

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.

| | | |
|------------------------------|-------|------------------------------------------------------------------|
| Luxshare Automation Jiangsu | means | Luxshare Automation (Jiangsu) Co., 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. |
| AOA | means | Articles of Association of Luxshare Precision Industry Co., Ltd. |

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

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

| | |
|----------------------------------------------------------------------|------------------------------------------|
| Website of the stock exchange disclosing the Company's annual report | <i>Securities Times</i> |
| Media and website disclosing the Company's annual report | www.cninfo.com.cn |
| Place for keeping annual report | Securities Affairs Office of the Company |

| | |
|--------------------------------------------|------------------------------------------------|
| Change in organization code | Unified social credit code: 91440300760482233Q |
| Changes in main business since the listing | No |

| | |
|---------------------------------------------|----|
| of the Company (if any) | |
| Changes in controlling shareholder (if any) | No |

Accounting firm engaged by the Company:

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

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

Applicable N/A

| Name of sponsor | Office address of sponsor | Names of sponsor representatives | Period of ongoing supervision |
|----------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------|
| CITIC Securities Co., Ltd. | 19/F, North Tower, Excellence Times Plaza (Phase II), No. 8 3 rd Central Road, Futian District, Shenzhen | HE Feng and LIU Guanzhong | From December 2, 2020 to December 31, 2021 |

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

Applicable N/A

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

Yes No

| | 2021 | 2020 | Y/Y % Change | 2019 |
|--------------------------------------------------------------------------------------------------|--------------------|-------------------|------------------------------------|-------------------|
| Operating revenue (RMB) | 153,946,097,790.40 | 92,501,259,211.54 | 66.43% | 62,516,314,588.42 |
| Net profit attributable to shareholders of the listed company (RMB) | 7,070,520,386.57 | 7,225,462,752.58 | -2.14% | 4,713,820,644.90 |
| Net profit attributable to shareholders of M after deduction of extraordinary gain or loss (RMB) | 6,015,597,220.13 | 6,088,901,850.86 | -1.20% | 4,435,974,109.41 |
| Net cash flows from operating activities (RMB) | 7,284,766,917.00 | 6,873,211,486.05 | 5.99% | 7,465,988,174.33 |
| Basic earnings per share (RMB/share) | 1.01 | 1.03 | -1.94% | 0.68 |
| Diluted earnings per share (RMB/share) | 0.99 | 1.01 | -1.98% | 0.67 |
| Weighted average return on net assets | 22.35% | 30.29% | Decrease by 7.94 percentage points | 26.55% |
| | December 31, 2021 | December 31, 2020 | Y/Y % Change | |

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 or the amount of the net assets is used as the basis for determining the amount of the dividend to be distributed to the shareholders of the Company?

| Item | 2021 | 2020 | 2019 | Remark |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gain or loss on disposal of non-current assets (including allowance for impairment of assets that has been written off) | -57,241,855.39 | -35,503,173.93 | -110,085,527.48 | |
| 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) | 853,542,165.37 | 450,749,695.89 | 232,311,428.35 | |
| Interest in the fair value of the acquirees' identifiable net assets at the date of acquisition in excess of the investment cost of the relevant subsidiaries, associates and joint ventures | 16,559,223.33 | | | Difference between the original carrying amount of long-term investment and fair value of newly consolidated subsidiaries upon change from the equity method to the cost method |
| Gain or loss on assets under entrusted investment or management | 95,298,693.93 | 113,778,335.78 | 89,722,710.32 | |
| Gain or loss on changes in fair value of financial assets held for trading and financial liabilities held for trading, and gain on disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except for effective hedges held in the ordinary course of business | 602,993,325.33 | 837,100,369.42 | 131,736,631.37 | |
| Other non-operating income and expenses | -12,600,634.71 | 30,554,498.37 | -999,739.32 | |
| Other gain or loss within the meaning of extraordinary gain or loss | -170,939,666.46 | 0.00 | 0.00 | Mainly gain on derecognition of financial assets at amortized cost |
| Less: Effect of income tax | 211,043,425.20 | 214,489,873.68 | 55,533,801.99 | |
| Effect of minority interest (after tax) | 61,644,659.76 | 45,628,950.13 | 9,305,165.76 | |
| Total | | | | |

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, 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

In the industry of consumer electronics, the development and innovation of applied technologies and diversified growth of consumer demands jointly promote the upgrading of consumer electronic products and related product lines, and continued growth of the consumer electronics market size. According to Statista, the global consumer electronics market size grew at a compound annual growth rate (CAGR) of 2.90% from 2015 to 2020, and is expected to reach USD1,098 billion in 2025. The advancement of 5G and artificial intelligence (AI) technologies will promote the development of different kinds of smart mobile, smart wearable, AR/VR/MR, smart home, smart display and other IoT devices. The acceleration of upgrading of terminal products will drive the increase in the integration level of electronic components contained therein and improvement of technological level. The one-stop solution providers that are able to provide the brand customers with better production processes and higher integration level and require the input of less resources will get more orders for related components and finished products. Accordingly, the Company's business expansion and industrial operations are expected to fully benefit.

(II) Communication and data center

In the field of communication and data center, the series of technical innovation and emerging of new technologies promote the evolution from traditional IT infrastructure to data infrastructure, and along with 5G and cloud computing, artificial intelligence and

(III) Automotive electronics

Smart electric vehicles represent an opportunity of the century for the automotive industry of China. China has the largest automotive market with the highest level of openness and inclusion and most consumers in the world, utilizes the most advanced smart vehicle technologies and attracts all major carmakers in the world. China ranks among the first in the world in terms of number of smart vehicle brands and models. At present, China's smart vehicle market is transiting from the policy-driven period to the period of market-driven high growth in an all-round way. In 2021, the sales volume of electric vehicles reached 3.52 million units in China, representing an increase of 160% as compared with 2020. China has ranked first in the world in terms of sales volume of electric vehicles for seven consecutive years, and the sales volume of electric vehicles in China is expected to further increase by 47% to about 5 million units in 2022. The penetration of electric vehicles increased from 7.2% at the beginning of 2021 to 19% at the end of 2021, representing an exponential growth as compared with 10 years ago, and showing great potentialities of growth.

In addition to “electrification”, “intelligentization” and “interconnection” are also developing vigorously. Statistics show that about 20% new passenger cars are equipped with driver assistance system, the penetration of L2 driver assistance system into the electric vehicle market reaches 38%, electric vehicles has basically realized full coverage

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We concentrate our efforts on the specialization in and optimization of underlying technologies, made in-depth deployments in acoustic, visual, power (wired/wireless), wireless communication and other fields to meet future demands. Our products have been widely applied in the fields of consumer electronics, communication and automotive. By comprehensively mastering the technologies relating to various components and modules, and super-precision manufacturing technologies accumulated over the years, we give full play to our advantages in vertical integration, and continuously restructure the supply chain in the field of system assembly, to create more value for our customers, thereby gaining customers' support and confidence.

In launching a new product, we focus on the product quality, yield rate and optimization of production costs on the basis of innovative production technology, intelligent automation and digital platform, thereby enabling us to make continuous and substantial breakthroughs in new markets, new customers and new products. In the implementation of related controls, there is no doubt that the automation technologies lay the strong foundatio

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | 3. IOT |
| <p>1. Leanness</p> <p>In-depth disassembly of and forward-looking research on processes</p> <p>Reasonableness, standardization and simplification of design</p> <p>Lean layout of production lines</p> | <p>3. Digitalization</p> <p>Digital integration of IoT and manufacturing</p> <p>Visual control center and management</p> <p>Automation of the whole operation process</p> |
| 2. | 4. |
| <p>2. Automation</p> <p>Whole-process automation of handling, processing, testing, logistics and warehousing</p> <p>Analysis of flexible automation system</p> | <p>4. Intelligentization</p> <p>Self-sensing, self-learning, self decision-making and self-execution of machines</p> <p>ti Solve tangiM</p> |

From the perspective of applications, consumer electronics, communication and automotive are our main product and business segments. In the field of consumer electronics, we continue our product mix in prior years, follow the trends of metaverse, AIoT smart life and high-speed transmission, and enrich our product offerings in a steady and orderly manner. Our product offerings include acoustic products (such as TWS earphone), smart home products (such as 5G CPE and Wi-Fi 6 portable router), smart terminal products (such as wearable watch and wristband, AR/VR/MR), computer accessories (such as Dock), intelligent stylus, video conference equipment and wired and wireless high-watt rapid charging accessories for various PC/NB/mobile phone brands for retail sale.

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5G

| | | | |
|------------------------------|----------------|--------------------------|-----------------------------|
| | | | |
| Electric connection products | Server | Switch | Complete unit assemblies |
| | | | |
| Optical connection products | Cabling system | Infrastructure | Thermal management products |
| | | | |
| Aggregation switch | Access switch | Data center rack cluster | Server cluster inside rack |

We have focused on the development of core technological capabilities and basic R&D capabilities through research of simulation technology, new materials and new processes and application of testing technologies,

| | | | |
|------------------------------------------|--------------------|------------------------------------|-------------------------------------|
| Filter | Thermal management | Core components | Development of high-speed bare wire |
| | | | |
| Precision stamping and injection molding | Radio frequency | Radiator | |
| | | | |
| Basic manufacturing capability | Die casting | Tooling | Sheet metal |
| | | | |
| Stamping | Injection molding | Surface treatment | Basic service platform |
| | | | |
| Local engineering service center | Global purchasing | Development of automatic equipment | Component center |

Due to the effect of disengagement between China and the United States and geopolitics, exports of the domestic communication and data center industries face certain shocks and challenges. With respect to the further exploitation of opportunities of external circulation, we always regard the technical capabilities as the foundation for business development, and driven by the technologies and with the support of our strong precision manufacturing capability, actively exploit the overseas market. In addition, we will firmly grasp the opportunities provided by the “Eastern Data, Western Computing” program and replacement with home-made goods, focus on internal circulation, and actively seek new o atf c t %

| | | | |
|--------------|-----------------------|------------------------|----------------------|
| Wire harness | Vehicle wire harness | Special wire harness | Charging gun |
| | | | |
| Connector | Low-voltage connector | High-voltage connector | High-speed connector |
| | | | |

(I) Smart manufacturing under the lean production mode

Since our establishment, we have adhered to our original intention, focused on precision manufacturing, and through development and application of advanced digital tools and automatic production processes, and continuous optimization of system structure, organization and production mode, ensure our production system is able to rapidly adapt to the continuously expanding production lines and meet the constantly changing market demands.

1. Modern optimization of smart process

We implement the lean production mode pursuant to 7-S management standard, carry out production according to demands, meet the demands of different customers for different products with the optimal production rhythm, and have introduced many digital system tools, for example:

(1)

system I 1)

manufacturing” from “precision manufacturing” in the early stage and “quality assured precision manufacturing” in the middle stage.

3. Advanced comprehensive quality management system

Quality is the foothold of a company, and one of the most important core values provided by a company to its customers. Since our establishment, we have adopted “quality is our lifeline” as one of our corporate values, established and improved the quality

3. Global service deployment

Economic globalization is the profound background and fundamental trend of the development and evolution of global economy in the 21st century. As the players of economic globalization, transnational companies directly promote the development of economic globalization. From the perspective of market, in the era of global intelligentization, the electronics industry is the field with the most thorough allocation of global resources and market competition at present.

After more than ten years' development, we have gradually built a global system integrating development, sales, FAE (field application engineer) and manufacturing. We now have 16 sales & FAE offices abroad, which, in addition to providing services to our customers from nearby locations, actively attract sales, R&D and management talents of different fields throughout the world, to introduce fresh blood and draw out the potential capacities of the teams. This approach not only can be horizontally replicated in new product operation teams, but also can maintain the capability boundary of all functional teams and personnel at the same level. In addition, in order to optimize our cost structure, we have established industrial zones and manufacturing facilities in some foreign countries, to serve global brand customers. We are committed to satisfying the demands of customers, keep abreast of market demands through our global sales & FAE network, accelerate R&D of new products, produce high value-added products; leverage our local manufacturing capabilities throughout the world and advantages in smart manufacturing, shorten the production and transportation cycle of products, further enhance the cost advantage of products, and improve quality and efficiency, to provide our customers throughout the world with more competitive services.

(III) R&D and technological innovation

1. Continuous increase in R&D investment

Since our listing, we have placed R&D and innovation on an important position in our development, made continuous investments in technology R&D, vigorously upgraded traditional manufacturing processes, continuously improved the level of automatic production, and realized platformization of all precision manufacturing processes. We also attach great importance to the long-term development of underlying materials and innovative production technologies. Our R&D team has continuously learned and explored advanced precision manufacturing technologies and product applications in the countries and regions mastering frontier technologies, and established a number of advanced technology development labs with certain core customers, to jointly develop frontier technologies. We have established advanced production technology and manufacturing process R&D platforms in Dongguan, Kunshan, Taiwan and the United States, and own a R&D and smart manufacturing team taking the lead in the industry. Our R&D expenses are mainly classified into early stage R&D expenses and product upgrading expenses. Early stage R&D expenses are incurred in connection with medium-to-long term product and business planning and deployment, and consist of investments in new products and new areas and R&D expenses relating to underlying technologies, accounting for about 30% of our total R&D expenses. Product upgrading expenses are incurred in the process from concept to NPI (new product introduction) of new solutions and new products. All early stage R&D expenses and product upgrading expenses are expensed as incurred to reduce the pressure of asset amortization costs in the future. Our R&D expenses have been continuously increasing, and totaled RMB16.763 billion in the past three years. In the reporting period, our R&D expenses totaled RMB6.642 billion.

2. Innovation capabilities and patents

Innovation is the soul of the era of knowledge economy. As a hi-tech company, we always attach great importance to the management and protection of intellectual properties (IPs), have established and continuously improved our IP policy, complied with all IP laws and regulations, established IP department and engaged professionals to actively carry out application, protection, operation and maintenance activities in respect of IPs. We encourage our employees to actively make innovations, reduce product costs and increase our profits. On the other hand, we actively prevent risk of infringement, and protect our and our customers' legitimate rights and interests. As of the end of this reporting period, we own 3,090 valid patents, an increase of 44.46% as compared with the end of 2020.

We firmly believe that R&D and technological innovation are an important means to realize forward-looking deployment, and will drive our development. The continuous and steady R&D investments will not only consolidate our leading position and advantages in the industry, but also enhance our risk bearing capability in an ever-changing macro environment, and lay a solid foundation for our continuous and rapid development in the future.

(IV) Corporate culture focusing on sustainable development

1. All-round customer-oriented culture

Since our establishment, we have adhered to the philosophy of “customer first”, and been committed to providing our customers

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.

In 2021, the external environment became more complicated and severe. The domestic and overseas economic development faced numerous pressures and was greatly affected by the changes unseen in a century and the epidemic disease of the century. During the reporting period, we or # nuriod

metrics, and in-depth analysis of this technology development route, taking into account our strategy of access to the overseas market for system products, we will make further plans in respect of smart wearable acoustic products and peripheral functional module system packaging business in the short term, and develop chip/semiconductor module packaging business in the long term. With respect to system products for mobile phones, the joint venture platform established by us and our controlling shareholder vigorously promoted smart and digital practices, and built an integrated smart platform covering product scheduling, production process analysis, asset management, energy monitoring, personnel management, failure analysis, remote assistance and other activities, in order to continuously improve our operation and management level, and effectively satisfy our customers' increasingly personalized, high

provider. The global market has continuous demands for communication equipment. Along with the further development of smart manufacturing, metaverse, smart driving and IoT, by virtue of our complete product lines and platforms, and our understanding and application of frontier technologies, we will continuous exploit the global market and increase our market shares.

During the reporting period, our sales revenues totaled RMB153.946 billion, an increase of 66.43% year on year; profit totaled RMB8.143 billion, an increase of 0.09% year on year; and net profit attributable to the owners of the parent totaled RMB7.071 billion, a decrease of 2.14% year on year.

In RMB

| | 2021 | | 2020 | | Y/Y % Change |
|--------------------------------------------------------------|--------------------|---------------------------|-------------------|---------------------------|-----------------|
| | Amount | % of operating revenue | Amount | % of operating revenue | |
| Total operating revenue | 153,946,097,790.40 | 100% | 92,501,259,211.54 | 100% | 66.43% |
| By segment | | | | | |
| Computer interconnect products and precision components | 7,856,595,729.78 | 5.10% | 3,521,361,712.58 | 3.81% | 123.11% |
| Automotive interconnect products and precision components | 4,142,675,174.19 | 2.69% | 2,844,031,362.75 | 3.07% | 45.66% |
| Communication interconnect products and precision components | 3,269,476,642.60 | 2.12% | 2,265,420,000.59 | 2.45% | 44.32% |
| Consumer electronics | 134,637,995,600.46 | 87.46% | 81,818,160,358.88 | 88.45% | |
| Other connectors and other business | 4,039,354,643.37 | 2.62% | 2,052,285,776.74 | 2.22% | |
| By product | | | | | |
| Computer interconnect products and precision components | 7,856,595,729.78 | 5.10% | 3,521,361,712.58 | 3.81% | 123.11% |
| Automotive interconnect products and precision components | 4,142,675,174.19 | 2.69% | 2,844,031,362.75 | 3.07% | 45.66% |
| Communication interconnect products and precision components | 3,269,476,642.60 | 2.12% | 2,265,420,000.59 | 2.45% | 44.32% |
| Consumer electronics | 134,637,995,600.46 | 87.46% | 81,818,160,358.88 | 88.45% | 64.56% |
| Other connectors and other business | 4,039,354,643.37 | 2.62% | 2,052,285,776.74 | 2.22% | |

| | | | | | | |
|--------------|--------------------|--------------------|--------|--------|--------|--------|
| Direct sales | 153,946,097,790.40 | 135,048,336,292.88 | 12.28% | 66.43% | 78.23% | -5.81% |
|--------------|--------------------|--------------------|--------|--------|--------|--------|

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

Applicable N/A

Yes No

Luxis Technology Limited, Yancheng Luxshare Precision Industry Co., Ltd., Hangzhou Xuntao Technology Co., Ltd., Rugao Luxshare Business Management Service Partnership (LP), Lianxun Smart Equipment (Rugao) Co., Ltd., Luxshare Technology (Xi'an) Co., Ltd., Luxshare Electronic Technology (Enshi) Co., Ltd., Luxis Technology (Kunshan) Co., Ltd., Luxshare Investment Co., Ltd., Yancheng Luxshare Business Management Service Partnership (LP), Luxshare Smart Equipment (Yancheng) Co., Ltd., Luxis Precision Intelligent Manufacturing (Kunshan) Co., Ltd., Luxshare Smart Manufacturing & Electronic Service (Kunshan) Co., Ltd., Liding Electronic Technology (Dongguan) Co., Ltd., Luxshare Technology (Nanjing) Co., Ltd., Henan Leader Precision Industry Co., Ltd. and Changzhi Luxshare Precision Industry Ltd., that were newly established by us, Rikai Precision Technology (Yancheng) Co., Ltd. and Zhejiang Puson Electronic Technology Co., Ltd., that were acquired by us in cash, and Caldigit Holding (Cayman) and Taihan Precision Technology Co., Ltd., that were controlled by us by contract during the reporting period, are included in the scope of consolidation. Wuxi Huihong Electronics Co., Ltd., that was transferred by us, and Ji'an Jizhou Luxshare Electronics Co., Ltd., Speedtech (LS-ICT) Co., Limited, Luxshare International Cable Co., Ltd. and Luxshare-ICT International B.V., that were liquidated and deregistered during the reporting period, are removed from the scope of consolidation.

