market Clearing House Co., Ltd.	33-34/F, Oriental International Financial Plaza, 318 Zhongshan South Road, Shanghai	None	XIE Zhong	021-63326662

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

Yes No

4. Use of raised funds

In RMB

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

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

financing bonds in 2022 of Luxshare Precision Industry Co., Ltd.	<input checked="" type="checkbox"/>	adjusted	0				
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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

N/A Applicable N/A 0

5. Adjustment of credit rating results during the reporting period

0 / 1 /

5. Adjusted /

(7) The conversion price was adjusted from RMB57.91 per share to RMB57.80 per share, which become effective on July 13, 2022 because the Company implemented the annual equity distribution in 2021, and distributed RMB1.099820 in cash per 10 shares

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

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 [2022] No. 4227) issued by China Lianhe Credit Rating Co., Ltd. on June 22, 2022, the long-term credit rating of the Company as the entity is AA+ and the credit rating of the convertible bonds of the Company is AA+. There is no significant change in the Company's liabilities and credit. For main accounting data and financial indicators, please see the "VIII Main Accounting Date and Financial Indicators in the Past Two Years" under Section IX of this report.

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

Applicable N/A

Section X Financial Report

I. Auditor's report

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

Main Body of Auditor's Report

Auditor's Report

Xin Kuai Shi Bao Zi [2023] No. ZB10828

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

I. Audit opinion

We have audited the financial statements of Luxshare Precision Industry Co., Ltd. ("Luxshare Precision"), which comprise the consolidated and parent company's balance sheets as at December 31, 2022, and the consolidated and parent company's income

In 2022, Luxshare Precision's operating income presented in its consolidated financial statements amounted to RMB214,028,394,300.00. Luxshare Precision has a large number of customers at home and abroad. Under different delivery methods, the Company recognizes revenue upon the transfer of control of a related product to a customer. If a customer is also the supplier of some raw materials, the Company recognizes the purchase of raw materials and sales of

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

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

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

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

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

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

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

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is suffi

Shanghai · China

Chinese CPA: DAN Jie
April 27, 2023**II. Financial statements**

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

1. Consolidated balance sheet

Prepared by: Luxshare Precision Industry Co., Ltd.

December 31, 2022

In RMB

Item	December 31, 2022	January 1, 2022
Current assets:		
Cash and bank balances	19,367,209,441.41	14,204,618,186.43

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year		
Other current assets	2,197,204,594.09	2,161,055,820.73
Total current assets	88,291,833,209.09	
Non-current assets:		
Loans and advances to customers		
Debt investments	1,739,251,540.45	
Other debt investments		
Long-term receivables		
Long-term equity investment	2,000,007,642.66	
Other investments in equity instruments	440,106,992.66	
Other non-current financial assets	35,700,000.00	
Investment properties	92,782,410.06	59,000,000.00
Fixed assets	44,026,022,703.69	34,113,259,000.00
Construction in progress	2,695,377,794.32	3,685,336,490.00
Bearer biological assets		
Oil and gas assets		
Right-of		

Deferred income	665,910,095.66	538,556,944.18
Deferred tax liabilities	1,606,645,177.00	1,272,092,467.86
Other non-current liabilities	324,039.05	1,207,763.79
Total non-current liabilities	14,969,237,474.53	9,958,755,591.47
Total liabilities	89,600,449,377.52	74,789,454,618.31
Owners' equity:		
Share capital	7,099,908,647.00	7,050,485,477.00
Other equity instruments	527,319,637.88	527,358,025.98

Prepayments	153,214,652.87	475,784,600.82
Other receivables	250,596,765.44	635,052,127.84
Including: Interest receivable		
Dividends receivable	150,000,000.00	211,543,626.19
Inventories	365,123,547.22	278,795,156.21
Con sv &		

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

Selling expenses

831,398,139.60

789,908,163.80

Selling expenses

Selling expenses

Selling expenses

continuing operation		
1. Net profit from continuing operations (Net loss is indicated by “-”)	10,490,676,778.96	7,820,610,306.19
2. Net profit from discontinued operations (Net loss is indicated by “-”)		
(II) Categorized by ownership		
1. Net profit attributable to shareholders of the parent company	9,163,104,849.54	7,070,520,386.57
2. Net profit attributable to non-controlling interests	1,327,571,929.42	750,089,919.62
VI. Other comprehensive income, net of tax		

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	132,040,246.83	82,216,629.66
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		

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		

Sub-total of cash outflows from investing activities	23,364,287,513.52	67,483,404,233.19
Net cash flow from investing activities	-13,326,365,843.11	-8,379,661,985.78
III. Cash flows from financing activities:		
Cash receipts from capital contributions	1,596,922,470.96	2,387,352,799.19
Including: Cash receipts from capital contributions from minority owners of subsidiaries	1,030,300,000.00	1,800,900,000.00
Cash receipts from borrowings	67,739,900,243.50	

Item	2022	2021
I. Cash flows from operating activities:		
Cash receipts from the sales of goods and the rendering of services	10,020,233,092.46	25,336,089,712.39
Receipts of tax refunds		
Other cash receipts relating to operating activities	12,206,141,292.88	
Sub-total of cash inflows from operating activities	10,020,233,092.46 23,305,092,456.97	25,336,089,712.39
Cash payments for goods purchased and services received	12,697,462,668.02	24,355,914,298.82 ²
Cash payments to and on behalf of employees	224,427,747.93	177,817,539.81
Payments of various types of taxes	21,569,336.18	29,081,311.32