Applicable N/A

Major customers of the Company<

| | | | |
|-------|------------|-------------------|--------|
| 5 | Supplier 5 | 1,528,880,184.17 | 1.17% |
| Total | -- | 75,982,606,355.38 | 57.96% |


Other information of major suppliers:

Applicable N/A

In RMB

| | 2021 | 2020 | Y/Y % Change | Reason of material changes |
|---------------------|------------------|------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales expenses | 789,908,163.80 | 477,047,875.58 | 65.58% | Primarily due to increase in the scope of consolidation and business growth |
| General expenses | 3,741,908,783.50 | 2,463,953,208.63 | 51.87% | Primarily due to increase in the scope of consolidation and business growth |
| Financial expenses | 554,665,874.05 | 904,828,142.89 | -38.70% | Primarily due to fluctuations in foreign exchange rates |
| R&D expenses | 6,642,300,402.74 | 5,744,805,136.33 | 15.62% | Primarily due to increase in the scope of consolidation and R&D investments |
| Income tax expenses | 322,238,643.64 | 644,764,928.70 | -50.02% | Primarily due to increase in pre-tax deduction of differences in the exercise price of incentive shares, and additional deduction of R&D expenses |

Applicable N/A

| Description of major R&D project | Purpose | Progress | Objectives | Expected effect on the |
|----------------------------------|---------|----------|------------|---------------------------------------------------------------------------------------|
| | | | |  |

| | | | | |
|-------------------------------|-----------------------------------------------|-------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| components project | performance, and reduce production costs. | | millimeter wave antennas, reduce the dimensions of products and effectively lower costs. | components will be enhanced and market share of the relevant product lines will be increased. |
| New-type linear motor project | To optimize product mix and reduce R&D costs. | In progress | To optimize technical | |

| | | | | |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| harnesses | wire harnesses, motor wire harnesses, automotive steering wire harnesses, new energy battery pack wire harnesses and other products. | | develop automotive wire harness products, satisfy different customization requirements, and increase operating revenue. | field of automotive will be further increased. |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|

Project relating to automotive connectors

To develop high and low voltage connectors, high-speed connectors, customized connector structures and other automotive connectors.

Partially completed

To improve our manufacturing capability and production efficiency. Our proprietary automotive

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manufacturing capability and production efficiency.

| | | | | |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| | production lines for micro products in the injection molding workshop in the past, greatly improve workplace safety, realize automatic production, and promote automation upgrading in the industry. Through further upgrading of the equipment, to improve the stability of the equipment during production and finally realize automatic production of micro products in the injection molding workshop. | | operations, and realize cavity-by-cavity plate feeding for micro products made from injection molding. | and product yield will be improved. |
| AI automatic inspection system project | The AI automatic inspection system will change the traditional operation mode of visual inspection, realize automatic inspection and promote automation upgrading in the industry. Through further upgrading of the equipment, to improve the reliability and stability of production, and finally realize unmanned workshops. | Completed | To replace manual handling, inspection and other labor intensive operations, and realize precise inspection of appearance, dimensions and other essential factors of precision components for electronic products. | Through automation upgrading of production lines, our production efficiency and product yield will be improved. |

Particulars of R&D personnel:

| | 2021 | 2020 | Y/Y % change |
|----------------------------------------------------------|--------|--------|--------------|
| Number of R&D personnel | 16,103 | 15,154 | 6.26% |
| Proportion of R&D personnel to total number of employees | 7.06% | 8.79% | -1.73% |
| Education background of R&D personnel | - | - | - |
| Undergraduate | 7,393 | 7,126 | 3.75% |
| Master | 260 | 256 | 1.56% |
| Others | 10,199 | 9,310 | 9.55% |
| Ages of R&D personnel | - | - | - |
| Below 30 | 8,325 | 7,865 | 5.85% |
| 30-40 | 6,897 | 6,507 | 5.99% |

| | | | |
|----------|-----|-----|--------|
| Above 40 | 881 | 782 | 12.66% |
|----------|-----|-----|--------|

Particulars of R&D expenses:

| | 2021 | 2020 | Y/Y % Change |
|--------------------------------------------------------------|------------------|------------------|--------------|
| Amount of R&D expenses (RMB) | 6,642,300,402.74 | 5,744,805,136.33 | 15.62% |
| Proportion of R&D expenses to operating revenue | 4.31% | 6.21% | -1.90% |
| Amount of R&D expenses capitalized (RMB) | 0.00 | 0.00 | 0.00% |
| Proportion of capitalized R&D expenses to total R&D expenses | 0.00% | 0.00% | 0.00% |

| | Amount | % of total profit | Reason | Whether or not sustainable |
|--|--------|-------------------|--------|----------------------------|
| | | | | |

Long-term loans

Applicable N/A

In RMB

| Item | Beginning balance | Gain or loss on changes in fair value | Aggregate changes in fair value recorded in equity | Impairment loss recognized in the current period | Amount acquired in the reporting period | Amount sold in the reporting period | Other changes | Ending balance |
|------------------------------------------------------------------------------|-------------------|---------------------------------------|----------------------------------------------------|--------------------------------------------------|-----------------------------------------|-------------------------------------|---------------------|----------------|
| Financial assets | | | | | | | | |
| 1. Financial assets held for trading (excluding derivative financial assets) | 2,854,676,050.46 | 73,732,025.24 | | | 19 | 54.45 | 20 19 | 1 ,461.11 |
| 2. Derivative financial assets | 305,388,411.95 | -] | .90 | | | | |]15,9] |
| 3. Investment in other equity instruments | 138,074,571.56 | | † | .00 | | |] & | .86 235,9 â |
| Subtotal of financial assets | 3 ,041.17 | -115,737,751.0 | † | .00 | 19 74 | 20 19 | .436.86 1 & 2,343 | 4,253.46 |
| Investment in equity instruments | | | | | 5 | .00 | | 5 .00 |
| Total | 3 ,041.17 | -115,737,751.0 | † | .00 | 19 74 | 20 19 | .436.86 1 & 2,348 & | ,253.46 |
| Financial liabilities | 0.00 | 41 | | | | | | 41 |

Other changes:

Other changes are the principal of other equity instruments included due to increase in the scope of consol] M O #

Applicable N/A

| Amount of investment in 2021 (RMB) | Amount of investment in 2020 (RMB) | Y/Y % Change |
|------------------------------------|------------------------------------|--------------|
| 7,623,854,176.00 | 3,122,574,000.00 | 144.15% |

Applicable N/A

In RMB

| Investee | Main business | Method of investment | Amount of investment | Shareholding percentage | Source of funds | Partner | Term of investment | Product type | Status as of the balance sheet date | Expected income | Investment income/ loss in the reporting period | Whether or not involved in any litigation | Date of disclosure (if any) | Disclosure reference (if any) |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|-------------------------|------------------|---------|--------------------|-----------------------|-------------------------------------|-----------------|-------------------------------------------------|-------------------------------------------|-----------------------------|----------------------------------------------------------|
| Rikai Precision Technology (Yancheng) Co., Ltd. | Technology development, technical consulting and technical services in respect of computer accessories; design, R&D and production of precision stamping molds (precision 0.02mm), precision cavity molds (precision 0.05mm), metal product molds, non-metal product molds and standard parts for molds; production of high-temperature resistant molded insulating materials, stamped hardware parts, rivets, shafts, mechanical components and other components for 3C electronics products; industrial design, product design (exterior design, structural design, circuit | Capital injection | 6,000,000,000.00 | 50.01% | Self-owned funds | N/A | Long-term | Electronic components | Paid in full | 0.00 | 0.00 | No | February 4, 2021 | Announcement No. 2021-017 published on www.cninfo.com.cn |

design, graphic design,
etc.); lease of own idle
equipment; wholesale,
commission agency
(except auction), import,
export and supporting

| Committed investment project and use of over-raised funds | Whether the project has been changed or partially changed | Total committed investment amount | Total investment amount as adjusted (1) | Amount invested in the reporting period | Aggregate amount already invested as of the end of the reporting period (2) | Progress of investment as of the end of the reporting period (3)=(2)/(1) | Date that the project is ready for its intended use | Income earned in the reporting period | Whether the project has produced the desired result | Whether there's any significant change in the feasibility of the project |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------|
| Committed investment project Smart mobile terminal module production line upgrading and expansion project | | | | | | | | | | |

| | |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Temporary replenishment of working capital with the unused offering proceeds | N/A |
| Amount of surplus offering proceeds and reason thereof | N/A |
| Purpose and whereabouts of unused offering proceeds | As of December 31, 2021, the balance of the account of offering proceeds was RMB0.00, and the offering proceeds were used in full. |
| Problems and other matters existing in the use and disclose of offering proceeds | None |

Applicable N/A

There's no change in the fund-raising investment projects during the reporting period.

Applicable N/A

No material asset has been sold during the reporting period.

Applicable N/A

Applicable N/A

Major subsidiaries and associates representing more than 10% of the net profit of the Company:

| | | | | | | | | In RMB |
|----------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|-------------------|--------------------|------------------|------------------|
| Company name | Type | Main business | Registered capital | Total assets | Net assets | Operating revenue | Operating profit | Net profit |
| Luxshare Precision Limited | Subsidiary | Purchase and sale of electronic products, data lines, connection lines, connectors, computer and peripherals, plastic and hardware products. | USD5,000,000 | 59,466,332,306.97 | 5,491,597,678.03 | 135,508,345,248.07 | 3,286,048,713.01 | 3,236,547,298.11 |
| ICT-LANTO LIMITED | Subsidiary | Sales and services in respect of internal and external connection lines for IT, communication and consumer electronic applications, and precision connectors. | USD153,290,323 | 39,670,045,411.95 | 3,756,939,895.20 | 33,200,135,705.13 | 860,084,363.00 | 729,281,287.52 |
| Rikai Precision | subsidiary | Technology development, technical consulting and technical | RMB6,264,312,296 | 32,118,051,618.12 | 10,996,563,441.13 | 49,727,123,010.93 | 1,255,106,809.05 | 1,092,231,638.01 |

Subsidiaries acquired and disposed of during the reporting period:

Applicable N/A

| Company name | Method of acquisition or disposal | Effect on the production, operation and results of the Company taken as a whole |
|-----------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------|
| Rugao Luxshare Business Management Service Partnership (LP) | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxis Technology Limited | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxshare Precision Industry (Yancheng) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxis Technology (Kunshan) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxshare Electronic Technology (Enshi) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Lianxun Smart Equipment (Rugao) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxshare Technology (Xi'an) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxis Precision Intelligent Manufacturing (Kunshan) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Liding Electronic Technology (Dongguan) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxshare Smart Manufacturing & Electronic Service (Kunshan) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxshare Investment Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Yancheng Luxshare Business Management Service Partnership (LP) | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxshare Technology (Nanjing) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxshare Smart Equipment (Yancheng) Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Changzhi Luxshare Precision Industry Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Hangzhou Xuntao Technology Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| Henan Leader Precision Industry Co., Ltd. | Newly established | No significant effect on the production, operation and results of the Company taken as a whole |
| CALDIGIT HOLDING LIMITED | Controlled | No significant effect on the production, |

| | | |
|-------------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------|
| | | operation and results of the Company taken as a whole |
| Taihan Precision Technology Co., Ltd. | Controlled | No significant effect on the production, operation and results of the Company taken as a whole |
| Rikai Precision Technology (Yancheng) Co., Ltd. | Capital injection and acquisition of control | No significant effect on the production, operation and results of the Company taken as a whole |
| Zhejiang Puson Electronic Technology Co., Ltd. | Purchase of shares | No significant effect on the production, operation and results of the Company taken as a whole |
| Caseteck Singapore PTE. LTD. | Purchase of shares | No significant effect on the production, operation and results of the Company taken as a whole |
| Ji'an Jizhou Luxshare Electronics Co., Ltd. | Deregistered | No significant effect on the production, operation and results of the Company taken as a whole |
| Speedtech (LS-ICT) Co., Ltd. | Deregistered | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxshare-ICT International B.V. | Deregistered | No significant effect on the production, operation and results of the Company taken as a whole |
| Luxshare International Cable Co., Ltd. | Deregistered | No significant effect on the production, operation and results of the Company taken as a whole |
| Wuxi Huihong Electronics Co., Ltd. | Sale of shares | No significant effect on the production, operation and results of the Company taken as a whole |

Particulars of major controlled subsidiaries and associates:

N/A

Applicable N/A

1. Situations of the industry

In recent years, despite certain fluctuations, the global smart mobile phone market size has been growing generally. According to IDC, the global smart phone shipments reached 1.35 units in 2021, representing an increase of 7% year on year. After the arrival of the 5G era, the market is expected to continue to grow.

evolution from traditional IT infrastructure to data infrastructure, and along with the continuous development of the Internet, e-commerce, video, cloud computing and other Internet vertical

capabilities on the basis of our joint venture vehicle ODM platform, and embrace the new challenges and new opportunities brought by the flourishing era of smart EV.

3. Business plan for the next year

In 2021, though we faced all sorts of challenges from the internal and external environment, we always stood in awe of market opportunities. We worked hard to fulfill all tasks and overcome all kinds of difficulties, while accomplishing the objectives established at the beginning of the year, and developed the business plan for the next year,

In 2022, we will continue to exploit our main business, and firmly implement the established business plans. While seeking new opportunities in respect of component, module and system solutions on the consumer electronics, smart mobile, smart wearable and other IoT markets, such as display modules for smart mobile terminals, rear cover modules for smart mobile terminals, voice coil motors, RF front modules, AR/VR/MR, we will focus on the development of automotive, communication, industrial, energy, healthcare and other new markets, new materials, new processes, new applications and new technologies. With respect to entities and businesses newly acquired or incubated, we will fully leverage our strengths and give support in customer resources, supply chain resources, lean production, automation, digitalization, intelligentization, etc., in order to achieve the strategic objectives of rapid cultivation and benefit amplification. With respect to the automotive business, we will continue to cooperate with our domestic and foreign brand customers in the development of components, and on the basis of automotive “nervous” system, further expand the lines of connectors (high-voltage, low-voltage and high-speed connectors, Bus] mm

transactions are mainly settled in US Dollars. Our sales on the overseas market totaled RMB57,465,383,800, RMB85,046,280,900 and RMB143,452,850,200 in 2019, 2020 and 2021, representing 91.92%, 91.94% and 93.18% of our revenue from main business respectively. Because China implements the managed floating rate system, the foreign exchange rates fluctuate along with the changes in domestic and foreign political and economic environment. If the foreign exchange rates fluctuate greatly, the exchange gains or losses may affect our operating results. In order to reduce the uncertainties caused by fluctuations of foreign exchange rates on our operating results, we will strive to keep abreast of the movement of foreign exchange rates, strictly control the proportion of foreign currency denominated assets in our net assets, and through foreign exchange derivative transactions, reduce the effect of the fluctuation of foreign exchange rates.

(3) Management risk

We have been growing rapidly in recent years, and continuously expanded our business 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 the trade frictions between China and the United States and spread of the epidemic situation throughout the world, our customers will put forward increasingly high requirements for the international dea !

| | | | | | | |
|--|--------------------------------------------------------|--|--|--|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| | No. 313 Beihuan Road, Qingxi Town, Dongguan, Guangdong | | | | operating results in the first half of 2021 and general situation | Activity dated August 25, 2021 published on www.cninfo.com.cn on August 26, 2021 |
|--|--------------------------------------------------------|--|--|--|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|

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

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

(II) Relationship with the controlling shareholder: We are independent of our controlling shareholder in operation, assets, personnel, organization and finance, and each of our Board of Directors, Board of Supervisors and other internal bodies operates

(V) Independence in operation

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

Applicable N/A

| Session | Type of meeting | Parentage of investors attending the meeting | Date of meeting | Date of disclosure | Resolution of the meeting |
|-----------------------------------|------------------------------|----------------------------------------------|-----------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| 2020 annual shareholders' meeting | Annual shareholders' meeting | 43.58% | May 18, 2021 | May 19, 2021 | 2020 Work Report of the Board of Directors and other 12 proposals were approved by vote, as disclosed in our Announcement No. 2021-056. |

| | | | | | |
|---------------------------------------------------|-------------------------------------|--------|------------------|------------------|--|
| First extraordinary shareholders' meeting in 2021 | Extraordinary shareholders' meeting | 46.41% | October 25, 2021 | October 26, 2021 | |
|---------------------------------------------------|-------------------------------------|--------|------------------|------------------|--|

| Name | Title | Status | Sex | Age | Beginning date of the term of office | End date of the term of office |
|------|-------|--------|-----|-----|--------------------------------------|--------------------------------|
|------|-------|--------|-----|-----|--------------------------------------|--------------------------------|

| | | | | | | | | | | | | |
|-------------|-------------|-----------|--------|----|-----------------|-----------------|--|--|--|--|--|--|
| | Supervisors | | | | | | | | | | | |
| MO Rongying | Supervisor | Incumbent | Female | 42 | May 22, 2018 | May 18, 2024 | | | | | | |

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

Yes No

Changes in directors, supervisors and executives:

Applicable N/A

| Name | Title | Type | Date | Reason |
|--------------|------------------------|-------------------------------------------|--------------|--------------------------------------|
| LI Bin | Director | Retired upon expiration of term of office | May 18, 2021 | Re-elected of the Board of Directors |
| YE Yiling | Director | Retired upon expiration of term of office | May 18, 2021 | Re-elected of the Board of Directors |
| XU Huaibin | Independent Director | Retired upon expiration of term of office | May 18, 2021 | Re-elected of the Board of Directors |
| LIN Yifei | Independent Director | Retired upon expiration of term of office | May 18, 2021 | Re-elected of the Board of Directors |
| LI Bin | Deputy General Manager | Retired upon expiration of term of office | May 21, 2021 | Re-elected of the Board of Directors |
| YE Yiling | Deputy General Manager | Retired upon expiration of term of office | May 21, 2021 | Re-elected of the Board of Directors |
| WANG Tao | Director | Elected | May 18, 2021 | Re-elected of the Board of Directors |
| LI Wei | Director | Elected | May 18, 2021 | Re-elected of the Board of Directors |
| LIU Zhonghua | Independent Director | Elected | May 18, 2021 | Re-elected of the Board of Directors |
| SONG Yuhong | Independent Director | Elected | May 18, 2021 | Re-elected of the Board of Directors |
| WANG Tao | Deputy General Manager | Appointed | May 21, 2021 | Re-elected of the Board of Directors |
| LI Wei | Deputy General Manager | appointed | May 21, 2021 | Re-elected of the Board of Directors |

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

(I) Directors

Ms. WANG Laichun, 55 years old, resident of Hong Kong, China; EMBA, Shenzhen Graduate School of Tsinghua University; is now our Chairman of the Board of Directors and General Manager; former Director of the Shenzhen High-tech Industry Association and Vice Chairman of the Shenzhen Electronics Industry Association. Ms. WANG Laichun worked in the Wiring Business Unit of Foxconn, a subsidiary of Hon Hai Group, for nearly ten years since 1988, and left Foxconn in 1997 to start her own business. In 1999, Ms. WANG Laichun and Mr. WANG Laisheng jointly purchased the shares of Luxshare Limited. In 2004, she founded Luxshare Precision Industry (Shenzhen) Co., Ltd. through Luxshare Limited and acted as its Chairman of the Board of Directors. Ms. WANG Laichun is the Chairman of our 1st, 2nd, 3rd, 4th and 5th Board of Directors.

Mr. WANG Laisheng, 58 years old, resident of Hong Kong, China; is now our Vice Chairman of the Board of Directors; former Executive Director of the Shenzhen Quality Association and Director of the Guangdong Laboratory Federation. Mr. WANG Laisheng was engaged in individual business since mid-1980s. Mr. WANG Laisheng and Ms. WANG Laichun jointly purchased the shares of Luxshare Limited in 1999 and founded Luxshare Precision Industry (Shenzhen) Co., Ltd. in 2004. Mr. WANG Laisheng is the Vice Chairman of our 1st, 2nd, 3rd, 4th and 5th Board of Directors.

Mr. LI Wei, 42 years old, Chinese nationality, undergraduate; is now chief of our Precision Component Business Unit. Mr. LI Wei has nearly 20 years' experience in precision manufacturing and has been engaged in product design, validation and quality management in many precision manufacturing companies. He joined Luxshare-ICT in July 2019, responsible for the operation and management of the Corporate Business Division.

Mr. WANG Tao, 37 years old, Chinese nationality, undergraduate from the Southeast University; is now chief of our Acoustic Business Unit. Mr. WANG Tao has rich experience in precision manufacturing of components. He joined Luxshare-ICT in April 2009, responsible for product development and management.

Ms. ZHANG Ying, 59 years old, Chinese nationality; Doctor of Laws, Wuhan University; postdoctoral fellowship in law, Chinese Academy of Social Sciences; associate professor of the Shenzhen University Law School. Ms. ZHANG Ying joined the China University of Geosciences in 1984 as a lecturer, and the Institute of Political Science and Law, Wuhan Academy of Social Sciences in 1994 as an assistant researcher, and has acted as the Executive Director of the China European Law Research Association

since 2009. Ms. ZHANG Ying has obtained the qualification as an independent director from the Shenzhen Stock Exchange, and is an Independent Director of our 4th and 5th Board of Directors.

Mr. LIU Zhonghua, 57 years old, Chinese nationality, without foreign permanent residence, master, professor of accounting; is now professor and tutor of postgraduates of the Guangdong University of Foreign Studies School of Accounting, Director of the Accounting Society of China, Vice Chairman of the Accounting Society for Foreign Economic Relations & Trade of China, Executive Vice Chairman of the Guangdong Association of Management Accountants, and Executive Director of the Accounting Society of Guangdong. Mr. LIU Zhonghua has obtained the qualification as an independent director from the Shenzhen Stock Exchange, and is an Independent Director of Guangdong Provincial Expressway Development Co., Ltd., GEM Co., Ltd. and SGIS Songshan Co., Ltd.

Ms. SONG Yuhong, 51 years old, Chinese nationality; Master of Laws, Wuhan University; Bachelor of Laws, Southwest University of Political Science & Law; MBA, Grandes Écoles de Commerce; is now partner of DeHeng Law Offices (Shenzhen), and mediator of the International Commercial Mediation Center for Belt and Road Initiative – Luohu Court of Shenzhen Mediation Center. Ms. SONG Yuhong has obtained the qualification as an independent director from the Shenzhen Stock Exchange, and is an Independent Director of our 5th Board of Directors.

(II) Supervisors

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Ms. XIA Yanrong, 41 years old, Chinese nationality, undergraduate majoring in financial management, is now our supervisor. Ms. XIA Yanrong worked at the Finance Department of 3CEMS Group Prime Technology (Guangzhou) Co., Ltd. from January 2003 to April 2006, and the Finance Department of Dachang Electronic Technology (Suzhou) Co., Ltd., a subsidiary of P-TWO, from April 2006 to April 2009, and joined us since April 2009, and served as chief of the Finance Department at Kunshan Lanto, and chief of the Finance Department and chief of the Credit Management Department at Luxshare-ICT, and is now Director of our Central Finance Department and Credit Management Department. Ms. XIA Yanrong is a member of our 4th and 5th Board of Supervisors.

Ms. MO Rongying, 42 years old, Chinese nationality, majoring in business administration e D De

| | | | | | from such entity |
|---------------|-------------------------------------------------------------|-------------------------------------|-------------------|--------------------|------------------|
| WANG Laichun | Luxsan Precision Technology (Jiangsu) Co., Ltd. | Director | November 25, 2020 | | No |
| WANG Laichun | BCS Automotive Interface Solutions (Suzhou) Co., Ltd. | Chairman | July 18, 2018 | | No |
| WANG Laichun | Luxshare Electronic Technology (Kunshan) Co., Ltd. | Chairman | March 18, 2014 | | No |
| WANG Laichun | Rikai Precision Technology (Yancheng) Co., Ltd. | Chairman | February 3, 2021 | | No |
| WANG Laichun | Xiexun Electronic (Ji'an) Co., Ltd. | Vice Chairman | November 12, 2005 | | No |
| WANG Laichun | Fujian JK Wiring Systems Co., Ltd. | Chairman | June 18, 2012 | | No |
| WANG Laisheng | Luxsan Precision Technology (Jiangsu) Co., Ltd. | Chairman | November 25, 2020 | | No |
| WANG Laisheng | Xunmu Information Technology (Shanghai) Co., Ltd. | General Manager | April 27, 2021 | | No |
| WANG Laisheng | Lishan Smart Manufacturing Technology (Guangdong) Co., Ltd. | Managing Director & Manager | November 18, 2020 | | No |
| WANG Laisheng | Lishan Smart Manufacturing Technology (Shenzhen) Co., Ltd. | Chairman | February 3, 2021 | | No |
| WANG Laisheng | BCS Automotive Interface Solutions (Xi'an) Co., Ltd. | Managing Director & General Manager | December 29, 2018 | | No |
| WANG Laisheng | Xiexun Electronic (Ji'an) Co., Ltd. | Chairman | November 12, 2005 | | No |
| WANG Laisheng | Lanto Electronic Limited | Vice Chairman | May 12, 2011 | | No |
| WANG Laisheng | Kunshan Luxshare Precision Industry Co., Ltd. | Director | October 25, 2011 | | No |
| WANG Laisheng | Donguan Xuntao Electronic Co., Ltd. | Vice Chairman | July 10, 2012 | | No |
| WANG Laisheng | Dongguan Leader Precision Industry Co., Ltd. | Chairman | August 16, 2012 | | No |
| WANG Laisheng | Kunshan Luxshare Precision Industry Co., Ltd. | Vice Chairman | October 25, 2011 | | No |
| WANG Laisheng | Suining Luxshare Precision Industry Co., Ltd. | Managing Director | January 11, 2013 | | No |
| WANG Laisheng | Xingning Luxshare Precision Industry Co., Ltd. | Managing Director | November 19, 2013 | | No |
| WANG Laisheng | Luxshare Precision Industry (Chuzhou), Ltd. | Managing Director | March 24, 2014 | | No |
| WANG Laisheng | Fengshun Luxshare Precision Industry Co., Ltd. | Managing Director | July 4, 2014 | | No |
| WANG Laisheng | Dongguan Luxshare Precision Industry Co., Ltd. | Chairman | November 27, 2015 | | No |
| WANG Laisheng | Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | Director | December 25, 2015 | | No |
| LIU Zhonghua | Guangdong Provincial Expressway Development Co., Ltd. | Independent Director | December 4, 2017 | September 20, 2022 | Yes |
| LIU Zhonghua | GEM Co., Ltd. | Independent Director | March 20, 2019 | March 12, 2025 | Yes |
| LIU Zhonghua | SGIS Songshan Co., Ltd. | Independent | June 25, 2019 | June 24, 2022 | Yes |

| | | | | | | | | |
|-------------|---------|----|----------|---|---|---|-------|-------|
| SONG Yuhong | Jiangxi | .M | Director | u | e | = | ect Ž | Ç s Ç |
|-------------|---------|----|----------|---|---|---|-------|-------|

In RMB0'000

| Name | Title |
|------|-------|
|------|-------|

| | | | |
|-------------------------------------------------------------------|--------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | (Announcement No. 2021-050). |
| 1 st meeting of the 5 th Board of Directors | May 21, 2021 | May 22, 2021 | Refer to the Announcement on Resolutions of the 1 st meeting of the 5 th Board of Directors disclosed on www.cninfo.com.cn and the Securities Times (Announcement No. 2021-057). |
| 2 nd meeting of the 5 th Board of Directors | July 2, 2021 | July 3, 2021 | Refer to the Announcement on Resolutions of the 2 nd meeting of the 5 th Board of Directors disclosed on www.cninfo.com.cn and the Securities Times (Announcement No. 2021-062). |
| 3 rd meeting of the 5 th Board of Directors | August 24, 2021 | August 25, 2021 | Refer to the Announcement on Resolutions of the 3 rd meeting of the 5 th Board of Directors disclosed on www.cninfo.com.cn and the Securities Times (Announcement No. 2021-071). |
| 4 th meeting of the 5 th Board of Directors | September 30, 2021 | October 8, 2021 | Refer to the Announcement on Resolutions of the 4 th meeting of the 5 th Board of Directors disclosed on www.cninfo.com.cn and the Securities Times (Announcement No. 2021-077). |
| 5 th meeting of the 5 th Board of Directors | October 27, 2021 | October 28, 2021 | Refer to the Announcement on Resolutions of the 5 th meeting of the 5 th Board of Directors disclosed on www.cninfo.com.cn and the Securities Times (Announcement No. 2021-092). |
| 6 th meeting of the 5 th Board of Directors | December 3, 2021 | December 4, 2021 | Refer to the Announcement on Resolutions of the 6 th meeting of the 5 th Board of Directors disclosed on www.cninfo.com.cn and the Securities Times (Announcement No. 2021-096). |

| Attendance of the directors at meetings of the Board of Directors and shareholders | | | | | | | |
|------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------------------------------------------|---------------------------------------|
| Director | No. of board meetings held during the reporting period | No. of board meetings present in person | No. of board meetings present by means of communication equipment | No. of board meetings present by proxy | No. of board meetings absent from | Whether or not having been absent from two consecutive board meetings | No. of shareholders' meeting attended |
| WANG Laichun | 10 | 7 | 3 | 0 | 0 | No | 2 |
| WANG Laisheng | 10 | 7 | 3 | 0 | 0 | No | 2 |
| LI Bin | 4 | 2 | 2 | 0 | 0 | No | 1 |
| YE Yiling | 4 | 1 | 3 | 0 | 0 | No | 1 |
| ZHANG Ying | 10 | 7 | 3 | 0 | 0 | No | 2 |
| XU Huaibin | 4 | 2 | 2 | 0 | 0 | No | 1 |
| LIN Yifei | 4 | 2 | 2 | 0 | 0 | No | 1 |
| LI Wei | 6 | 4 | 2 | 0 | 0 | No | 2 |
| WANG Tao | 6 | 4 | 2 | 0 | 0 | No | 2 |
| LIU Zhonghua | 6 | 4 | 2 | 0 | 0 | No | 2 |
| SONG Yuhong | 6 | 4 | 2 | 0 | 0 | No | 2 |

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

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

Yes No

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

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| | | | | | | | |
|--------------------------------------------------|------------------------------------------|---|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| Compensation and Performance Appraisal Committee | ZHANG Ying, LIU Zhonghua and SONG Yuhong | 1 | September 24, 2021 | Considered the Performance Appraisal Measures for the 2021 Stock Option Incentive Plan. | Pursuant to the <i>Company Law</i> , the <i>Code of Corporate Governance for Listed Companies</i> promulgated by the CSRC and the <i>Work Rules of the Compensation and Performance Appraisal Committee of the Board of Directors</i> , the Compensation and Performance 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. | | |
| Nomination Committee | WANG Laichun, LIN Yifei and ZHANG Ying | 1 | April 5, 2021 | Considered the Proposal for Examination of Qualifications of Candidates for Non-independent Directors of the 5 th Board of Directors and the Proposal for Examination of Qualifications of Candidates for Independent Directors of the 5 th Board of Directors. | Pursuant to the <i>Company Law</i> , the <i>Code of Corporate Governance for Listed Companies</i> promulgated by the CSRC and the <i>Work Rules of the Nomination Committee of the Board of Directors</i> , the Nomination Committee performed its duties diligently, examined the qualifications of the relevant personnel, expressed opinions and put forward suggestions, and through sufficient communication and discussions, unanimously approved all Proposals. | | |
| Strategy Committee | WANG Laichun, XU Huabin and ZHANG Ying | 1 | March 29, 2021 | Pursuant to the <i>Company Law</i> , the <i>Code of Corporate Governance for Listed Companies</i> promulgated by the CSRC, the <i>Work Rules of the Strategy Committee of the Board of Directors</i> and other relevant provisions, the Strategy Committee reviewed the material events occurred in 2020, reported our 2021 strategic development plan, and studied the significant strategic issues in connection with our development. | Pursuant to the <i>Company Law</i> , the <i>Code of Corporate Governance for Listed Companies</i> promulgated by the CSRC, and the <i>Work Rules of the Strategy Committee of the Board of Directors</i> , the Strategy Committee thoroughly analyzed and studied the industry in which we operate, and put forward reasonable suggestions on the planning for and implementation of the development strategies in respect of business, R&D and new products, which produced significant effect. | | |

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

Yes No

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

| | |
|-----------------------------------------------------------------------------------------------------------------------|---------------------|
| Number of current employees of the parent at the end of the reporting period | 520 |
| Total number of current employees of the major subsidiaries at the end of the reporting period | 227,632 |
| Total number of current employees at the end of the reporting period | 228,152 |
| Total number of salaried employees during the reporting period | 228,152 |
| Total number of retired employees to or for whom the parent and the major subsidiaries are obligated to make payments | 0 |
| Structure of profession | |
| Type of profession | Number of employees |
| Production staff | 192,873 |
| Sales staff | 2,574 |
| Technical staff | 16,103 |
| Financial staff | 354 |
| Administrative staff | 16,248 |
| Total | 228,152 |
| Education | |
| Degree of education | Number of employees |
| Undergraduate | 13,982 |
| College | 21,432 |
| Secondary specialized school, senior middle school and below | 192,738 |
| Total | 228,152 |

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

We attach great importance to the career development plans of employees, concentrate our efforts on the training of personnel, and have established a sound personnel training system, to attract and motivate more excellent talents and promote common growth of employees and the Group. We have built an integrated online and offline learning platform, providing multi-dimensional specialty training for different types of employees and new projects. The platform provides all employees with hierarchical targeted training of

different categories that target different groups of people and satisfy different needs. For example, with respect to senior, middle and grassroots managers and key reserve talents with great potentialities, we conduct the “Star Cultivation Series” training, in order to build an efficient and dynamic team; and with respect to the personnel in manufacturing, R&D technology, marketing, supply chain and other critical fields, we conduct the “Juneng Series” training, in order to continuously improve the professional capabilities of employees on different posts. In addition, we carry out school-enterprise cooperation projects, and encourage the employees to obtain certification of professional qualifications from the Company and society, in order to enhance our production level and social recognition of us as a whole. We have also built the “Jushi Series”, “Luxshare Classroom”, “Senior Management Forum” and other learning and communication platform

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Number of bonus shares per 10 shares | 0 |
| Amount of cash dividends per 10 shares (inclusive of tax) | 1.10 |
| Share capital based on which the distribution proposal was made | 7,084,301,477 |
| Amount of cash dividends (inclusive of tax) | 779,273,162.47 |
| Amount of cash dividends distributed in other ways (such as share repurchase) (RMB) | 0.00 |
| Total amount of cash dividends (RMB) | 779,273,162.47 |
| Distributable profit (RMB) | 6,526,651,487.02 |
| Proportion of total cash dividends to the distributable profit | 100% |
| Particulars of cash dividends distributed for the reporting period | |
| Others | |
| Particulars of the proposal of profit distribution or for transfer of capital reserve to share capital | |
| Our 2021 Profit Distribution Proposal is as follows: to distribute to all shareholders a cash dividend of RMB1.10 (inclusive of tax) per 10 shares on the basis of the total share capital of 7,084,301,477 shares, or RMB779,273,162.47 (inclusive of tax) in total, and to carry forward the retained profits for distribution in subsequent years. In case of any change in our total share capital due to any share repurchase, exercise of share incentives, material asset restructuring, cancellation of repurchased share or otherwise prior to the record date for the relevant equity distribution, we will adjust the distribution payable per share accordingly on the principle that the total amount distributable should remain the same. The 2021 Profit Distribution Proposal is subject to approval by the shareholders' meeting. | |

Applicable N/A

(1) 2018 stock option incentive plan

On December 2, 2020, the 27th meeting of the 4th Board of Directors and the 27th meeting of the 4th Board of Supervisors considered and approved the Proposal Regarding Satisfaction of the Vesting Conditions for the Second Vesting Period of the 2018 Stock Option Incentive Plan, pursuant to which, the grantees who have satisfied the vesting conditions may exercise the stock options vested in the second vesting period in their sole discretion from December 22, 2020 to September 24, 2021. Refer to the Cautionary Announcement on Adoption of the Discretionary Exercise Method for the Second Vesting Period of the 2018 Stock Option Incentive Plan (Announcement No.2020-108) for details.

During the reporting period, the grantees exercised their options to purchase 13,854,690 shares in total within the second vesting period of the 2018 Stock Option Incentive Plan.

On July 2, 2021, due to the equity distribution for 2020, the exercise price for the stock options granted but not yet exercised under the 2018 stock option incentive plan was adjusted from RMB10.28 per share to RMB10.17 per share. Refer to the

During the reporting period, the grantees exercised their options to purchase 13,854,690 shares in total within the second vesting period of the 2018 Stock Option Incentive Plan.

During the reporting period, the grantees exercised their options to purchase 19,597,470 shares in total within the 2019 Incentive Plan

(2) 2019 stock option incentive plan

On June 22, 2020, the 19th

Meeting of Directors and the 19th Meeting of the 4th Board of Supervisors considered

the 4th Meeting of the Board of Directors and the 29th Meeting of the 4th Board of Supervisors

the 5th Meeting of the Board of Directors and the 2nd Meeting of the 5th Board of Supervisors considered and

the 5th Meeting of the Board of Directors, the 1st Meeting of the 5th Board of Supervisors and the 1st

Share incentives granted to directors and executives

Applicable N/A

Unit: shares

| Name | Title | Beginning balance of stock options held | No. of additional stock options granted during the reporting period | No. of shares exercisable during the reporting period | No. of shares exercised during the reporting period | Exercise price of shares exercised during the reporting period (RMB per share) | Ending balance of stock options held | Market price at the end of the reporting period (RMB per share) | Beginning balance of restricted shares held | No. of shares vested during the reporting period | No. of additional restricted shares granted during the reporting period | Grant price of restricted shares (RMB per share) | Ending balance of restricted shares held |
|-------------|------------------------------------------|-----------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------|---------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------|
| WU Tiansong | CFO | 395,451 | 0 | 131,817 | 131,817 | 10.17 | 263,634 | 49.20 | | | | | |
| WU Tiansong | CFO | 574,585 | 0 | 168,992 | 168,992 | 13.59 | 405,593 | 49.20 | | | | | |
| HUANG Dawei | Deputy General Manager & Board Secretary | 659,085 | 0 | 219,695 | 0 | | 659,085 | 49.20 | | | | | |
| LI Wei | Director & Deputy General Manager | 1,689,963 | 0 | 506,989 | 0 | | 1,689,963 | 49.20 | | | | | |
| WANG Tao | Director & Deputy General Manager | 1,973,876 | 0 | 601,626 | 0 | | 1,973,876 | 49.20 | | | | | |
| LI Bin | Director & Deputy General Manager | 2,636,342 | 0 | 878,781 | 878,781 | 10.17 | 1,757,561 | 49.20 | | | | | |
| LI Bin | Director & Deputy General Manager | 1,351,970 | 0 | 337,992 | 337,992 | 13.59 | 1,013,978 | 49.20 | | | | | |
| YE Yiling | Director & | 962,265 | 0 | 320,755 | 87,880 | 10.17 | 874,385 | 49.20 | | | | | |

| | | | | | | | | | | | | | |
|-----------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----------|-----------|-------|-----------|-------|---|---|---|----|---|
| | Deputy General Manager | | | | | | | | | | | | |
| YE Yiling | Director & Deputy General Manager | 540,789 | 0 | 135,196 | 90,000 | 13.59 | 450,789 | 49.20 | | | | | |
| Total | - | 10,784,326 | 0 | 3,301,843 | 1,695,462 | -- | 9,088,864 | -- | 0 | 0 | 0 | -- | 0 |
| Remark (if any) | | Upon re-appointment of the Board of Directors in April 2021, LI Bin and YE Yiling resigned as directors, but continue to hold other posts in the Company. | | | | | | | | | | | |

Performance appraisal and incentives in respect of executives

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

| assessment to total operating revenue recorded in the consolidated financial statements of the Company | | |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Criteria for determination of deficiencies | | |
| Type | Financial reporting | Non-financial reporting |
| Qualitative criteria | <p>1. The material weaknesses in internal control over financial reporting include: (A) fraud on the part of directors, supervisors and executives; (B) failure to correct any material weakness in internal control within a reasonable time after the same was identified and reported to the management; (C) ineffective control environment; (D) any material misstatement in the financial report for the current period that is identified by external auditor but fails to be identified through internal control; (E) any serious violation of the laws and regulations; (F) the Company running at a loss for consecutive years due to any reason other than policy-related loss, which might threaten the Company's ability to continue as a going concern; and (G) ineffective supervision by the management and related functional departments over the internal control.</p> <p>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.</p> <p>3. General deficiencies in internal control over financial reporting include deficiencies in control other than material weakness and significant deficiency.</p> | <p>1. The material weaknesses in internal control over non-financial reporting include: (A) any serious violation of the significant national laws and regulations; (B) great outflow of management and technical personnel on key posts; (C) absence of or ineffective control system for important business relating to the production and operation of the Company; (D) ineffective internal control over information disclosure, resulting in any public condemnation of the Company by any regulatory authority; and (E) failure to correct any problem, in particular, any material weakness or significant deficiency, identified in any assessment of internal controls.</p> <p>2. The significant deficiencies in internal control over non-financial reporting include: (A) defects in important business policies or system, or unsound internal control system; and (B) failure to review any information disclosed externally and untruthfulness of any information disclosed.</p> <p>3. General deficiencies in internal control over financial reporting include deficiencies in control other than material weakness and significant deficiency.</p> |
| | <p>1. Material weakness: (1) amount of misstated operating revenue 0.5% of total operating revenue; (2) amount of misstated profit 0.5% of total profit; (3) amount of misstated assets 0</p> | <p>generall" o</p> |

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

Applicable N/A

| Opinion issued in the internal control certification report | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Pursuant to the <i>Basic Internal Control Standards for Enterprises</i> promulgated by the Ministry of Finance and other relevant provisions, the Company has maintained effective internal controls in all material respects as of December 31, 2021. | |
| Disclosure of the internal control certification report | Disclosed |
| Date of disclosure of the internal control certification report in its entirety | April 28, 2022 |
| Disclosure reference | Internal Control Certification Report 2021 of Luxshare Precision Industry Co., Ltd. published on www.cninfo.com.cn |
| Type of opinion issued in the internal control certification report | Standard unqualified opinion |
| Whether there's any material weakness in non-financial reporting | No |

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

Yes No

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

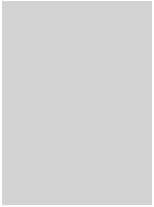
Yes No

Pursuant to the requirements of the *Announcement on Launching the Special Campaign for Corporate Governance of the Listed Companies* issued by the CSRC, we carried out self-examination of our corporate governance in strict accordance with the *Company Law*, the *Securities Law*, the AOA, the *Rules of Procedure of the Board of Directors*, the *Rules of Procedure of the Board of Supervisors* and other applicable laws, regulations and normative documents, in an orderly manner on the principle of seeking truth from facts, and completed the Questionnaire for Self-Examination of Corporate Governance of the Listed Company, which includes 119 questions covering seven areas.