Net cash payments for acquisitions of subsidiaries and other business entities			
Other cash payments relating to investing activities			0.00
Sub-total of cash outflows from investing activities	8,622,564,152.53		18,539,722,211.34
Net cash flow from investing activities	-4,462,334,230.98		-4,649,146,996.51
III. Cash flows from financing activities:			
Cash receipts from capital contributions	566,622,470.96		586,452,799.19
Cash receipts from borrowings	9,777,071,023.06		4,416,265,430.62
Other cash receipts relating to financing activities	7,521,511,778.98		4,471,016,039.08
Sub-total of cash inflows from financing activities	17,865,205,273.00		9,473,734,268.89
Cash repayments of borrowings	5,560,227,961.58		2,688,298,719.66
Cash payments for distribution of dividends or profits or settlement of interest expenses	1,133,386,845.40		958,024,940.64
Other cash payments relating to financing activities	5,344,266,086.84		3,384,213,580.92
Sub-total of cash outflows from financing activities	12,037,880,893.82		7,030,537,241.22
Net cash flow from financing activities	5,827,324,379.18		2,443,197,027.67
Effect of foreign exchange rate changes on cash and cash equivalents €	5,443,372,230.66	37.58	

(II) Owners' contributions and reduction in capital	49,423,170.00	0.00	0.00	-38,388.10	932,931,580.07
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capital)					
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Item	2021

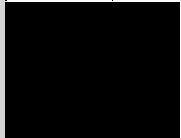


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49,419,433.00				517,203,037.96							566,622,470.96
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surplus reserve (or share capital)												
3. Loss offset by surplus reserve												0.00

	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing balance of the preceding year	6,999,768,186.00	0.00	768,180.00	527,449,226.56	2,303,197,437.38	0.00	80,735,015.01	0.00	733,067,797.73	5,031,699,596.69	797.99	15,675,917,259.37
Add: Changes in accounting policies												0.00
Corrections of prior period errors												0.00
Others												50.00

4. C
(II)
distribut

III. Basic information

(I) Company profile

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

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

for the period in which the control is lost. Other comprehensive income relating to the original subsidiary's equity investments that will be reclassified to profit or loss and changes in other owners' equity under the equity method is transferred into the investment income for the period when the control is lost.

Disposal of subsidiaries by steps

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

- i. these transactions are concluded simultaneously or after the influence on each other is considered;
- ii. these transactions as a whole can achieve a complete

8. 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.

9. 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.

10. Financial instruments

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

1. Classification of financial instruments

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

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

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

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

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

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

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

financial assets that should have been classified as those measured at amortized cost or those at fair value through other comprehensive income as the financial assets at fair value through profit or loss.

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

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

- 1) the designation eliminates or significantly reduces accounting mismatch;

Financial liabilities at fair value through profit or loss, including held-for-trading financial liabilities and derivative financial

liability with substantially different terms is accounted for as an extinguishment of the existing financial liability and the recognition

and contract assets.

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

If the Company no longer reasonably expects that the contractual cash flows of a financial asset can be recovered in whole or in

recognized in profit or loss for the current period.

4. Inventory systems for inventories

A perpetual inventory system is adopted.

5. Amortization of low-value consumables and packing materials

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

15. Contract assets

1. Recognition methods and standards of contract assets

The Company presents the contract assets or liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company presents the right to receive the consideration for the goods or services that have been transferred or offered to customers (that is, depending on factors other than the passage of time) as the contract assets. The

17. Held-for-

In case of a long equity investment acquired through a business combination not involving enterprises under common control, the Company regards the cost of combination determined on the date of acquisition as the initial investment cost of the long-term equity investment. If the Company becomes capable of exercising control over an investee not under common control due to additional investments or other reasons, the initial investment cost is the sum of the carrying amount of the equity investment originally held and the new investment cost.

(2) Long-term equity investments obtained through forms other than business combination

For a long-term equity investment acquired by paying cash, the initial investment cost is the actual purchase price.

For a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of equity securities issued.

3. Subsequent measurement and determination of profit or loss

(1) Long-term equity investments accounted for using the cost method

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. ~ r g r

21. Fixed assets

(1) Recognition of fixed assets

Fixed assets are held for use in the production of goods and have useful lives more than one accounting year.

(1) it is probable that economic benefits associated with the asset will flow to the enterprise;

(2) the cost of fixed assets can be measured reliably.

A fixed asset of the Company is initially measured at cost. When determining the cost of a fixed asset, the Company considers the effect of any expected costs of abandonment or disposal.

Subsequent expenditures incurred for a fixed asset that will increase the future economic benefits associated with the asset are capitalized; the carrying amount of the part to be replaced is derecognized; and all of other expenditures are recognized in profit or loss in the period in which they are incurred.

for administrative purposes, or for rental to others, or for administrative purposes, and only when both of the following conditions are met: (1) it is probable that economic benefits associated with the asset will flow to the enterprise; and (2) the cost of fixed assets can be measured reliably.

When determining the cost of a fixed asset, the Company considers the effect of any expected costs of abandonment or disposal.

Subsequent expenditures incurred for a fixed asset that will increase the future economic benefits associated with the asset are capitalized; the carrying amount of the part to be replaced is derecognized; and all of other expenditures are recognized in profit or loss in the period in which they are incurred.

(2) Method of depreciation

Category	Method of depreciation
Buildings	Straight-line method
Machinery equipment	Straight-line method
Auxiliary production equipment	Straight-line method
Transportation equipment	Straight-line method

Residual value rate	Annual depreciation rate (%)
0, 1, 10	2.35-5
	6-33
10	9-18

(4) Identification basis, pricing and depreciation methods of fixed assets leased in under finance leases

Refer to Note V, 36 “Leases”.

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.

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. Right-of-use assets

Please refer to Note V, 36 “Leases”.

25. Intangible assets

expenditure on the development phase.

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

(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.

(4) Accounting treatment of other long-term employee benefits

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

30. Lease liabilities

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

31. 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.