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

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

Yes No





| td. | | washing tower) equipment | | | | | | | |
|---------------------------------|------------------------------|-----------------------------|---|----------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------|--------|------------------------|---|
| 1 uter sories an) Co., | Chemical oxygen demand | Pipe discharge | 1 | Main outlet | 500mg/L | Level 3 provided in the Integrated Standards of Wastewater Discharge (GB8979-1996) | 50.562 | 112.2094 | / |
| 1 uter sories an) Co., | Ammonia nitrogen | Pipe discharge | 1 | Main outlet | 35mg/L | Restrictions on Indirect Discharge of Nitrogen and Phosphorus Pollutants from Wastewater of Industrial Enterprises | 4.014 | 11.2209 | / |
| 1 uter sories an) Co., | Total nickel | Pipe discharge | 1 | Main outlet | 0.1mg/L | Discharge Standards of Electroplating Pollutants (GB21900-2008) | 0.001 | 0.02 | / |
| 1 uter sories Co., | Total chromium | Pipe discharge | 1 | M sories Main outlet | | Discharge Standards of Electroplating Pollutants (GB21900-2 | | Standards of2 0.026 | / |

| | | | | | | | | | |
|------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------|----|------------------------------------------|------|-----------------------------------------------------------------------------------------------------|--------|-------|---|
| Sheng Rui Electronic Technology (Shanghai) Co., Ltd. | Wastewater (suspended solids) | Pipe discharge | 1 | South of the sewage station of the plant | 16 | Level 3 provided in the Table 2 of the Integrated Standards of Wastewater Discharge (DB31 199-2018) | 13.087 | / | / |
| Sheng Rui Electronic Technology (Shanghai) Co., Ltd. | Wastewater (petroleum) | Pipe discharge | 1 | South of the sewage station of the plant | ND | Level 3 provided in the Table 2 of the Integrated Standards of Wastewater Discharge (DB31 199-2018) | 0.632 | / | / |
| Sheng Rui Electronic Technology (Shanghai) Co., Ltd. | Wastewater (LAS) | Pipe discharge | 1 | South of the sewage station of the plant | 2.66 | Level 3 provided in the Table 2 of the Integrated Standards of Wastewater Discharge (DB31 199-2018) | 0.043 | / | / |
| Sheng Rui Electronic Technology (Shanghai) Co., Ltd. | Exhaust gas (Nitrogen oxide) | Treated exhaust gas meets the standards and is emitted at high altitude | 17 | Plant roof and 1/F | 0.2 | Discharge Standards of Electroplating Pollutants (GB21900-2008) | 0.071 | 3.442 | / |
| Sheng Rui Electronic Technology (Shanghai) Co., Ltd. | Exhaust gas (sulfuric acid mist) | Treated exhaust gas meets the standards and is emitted at high altitude | 15 | 1/F of the plant | ND | Discharge Standards of Electroplating Pollutants (GB21900-2008) | 0 | / | / |
| Sheng Rui Electronic Technology (Shanghai) Co., Ltd. | Exhaust gas (particulate matter) | Treated exhaust gas meets the standards and is emitted at high altitude | 6 | Plant roof | 2.2 | Integrated Emission Standards of Air Pollutants (DB31_933-2015) | 0.883 | / | / |
| Sheng Rui Electronic Technology (Shanghai) Co., Ltd. | Exhaust gas (alkali mist) | Treated exhaust gas meets the standards and is emitted at high altitude | 15 | 1/F of the plant | ND | Integrated Emission Standards of Air Pollutants (DB31_933-2015) | 0 | / | / |
| Sheng Rui Electronic Technology (Shanghai) Co., Ltd. | Exhaust gas (odor) | Treated exhaust gas meets the standards and is emitted at high altitude | 1 | Sewage station | ND | Emission Standards for Odor Pollutants (DB311025-2016) | 0 | / | / |

| | | | | | | | | |
|----------------------|--------------|-----------------------------------------------------------------|---|------------|------|-------------------------------------------------------|--------------------|---|
| (Shanghai) Co., Ltd. | hydrocarbon) | Exhaust gas meets the standards and is emitted at high altitude | 1 | Plant roof | 1.21 | Emission Standards of Pollutants from Synthetic Resin | Em ² tn | 0 |
|----------------------|--------------|-----------------------------------------------------------------|---|------------|------|-------------------------------------------------------|--------------------|---|

lower than the relevant limits provided in the Restrictions on Indirect Discharge of Nitrogen and Phosphorus Pollutants from Wastewater of Industrial Enterprises (DB33/887-2013); the discharge of Class-A pollutants such as total chromium, CR VI and nickel are lower than the limits of indirect discharge to Taihu Lake Basin in the Table 1 of the Discharge Standards of Electroplating Water Pollutants (DB33/2260-2020); CODcr and petroleum at the discharge outlet of phosphorus-containing wastewater treatment

tower are environmentally friendly. Most equipment is installed in the workshop and on the roof of the workshop, a reasonable layout. The basic shock absorption is made when the equipment is installed, the fan is equipped with silencer and the flexible connector is used for the connection of blast pipes.

2. Measures for hazardous waste pollution prevention: The plant is equipped with the special hazardous waste cans and warehouses, implements the “Three Prevention” system and carries out irregular self check and self correction;

3. Measures for exhaust gas pollution prevention: A regular check is carried out for the completeness of the waste gas tower body, liquid tank, spray system, filling materials, gas-liquid

Xu [2018] No. 170, Jin Huan Xu [2019] No. 254, and Jin Huan Xu [2020] No. 27.

IV. Sheng Rui Electronic Technology (Shanghai) Co., Ltd.

Jin Huan Xu [2012] No. 544, Jin Huan Yan [2012] No. 62, Jin Huan Yuan [2014] No. 126, Jin Huan Xu [2018] No. 187, Jin Huan Xu [2020] No. 245, and the Pollution Discharge Permit No.: 91310000575815657F001P.

Emergency plan for abrupt environmental pollution accidents

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

Yancheng Luxcase has formulated the Emergency Plan for Abrupt Environmental Pollution Accidents.

II. Rishan Computer Accessories (Jiashan) Co., Ltd.

In September 2021, Rishan Computer has prepared the Emergency Plan for Abrupt Environmental Pollution Accidents (3rd Edition), and has completed the fo

| | | | | |
|--|--------------------------------------------------------------------------------------|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Pollutants from Wastewater of Industrial Enterprises (DB33/887-2013), namely, 8mg/L. | | | measures can be taken immediately to stop the discharge of corresponding water sources until they meet the discharge requirements of environmental protection. 2. The emergency pool and sewage pipe are checked on a regular basis every year, and the manufacturer is arranged to flush the rain and sewage pipe network at least once a year. 3. The environmental protection risk assessment, the environmental protection measure acceptance, and process monitoring and management are strictly implemented towards the new, reconstructed, expanded projects/production processes. |
|--|--------------------------------------------------------------------------------------|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Other environment information to be disclosed

N/A

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

Applicable N/A

The Company's 2021 Sustainable Development Report has been published at Cninfo (www.cninfo.com.cn), the information disclosure website designated by the Company, together with this report on the same day.

Other environmental information

The Company's 2021 Sustainable Development Report has been published at Cninfo (www.cninfo.com.cn), the information disclosure website designated by the Company, together with this report on the same day.

The Company's 2021 Sustainable Development Report has been published at Cninfo (www.cninfo.com.cn), the information disclosure website designated by the Company, together with this report on the same day.

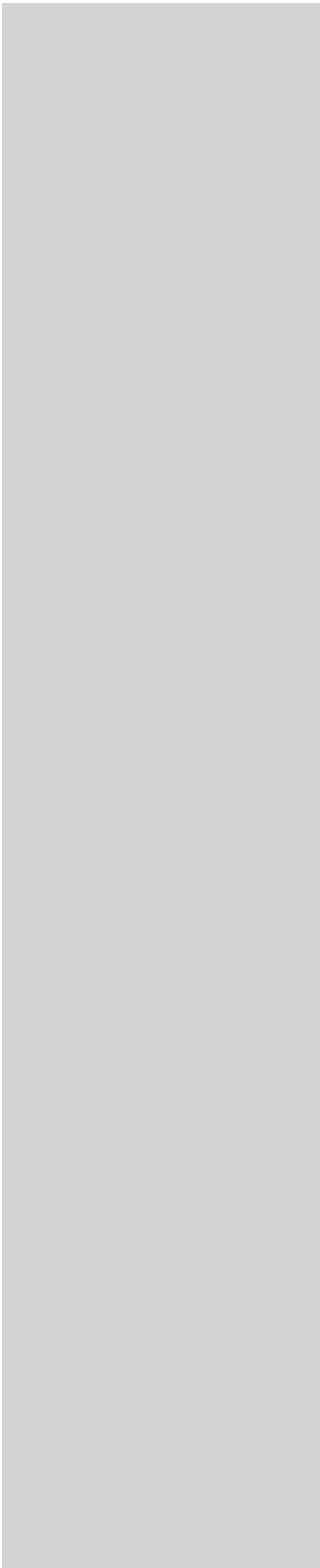
The Company did not carry out the work on poverty alleviation and rural revitalization during the reporting period or have subsequent relevant plans.

Applicable N/A

| Commitments | Giver of commitments | Commitment type | Details of commitments | Date of commitments | Term of commitments | Performance |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|----------------------------------------------|
| Commitments relating to the transformation into share holding system | | | | | | |
| Commitments made in any acquisition report or report on changes in equity | | | | | | |
| Commitments relating to any asset restructuring | | | | | | |
| Commitments relating to any initial public offering or subsequent fund raising | HUANG Dawei, LI Bin, LIN Yifei, WANG Laichun, WANG Laisheng, WU Tiansong, XIONG Tengfang, XU Huaibin, XUE Haigao, YE Yiling, ZHANG Ying | Other commitments | Pursuant to the applicable regulations of the China Securities Regulatory Commission, in order to ensure the implementation of the remedial measures for diluted earnings of the Company, each of the directors and executives of the Company hereby commitments as follows: 1. I will not transfer benefits to any other entity or individual without compensation or on unfair terms, or otherwise damage the interest of the Company. 2. I will exercise self-discipline in consumption in performing my duties. 3. I will not use the assets of the Company to engage in any investment or consumption activity not in connection with my duties. 4. I will, within my | July 11, 2019 | Permanent | The commitments have been fulfilled strictly |

| | | | | | |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| | | <p>powers, procure the linkage between the compensation system adopted by the Board of Directors or the Compensation and Performance 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 undertake to strictly fulfill the commitments set forth above, to ensure the implementation of the remedial measures for diluted earnings of the Company. 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 China Securities Regulatory Commission, 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 law.</p> | | | |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|

In order to seriously
protect the legitimate

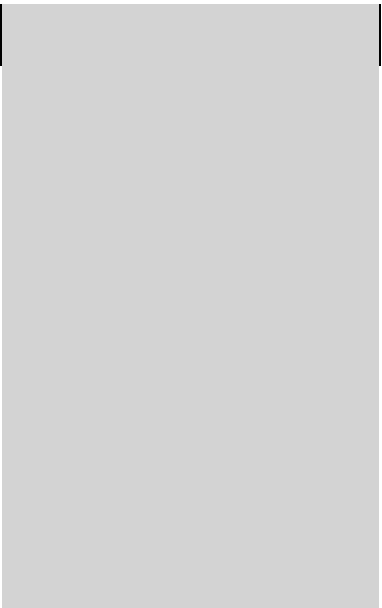


Luxshare
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WANG
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Other
commitment
s

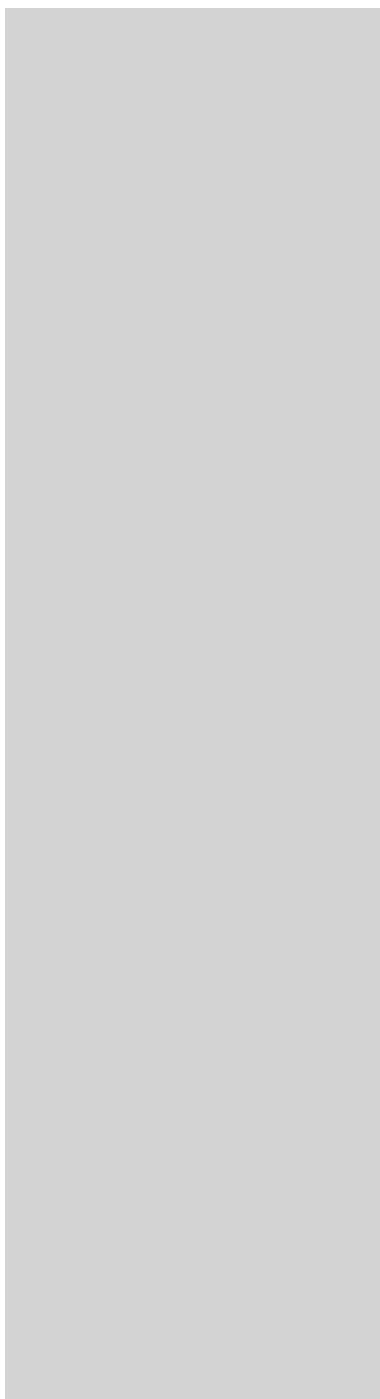
| | | | | | | |
|--|-----------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|----------------------------------------------|
| | | | 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. | | | |
| | Luxshare Limited, WANG Laichun, WANG Laisheng | Other commitments | <p>Luxshare Limited, as the controlling shareholder of the Company, and WANG Laichun and WANG Laisheng, as the actual controllers of the Company, hereby commitment as follows:</p> <p>1. We, Luxshare Limited, as the controlling shareholder of the Company, undertake not to interfere with management and operation of the Company beyond our powers, or infringe on the interest of the Company.</p> <p>2. I, WANG Laichun, as the actual controller, Chairman and General Manager of the Company, undertake to perform my duties in accordance with the applicable laws and regulations and the articles of association of the Company, and not to interfere with management and operation of the Company beyond my powers, or infringe on the interest of the Company.</p> <p>3. I, WANG Laisheng, as the actual controller and Vice Chairman of the Company, undertake to perform my duties in accordance with the applicable laws and regulations and the articles of association of the Company, and not to interfere with management and operation of the Company beyond my powers, or infringe on the interest of the Company.</p> | March 11, 2016 | Permanent | The commitments have been fulfilled strictly |

| | | | | | | |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------|----------------------------------------------|
| | BAI Rujing, CHEN Chaofei, DONG Jianhai, LI Bin, LI Jing, LI Xiongwei, LIN Yifei, WANG Ji, WANG Laichun, WANG Laisheng, XU Huaibin, YE Yiling, ZHANG Lihua | Other commitments | Each of the directors and executives of the Company hereby commitments as follows: (1) I will not transfer benefits to any other entity or individual without compensation or on unfair terms, or otherwise damage the interest of the Company. (2) I will exercise self-discipline in consumption in performing my duties. (3) I will not use the assets of the Company to engage in any investment or consumption activity not in connection with my duties. (4) I will procure the linkage between the compensation system adopted by the Board of Directors or the Compensation and Performance Appraisal Committee and the implementation of the Company's remedial measures for diluted earnings. (5) If the Company establishes any share incentive plan in the future, I will procure the linkage between the vesting conditions in respect of any share incentives granted by the Company and the implementation of the Company's remedial measures for diluted earnings. | March 11, 2016 | Permanent | The commitments have been fulfilled strictly |
| | Luxshare Limited | Commitments relating to horizontal competition, related-party transactions and occupation of funds | The commitments relating to horizontal competition, related-party transactions and occupation of funds are as follows: 1. We and all other entities controlled by us at present or in the future will not, directly or indirectly, engage in any business or activity that competes or might compete or | October 15, 2014 | Permanent | The commitments have been fulfilled strictly |