32. 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 acco

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

Under this model, the Company ships the goods to the designated warehouse, the customer picks up the goods from the warehouse, and the revenue is recognized at a point in time when the control is transferred.

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

None.

34. Government grants

1. Category

Government grants are monetary assets or non-monetary assets from the government to the Company at no consideration. Government grants are classified into government grants related to assets and government grants related to income.

Government grants related to assets are government grants whose primary condition is that the Company should purchase, construct or otherwise acquire long-term assets. Government grants related to income are government grants other than those related to assets.

The specific standard based on which the Company classifies a grant as a government grant related to assets is that: the grant obtained by the Company is used to purchase, construct or otherwise acquire long-term assets.

The specific standard based on which the Company classifies a grant as a government grant related to income is that: government grants related to income are government grants other than those related to assets.

When classifying a grant whose subsidy object is not clearly specified in the government documents as a government grant related to assets or a government grant related to income, the Company judges whether the grant is used to purchase, construct or otherwise acquire long-term assets.

2. Recognition time point

When the Company actually receives the government grant, a government grant related to assets of the Company is recognized, and since the long-term assets are available for use, the Company equally amortizes the deferred income based on the estimated useful life of long-term assets and then transfers the same to the profit or loss for the current period.

When the Company actually receives the government grant, a government grant related to income of the Company is recognized, and the Company recognizes it in the non-operating income or other income over the periods in which the related costs are recognized if the grant is a compensation for related expenses or losses to be incurred by the Company in subsequent periods, and directly recognizes it in the non-operating income or other income for the current period on acquisition if the grant is a compensation for related expenses or losses incurred by the Company. The government grant is recognized when the Company meets the conditions attaching to the government grant and can receive the government grant.

3. Accounting treatment

The government grants related to assets are offset against the carrying amount of the related assets or recognized as deferred income. If a grant is recognized as deferred income, it is charged to profit or loss for the current period in a reasonable and systematic manner within the useful life of related assets (the grant related to the daily activities of the Company is recognized in other income, otherwise it is recognized in non-operating income);

The government grant related to income which is a compensation for related expenses or losses to be incurred by the Company in subsequent periods is recognized as the deferred income and charged to the profit or loss over the period when related costs or losses are recognized (the grant related to the daily activities of the Company is recognized in other income, otherwise it is recognized in non-operating income) or offset against related costs or losses; and the government grant related to income which is a compensation for related expenses or losses incurred by the Company is directly recognized in profit or loss for the current period

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.

35. Deferred tax assets/deferred tax liabilities

Income tax includes current and deferred tax. Except for the income tax arising from business combinations and transactions or events recognized directly in owners' ~~equity (including equity comprehensive income)~~ in 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 for tha mÒ pf Ò i Ò

reversed, the taxpayer involved intends to settle the current tax assets and liabilities on a net basis or obtain assets and settle liabilities simultaneously.

36. Leases

(1) Accounting treatment of operating leases

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

(2) Accounting treatment of finance leases

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

(3) Determination and account

accordance with the principles stated in Note “III. (20) Impairment of long-term assets”.

(2) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities for leases excluding short-term leases and leases of low-value assets. The lease liabilities are initially measured at the present value of the outstanding lease payments including:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable (if any);
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Company for the guaranteed residual value;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company’s incremental borrowing rate is applied.

Interest expenses incurred to c ò E / & to c s Ì / itially lease (i 2 ue s

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

(5) Rental concessions related to COVID-19 epidemic

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

For short-term leases and leases of low-value assets, the Company continues to include the rent under the original contracts in the cost or expense of the relevant assets in the same manner as before concessions. In the event of rent reductions, the Company

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

38. Other significant accounting policies and accounting estimates

None

39. Discontinued operations

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

- (1) the component represents a separate major business or a separate major area of operation;
- (2) the component is part of an associated plan for the proposed disposition of a separate major business or a separate major area of operation; or
- (3) the component is a subsidiary acquired exclusively for resale.

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

40. Changes in significant accounting policies and accounting estimates

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

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

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

VI. Taxes

1. Major categories of taxes and tax rates

Tax category	Taxation basis	Tax rate ^{atax 2}	mc.
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 and deducted in the current period.		

Luxshare Precision Industry (Shanxi) Co., Ltd.	15
Dongguan Xuntao Electronic Co., Ltd.	15
Kunshan Luxshare Precision Industry Co., Ltd.	15
Luxshare iTech (Zhejiang) Co., Ltd.	15
Shenzhen Luxshare Acoustics Technology Ltd.	15
Enshi Luxshare Precision Industry Co., Ltd.	15
Luxshare Precision Technology Co., Ltd.	
Taiwan Luxshare Precision Limited	
ICT-LANTO LIMITED (HK)	
Luxshare Standard Limited (HK)	
Luxshare-ICT (Japan)	
Yunding Technology Co., Ltd.	
Luxis Technology Limited	

Enterprise Certificate No. GR202033002604 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2022.

7. The subsidiary, Luxshare Automation (Jiangsu) Ltd. (“Luxshare Automation Jiangsu”), was identified as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration on November 30, 2021, with the High-tech Enterprise Certificate No. GR202132006272 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2022.

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

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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

income tax at a 15% tax rate in 2022.

31. TIME Interconnect Technology (Huizhou) Limited was identified as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration on December 19, 2022, with the High-tech Enterprise Certificate No. GR202244004084 valid for three years. As provided for in the Notice by the Ministry of Finance and the State Administration of Taxation on Preferential Policies for Enterprise Income Taxes Related to Enterprises' Technological Innovation and the Notice by the State Administration of Taxation on Issues Concerning the Implementation of Preferential Enterprise Income Taxes for High-tech Enterprises, it paid the enterprise income tax at a 15% tax rate in 2022.

32. Huaxun Industrial (Suzhou) Co., Ltd. was identified as a high-

Item	Closing balance	Opening balance
Cash	1,236,553.93	323,571.12
Bank deposits		
Other cash and bank balances		
Total	1,236,553.93	323,571.12
Including: Total amount of funds deposited abroad	3,147,696,598.47	
Total amount of funds restricted due to mortgage	2,054,791,011.80	5,283,081,458.35

Item	Closing balance	Opening balance
Bank acceptance bill	853,752,545.27	137,325,482.78
Commercial acceptance bill	96,014,475.42	170,511,151.86
Total		

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

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

Applicable N/A

(3) Notes receivable pledged by the Company at the end of the period

In RMB

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

(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	1,028,289,842.79	
Total	1,028,289,842.79	

(5) Notes which the Company transfers into accounts receivable at the end of the period because of drawers' non-performance

In RMB

Item	Amount transferred to accounts receivable at the end of the period
Other descriptions	
None	

Other descriptions

None

(6) Notes receivable actually written off in the current period

In RMB

Item	Write-off amount

Including the write-off of significant notes receivable:

In RMB

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

Instructions on the write-off of notes receivable:

None

4. Accounts receivable

(1) Categorized disclosure of accounts receivable

In RMB

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

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

In RMB

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

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

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

In RMB

Description	Closing balance	
	Book balance	Bad-

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

(2) Bad-

Entity 4	1,688,551,494.86	6.45%	844,275.75
Er	1,291,291,120.77		645,645.56
Total			

(5) Amount of assets and liabilities transferred by Yansf b x e a

Total

406,016,492.61

208,404.44

531,677.00

ry Co

3) Bad-debt provisionApplicable N/A**(2) Dividends receivable****1) Classification of dividends receivable**

In RMB

Item (or Investee)	Closing balance	Opening balance
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2) Significant dividends receivable with aging over 1 year

(T cp) @ 100%

Item (or Investee)	Closing balance	Aging	Reasons for non-recovery	Whether there is impairment and its judgment basis
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3) Bad-debt provisionApplicable N/A

Other descriptions:

(3) Other receivables**1) Classification of other receivables by nature**

In RMB

Nature of receivables	Closing book balance	Opening book balance
Reserve fund	1,647,513.92	731,313.00

Security deposit

	Stage I	Stage II	Stage III	Total
Bad-debt provision	12-			

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

The amount in “others” includes the increase in combination

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

In RMB

Entity name	Amount reserved or recovered	Recovery method
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4) Other receivables actually written off in the current period

In RMB

Item	Write-off amount
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Including the write-off of significant other receivables:

In RMB

Entity name	Nature of other receivables	Write-off amount	Reasons for write-off	Procedures for write-off	Whether the funds are generated by related-party transactions
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Descriptions on the write-off of other receivables:

5) Other receivables with top five closing balance - by debtor

In RMB

Entity name	Nature of receivables	Closing balance	Aging	Proportion in total closing balance of other receivables	Closing balance of bad-debt provision
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Entity 1	Export tax rebate	143,831,836.92			
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7) Other receivables derecognized due to transfer of financial assets

None

8) Amount of assets and liabilities formed by transferring other receivables and continuing involvement

None

Other descriptions:

8. Inventories

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

No

(1) Classification of inventories

In RMB



Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value

10. Debt investments

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

Industrial Co., Ltd.	35.27		6.12	27	33	18.35		3.57	60.41	
	106,220,2		23,777,78	2,113,184.	-106,303.	-11,509,3		-1,428,62	119,066,9	
	35.27		6.12	27	33	18.35		3.57	60.41	

amount				
1. Opening balance		18,427,155.49		74,167,479.33
2. Increase in the current period				70,294,325.09

2. Increase in the current period				
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	9	88,528,183.	1,056,871.6	13,614,470.	2,593,747
	26	33	33.99	39	
	20,0	94,846.64	56,279,696.	3,767,493.	
	3.40		58		
		81,461,78			

(3) Inc
business
combin

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business combination	53	4	.95	20	69	06	33	54	.24
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(2) Decrease in business combination									
(3) Others			421.42	395.43			269.83		1,086.68
4. Closing balance	63,256,923.55	1,861,367.25	347,496,049.28	259,852.81	10,156,494.51	42,534.87	26,091,492.31	43,140,893.94	492,305,608.52
IV. Book value									
1. Closing book value	10,936,002,909.10	184,168,356.37	21,507,015,264.45	20,000,000.00	10,049,430.73	43,000.00	93,702,211.93	3,595,092,302.63	44,026,022,703.69

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

Other descriptions:

Note 1: The land occupied by the staff dormitory is in nature an allotted land, the use right of which was acquired by the Company by means of transfer through agreement in line with relevant regulations at that time. The property title formed based on the allotted 2 t

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

(2) Changes in significant constructions in progress for the current period

In RMB

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

(3) Provision for impairment of construction in progress for the current period

In RMB

Item	Current provision amount	Reasons for provision
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Other descriptions

None

17. Right-of-use assets

In RMB

Item	Buildings	Machinery equipment	Transportation equipment	Total
I. Original carrying amount				
1. Opening balance	521,882,255.91	11,555,153.95	142,024.88	533,579,434.74
2. Increase in the current period	857,555,147.72	2,609,600.64		860,164,748.36
(1) New leases	576,970,636.35	2,609,600.64		579,580,236.99
(2) Increase in business combination	273,756,264.72			273,756,264.72
(3) Others	6,828,246.65			6,828,246.65
3. Decrease in the current period	218,421,289.59	5,209,809.28	1,789.19	223,632,888.06
(1) Disposal	217,155,543.70	211		