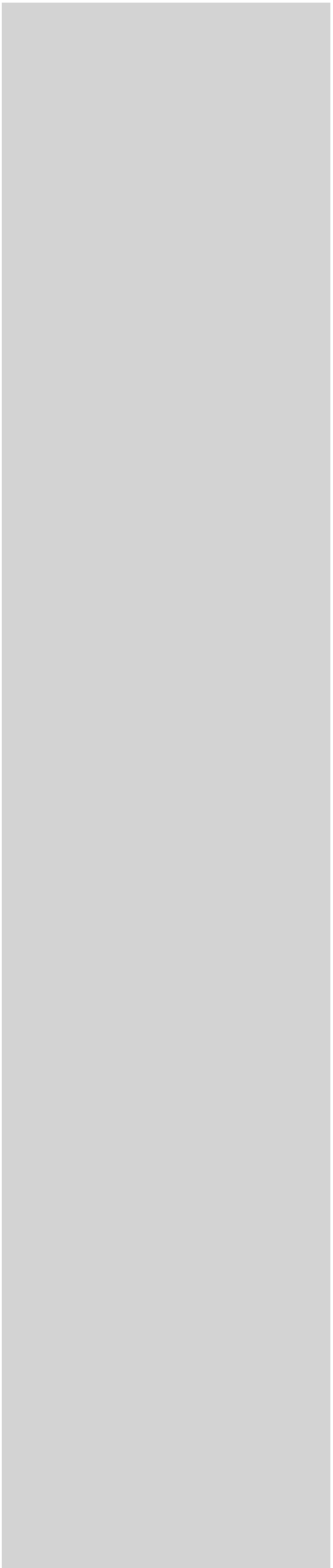


Luxshare
Limited

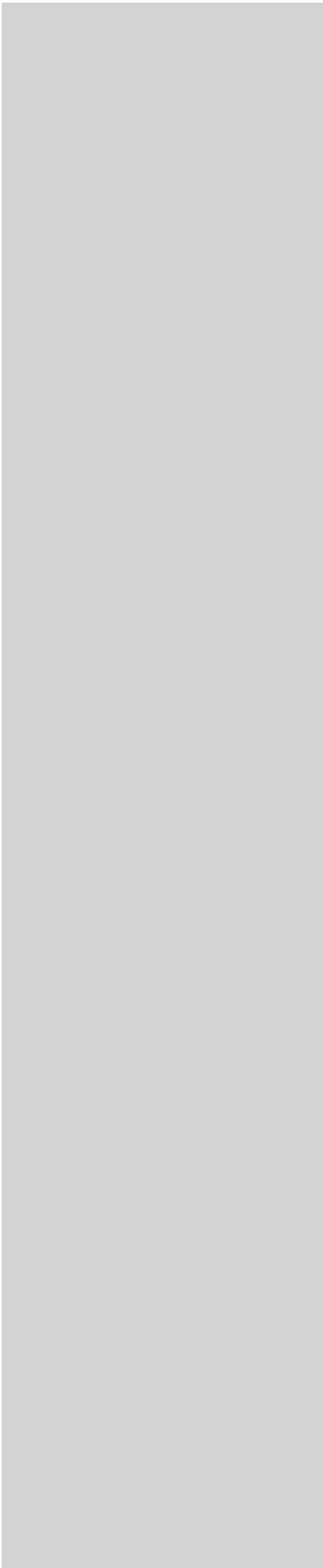
Commitmen
ts relating to
horizontal
competition, controlled by us will
related-party
ion
ion
;
rtrycy



reasonably, we will carry out such transaction on an arm's length basis and customary commercial terms, ensure the fairness of the transaction price, perform the relevant decision-making process according to law, and guarantee that the legitimate rights and interests of the Company



the Issuer. So long as I retain control over the Issuer directly or indirectly, I will strictly comply with the applicable laws, regulations and codes of the country, and will not, directly or indirectly, engage in any business that is the same as, similar to or substantially in



| | | | | | | |
|-------------------------------------------------|--------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------|--|
| | | | <p>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.</p> | | | |
| <p>Commitments relating to share incentives</p> | <p>Luxshare [REDACTED]</p> <p>Luxshare Limited</p> | <p>Other</p> | <p>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.</p> <p>After the completion of the transactions contemplated by the announcement on external investment and related-party transactions disclosed by the Company on November 13, 2020, we and our affiliates will not engage in any</p> | <p>[REDACTED] 2021</p> | <p>February 2, 2022</p> | |

| | | | | | | |
|-----------------------------------------------------------------|--|--|-------------------------------------------|--|--|--|
| | | | after the completion of this disposal. | | | |
| Commitments made to the minority shareholders of the Company | | | | | | |
| Whether the commitments have been fulfilled on time? | | | | | | |

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

Applicable N/A

The consolidation scope for this period adds by new establishment Luxis Technology Limited, Luxshare Precision Industry (Yancheng) Co., Ltd., Hangzhou Xuntao Technology Co., Ltd., Rugao Lixun Enterprise Management Service Partnership (Limited Partnership), Lianxun Intelligent Equipment (Rugao) Co., Ltd., Luxshare Precision Technology (Xi'an) Co., Ltd., Luxshare Electronic Technology (Enshi) Co., Ltd., Lixin Technology (Kunshan) Co., Ltd., Luxshare Precision Investment Co., LTD., Yancheng Lixun Enterprise Management Service Partnership (Limited Partnership), Lixun Intelligent Equipment (Yancheng) Co., Ltd., Luxis Precision Intelligent Manufacturing (Kunshan) Co., Ltd., Lixun Intelligent Electronic Service (Kunshan) Co., Ltd., Liding Electronic Technology (Dongguan) Co., Ltd., Luxshare Precision Technology (Nanjing) Co., Ltd., Henan Lide Precision Industry Co., Ltd. and Changzhi Lixun Precision Industry Co., Ltd.; the consolidation scope adds by cash acquisition Rikai Precision Technology (Yancheng) Co., Ltd., Zhejiang Puxing Electronic Technology Co., Ltd.; the consolidation scope adds by agreement control Caldigit Holding (Cayman) and Tainhan Precision Co., Ltd.; the shares held in Wuxi Huihong Electronics Co., Ltd. are transferred during this period, so it is not included in the consolidation scope; Ji'an City Jihzou District Lixun Electronics Co., Ltd., Speedtech (LS-ICT) Co., Limited, Lixun International Cable Co., Ltd. and Luxshare-ICT International B.V. are cancelled by liquidation, so they are not included in the consolidation scope.

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) | 230 |
| Consecutive years in which the domestic accounting firm has | 14 |
| Certified public accountant of the domestic accounting firm | LI Jing, WEI Gang |
| | Co ubtic accasn |

| | |
|----------------------------------------------------------------|--|
| foreign accounting firm has provided auditing service (if any) | |
|----------------------------------------------------------------|--|

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

Yes No

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

Applicable N/A

Applicable N/A

Applicable N/A

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

Applicable N/A

| Background | Amount claimed (RMB0'000) | Whether a provision is recognized | Status | Result and effect | Enforcement of judgment/ award | M Date of disclosure | Information disclosure available at |
|------------|---------------------------|-----------------------------------|--------|-------------------|--------------------------------|----------------------|-------------------------------------|
|------------|---------------------------|-----------------------------------|--------|-------------------|--------------------------------|----------------------|-------------------------------------|

| | | | | | | | |
|----------------------------------------------|--------------|--|--------|----------------------------|---|--|---|
| Other litigation during the reporting period | 89.1 million | | Closed | The case has been settled/ | @ | | i |
|----------------------------------------------|--------------|--|--------|----------------------------|---|--|---|

Applicable N/A

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

Applicable N/A

Counterparty
Relation

| | | | | | | | | | | | | | No.: 2021-081) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------------|----|--------|----|----|----|----|----|----|----|----------------|
| Total | -- | -- | 63,957. 33 | -- | 77,700 | -- | -- | -- | -- | -- | -- | -- | -- |
| Particulars of huge-amount sales returns | N/A | | | | | | | | | | | | |
| If the total amount of daily related-party transactions that are expected to occur during the reporting period is estimated by type, the actual transactions occurred during the reporting period (if any) | When expecting the annual daily related party transactions, the Company conducts the appraisal and calculation of possible related party transactions according to the market situation, but the actually accrued amount is determined based on market situation, the two parties' business development, actual demands and specific implementation progress, resulting in certain differences between actually accrued amount and expected amount. The foregoing belongs to the acts of normal business and will not have a significant impact on daily operation and performance of the Company. | | | | | | | | | | | | |
| Reason of any great difference between transaction price and reference market price (if applicable) | N/A | | | | | | | | | | | | |

Applicable N/A

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

Applicable N/A

The Company had no related-party transactions on joint !

Applicable N/A

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

Applicable N/A

No such case during the reporting period.

Applicable N/A

No such case during the reporting period.

Applicable N/A

No such case during the reporting period.

Applicable N/A

In RMB0'000

| External guarantees provided by the Company and its subsidiaries (excluding those provided for the subsidiaries) | | | | | | | | |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------|--------------------------|---------------------|-------------------|--|--|--|
| Obligor | Disclosure date of announcement on the amount guaranteed | Effective date of guarantee | Actual amount guaranteed | Collateral (if any) | Term of guarantee | | | |
| | | | | | | | | |



M

| | |
|--|--------------------------------|
| | reporting period (A2+B2+C2) |
|--|--------------------------------|

3. Foreign
currency-denominated shares
listed overseas

6. The Company publicly offered 30,000,000 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 8,809.

Approval of changes in shares:

Applicable N/A

1. Review and approve by the 19th meeting of the fourth Board of Directors and the 19th meeting of the fourth Board of Supervisors of the Company;

2. Review and approve by the 27th meeting of the fourth Board of Directors and the 27th meeting of the fourth Board of Supervisors of the Company;

3. Review and approve by the 29th meeting of the fourth Board of Directors and the 29th meeting of the fourth Board of Supervisors of the Company;

4. Review and approve by the 2nd meeting of the fifth Board of Directors and the 2nd meeting of the fifth Board of Supervisors of the Company;

5. Review and approve by the 6th meeting of the fifth Board of Directors and the 6th meeting of the fifth Board of Supervisors of the Company.

Transfer of share ownership:

Applicable N/A

1. Period in which the stock options vested in the first vesting period initially granted under the 2019 stock option incentive plan may be exercised by the relevant grantees at their sole discretion: from July 7, 2020 to April 21, 2021;

2. Period in which the stock options vested in the second vesting period under the 2019 stock option incentive plan may be exercised by the relevant grantees at their sole discretion: from December 22, 2020 to September 24, 2021;

3. Period in which the stock options vested in the first vesting period reserved under the 2019 stock option incentive plan may be exercised by the relevant grantees at their sole discretion: from February 8, 2021 to November 26, 2021;

4. Period in which the stock options vested in the second vesting period initially granted under the 2019 stock option incentive plan may be exercised by the relevant grantees at their sole discretion: From July 15, 2021 to April 21, 2022;

5. 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 at their sole discretion: from December 10, 2021 to September 23, 2022.

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

Applicable N/A

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

Applicable N/A

Applicable N/A

Unit: Share

| Shareholder | Balance of non-tradable shares as at January 1, 2020 | Number of non-tradable shares unlocked in the reporting period | Number of non-tradable shares increased in the reporting period | Balance of non-tradable shares as at December 31, 2020 | Reason for restriction | Unlock date |
|-------------|------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------|------------------------|-------------|
| | | | | | | |

| | period | | | | |
|-----------|---------|-----------|---------|------------------------------------|------------------------------------------------------------------------------------------------------|
| 912,578 | 0 | 912,578 | 0 | Lock-up shares for senior officers | November 25, 2021 (the day next to the sixth month following expiry of the original term of office) |
| 1,571,664 | 0 | 1,571,664 | 0 | Lock-up shares for senior officers | |
| 367,566 | 0 | 367,566 | 0 | Lock-up shares for senior officers | November 25, 2021 (the day next to the sixth month following expiry of the original term of office) |
| 582,529 | 0 | 582,529 | 0 | Lock-up shares for senior officers | November 25, 2021 (the day next to the sixth month following expiry of the original term of office) |
| 273,775 | 225,607 | 0 | 499,382 | Lock-up shares for senior officers | ar next to es according to according to th Mnext tm ts on the lock4lowing exp for senior of |

Applicable N/A

Applicable N/A

1. Upon review and approval by the 19th meeting of the fourth Board of Directors, the 27th meeting of the fourth Board of Directors, the 29th meeting of the fourth Board of Directors, the 6th meeting of the fifth Board of Directors, and the 2nd meeting of the fifth Board of Directors of the Company, the vesting conditions for the first vesting period reserved under 2019 stock option incentive plan, the second vesting period under 2018 stock option incentive plan, the second vesting period reserved under 2019 stock option incentive plan, the second vesting period initially granted under 2019 stock option incentive plan, and the third 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 53,480,164 shares were issued to the grantees exercising options at their sole discretion during the reporting period.

2. The Company publicly offered 30,000,000 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 8,809.

Applicable N/A

Unit: Share

| | | | | |
|--------------------------------------------------------------------------|---------|--------------------------------------------------------------------------------------------------------------------|---------|---------------------------------------------------------------------------------|
| Total number of ordinary shareholders at the end of the reporting period | 258,745 | Total number of ordinary shareholders at the end of the month immediately preceding the date of this annual report | 326,906 | Total number of preferred shareholders whose rights had been substituted at the |
|--------------------------------------------------------------------------|---------|--------------------------------------------------------------------------------------------------------------------|---------|---------------------------------------------------------------------------------|

| Shareholder | Status of shareholder | Shareholding ratio | No. of ordinary shares held at the end of the reporting period | Changes in shareholding during the reporting period | Changes in shareholding during the reporting period | No. of non-tradable ordinary shares held | Pledge, mark or freeze | |
|-----------------------------------------------------------------------------------------------------|---------------------------------------|--------------------|----------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|------------------------------------------|------------------------|-------------|
| | | | | | | | Status of shares | Quantity |
| Luxshare Limited | Foreign corporation | 38.63% | 2,731,537,636 | -138708433 | 0 | 2,731,537,636 | Pledge | 525,407,503 |
| Hong Kong Securities Clearing Company Limited | Foreign corporation | 8.40% | 593,835,764 | 108282884 | 0 | 593,835,764 | | |
| China Securities Finance Corporation Limited | Domestic non-stated owned corporation | 1.19% | 84,428,888 | | 0 | 84,428,888 | | |
| Central Huijin Asset Management Co., Ltd. | Stated owned corporation | 0.82% | 58,041,012 | -3854300 | 0 | 58,041,012 | | |
| China Merchants Bank Co., Ltd. - Ruiyuan Growth Value Hybrid Securities Investment Fund | Domestic non-stated owned corporation | 0.75% | 53,298,299 | | 0 | 53,298,299 | | |
| Pegatron Technology (Shanghai) Co Ltd | Domestic non-stated owned corporation | 0.56% | 39,845,105 | | 0 | 39,845,105 | | |
| E Fund - Agricultural Bank of China - E Fund Zhongzheng Financial Asset Management Plan | Domestic non-stated owned corporation | 0.55% | 38,656,343 | | 0 | 38,656,343 | | |
| Industrial and Commercial Bank of China Limited – Zhong Ou Times Pioneer Stock Sponsored Securities | Domestic non-stated owned corporation | 0.55% | 38,631,788 | | 0 | 38,631,788 | | |

| | | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|--|---|------------|--|--|
| Investment Fund | | | | | | | | |
| China AMC- Agricultural Bank of China - China AMC Zhongzheng Financial Asset Management Plan | Domestic non-stated owned corporation | 0.55% | 38,576,831 | | 0 | 38,576,831 | | |
| Zhong Ou Fund - Agricultural Bank of China - Zhong Ou Zhongzheng Financial Asset Management Plan | Domestic non-stated owned corporation | 0.55% | 38,557,184 | | 0 | 38,557,184 | | |
| Strategic investors or general corporations becoming top 10 ordinary shareholders as a result of rights issues (if any) (Note 3) | N/A | | | | | | | |
| Affiliates or concert parties among the shareholders listed above | <p>1. Luxshare Limited is the controlling shareholder of the Company;</p> <p>2. The Company is not aware of whether there are associates or persons acting in concert as defined in the Administrative Measures for the Information Disclosure of Shareholding Changes of Shareholders of Listed Companies.</p> | | | | | | | |
| Delegation or waiver of voting rights or ownership of voting rights as a proxy in respect of the shareholders listed above | N/A | | | | | | | |
| Shares held by top 10 holders of tradable shares | | | | | | | | |
| Shareholder | Number of tradable shares held at the end of the reporting period | | | | | | | |

| | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------------------|------------|
| Ltd | | ed ordinary share | |
| E Fund - Agricultural Bank of China - E Fund Zhongzheng Financial Asset Management Plan | 38,656,343 | RMB-denominated ordinary share | 38,656,343 |
| Industrial and Commercial Bank of China Limited – Zhong Ou Times Pioneer Stock Sponsored Securities Investment Fund | 38,631,788 | RMB-denominated ordinary share | 38,631,788 |
| China AMC- Agricultural Bank of China - China AMC Zhongzheng Financial Asset Management Plan | 38,576,831 | RMB-denominated ordinary share | 38,576,831 |
| Zhong Ou Fund - Agricultural Bank of China - Zhong Ou Zhongzheng Financial Asset Management Plan | 38,557,184 | RMB-denominated ordinary share | 38,557,184 |
| Affiliates or concert parties among top 10 holders of tradable ordinary shares, and among top 10 holders of tradable ordinary shares and top 10 ordinary shareholders | N/A | | |
| Engagement by top 10 ordinary shareholders in margin trading (if any) (Note 4) | N/A | | |

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

Yes No

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

Nature of controlling shareholder: Controlled by foreign investor

Type of controlling shareholder: Corporation

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

Change in the controlling shareholder during the reporting period:

Applicable N/A

Our controlling shareholder has remained unchanged during the reporting period.

Nature of actual controllers: Natural person

Type of actual controllers: Natural person

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

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

Applicable N/A

Applicable N/A

Applicable N/A

Applicable N/A

Progress of share repurchase:

Applicable N/A

Progress of sales of repurchased shares through call auction:

Applicable N/A

Applicable N/A

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

Applicable N/A

Applicable N/A

The Company had no enterprise bonds during the reporting period.

Applicable N/A

The Company had no corporate bonds during the reporting period.

| | | | | | | | | | |
|---------------------------------------------------------------------------------------------|-------------------------|-----------|-------------------|-------------------|-------------------|----------------|-------|----------------------------------------------------------|-----------------------|
| Luxshare Precision Industry Co., Ltd. | | | | | | | | | |
| Phase III ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | 21 Luxshare-I CT SCP003 | 012103127 | August 24, 2021 | August 25, 2021 | November 23, 2021 | 500,000,000.00 | 2.45% | A lump sum payment of principal and interest at maturity | Interbank bond market |
| Phase IV ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | 21 Luxshare-I CT SCP004 | 012103825 | October 20, 2021 | October 22, 2021 | July 19, 2022 | 800,000,000.00 | 3.00% | A lump sum payment of principal and interest at maturity | Interbank bond market |
| Phase V ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | 21 Luxshare-I CT SCP005 | 012105034 | November 16, 2021 | November 11, 2021 | February 15, 2022 | 400,000,000.00 | 2.53% | A lump sum payment of principal and interest at maturity | Interbank bond market |
| Phase VI ultra-short-term financing bonds in 2021 of Luxshare Precision Industry | 21 Luxshare-I CT SCP006 | 012105157 | November 24, 2021 | November 25, 2021 | February 23, 2022 | 400,000,000.00 | 2.53% | A lump sum payment of principal and interest at maturity | Interbank bond market |

| Co., Ltd. | | | | | | | | | |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|
| 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 | | | | | | | | |
| | | | | | | | | | |

| | | | | | |
|----------------------------------------------------------------------------------------------------------|--|---------|--|--|--|
| Co., Ltd. | | Beijing | | | |
| Phase I ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | | | | | |

| | | | | | |
|---------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------|------|--------------|--------------|
| Precision Industry Co., Ltd. | | Haidian District, Beijing | | | |
| Phase II ultra-short-term financing bonds in 2021 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 | CUI Lei | 010-62299850 |
| Phase II ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | Interbank Market Clearing House Co., Ltd. | 33-34/F, Oriental International Financial Plaza, 318 Zhongshan South Road, Shanghai | None | XIE Zhong | 021-63326662 |
| Phase II ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | Beijing Financial Assets Exchange Co., Ltd. | No. B17, Financial Street, Xicheng District, Beijing | None | GUO Bing | 010-57896722 |
| Phase III ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | China Merchants Bank Co., Ltd. | China Merchants Bank Building, No. 7088 Houhai Avenue, Shenzhen | None | MIAO Jianmin | 1120 # , |

2021 of Luxshare
Precision Industry
Co., Ltd.



| | | | | | |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------|------------|---------------|
| ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | Clearing House Co., Ltd. | International Financial Plaza, 318 Zhongshan South Road, Shanghai | | | |
| Phase V ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | Beijing Financial Assets Exchange Co., Ltd. | No. B17, Financial Street, Xicheng District, Beijing | None | LI Minji | 010-85237515 |
| Phase VI ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | China Bohai Bank Co., Ltd. | 218 Haihe East Road, Hedong District, Tianjin, China | None | LI Fuan | 022-58563383 |
| Phase VI ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | Beijing Tian Yuan (Shenzhen) Law Firm | 3401, Office Building of Shenzhen Stock Exchange Square, 2012 Shennan Avenue, Futian District, Shenzhen | None | TAN Qing | 0755-82550700 |
| Phase VI ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | BDO China Shu Lun Pan Certified Public Accountants LLP | 10/F, Building 7, Courtyard 16, Middle Road of West 4th Ring, Haidian District, Beijing | LI Jing and ZHEN Zhijie | ZHU Jiandi | 010-88210608 |
| Phase VI ultra-short-term financing bonds in 2021 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 | CUI Lei | 010-62299850 |
| Phase VI ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | Interbank Market Clearing House Co., Ltd. | 33-34/F, Oriental International Financial Plaza, 318 Zhongshan South Road, Shanghai | None | XIE Zhong | 021-63326662 |

| | | | | | |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------|------|----------|--------------|
| Phase VI ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | Beijing Financial Assets Exchange Co., Ltd. | No. B17, Financial Street, Xicheng District, Beijing | None | LI Minji | 010-85237515 |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------|------|----------|--------------|

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

Yes No

In RMB

| Name of bond project | Total proceeds | Used amount | Unused amount | Operation of special account for proceeds (if any) | Rectifications of use of the proceeds in violation of laws and regulations (if any) | Comply with the usage, use plan and other agreements as promised in the prospectus? |
|---------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Phase I ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | 800,000,000.00 | 800,000,000.00 | 0.00 | Normal | N/A | Yes |
| Phase II ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | 900,000,000.00 | 900,000,000.00 | 0.00 | Normal | N/A | Yes |
| Phase III ultra-short-term financing bonds in 2021 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 | 800,000,000.00 | 800,000,000.00 | 0.00 | Normal | N/A | Yes |

| | | | | | | |
|--------------------------------------------------------------------------------------------------------------|----------------|----------------|------|--------|-----|-----|
| in 2021 of Luxshare Precision Industry Co., Ltd. | | | | | | |
| Phase V ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | 400,000,000.00 | 400,000,000.00 | 0.00 | Normal | N/A | Yes |
| Phase VI ultra-short-term financing bonds in 2021 of Luxshare Precision Industry Co., Ltd. | 400,000,000.00 | 400,000,000.00 | 0.00 | Normal | N/A | Yes |

Use of proceeds in the construction projects

Applicable N/A

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

Applicable N/A

Applicable N/A

Applicable N/A

Applicable

Unit: Share

| | |
|--------------------------------------|--------------------------------------------------------|
| Audit opinion | Standard Unqualified Opinion |
| Signing date of audit report | April 27, 2022 |
| Auditor | BDO China Shu Lun Pan Certified Public Accountants LLP |
| Auditor report document number | Xin Kuai Shi Bao Zi [2022] No. ZB10640 |
| Name of certified public accountants | LI Jing and WEI Gang |

We have audited the financial statements of Luxshare Precision Industry Co., Ltd. (“Luxshare Precision”), which comprise the consolidated and parent company’s balance sheets e • £ e e

recognizes revenue upon the transfer of control of a related product to a customer. If a customer is also the supplier of some raw materials, the Company recognizes the purchase of raw materials and sales of products respectively based on the transfer of inventory risks and rewards, product liability, credit risk bearers and business nature, that is, the sales revenue is recognized based on the gross amount. The revenue is

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 (hereinafte

Prepared by: Luxshare Precision Industry Co., Ltd.