4. Closing balance	1,161,016,114.04	8,954,945.31	140,235.69	1,170,111,295.04
II. Accumulated depreciation				
1. Opening balance	101,762,094.18	6,761,167.10	44,631.18	108,567,892.46
2. Increase in the current period	203,502,331.85	6,310,717.34	40,914.00	209,853,963.19
(1) Provision	162,514,804.50	6,310,717.34	40,914.00	168,866,435.84

(2) Increase in business combination

18. Intangible assets**(1) Intangible assets**

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In RMB

Item	Land use right	Patent right	Non-patent technology	Software	Other
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properties						
(3) Increase in business combination	14,827,771.66	30,823,247.31		3,022,377.74	132,213.98	48,805,610.69
(4) Other increase	1,125,327.76		1,165,005.32	163,333.15	11.41	2,453,677.64
3. Decrease in the current period	9,825.76	1,683.39	15,644,762.70	17,768,731.90	78,030.78	33,503,034.53
(1) Disposal			15,401,126.56	17,400,289.05		32,801,415.61
(2) Decrease in business combination				36 655		36 655 17
(3) Other decrease	9,825.76	1,683.39	243 36	1,787.6	78,030.78	334,963.75
4. Closing balance	235,085,224.75	32,275,155.70	42,988,312.96	183 27,565	17,35 0	511,433,224. 0
III. Provision for impairment						
1. Opening balance						
2. Increase in the current period						
(1) Provision						

(2) Land use right without title certificate

In RMB

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

Other descriptions:

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	Others			

Ltd.						
Suk kunststofftechnik GmbH	9,552,894.63					

(2) Provision for impairment of goodwill

In RMB

Investee name or event forming goodwill	Opening balance	Increase		Decrease		Closing balance
		Provision	Other	Disposal	Other	
Merry Electronics (Suzhou) Co., Ltd.	8,570,588.06					8,570,588.06
Suk kunststofftechnik GmbH	9,552,894.63					9,552,894.63
Merry Electronics (Shanghai) Co., Ltd.	454,304.97					454,304.97
Fujian JK Wiring Systems Co., Ltd..	17,717,209.29					17,717,209.29
Total	36,294,996.95					36,294,996.95

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

The goodwill of the Company is formed by business combinations between 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 products involved in different asset groups. Depending on the different asset groups involved, the growth rate used in the forecast of the current year is 1.00% - 29.00%, the gross margin is 2.50% - 30.00%, and the discount rate is 10.42% - 11.09%. Parameters used in goodwill impairment test of major asset groups are as follows:

Asset group name	Gross margin	Growth rate	Discount rate
Kunshan Lanto Electronic Limited	18.50%-20.45%	1.50%-2.02%	10.47%
Shenzhen Kertong Industrial Co., Ltd.	23.00%-25.00%	7.0%-8.4%	23.0

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
House decoration fees	590,715,658.23	344,457,915.35	251,897,926.91		683,275,646.67
Others	142,300,064.19	128,953,020.08	143,615,201.22		127,637,883.05
Total	733,015,722.42	473,410,935.43	395,513,128.13		810,913,529.72

Other descriptions:

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	657,614,145.51	120,807,667.80	334,568,858.40	63,227,661.81
Unrealized profit of internal transaction				

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

(2) Deferred tax liabilities that are not offset

In RMB

Item	
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	the period		beginning of the period	
Deferred tax assets		1,208,582,281.01		891,215,468.53
Deferred tax liabilities		1,606,645,177.00		1,272,092,467.86

(4) Details of unrecognized deferred tax

In RMB B

Item

Closing balance

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

(2) Significant accounts payable with aging over 1 year

In RMB

Item	Closing balance	Reasons for non-payment or carrying
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(3) Other payables**1) Presentation of other payables by nature**

In RMB

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

2) Other significant payables with aging over 1 year

In RMB

Item	Closing balance	

33. Long-term borrowings

(1) Classification of long-term borrowings

In RMB

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

40. Other equity instruments

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

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

In RMB

Outstanding financial instruments	Opening		Increase		Decrease		Closing	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Convertible bonds		527,358,025. 98				38,388.10		527,319,637. 88
Total		527,358,025. 98				38,388.10		527,319,637. 88

Descriptions on the increase and decrease in other equity instruments in the current period, the reasons for the changes, and the basis for relevant accounting treatment:

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

Other descriptions:

41. Capital reserve

In RMB

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

Capital reserve - the increase in other capital reserve in the current period is due to the cost of share-based payment increased by RMB473,288,787.62, and the decrease therein is due to the transfer of other capital reserve to share capital premium.



Safety production expenses		1,018,784.75	5,435,469.87	4,359,375.01	2,094,879.61
Total	905,161,506.61	1,018,784.75	5,435,469.87	4,359,375.01	2,094,879.61

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

40 Surplus reserve

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In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	985,161,506.61	135,911,192.22		

46. 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	211,943,848,653.92	186,111,713,122.60	152,257,625,983.60	133,514,500,539.03
Other	7.52	1,817,167,162.78	1,688,471,806.80	1,533,835,753.85
Total	1.44	187,928,880,285.38	153,946,097,790.40	135,048,336,292.88

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 Informa
 None
 Information r.
 At the end of the
 completed amount
 expected to be recogn.
 Other descriptions:

47. Taxes and s

Urban m		
Educa		
Pro		
	9,681,156.59	11,000,959.65

Consumables and miscellaneous	564,831,528.23	503,901,794.70
Repair and inspection	341,779,541.87	380,055,319.93
Service fees	225,595,394.86	119,031,894.75
Water and electricity	132,921,844.25	81,400,086.54
Lease fee	64,081,121.07	61,161,176.98
Transportation and travel expenses	35,267,611.83	31,528,985.33
Commercial insurance	3,153,481.73	2,078,437.06
Other expenses	229,051,431.83	50 44,296,834,556.71
Total	8,447,038,946.21	6,642,300,402.74