December 31, 2021

In RMB

| Item | December 31, 2021 | December 31, 2020 |
|--------------------------------------------------------|-------------------|-------------------|
| Current assets: | | |
| Cash and bank balances | 14,204,618,186.43 | 10,528,245,765.93 |
| Balances with clearing agencies | | |
| Placements with banks and other financial institutions | | |
| Held-for-trading financial assets | 2,107,118,105.04 | 3,160,064,470.41 |
| Derivative financial assets | | |
| Notes receivable | 307,836,634.64 | 261,208,601.50 |
| Accounts receivable | 31,623,185,946.25 | 13,839,155,340.47 |
| Receivable financing | | |
| Prepayments | 406,016,492.61 | 183,886,937.70 |
| Premiums receivable | | |
| Amounts receivable under reinsurance contracts | | |
| Reinsurer's share of insurance contract reserves | | |
| Other receivables | 598,456,702.88 | 407,990,780.79 |
| Including: Interest receivable | | |
| Dividends receivable | | |
| Financial assets purchased under resale agreements | | |
| Inventories | 20,900,755,733.15 | 13,211,009,381.15 |
| Contract assets | | |
| Held-for-sale assets | | |
| Non-current assets due within one year | | |
| Other current assets | | 1,804,485,645.49 |
| Total current assets | 72,309,043,621.73 | 43,396,046,923.44 |
| | | |
| Loans b 7, M ng | | |

| | | |
|-----------------------------------------|-------------------|-------------------|
| Debt investments | 1,464,279,206.63 | |
| Other debt investments | | |
| Long-term receivables | | |
| Long-term equity investment | 1,125,605,226.03 | 1,208,540,333.29 |
| Other investments in equity instruments | 235,976,148.42 | 138,074,571.56 |
| Other non-current financial assets | 5,700,000.00 | |
| Investment properties | 59,000,690.72 | 47,592,110.24 |
| Fixed assets | 34,113,259,322.43 | 19,761,012,854.95 |

| | | |
|----------------------------------------------------------------------------|------------------|------------------|
| Customer deposits and deposits from banks and other financial institutions | | |
| Funds from securities trading agency | | |
| Funds from underwriting securities agency | | |
| Employee benefits payable | 2,099,916,381.79 | 1,397,632,139.23 |
| Taxes payable | 616,039,596.28 | 237,421,491.63 |
| Other payables | 382,391,106.17 | 146,162,097.14 |
| Including: Interest payable | | |
| Dividends payable | | |
| Fees and commissions payable | | |
| Amounts payable under | | |

| | | |
|---------------------------------------------------------------------------|--------------------|-------------------|
| Owners' equity: | | |
| Share capital | 7,050,485,477.00 | 6,999,768,186.00 |
| Other equity instruments | 527,358,025.98 | 527,449,226.56 |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserve | 2,719,695,281.67 | 1,890,099,569.60 |
| Less: Treasury shares | | |
| Other comprehensive income | -35,801,471.29 | -44,717,803.06 |
| Special reserve | 1,018,784.75 | |
| Surplus reserve | 985,161,506.61 | 733,067,797.73 |
| General risk reserve | | |
| Unappropriated profit | 24,040,637,144.00 | 17,996,149,257.73 |
| Total owners' equity attributable to equity holders of the parent company | 35,288,554,748.72 | 28,101,816,234.56 |
| Minority interests | 10,494,088,800.85 | 2,804,783,627.51 |
| Total owners' equity | 45,782,643,549.57 | 30,906,599,862.07 |
| Total liabilities and owners' equity | 120,572,098,167.88 | 70,012,753,551.75 |

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

In RMB

| Item | December 31, 2021 | December 31, 2020 |
|-----------------------------------|-------------------|-------------------|
| Current assets: | | |
| Cash and bank balances | 999,340,773.61 | 1,890,655,455.45 |
| Held-for-trading financial assets | 597,571,722.08 | 2,238,600,282.87 |
| Derivative financial assets | | |
| Notes receivable | 162,983,735.09 | 147,912,632.85 |
| Accounts receivable | 2,901,625,168.21 | 6,923,152,599.31 |
| Receivable financing | | |
| Prepayments | 475,784,600.82 | 295,993,095.73 |
| Other receivables | 635,052,127.84 | 554,707,729.13 |
| Including: Interest receivable | | |

| | | |
|-----------------------------------------|-------------------|-------------------|
| Dividends receivable | 211,543,626.19 | 11,543,626.19 |
| Inventories | 278,795,156.21 | 151,961,355.37 |
| Contract assets | | |
| Held-for-sale assets | | |
| Non-current assets due within one year | | |
| Other current assets | 1,025,701,494.05 | 143,001,991.83 |
| Total current assets | 7,076,854,777.91 | 12,345,985,142.54 |
| Non-current assets: | | |
| Debt investments | 371,512,328.76 | |
| Other debt investments | | |
| Long-term receivables | | |
| Long-term equity investment | 21,334,608,802.17 | 13,603,581,726.93 |
| Other investments in equity instruments | 231,075,109.79 | 704,349,663.13 |
| Other non-current financial assets | 572,768,124.91 | |
| Investment properties | | |
| Fixed assets | 154,033,992.55 | 142,429,101.80 |
| Construction in progress | 16,062,240.56 | 5,938,197.42 |
| Bearer biological assets | | |
| Oil and gas assets | | |
| Right-of-use assets | 66,189,643.97 | |
| Intangible assets | 71,279,533.82 | 52,410,346.09 |
| Development expenditure | | |
| Goodwill | 53,174,339.31 | 53,174,339.31 |
| Long-term prepaid expenses | | 727,403.48 |
| Deferred tax assets | 9,473,895.76 | 7,715,791.60 |
| Other non-current assets | 41,620,656.64 | 164,700.00 |
| Total non-current assets | 22,921,798,668.24 | 14,570,491,269.76 |
| Total assets | 29,998,653,446.15 | 26,916,476,412.30 |
| Current liabilities: | | |
| Short-term borrowings | 1,892,374,226.82 | 1,038,298,216.05 |
| Held-for-trading financial liabilities | | |
| Derivative financial liabilities | | |

| | | |
|---------------------------------------------|-------------------|-------------------|
| Notes payable | 1,876,085,509.12 | 918,494,979.38 |
| Accounts payable | 1,683,682,881.16 | 6,005,518,269.37 |
| Receipts in advance | | |
| Contract liabilities | 2,776,607.46 | 28,872,712.52 |
| Employee benefits payable | 19,543,803.49 | 10,262,304.62 |
| Taxes payable | 5,588,631.90 | 21,244,602.02 |
| Other payables | 2,373,609.44 | 1,565,708.61 |
| Including: Interest payable | | |
| Dividends payable | | |
| Held-for-sale liabilities | | |
| Non-current liabilities due within one year | 50,896,248.67 | 20,029,777.78 |
| Other current liabilities | 1,607,362,301.65 | 512,468,730.41 |
| Total current liabilities | 7,140,683,819.71 | 8,556,755,300.76 |
| Non-current liabilities: | | |
| Long-term borrowings | 1,845,854,168.50 | 180,268,000.00 |
| Bonds payable | 2,581,553,066.25 | 2,475,423,249.98 |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 54,189,902.44 | |
| Long-term payables | | |
| Long-term employee benefits payable | | |
| Provisions | | |
| Deferred income | 9,162,818.02 | 8,397,770.66 |
| Deferred tax liabilities | 34,451,813.60 | 19,714,831.53 |
| Other non-current liabilities | | |
| Total non-current liabilities | 4,525,211,768.81 | 2,683,803,852.17 |
| Total liabilities | 11,665,895,588.52 | 11,240,559,152.93 |
| Owners' equity: | | |
| Share capital | 7,050,485,477.00 | 6,999,768,186.00 |
| Other equity instruments | 527,358,025.98 | 527,449,226.56 |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserve | 3,080,149,716.35 | 2,303,197,437.38 |

| | | |
|--------------------------------------|-------------------|-------------------|
| Less: Treasury shares | | |
| Other comprehensive income | 162,951,644.67 | 80,735,015.01 |
| Special reserve | | |
| Surplus reserve | 985,161,506.61 | 733,067,797.73 |
| Unappropriated profit | 6,526,651,487.02 | 5,031,699,596.69 |
| Total owners' equity | 18,332,757,857.63 | 15,675,917,259.37 |
| Total liabilities and owners' equity | 29,998,653,446.15 | 26,916,476,412.30 |

In RMB

| Item | 2021 | 2020 |
|-------------------------------------------------------------------------------|--------------------|-------------------|
| I. Total operating income | 153,946,097,790.40 | 92,501,259,211.54 |
| Including: Operating income | 153,946,097,790.40 | 92,501,259,211.54 |
| Interest income | | |
| Premiums earned | | |
| Fee and commission income | | |
| II. Total operating costs | 146,970,931,574.11 | 85,611,417,151.82 |
| Including: Operating costs | 135,048,336,292.88 | 75,770,007,049.58 |
| Interest expenses | | |
| Fee and commission expenses | | |
| Surrenders | | |
| Claims and policyholder benefits (net of amounts recoverable from reinsurers) | | |
| Changes in insurance contract reserves (net of reinsurers' share) | | |
| Insurance policyholder dividends | | |
| Expenses for reinsurance accepted | | |
| Taxes and levies | 193,812,057.14 | 250,775,738.81 |
| Selling expenses | 789,908,163.80 | 477,047,875.58 |
| Gene& | | |

| | | |
|--------------------------------------------------------------------------|------------------|------------------|
| Financial expenses | 554,665,874.05 | 904,828,142.89 |
| Including: Interest expenses | 656,411,767.86 | 394,589,818.16 |
| Interest income | 361,773,700.27 | 144,116,091.77 |
| Add: Other income | 853,542,165.37 | 450,748,795.89 |
| (Loss is indicated by "-") | | |
| Including: Income from investments in associates and joint ventures | 29,737,321.95 | 24,799,841.42 |
| Income from derecognition of financial assets measured at amortized cost | -171,521,013.80 | |
| (Loss is indicated by "-") | | |
| (Loss is indicated by "-") | | |
| (Loss is indicated by "-") | | |
| Changes in fair value (Loss is indicated by "-") | -115,737,751.66 | 329,044,852.43 |
| of credit | -26,875,504.69 | -8,590,000.67 |
| Impairment losses of assets (Loss is indicated by "-") | -162,790,335.12 | -139,288,911.05 |
| Income from disposal of assets (Loss is indicated by "-") | -45,266,592.65 | -2,309,694.02 |
| III. Operating profit (Loss is indicated by "-") | 8,167,424,847.28 | 8,167,804,168.66 |
| Add: Non-operating income | 21,096,536.60 | 21,932,288.24 |
| expenses | 45,672,434.05 | 53,956,792.78 |
| are indicated | 8,142,848,949.83 | 8,135,779,664.12 |

| | | |
|---------------------------------------------------------------------------|--|--|
| 2. Net profit from discontinued operations (Net loss is indicated by “-”) | | |
| (II) Categorized by ownership | | |

| | | |
|---------------------------------------------------------------------------|------------------|------------------|
| financial statements denominated in foreign currencies | | |
| 7. Others | | |
| Other comprehensive income attributable to minority interests, net of tax | -32,601,992.28 | -4,046,619.66 |
| VII. Total comprehensive income | 7,796,924,645.68 | 7,276,648,159.96 |
| Total comprehensive income attributable to owners of the parent company | 7,079,436,718.34 | 7,015,142,796.78 |
| Total comprehensive income attributable to minority interests | 717,487,927.34 | 261,505,363.18 |
| VIII. Earnings per share: | | |
| (I) Basic earnings per share | 1.01 | 1.03 |
| (II) Diluted earnings per share | 0.99 | 1.01 |

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

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

In RMB

| Item | 2021 | 2020 |
|----------------------------------------------|------------------|-------------------|
| I. Total operating income | 9,280,144,923.02 | 11,565,103,529.27 |
| Less: Operating costs | 8,565,181,794.19 | 10,781,197,082.67 |
| Taxes and levies | 6,084,601.77 | 18,261,507.97 |
| Selling expenses | 24,117,122.95 | 35,063,571.34 |
| General expenses | 162,180,125.16 | 56,228,389.80 |
| R&D expenses | 320,362,046.32 | 378,120,159.26 |
| Financial expenses | 227,705,129.43 | 96,281,059.07 |
| Including: Interest expenses | 264,763,187.06 | 75,305,134.45 |
| Interest income | 55,788,891.39 | 16,540,879.08 |
| Add: Other income | 278,899,119.07 | 79,872,863.79 |
| Investment income (Loss is indicated by "-") | 2,268,732,708.25 | 3,409,929,279.99 |
| Including: Income from | -4,411,361.63 | 452,498.12 |

| | | |
|-----------------------------------------------|--|--|
| investments in associates and joint ventures | | |
| Income from derecognition of financial assets | | |

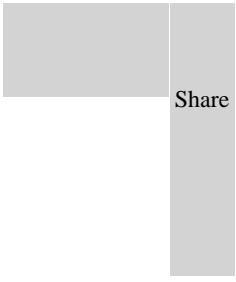
| | | |
|---------------------------------------------------------------------------------------|--|--|
| central bank | | |
| Net increase in taking from other financial institutions | | |
| Cash payments for claims and policyholders' benefits under direct insurance contracts | | |
| | | |



| | | |
|--------------------------------------------|-------------------|-------------------|
| III. Cash flows from financing activities: | | |
| Cash receipts from capital contributions | 2,387,352,799.19 | 1,610,278,326.76 |
| Including: Cash receipts from | 1,800,900,000.00 | 1,091,126,000.00 |
| | 35,452,570,746.25 | 25,747,304,566.98 |
| | 4,705,930,595.98 | 4,485,600,000.00 |
| | 42,545,854,141.42 | 31,843,182,893.74 |
| | 38,074,504,796.63 | 23,976,420,698.67 |

| | | |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|
| goods and the rendering of services | | |
| Receipts of tax refunds | 295,360,510.43 | 138,658,293.85 |
| Other cash receipts relating to operating activities | 10,782,694,066.14 | 1,643,814,995.33 |
| Sub-total of cash inflows from operating activities | 25,336,089,712.39 | 9,099,844,074.65 |
| Cash payments for goods purchased and services received | 14,298,865,162.82 | 8,120,664,222.33 |
| Cash payments to and on behalf of employees | 177,817,539.81 | 135,105,794.86 |
| Payments of various types of taxes | 29,081,311.32 | 105,195,119.59 |
| Other cash payments relating to operating activities | 9,840,822,402.98 | 1,963,131,078.26 |
| Sub-total of cash outflows from operating activities | 24,346,586,416.93 | 10,324,096,215.04 |
| Net cash flow from operating activities | 989,503,295.46 | -1,224,252,140.39 |
| II. Cash flows from investing activities: | | |
| Cash receipts from disposals and recovery of investments | 11,776,296,929.96 | 13,929,048,580.41 |
| Cash receipts from investment income | 2,106,637,671.03 | 3,416,407,362.80 |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets | 7,640,613.84 | 27,330,856.05 |
| Net cash receipts from disposals of subsidiaries and other business entities | | 63,942,000.00 |
| Other cash receipts relating to investing activities | | |
| Sub-total of cash inflows from investing activities | 13,890,575,214.83 | 17,436,728,799.26 |
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | 146,496,738.96 | 125,735,695.16 |
| Cash payments to acquire investments | 18,393,225,472.38 | 19,459,676,016.32 |
| Net cash payments for acquisitions of subsidiaries and other business entities | | |

| | | |
|-------------------------------------------------------------------------------------------|-------------------|-------------------|
| Other cash payments relating to investing activities | | |
| Sub-total of cash outflows from investing activities | 18,539,722,211.34 | 19,585,411,711.48 |
| Net cash flow from investing activities | -4,649,146,996.51 | -2,148,682,912.22 |
| III. Cash flows from financing activities: | | |
| Cash receipts from capital contributions | 586,452,799.19 | 527,162,579.34 |
| Cash receipts from borrowings | 4,416,265,430.62 | 1,543,324,080.00 |
| financing activities | 4,471,016,039.08 | 4,485,600,000.00 |
| financing activities | 9,473,734,268.89 | 6,556,086,659.34 |
| Cash repayments of borrowings | 2,688,298,719.66 | 1,882,450,000.00 |
| Cash payments for distribution of dividends or profits or settlement of interest expenses | 958,024,940.64 | 662,016,221.81 |
| Other cash payments relating to financing activities | 3,384,213,580.92 | 11,364,675.69 |
| Sub-total of cash outflows from financing activities | 7,030,537,241.22 | 2,555,830,897.50 |
| Net cash flow from financing activities | 2,443,197,027.67 | |
| | 16,346,991.54 | - ~ |



| | | | | | | | | | | | | | | |
|------------------------------------|--------------|--|--|--------------|--|--|--|--|--|--|--|--------------|----------------|----------------|
| shares contributed by owners | 8,482 .00 | | | 4,317. 19 | | | | | | | | 2,799. 19 | 900,00 0.00 | 352,79 9.19 |
|------------------------------------|--------------|--|--|--------------|--|--|--|--|--|--|--|--------------|----------------|----------------|