Other descriptions:

51. Financial expenses

In RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Interest expenses	1,038,070,641.24	656,411,767.86
Including: interest cost of lease liabilities	44,537,265.44	30,548,145.30

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

53. 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	794,759,492.42	29,737,321.95
Investment income from disposal of long-term equity investment	22,800,675.95	581,347.34
Investment income from disposal of held-for-trading financial assets	525,062,938.11	706,688,280.62
Dividends from other equity instrument investments during holding period	212,413.30	
Gains from remeasurement of remaining equities at fair value after loss of control		

indemnity			
Others	12,397,333.89	17,274,286.94	333.89
Total	34,312,299.74	21,096,800.00	12,299.74

Government grants included in current profit or loss:

In RMB

Grant item	Granter	Reason	Grant amount	Grant year	Grant period	Amount recognized in the prior period	Related to asset/ income

Other descriptions:

59. Non-operating expenses

In RMB Ts



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

Other descriptions:

61. Other comprehensive income

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

62. Items in the cash flow statement

(1) 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	729,647,415.38	941,612,664.44
Lease income	30,878,939.74	83,010,927.51
Interest income	504,344,274.59	361,773,700.27
Non-operating income	28,383,594.53	19,499,157.07
Recovery of current accounts and disbursements	1,388,046,955.47	1,240,625,072.70

Total

Total	428,035,523.59	403,138,825.89
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Net profits	10,490,676,778.96	7,820,610,306.19
Add: Provision for impairment of assets	894,004,069.98	189,665,839.81
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	7,233,705,585.39	4,822,202,794.73
Depreciation of right of use assets	168,866,435.84	105,949,651.47

Suk Plastic Romania	565,364.73
Including:	
Net cash received from disposal of subsidiaries	s 1 1

65. 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			8,024,778,166.97
Including: USD	1,001,337,256.38	6.9646	6,973,913,455.75
EUR	5,213,545.53	7.4229	38,699,627.11
HKD	48,187,552.88	0.8933	43,044,495.36
JPY	171,810,767.41	0.0524	8,995,668.16
TWD	3,532,599,463.00	0.2273	802,959,857.94
VND	336,245,097,225.04	0.0003	99,360,426.23
KRW	2,032,258,022.81	0.0055	11,224,161.06
GBP	122,213.29	8.3941	1,025,870.57
INR	476,407,155.02	0.0842	40,103,954.31
SGD	1,051,619.78	5.1831	5,450,650.48
Accounts receivable			18,297,167,418
Including: USD	2,542,999,667.96	6.9646	17,710,975,487
EUR	113,457.84	7.4229	842,186.20
HKD	301,587,575.46	0.8933	269,399,133.53
JPY	19,813,065.05	0.0524	1,037,372.46
TWD	1,257,678,913.51	0.2273	285,870,417.04
VND	98,260,997,563.45	0.0003	29,036,124.78
KRW	832,699.62	0.0055	4,599.00
GBP	250.00	8.3941	2,098.53
Long-term borrowings			1,119,481,616.38
Including: USD	100,000,000.00	6.9646	696,460,000.00
EUR			
HKD	32,444,444.32	0.8933	28,981,648.78
TWD	1,434,731,364.01	0.2273	326,114,439.04
VND	229,866,424,906.94	0.0003	67,925,528.56
Other receivables			211,772,380.15

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Including: USD	10,416,412.04	6.9646	72,546,143.27
EUR	1,300.00	7.4229	9,649.77
HKD	4,302,163.03	0.8933	3,842,993.17
JPY	14,481,256.16		

Descriptions on contingent considerations and changes therein:

Other descriptions:

(3) Book value of assets and liabilities of the acquiree at the combination date

In RMB

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

					point of losing control	disposal

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

Ltd.						
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Huzhou Jiuding
Electronic Co., X ce dtd.
Ltd.

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

Chuangxiang
Technology Co.,
Ltd.

manufacturing

combination
involving
enterprises not
under common
control

SpeedTech Corp.	Taiwan	Taiwan	Processing and manufacturing		31.47%	Business combination involving enterprises not under common control
Castle Rock, Inc.	Taiwan	Xinbei City	Processing and manufacturing		12.59 %	Business combination involving enterprises not under common control

Cyber Acoustics, LLC (USA)	Taiwan	Taiwan	Processing and manufacturing		22.03%	Business combination involving enterprises not under common control
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Luxshare Precision Industry (Baoding) Co., Ltd.	Baoding	Baoding	Processing and manufacturing		100.00%	Establishment
Xuancheng Luxshare Precision Industry Co., Ltd.	Anhui	Xuancheng	Processing and manufacturing		100.00%	Establishment

Limited						
Suining Luxshare Precision Industry Co., Ltd.	Suining	Suining	Processing and manufacturing		100.00%	Establishment
Merry Electronics (Suzhou) Co., Ltd.	Suzhou	Suzhou	Processing and manufacturing		51.00 %	Business combination involving enterprises not under 1

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

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

Luxshare iTech

Luxshare Technologies Limited	Hong Kong	Hong Kong	Trade		90.00% Establishment
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Ltd.						under common control
Luxshare Rechuan Technology (Huizhou) Co., Ltd.	Huizhou					
Rongyu Technology Co., Ltd.		Shenzhen	Processing and manufacturing		90.8	involving enterprises not under common control

Equipment Co., Ltd.						
Kunshan Luxshare Enterprise Management Development Co., Ltd.	Kunshan	Kunshan	Investment consulting	100.00%		Establishment
Kunshan Luxshare Corporate Management Services Partnership (Limited Partnership)	Kunshan	Kunshan	Investment consulting		9.09%	Establishment
Luxshare Intelligent Equipment (Kunshan) Co., Ltd.	Kunshan	Kunshan	Processing and manufacturing		9.46%	Establishment

Fujian JK	225,387								81,686.8
Wiring	528							2.89	73.07
Systems Co., Ltd..									
Luxshare	453		448,072	738,818	27,111.4	765,930	366,214	456,501	366,670
Automatio (Jiangsu)	15.58	0.97	189.58	940.72	31.45	381.24	443.87	81	945.68

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Co., LTD.