2. Capital
contribution

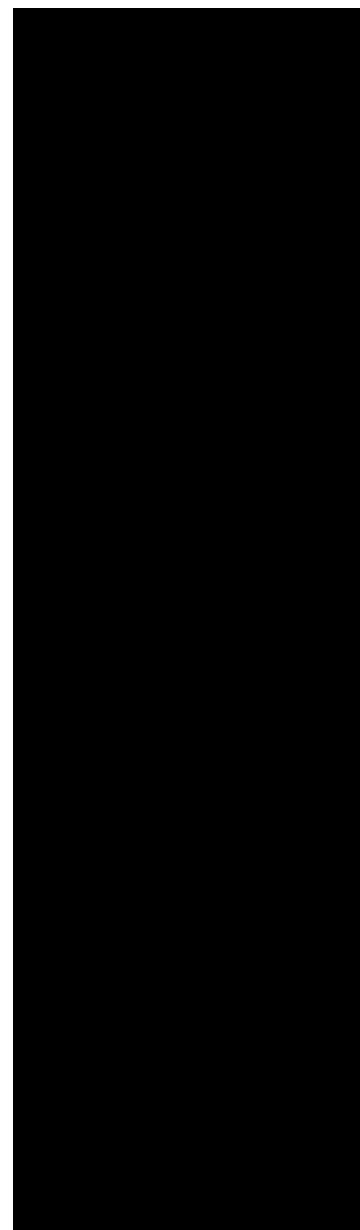
surplus reserve

| | | | | | | | | | | | | | | | |
|------------------------------------------------------------------|------------------|------|------|----------------|------------------|------|-----------------|------|----------------|------|-------------------|--|-------------------|------------------|-------------------|
| preceding year | 738.00 | | | | 4.21 | | 74 | | 18 | | 72.39 | | 68.52 | 20 | .72 |
| Add: Changes in accounting policies | | | | | | | | | | | | | 0.00 | | 0.00 |
| Corrections of prior period errors | | | | | | | | | | | | | 0.00 | | 0.00 |
| Business combination involving enterprises under common control | | | | | | | | | | | | | 0.00 | | 0.00 |
| Others | | | | | | | | | | | | | 0.00 | | 0.00 |
| II. Opening balance of the current year | 5,349,001,738.00 | 0.00 | 0.00 | 0.00 | 2,654,692,874.21 | 0.00 | 165,602,152.74 | 0.00 | 362,335,031.18 | 0.00 | 11,764,987,172.39 | | 20,296,618,968.52 | 1,453,084,326.20 | 21,749,703,294.72 |
| III. Changes for the year (Decrease is indicated by “-”) | 1,650,766,448.00 | 0.00 | 0.00 | 527,449,226.56 | -764,593,304.61 | 0.00 | -210,319,955.80 | 0.00 | 370,732,766.55 | 0.00 | 6,231,162,085.34 | | 7,805,197,266.04 | 1,351,699,301.31 | 9,156,896,567.35 |
| (I) Total comprehensive income | | | | | | | -187,749,263.28 | | | | 7,225,462,752.58 | | 7,037,713,489.30 | 265,551,982.84 | 7,303,265,472.14 |
| (II) Owners' contributions and reduction in capital | 39,223,321.00 | 0.00 | 0.00 | 527,449,226.56 | 846,949,822.39 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 1,413,622,369.95 | 1,099,647,318.47 | 2,513,269,688.42 |
| 1. Ordinary shares contributed by owners | 39,223,321.00 | | | | 487,939,258.34 | | | | | | | | 527,162,579.34 | 1,091,126,000.00 | 1,618,288,579.34 |
| 2. Capital contribution from holders of other equity instruments | | | | 527,449,226.56 | | | | | | | | | 527,449,226.56 | | 527,449,226.56 |

3. Share-based
payment
recognized in

accounting
policies

| | |
|--|----------------------------------------|
| | -773,891,4 0.00 89.68 |
| | 0.00 |
| | 0.00 |
| | 0.00 |



| | | | | | | | | | | | | |
|-------------------------------|-----------|--|--|----------|----------|--|--------|--|--------|-----------|--|----------|
| balance of the current period | 85,477.00 | | | 8,025.98 | 9,716.35 | | 644.67 | | 506.61 | 51,487.02 | | 7,857.63 |
|-------------------------------|-----------|--|--|----------|----------|--|--------|--|--------|-----------|--|----------|

Prior period

In RMB

| Item | 2020 | | | | | | | | | | | |
|------------------------------------------|------------------|--------------------------|------------------|-------|------------------|-----------------------|----------------------------|-----------------|-----------------|-----------------------|-------|----------------------|
| | Share capital | Other equity instruments | | | Capital reserve | Less: Treasury shares | Other comprehensive income | Special reserve | Surplus reserve | Unappropriated profit | Other | Total owners' equity |
| | | Preferr ed shares | Perpet ual bonds | Other | | | | | | | | |
| I. Closing balance of the preceding year | 5,349,001,738.00 | | | | 3,070,397,725.31 | | | | | | | |

5. Retained

-22,570,

The changes in scope of consolidation for this reporting period is seen in the Note “VI. Changes in scope of consolidation”.

The Company has prepared its financial statements in accordance with the requirements of the *Accounting Standards for Business Enterprises - Basic Standard* &

These financial statements are presented in RMB.

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

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

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

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

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 accounts are at

consolidated financial statements.

That portion of owner's equities, net profits or losses and comprehensive income of subsidiaries for the period attributable to minority interests are separately presented.

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

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

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.

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.

Company's financial assets are classified into three categories: (1) financial assets at fair value through profit or loss; (2) financial assets at fair value through other comprehensive income; and (3) financial assets at amortized cost. The Company's financial assets are classified into three categories: (1) financial assets at fair value through profit or loss; (2) financial assets at fair value through other comprehensive income; and (3) financial assets at amortized cost.

of the financial asset is recognized in profit or loss for the current period.

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

Financial assets (debt instruments) at fair value through other

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

- the contractual right to receive cash flows from the financial assets has expired;
- the financial asset has been transferred and all the risks and rewards of ownership of the financial asset are substantially transferred to the transferee;
- the financial asset has been transferred, and the Company neither transferred nor retained a substantial portion of all risks and rewards incidental to the ownership of the financial asset, but did not retain control over the financial asset.

When a financial asset is transferred, if the Company retains substantially all the risks and rewards of ownership of a financial asset, it does not derecognize the financial asset.

When the Company determines whether a transfer of a financial asset satisfies the derecognizing criteria prescribed above, it gives weight to the substance rather than form.

The Company divides a transfer of a financial asset into a transfer of the financial asset in its entirety or a transfer of part of the financial asset. For a transfer of a financial asset in its entirety that satisfies the derecognizing criteria, the difference between the following two amounts is recognized in profit or loss for the current period:

- (1) the carrying amount of the financial asset transferred; and
- (2) the sum of the consideration received from the transfer and (if the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income) any cumulative changes in fair value that was originally recognized in owners' equity.

If part of the transferred financial asset qualifies for derecognizing, the carrying amount of the transferred financial asset in its entirety is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts. The difference between the following two amounts is recognized in profit or loss for the current period:

- (1) the carrying amount allocated to the part derecognized; and
- (2) the sum of the consideration received for the part derecognized and (if the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income) the amount of the part derecognized corresponding to the cumulative changes in fair value that was originally recognized in owners' equity.

A financial asset that does not qualify for derecognition continues to be recognized, and the consideration received is recognized as a financial liability.

If the present obligations of a financial liability are discharged in part or whole, the financial liability or any part thereof is derecognized; an agreement between the Company and the creditor to replace the existing financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the existing financial liability and the recognition of a new financial liability.

A substantial modification to the terms of an existing financial liability or any part thereof is accounted for as an extinguishment of the existing financial liability or any part thereof, and the financial liability with modified terms is recognized as a new financial liability at the same time.

When the Company derecognizes a financial liability or any part thereof, it recognizes the difference between the carrying amount of the financial liability derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the current period.

If the Company repurchases part of a financial liability, it allocates the carrying amount of the financial liability in its entirety between the part that continues to be recognized and the part that is derecognized

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If a financial instrument has low credit risk on the balance sheet date, the Company believes that credit risk of the financial instrument has not increased significantly since initial recognition.

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

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

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

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

Please refer to Note V, 10 “Financial instruments” for details of the Group’s accounting treatment of notes receivable and the method to determine the expected credit loss thereof.

Please refer to Note V, 10 “Financial instruments” for details of the Group’s accounting treatment of accounts receivable and the method to determine the expected credit loss thereof.

Please refer to Note V, 10 “Financial instruments” for details of the Group’s accounting treatment of receivable financing and the method to determine the expected credit loss thereof.

Determination and accounting treatment of expected credit losses of other receivables

Please refer to Note V, 10 “Financial instruments” for details of the Group’s accounting treatment of other receivables and the method to determine the expected credit loss thereof.

Inventories are classified into: materials in transit, raw materials, revolving materials, goods on hand, products in process, goods sold, work in process - outsourced, etc.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

The Company delivers inventories at the price calculated using the weighted-average system monthly in arrears.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of inventories is higher than the net realizable value, a provision for decline in value of inventories is made. Net realizable value is the estimated selling price in the ordinary course of business less costs expected to be incurred until completion and the estimated costs necessary to make the sale and relevant taxes.

For finished products, goods on hand, materials available for sales and other merchandise inventories available for sales, in the ordinary production and operation process, their net realizable value is determined at the estimated selling price of these inventories less the estimated costs necessary to make the sale and relevant taxes; for the inventories that need to be processed, in the ordinary production and operation process, their net realizable value is determined at the estimated selling price of finished products less the costs to be incurred until completion and the estimated costs necessary to make the sale and relevant taxes. The net realizable value of the inventories held to satisfy sales or service contracts is based on the contract price. If the quantity of inventories held is more than the quantity ordered in the sales contracts, the net realizable value of the excess portion of inventories is based on general selling prices.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value is higher than the carrying amount of inventories, the reversal is made to the extent of the amount originally provided for the decline in value of inventories. The amount of the reversal is recognized in profit or loss for the current period.

A perpetual inventory system is adopted.

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.

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

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

Determination and accounting treatment of expected credit losses of contract assets are seen in the Note “(X) VI. Test and accounting treatment of impairment of financial assets”.

Contract costs include contract performance cost and contract acquisition costs.

The cost incurred by the Company to perform a contract is not be governed by the standards on inventories, fixed assets or intangible assets, and if meeting the following criteria, is recognized as an asset as the contract performance cost:

- such cost is directly related to an existing or expected contract.
- such cost increases the Company’s future resources for fulfilling its performance obligations.
- such cost is expected to be recovered.

If the incremental cost incurred by the Company to obtain a contract is expected to be recovered, it is recognized as an asset as the cost for contract acquisition.

The Company amortizes the asset related to the contract cost on the same basis as the recognition of the revenue of the goods or services related to the asset; provided that if the cost for contract acquisition is amortized for not more than one year, the Company includes it into the profit or loss for the current period in which it is incurred.

If the carrying amount of the asset related to the contract cost is higher than the difference between the following two amounts, then the Company makes a provision for impairment of the excess and recognizes it as an impairment loss for the asset:

1. the remaining consideration expected to be obtained due to the transfer of the goods or services related to the asset; and
2. the cost to be incurred due to the transfer of the relevant goods or services.

If the impairment factors for prior periods have changed afterwards so that the above difference is higher than the carrying amount of the asset, then the Company reverses a provision for impairment ori ° MM °

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(2) the sale is very likely to happen, that is, the Company has made a resolution on a sale plan and obtained a confirmed purchase commitment, and such sale is expected to be completed within one year. The sale has been approved by the relevant authority or regulatory department of the Company if it is required to be so approved by the relevant provisions. For the non-current assets (excluding financial assets, deferred tax assets, and assets formed by the employee benefits) or disposal groups classified as the held-for-sale assets, if their carrying amount is higher than the fair value net of sale expenses, then the carrying amount is reduced to the fair value net of sale expenses. That reduction in amount is recognized as an impairment loss of the assets and charged to profit or loss for the current period. A provision for impairment of the held-for-sale assets is recognized accordingly.

Please refer to Note V, 10 “Financial instruments” for details of the Group’s accounting treatment of debt investments and the method to determine the expected credit loss thereof.

None

None

Joint control is the agreed sharing of control over an arrangement, and the relevant activities of such arrangement must be decided upon the unanimous consent of the parties sharing control. If the Company can exercise joint control over the investee along with other parties to joint ventures and enjoy rights over net assets of the investee, the investee is a joint venture of the Company.

Significant influence is the power to participate in the financial and operating policy decisions of an investee, but is not control or joint control with other parties over the establishment of those policies. If the Company can have significant influence over the investee, the investee is an associate of the Company.

(1) Long-term equity investments formed by business combination

In case of a long-term equity investment of a subsidiary acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the Company’s share of the carrying amount of the owners’ equity of the absorbed party in the consolidated financial statements of the ultimate controller at the date of combination. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid for the combination is treated as an adjustment to the equity premium in the capital

remaining balance is adjusted against the retained earnings. Where the Company becomes capable to exercise control over an investee under the common control due to additional investment or other reasons, the difference between the initial investment cost of the long-term equity investment recognized in the light of above principles and the sum of the carrying amount of the long-term equity investment prior to combination plus the carrying amount of new consideration paid for further acquisition of shares on combination date is adjusted to the equity premium. If the equity premium is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

In case of a long equity investment acquired through a business combination not involving enterprises under common control, the Company regards the cost of combination determined on the date of acquisition as the initial investment cost of the long-term equity investment. If the Company becomes capable to exercise control over an investee not under common control due to additional investment 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.

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

The Company accounts for the long-term equity investments of the subsidiaries using the cost method, unless these investments meet the held-for-sale conditions. Except for cash dividends or profit distributions declared but undistributed included in the price or consideration actually paid on acquisition of investments, the Company recognizes its cash dividends or profit distributions declared by the investee as investment income in the current period.

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

The long-term equity investments of associates and joint ventures are accounted for using the equity method. Where the initial investment cost of a long-term equity investment exceeds the Company's interest in the fair values of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost of the long-term equity investment. Where the initial investment cost is less than the Company's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

The Company respectively recognizes its share of the net profits or losses and other comprehensive income made by the investee as investment income or losses and other comprehensive income, and adjusts the carrying amount of the long-term equity investment accordingly. The carrying amount of the long-term equity investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributed to the Company. The Company adjusts the carrying amount of the long-term equity investment for other changes in owners' equity of the investee other than net profits or losses, other comprehensive income and profit distributions ("changes in other owners' equity"), and includes the corresponding adjustment in owners' equity.

For recognition of its share of the investee's net profits or losses or other comprehensive income and

changes in other owners' equity, the Company recognizes its share of the investee's net profits and other comprehensive income after making appropriate adjustments based on the fair value of the investee's identifiable net assets at the date of acquisition in accordance with its accounting policies and period.

For unrealized profits or losses resulting from intragroup transactions between the Company and associates or joint ventures, the portion attributable to the Company is eliminated, and based on this, the investment income is recognized, unless the invested or sold assets constitute the business. The impairment loss of assets in the unrealized losses resulting from intragroup transactions between the Company and the investee is fully recognized.

The Company discontinues recognizing its share of net losses of the associate or joint venture after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of the Company's net investment in the associate or joint venture are reduced to zero, except to the extent that the Company has incurred obligations to assume additional losses. Where the associate or joint venture makes net profits subsequently, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

(3) Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the current period.

If, on partial disposal of long-term equity investments accounted for using the equity method, the remaining equity is still accounted for using the equity method, the portion previously included in other comprehensive income is accounted for on a pro-rata basis, with the same basis as the relevant assets or liabilities directly disposed of by the investee, and changes in other owners' equity are transferred to profit or loss for the current period on a pro-rata basis.

When the Company loses joint control or significant influence on the investee due to disposal of equity investments or other reasons, the original equity investment included in other comprehensive income due to the use of equity method is accounted for on the same basis as the relevant assets or liabilities directly disposed of by the investee when the equity method discontinues, and the changes in other owners' equity are fully transferred to profit or loss for the current period when the equity method discontinues.

Where the Company loses control over the investee due to disposal of partial equity investments, if in preparing separate financial statements, the Company can exercise joint control or significant influence on the investee by virtue of its remaining equity, the remaining equity switches to the equity method for accounting, and is adjusted as if it is accounted for using the equity method since acquisition. Other comprehensive income recognized prior to acquisition of the control on the investee is carried forward proportionally on the same basis as the investee's direct disposal of related assets or liabilities, and changes in other owners' equity recognized using the equity method are transferred to profit or loss for the current period on a pro-rata basis; if the Company cannot exercise joint control or significant influence on the investee by virtue of its remaining equity, the remaining equity is recognized as financial assets, and the difference between the fair value and the carrying amount on the date when the Company loses control is recognized in profit or loss for the current period, and other comprehensive income and changes in other owners' equity recognized prior to acquisition of the control on the investee are fully carried forward.

Where all transactions from disposal of equity investments in a subsidiary through multiple transactions by steps until the loss of control belong to a single package, the Company accounts for each transaction as a disposal of equity investments in a subsidiary and the loss of control; however, the difference between the proceeds from each disposal before loss of control and the carrying amount of the long-term equity

| Category | Method of depreciation | Estimated useful life (years) | Residual value rate | Annual depreciation rate (%) |
|--------------------------------|------------------------|----------------------------------|---------------------|---------------------------------|
| Buildings | Straight-line method | 20 | 1, 10 | 4.50-5 |
| Machinery equipment | Straight-line method | 3-10 | 1, 10 | 9-33 |
| Auxiliary production equipment | Straight-line method | 5-10 | 10 | 9-18 |
| Transportation equipment | Straight-line method | 3-5 | 1, 10 | 18-33 |
| Mould equipment | Straight-line method | 3 | 10 | 30 |
| Office equipment | Straight-line method | 3-5 | 1, 10 | 18-33 |
| Computer equipment | Straight-line method | 3-10 | 1, 10 | 10-33 |
| Other equipment | Straight-line method | 3-10 | 1, 10 | 10-33 |

The Company provides for depreciation of fixed assets by category using the straight-line method, and determines the depreciation rate on the category, estimated useful life and estimated net residual value of fixed assets. For fixed assets with the provision for impairment, the depreciation amount will be determined in the future based on the carrying amount after deduction of the provision for impairment and remaining useful life. If a fixed asset has various component parts which have different useful lives or provide benefits to the enterprise in different manners, these component parts are depreciated separately by selecting different depreciation rates or methods.

The depreciation policy adopted for the fixed assets leased in under finance lease is consistent with that for the self-owned fixed assets. If there is reasonable certainty that the lessee will obtain ownership of the leased asset by the end of the lease term, the leased asset is depreciated over its useful life; if there is no reasonable certainty that the lessee will obtain ownership of the leased asset by the end of the lease term, the leased asset is depreciated over the shorter of the lease term and its useful life.

If the clauses of the lease agreement made and entered into by and between the Company and the lessor stipulate one of the following conditions, the relevant asset will be recognized as the asset leased in under finance lease:

- (1) the ownership of the leased asset belongs to the Company after the lease term expires;
- (2) the Company has the option to purchase the asset at the price much lower than the fair value of the asset at the time of exercise of option;
- (3) the lease term accounts for the majority of the useful life of the leased asset;
- (4) the present value of the minimum lease payment at the commencement date of the lease is not significantly different from the fair value of the asset; or
- (5) the leased asset is of a specialized nature such that only

payable at an amount equal to the minimum lease payments. The difference between the recorded amount of the leased asset and the recorded amount of the payable is accounted for as unrecognized finance charge.

A fixed asset is derecognized when it is disposed of or when no future economic benefits are expected to be generated from its use or disposal. When a fixed asset is sold, transferred, retired or damaged, the Company recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes and fee in profit or loss for the current period.

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.

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

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 a

directly attributable expenditure for preparing the asset for its intended use.

(2) Subsequent measurement

The Company analyzes and assesses the useful life of an intangible asset on its acquisition.

A finite-lived intangible asset is amortized during the period over which the asset generates economic benefits for the enterprise; an intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the enterprise, and is not be amortized.

| Item | Estimated useful life | Amortization method | Residual value rate | Basis |
|-----------------------|-----------------------|----------------------|---------------------|--------------------------------|
| Software | 3-10 | Straight-line method | None | Estimated period of benefit |
| Land use right | 50 | Straight-line method | None | Certificate of land use rights |
| Patent right | 10 | Straight-line method | None | Right term |
| Non-patent technology | 10 | Straight-line method | None | Estimated period of benefit |

The Company reviews the useful life of the indefinite intangible assets at the end of each period. Upon review, the useful life of intangible assets is still indefinite.