1,203,376,378.49	92,470,161.16	93,204,867.94	201,137,711.43	1,280,685,863.21	100,888,081.51	102,990,996.60	-113,129,940.00
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-- Fair value of non-cash assets	
Total acquisition cost/ disposal consideration	260,000,000.00
Less: share of subsidiaries' net assets calculated by the proportion of acquired/disposed equity shares	261,198,860.22
Difference	-1,198,860.22
Including: Adjustment to capital reserve	-1,198,860.22
Adjustment to surplus reserve	
Adjustment to undistributed profits	

Other descriptions:

3. Equity in joint ventures or associates

(1) Summary financial information of insignificant joint ventures and associates

In RMB

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

Other descriptions:

X. Risks associated with financial instruments

without additional approval, for each customer.

The Company ensures that its overall credit risk is within the controllable range through quarterly monitoring of credit rating of existing customers and monthly review of aging analysis of accounts receivable. Customers are grouped according to their credit characteristics when the credit risks from them are monitored. Customers rated as “high risk” will be placed on the restricted customer list, and only with additional approval can the Company sell them on credit in the future period, otherwise they must be required to pay the corresponding amount in advance.

Market risks

Market risks of financial instruments refer to the risks that the fair value or future cash flow of financial instruments will fluctuate due to market price changes, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

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

	27,039,649.45	1,326,226,850.46	1,353,266,499.91
	27,039,649.45		27,039,649.45
		1,326,226,850.46	1,326,226,850.46
			0.00

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

0
N

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 polirmining 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

XII. Related parties and related-party transactions

1. The parent company of the Company

Name of parent company	Shareholding ratio	Nature of business	Shareholding ratio of

3. Joint ventures and associates of the Company

Please refer to Note “IX (3). Equity in joint ventures or associates” for details of the Company’s significant joint ventures or associates.

Other joint ventures or associates that have related-party transactions with the Company in the current period or formed a balance due to related-party transactions with the Company in the prior period are as follows:

Name of joint venture or associate	Relationship with the Company
Riyimao Industrial Co., Ltd.	Joint-stock company of a majority-owned sub-subsidiary of the Company x

Terry Precision Corporation	Other related party of the Company
Terry Smart Manufacturing (Dongguan) Technology Co., Ltd.	Other related party of the Company
Teleray (Hong Kong) International Company Limited	Other related party of the Company
Xunmu Information Technology (Shanghai) Co., Ltd.	Controlled by the de facto controller
Lishan Smart Manufacturing Technology Co., Ltd.	Controlled by the de facto controller

Ltd.					
Luxsan Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	Water and electricity	36,498,229.20		No	20,052,496.84

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Riyimao Industrial Co., Ltd.	Other services		886.00
Assem Technology Co., Ltd.	Other services	1,026,668.20	297,821.29
Shangrao City Lijing Innovation Technology Co., Ltd.	Selling products		346,000.00
Guangzhou Luxvisions Innovation Technology Limited	Equipment and apparatus		2,542,359.91
Guangzhou Luxvisions Innovation Technology Limited	Selling products	4,182,806.58	
Luxvisions Innovation Limited	Selling products		18,034.55
Bisaisi Automotive Technology (Suzhou) Co., Ltd.	Selling products	394,380,063.81	218,717,133.08
BCS AUTOMOTIVE INTERFACE SOLUTIONS	Selling products	1,916,774.55	910,682.54
Luxsan Technology (Kunshan) Co., Ltd.	Selling products &	643,619,515.80	417,147,307.20
Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd.	Selling products	55,980,332.83	20,080,496.26

(Anhui) Co., Ltd.			
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Descriptions on related-party

	assets	low-value assets leases subject to simplified treatment, if any		included in the measurement of lease liabilities, if any						
		Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period	Amount recognized in the prior period	Amount recognized in the current period

(6) Asset transfer and debt restructuring of related parties

In RMB

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

(7) Remuneration of key managers

In RMB

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

(8) Other related-party transactions**6. Accounts receivable and payable of related parties****(1) Receivables**

In RMB

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

	Technology (Shanghai) Co., Ltd.	
Accounts receivables	Merry & Luxshare (Vietnam) Co., Ltd	3,158.46
Accounts receivables	LUXSAN TECHNOLOGY LIMITED	
Accounts receivables	COWELL OPT ELECTRONIC LTD	
Accounts receivables	Bisaisi Auto Technology (Shenzhen) Ltd.	
Accounts receivables	Chery Auto Co., Ltd	
Accounts receivables	Chery Henan	
Accounts receivables	Chery Vehicle Co	
Accounts receivables	T	
Other receivables		
Other receivables		835.51
Other receivables		3.43
Other receivables		4,017.44
Other		

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

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

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

On July 2, 2021, the Company held the 2nd meeting of the fifth session of Board of Directors and the 2nd meeting of the fifth session of Board of Supervisors, deliberating and approving the Proposal on Adjustment of the Exercise Price under the Stock Option Incentive Plans in 2018 and 2019 and Cancellation of Some Stock Options of the Stock Option Incentive Plan in 2019. After the adjustment, the exercise price of stock options that was not exercised from 2017 to 2019 was adjusted from RMB 1.00 to RMB 1.05.

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

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

stock options under this incentive plan was RMB 35.76 per share. Since 9 original grantees resigned from the Company or gave up all stock options to be granted to them for personal reasons, the number of grantees in reserve grant under this stock option incentive was changed from 365 to 356 and the quantity of stock options granted was changed from 13,101,000 to 12,785,800.

(5) On December 5, 2022, the Company held the 14th meeting of the fifth session of Board of Directors, deliberating and approving the Proposal on Grant of Stock Options to Grantees under the 2022 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd., whereby it was determined that 172,021,000 stock options would be granted to 3,759 eligible grantees on December 5, 2022 as the grant date of the stock options. The exercise price of stock options initially granted under this incentive plan was RMB 30.35 per share. Since 245 original grantees resigned from the Company or gave up all stock options to be granted to them for personal reasons, the number of grantees in reserved grant under this stock option incentive was changed from 3,759 to 3,505 and the quantity of stock options granted was changed from 172,021,000 to 168,513,000.

3. Share-based payment settled in cash

Applicable N/A

4. Modification and termination of share-based payment

None

5. Others

None

XIV. Commitments and contingencies

1. Significant commitments

Significant commitments on the balance sheet date

The Company has no significant commitments to be disclosed.

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.

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	Effectuated quantum on financial position and operating results	Reasons why the effectuated quantum cannot be estimated
Obtain the comprehensive credit line from banks	According to the resolution of the 16th meeting of the fifth session of Board of Directors, the Company intends to apply for a comprehensive credit line amounting to RMB38.3 billion in aggregate from 17 banks. The above credit line	

3. Asset replacement

(1) Exchange of non-monetary assets

None

(2) Replacement of other assets

4. Annuity plan

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None

5. Termination of operation

In RMB

Item	Current period	Prior period
profit or loss for the current period, but not included in the measurement of lease liabilities		
Among them, From sale and leaseback transactions		

Income from subletting right to use assets

consolidation					36					
Total	6,146,28									
	8,570.72									

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No

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Dividends receivable

In RMB

Item (or Investee)

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

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

Bad-debt provision made, recovered

Bad-debt provision in the current period:

In RMB

Category

balance

Closing balance

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

Technology (Jiangxi) Co., Ltd.	28					38	
Xiexun Electronic (Ji'an) Co., Ltd.	244,934,671.32	3,762,990.34				248,697,661.66	
Suining Luxshare Precision Industry Co., Ltd.	2,186,752.24	326,520.16				2,513,272.40	
Luxshare Precision Technology Co., Ltd.	158,059,935.32					158,059,935.32	
ICT-LANTO LIMITED	987,362,500.26					987,362,500.26	
Luxshare Precision Limited	32,423,829.90					32,423,829.90	
Kunshan Lanto Electronic Limited	3,312,908,584.49	83,102,385.97					

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Precision
Industry Co.,
Ltd.

Electronic Co., Ltd.							
Xinyu Xiexun Electronic Co., Ltd.	10,480,823.91		6,141,108.78			4,339,715.13	
Luxshare Precision Industry (Suzhou) Co., Ltd.	130,000,000.00					130,000,000.00	
Luxshare iTech (Zhejiang) Co., Ltd.	778,806,257.19	24,125,424.95				802,931,682.14	
Bozhou Xuntao Electronic Limited	225,413.58	34,835.88				260,249.46	
Luxshare Domestic Co., Ltd.	582,743	8,522				75,289.7	
Luxshare Technology Co., Ltd.	890,495,013.95	16,289,675.23				906,784,689.18	

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Technology Luxshare

Electronic Co., Ltd.

Technology

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Management Development Co., Ltd.							
Luxshare Precision Industry (Jiangsu) Co., Ltd.	95,071.11	89,149.14				184,220.25	
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	4,564,728.72	td CC,q, .?7					Ò

				equity method	t						
I. Joint ventures											
II. Associates											
Siliconch	22,269,12 4.37			-490,975. 61						21,778,14 8.76	
Zhuhai Kinwong Flexible Circuit Co., Ltd.	199,207,7 17.31			16,547,77 9.78						215,755,4 97.09	34,372,60 8.46
Subtotal	221,476,8 41.68			16,056,80 4.17						237,533,6 45.85	34,372,60 8.46
Total	221,476,8 41.68									237,533,6 45.85	34,372,60 8.46

(3) Other descriptions

4. Notes receivable

(1) Categorized presentation of notes receivable

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

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

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

5. 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	12,732,437,422.46	11,987,063,338.40	9,174,890,300.12	8,531,671,602.47
Other business	220,376,313.08	64,760,595.99	105,254,622.90	33,510,191.72
Total	12,952,813,735.54	12,051,823,934.39	9,280,144,923.02	8,565,181,794.19

Income related information:

In RMB

Contract classification	Segment 1	Segment 2		Total
By product types				
Including:				
By geographical areas of operations				
Including:				
By markets or customers				
Including:				
By contract types				
Including:				
By the period of transferring products				
Including:				
By contract term				
Including:				
By sales channel				
Including:				
Total				

Information related to performance obligations:

None

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the incomes corresponding to the contracts signed whose performance has not been commenced or completed amount to RMB0.00, of which RMB is expected to be recognized in , RMB is expected to be recognized in , and RMB is expected to be recognized in .

Other descriptions:

6. Investment income

In RMB

Item

financial assets

(3) Descriptions on the reasons for the differences of accounting data under the accounting standards at home and abroad, and the name of the overseas institution if difference adjustment is made to the data audited by an overseas audit institution

None

4. Others

None

Luxshare Precision Industry Co., Ltd.

Chairman: WANG Laichun

April 27, 2023