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Research phase: the stage of original and planned investigation and research activity undertaken with the prospect of gaining and understanding new scienn

- (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (2) the intention to complete the intangible asset and use or sell it;
- (3) how the intangible asset will generate economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) the availability of adequate technical, financial and other resources to complete the development of and the ability to use or sell the intangible asset; and
- (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

If the Company fails to discriminate between expenditure on the research phase and expenditure on the development phase, all expenditures on research and development are recognized in the profit or loss for the current period.

Where any indication exists that long-term equity investments,

Once an impairment loss on the asset above is recognized, it will not be reversed it m d r #

recognized in profit or loss for the current period or the cost of related assets.

(2) Defined benefit plans

The Company, according to the formula determined by the expected cumulative benefit unit method, attributes the benefit obligations arising from the defined benefit plan to the service period of the employees, and recognizes them in the profit or loss for the current period or the cost of related assets.

The deficit or surplus formed by the present value of obligations in the defined benefit plan minus the fair value of assets therein is recognized as the net liabilities or net assets of the defined benefit plan. If the defined benefit plan has surplus, the Company measures the net assets of the defined benefit plan according to the lower of the surplus and the upper limit of assets in the defined benefit plan.

All obligations in the defined benefit plan, including obligations expected to be paid within 12 months after the end of the annual reporting period for employee services, are discounted based on the market yield of treasury bonds or high-quality corporate bonds in active markets that match the term and currency of the obligations in the defined benefit plan on the balance sheet date.

The service cost generated by the defined benefit plan and the net interest of the net liabilities or net assets of the defined benefit plan are recognized in the profit or loss for the current period or the cost of related assets; changes arising from the re-measurement of net liabilities or net assets of the defined benefit plan are included in other comprehensive income, and are not be converted back to profit or loss in subsequent accounting periods. At the end of the original defined benefit plan, the part originally included in other comprehensive income is fully carried forward to unappropriated profit within the scope of equity.

In the settlement of the defined benefit plan, the gain or loss of settlement is recognized according to the def b ned ae

lease term, discounted by the Company's incremental borrowing rate at the date of initial application of the New Lease Standard.

* an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments.

For leases classified as operating leases before the date of initial application, the Company, at the same time of using aforementioned methods, adopts one or more of the following practical expedients to account for each lease:

1) accounted as short-term leases for the leases for which the lease term ends within 12 months of the date of initial application;

2) applied a single discount rate to leases with similar characteristics when measuring lease liabilities;

3) excluded initial direct costs from measuring the right-of-use assets;

4) determined the lease term according to the actual exercise or other updates of options before the date of initial application if the contract contains options to extend or terminate the lease;

5) adjusted the right-of-use assets by the amount of onerous contract provision recognized in the balance sheet before the date of initial application if the contract including leases is measured as an onerous contract before the date of initial application in accordance with Note "III. (24) Provisions" to the financial statements, as an alternative of testing the impairment of right-of-use assets;

6) accounted for lease modifications before the date of initial application according to the final arrangement of the lease modifications under the New Lease Standard without retrospective adjustments.

In measuring the lease liabilities, the lease payments are discounted by the Company at the lessee's incremental borrowing rate as at January 1, 2021.

For leases classified as finance lease before the date of initial application, the right-of-use asset and the lease liabilities are measured at the original carrying amount of the asset leased in under finance lease and obligations under finance lease at the date of initial application.

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.

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

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 of the liabilities assumed by the Company, and includes the same in the liabilities accordingly. Until the liability is settled, the Company remeasures the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognized in profit or loss for the current period.

recognizes the loan amount actually received as the recorded amount of the loan, and calculates the borrowing costs according to the effective interest method. For the portion of the loan principal and interest that is not recognized as income, the Company recognizes the loan amount actually received as the recorded amount of the loan, and calculates the borrowing costs according to the effective interest method. For the portion of the loan principal and interest that is not recognized as income, the Company recognizes the loan amount actually received as the recorded amount of the loan, and calculates the borrowing costs according to the effective interest method.

Interest do 6

and deferred tax liabilities are calculated

settle liabilities simultaneously.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset and presented on a net basis when both of the following conditions are satisfied:

- the taxpayer has the statutory right to settle the current tax assets and current tax liabilities on a net basis; and
- the deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax authority on the same taxpayer or different taxpayers, provided that during the period in which each material deferred tax asset and liability will be reversed, the taxpayer involved intends to settle the current tax assets and liabilities on a net basis or obtain assets and settle liabilities simultaneously.

Please refer to paragraph (3) of this section for details of determination and accounting treatment of leases under the New Lease Standard "aa L" M termination and operating treatment of leases under refer to paragraph

depreciated over its remaining useful life if the ownership of this leased asset can be reasonably obtained at the maturity date of the lease term, otherwise, the leased asset is depreciated over the shorter of its remaining useful life and the lease term.

The Company determines whether the right-of-use assets are impaired and accounts for the identified impairment losses in accordance with the principles stated in Note “III. (20) Impairment of long-term assets”.

(2) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities for leases excluding short-term leases and leases of low-value assets. The lease lia

single leased asset is of low value when it is brand new. Lease of an asset that is sub-leased or that is expected to be sub-leased by the Company is not included in the

At the commencement date of the lease, the Company recognizes finance lease receivables and derecognizes assets held under finance leases. Lease receivables are presented at an amount equal to the net investment in the lease for the initial measurement. The net investment in the lease is the sum of any unguaranteed residual value and the present value of the rent receipts not received yet as of the commencement date of the lease discounted at the interest rate implicit in the lease.

Interest incomes over the term of the relevant lease are calculated by the Company based on fixed periodic interest rate. The Company accounts for derecognition and impairment of finance lease receivables in accordance with Note “III. (10) Financial instruments”.

Variable lease payments that are not included in the measurement of the net investment in the lease are recognized in profit or loss when incurred actually.

The Company accounts for a finance lease modification as a separate lease if both of the following conditions exist:

- * The modification has increased the scope of the lease by adding the right to use one or more leased assets;
- * The consideration for the lease increases equivalents to the standalone price for the increase in scope of lease and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

For a modification to a finance lease that is not accounted for as a separate lease, the Company accounts for the modification as follows:

- * if the lease would have been classified as an operating lease had the modification been in effect at the commencement date or

the Company, as a lessor, does not recognize the transferred asset and instead, recognizes a financial asset equal to the transfer proceeds. Please refer to Note “III. (10) Financial instruments” for accounting treatment of the financial asset.

Leases are classified as finance leases and operating leases. Finance leases refer to the lease to which substantially all the risks and rewards of the asset ownership have transferred substantially. All other leases are classified as operating lease.

(1) Lease expenses paid by the Company for leasing in the asset are amortized using a straight-line method throughout the lease term including the rent-free period, and recognized in expenses for the current period. The initial direct expenses paid by the Company in connection with the lease transaction are recognized in expenses for the current period.

When the asset lessor bears the lease-related expenses to be assumed by the Company, the Company deducts these expenses from total rent and then amortizes such deducted rent during the lease term, and recognizes the same in expenses for the current period.

(2) Lease expenses received by the Company for leasing out the asset are allocated using a straight-line method throughout the lease term including the rent-free period, and recognized as the lease-related income. The initial direct expenses paid by the Company in connection with the lease transaction are recognized in expenses for the current period; if such initial direct expenses are of a large amount, the initial direct costs are capitalized and recognized in profit or loss by installments on the same basis as the recognition of the lease-related income throughout the lease term.

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Applicable N/A

| Changes in accounting policies and associated reasons | Approval procedure | Remarks |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------|
| (1) Applying the <i>Accounting Standards for Business Enterprises No.21 - Leases</i> (revised in 2018) | Examination and approval by the board of directors | |

The Ministry of Finance of the People's Republic of China (hereinafter referred to as the "Ministry of Finance") revised and issued the *Accounting Standards for Business Enterprises No.21 - Leases* (hereinafter referred to as the "New Lease Standard") in 2018, and the Company has implemented the New Lease Standard since January 1, 2021, according to which the Company chooses to not assess whether a contract is a lease contract or contains a lease at the date of initial application for contracts that have been concluded before the date of initial application.

* The Company as a lessee

The Company has elected to recognize the cumulative effect from the initial application of the New Lease Standard as an adjustment to the opening balances of retained earnings and other related items in the financial statements in the initial year of such application, with comparative information not restated.

For the operating leases existing before the date of initial application of the New Lease Standard, the lease liability is measured at the present value of the remaining lease payments at the date of initial application of the New Lease Standard that is discounted at the Company's incremental borrowing rate at the date of initial application of the New Lease Standard, and for each lease, the right-of-use asset is measured at either of the followings:

- * the carrying amount recognized by adopting the New Lease Standard from the commencement date of lease term, discounted b t" 1 m 1

arrangement of the lease modifications under the New Lease Standard without retrospective adjustments. In measuring the lease liabilities, the lease payments are discounted by the Company at the lessee's incremental borrowing rate as at January 1, 2021.

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Unpaid minimum lease payment of operating lease with significant amount disclosed in the consolidated financial statements as at December 31, 2020 | 157,440,735.91 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|

should come into force from the date of releasement. Relevant businesses transacted from the January 1, 2021 to the date of application shall be adjusted subject to the Interpretation No.14.

Interpretation

Public-private-partnership (“PPP”) project contracts

Interpretation No.14 is applicable to PPP project contracts satisfying the requirements of “dual features” and “dual controls” as stated in the Interpretation No.14. Relevant PPP project contracts that were fulfilled before December 31, 2020 and have not been completed as of the effective date of Interpretation No.14 should be adjusted retrospectively, and in case of retrospective adjustment impracticable, the opening balance of retained earnings and that of other relevant line items in the financial statements for the current year of the application date should be adjusted based on the cumulative effect of applying of Interpretation No.14 from the earliest period when the retrospective adjustment is practicable, with no information in the comparable period restated. The Company’s application of such requirements has brought no material impact on the financial position and results of operation of the Company.

Benchmark interest rate reform

Interpretation No.14 introduces practical expedients for modifications of recognition basis of cash flows related to financial instrument contract and lease contract resulting from the benchmark interest rate reform. According to requirements of Interpretation No.14, transactions related to benchmark interest rate reform that occurred before December 31, 2020 should be adjusted retrospectively unless the retrospective adjustment is impracticable, with no comparative information in the financial statements of the prior period restated. On the effective date of Interpretation No.14, the difference between the original carrying amount and new carrying amount for financial assets and liabilities is recognized in the opening balance of retained earnings or other comprehensive income for the reporting period of the year when applying Interpretation No.14. The Company’s application of such requirements has brought no material impact on the financial position and results of operation of the Company.

(3) Application of the *Notice on Adjusting the Application Scope of Accounting Regulations on Rental Concessions Related to COVID-19 Epidemic*

On June 19, 2020, the Ministry of Finance released the *Accounting Regulations on Rental Concessions Related to COVID-19 Epidemic* (Cai Kuai [2020] No.10), which regulated that a company can choose to adopt practicable expedients to any reduction in lease payments directly resulting from COVID-19 epidemic, such as rental concession and delayed payment of rents, provided that such reduction satisfied relevant conditions.

On May 26, 2021, the Ministry of Finance released the *Notice on Adjusting the Application Scope of Accounting Regulations on Rental Concessions Related to COVID-19 Epidemic*

| | | | |
|----------------------------------------------------------------------------|-------------------|-------------------|----------------|
| Construction in progress | 1,596,064,894.58 | 1,596,064,894.58 | |
| Bearer biological assets | | | |
| Oil and gas assets | | | |
| Right-of-use assets | | 149,189,002.32 | 149,189,002.32 |
| Intangible assets | 1,265,161,209.65 | 1,265,161,209.65 | |
| Development expenditure | | | |
| Goodwill | 533,139,532.25 | 533,139,532.25 | |
| Long-term prepaid expenses | 488,087,044.97 | 488,087,044.97 | |
| Deferred tax assets | 355,834,434.21 | 355,834,434.21 | |
| Other non-current assets | 1,223,199,642.61 | 1,223,199,642.61 | |
| Total non-current assets | 26,616,706,628.31 | 26,765,895,630.63 | 149,189,002.32 |
| Total assets | 70,012,753,551.75 | 70,157,216,237.66 | 144,462,685.91 |
| Current liabilities: | | | |
| Short-term borrowings | 7,577,068,798.49 | 7,577,068,798.49 | |
| Loans from the central bank | | | |
| Taking from banks and other financial institutions | | | |
| Held-for-trading financial liabilities | | | |
| Derivative financial liabilities | | | |
| Notes payable | 128,572,111.54 | 128,572,111.54 | |
| Accounts payable | 23,051,557,603.83 | 23,051,557,603.83 | |
| Receipts in advance | | | |
| Contract liabilities | 152,512,971.36 | 152,512,971.36 | |
| Financial assets sold under repurchase agreements | | | |
| Customer deposits and deposits from banks and other financial institutions | | | |
| Funds from securities trading agency | | | |
| Funds from underwriting securities | | | |

| | | | |
|---------------------------------------------|------------------|------------------|--|
| agency | | | |
| Employee benefits payable | 1,397,632,139.23 | 1,397,632,139.23 | |
| Taxes payable | 237,421,491.63 | 237,421,491.63 | |
| Other payables | 146,162,097.14 | 146,162,097.14 | |
| Including: Interest payable | | | |
| Dividends payable | | | |
| Fees and commissions payable | | | |
| Amounts payable under reinsurance contracts | | | |

| | | | |
|---------------------------------------------------------------------------|-------------------|-------------------|----------------|
| Total liabilities | 39,106,153,689.68 | 39,250,616,375.59 | 144,462,685.91 |
| Owners' equity: | | | |
| Share capital | 6,999,768,186.00 | 6,999,768,186.00 | |
| Other equity instruments | 527,449,226.56 | 527,449,226.56 | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Capital reserve | 1,890,099,569.60 | 1,890,099,569.60 | |
| Less: Treasury shares | | | |
| Other comprehensive income | -44,717,803.06 | -44,717,803.06 | |
| Special reserve | | | |
| Surplus reserve | 733,067,797.73 | 733,067,797.73 | |
| General risk reserve | | | |
| Unappropriated profit | 17,996,149,257.73 | 17,996,149,257.73 | |
| Total owners' equity attributable to equity holders of the parent company | 28,101,816,234.56 | 28,101,816,234.56 | |
| Minority interests | 2,804,783,627.51 | 2,804,783,627.51 | |
| Total owners' equity | 30,906,599,862.07 | 30,906,599,862.07 | |
| Total liabilities and owners' equity | 70,012,753,551.75 | 70,157,216,237.66 | 144,462,685.91 |

Description of adjustment

The Company has implemented the New Lease Standard since January 1, 2021.

Balance sheet of the parent company

In RMB

| Item | December 31, 2020 | January 1, 2021 | Adjusted amount |
|-----------------------------------|-------------------|------------------|-----------------|
| Current assets: | | | |
| Cash and bank balances | 1,890,655,455.45 | 1,890,655,455.45 | |
| Held-for-trading financial assets | 2,238,600,282.87 | 2,238,600,282.87 | |
| Derivative financial assets | | | |
| Notes receivable | 147,912,632.85 | 147,912,632.85 | |
| Accounts receivable | 6,923,152,599.31 | 6,923,152,599.31 | |

Receivable financing

| | | | |
|---------------------------------------------|-------------------|-------------------|--------------|
| Deferred tax assets | 7,715,791.60 | 7,715,791.60 | |
| Other non-current assets | 164,700.00 | 164,700.00 | |
| Total non-current assets | 14,570,491,269.76 | 14,572,184,901.91 | 1,693,632.15 |
| Total assets | 26,916,476,412.30 | 26,918,170,044.45 | 1,693,632.15 |
| Current liabilities: | | | |
| Short-term borrowings | 1,038,298,216.05 | 1,038,298,216.05 | |
| Held-for-trading financial liabilities | | | |
| Derivative financial liabilities | | | |
| Notes payable | 918,494,979.38 | 918,494,979.38 | |
| Accounts payable | 6,005,518,269.37 | 6,005,518,269.37 | |
| Receipts in advance | | | |
| Contract liabilities | 28,872,712.52 | 28,872,712.52 | |
| Employee benefits payable | 10,262,304.62 | 10,262,304.62 | |
| Taxes payable | 21,244,602.02 | 21,244,602.02 | |
| Other payables | 1,565,708.61 | 1,565,708.61 | |
| Including: Interest payable | | | |
| Dividends payable | | | |
| Held-for-sale liabilities | | | |
| Non-current liabilities due within one year | 20,029,777.78 | 20,029,777.78 | |
| Other current liabilities | 512,468,730.41 | 512,468,730.41 | |
| Total current liabilities | 8,556,755,300.76 | 8,556,755,300.76 | |
| Non-current liabilities: | | | |
| Long-term borrowings | 180,268,000.00 | 180,268,000.00 | |
| Bonds payable | 2,475,423,249.98 | 2,475,423,249.98 | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Lease liabilities | | 1,693,632.15 | 1,693,632.15 |
| Long-term payables | | | |

| | | | | |
|-------------------------------------|-------------------|-------------------|---------|--------------|
| Long-term employee benefits payable | | | | |
| Provisions | | | | |
| Deferred income | 8,397,770.66 | 8,397,770.66 | | |
| Deferred tax liabilities | 19,714,831.53 | 19,714,831.53 | | |
| Other non-current liabilities | | | | |
| Total non-current liabilities | 2,683,803,852.17 | 2,685,497,484.32 | | 1,693,632.15 |
| Total liabilities | 11,240,559,152.93 | 11,242,252,785.08 | | 1,693,632.15 |
| Owners' equity: | | | | |
| Share capital | 6,999,768,186.00 | 6,999,768,186.00 | | |
| Other equity instruments | 527,449,226.56 | 527,449,226.56 | | |
| Including: Preferred shares | | | | |
| Perpetual bonds | | | | |
| Capital reserve | 2,303,197,437.38 | 2,0 | P- 2,30 | y 8C ~ |

| Tax category | Taxation basis | Tax rate |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Value added tax | VAT payable is the output tax based on the sales of goods and taxable labor income calculated pursuant to the tax law, net of the input tax that is allowed to be deducted in the current period | 13%, 9%, 6%, 5%, 3%, 0% |
| Urban maintenance and construction tax | Subject to the actual payment of VAT and consumption tax | 7 %, 5% |
| Enterprise income tax | Subject to the taxable income amount | 25%, 20%, 19%, 17%, 16.5%, 15%, 0% |

Disclosure of taxpayers (if any) with different rates of enterprise income tax:

| Taxpayer | Rate of enterprise income tax |
|----------------------------------------------------|-------------------------------|
| Luxshare Precision Industry Co., Ltd. | 15 |
| Xiexun Electronic (Ji'an) Co., Ltd. | 15 |
| ASAP TECHNOLOGY (JIANGXI) CO., LTD. | 15 |
| Lanto Electronic Limited. | 15 |
| Bozhou Lanto Electronic Limited. | 15 |
| HUZHOU JIUDING ELECTRONIC CO., LTD. | 15 |
| Luxshare Automation (Jiangsu) Ltd. | 15 |
| MERRY ELECTRONICS (SUZHOU) CO., LTD. | 15 |
| Luxshare Electronic Technology (Kunshan) Co., Ltd. | 15 |
| Yongxin County Boshuo Electronics Co., Ltd. | 15 |
| Chuzhou Luxshare Precision Industry Co., Ltd. | 15 |
| M&A MERRY ELECTRONICS (HUIZHOU) CO., LTD. | 15 |
| FUJIAN JK WIRING SYSTEMS CO., LTD. | 15 |
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | 15 |
| Jiangxi ASAP Electronic Co., Ltd. | 15 |
| Kunshan-Luxshare RF Technology Co., Ltd. | 15 |
| Suining Luxshare Precision Industry Co., Ltd. | 15 |
| Baoding Luxshare Precision Industry Co., Ltd. | 15 |
| Luxshare Precision Industry (Shanxi) Co., Ltd. | 15 |
| Dongguan Xuntao Electronic Co., Ltd. | 15 |
| Kunshan Luxshare Precision Industry Co., Ltd. | 15 |

| | |
|--|----------|
| | 15 |
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| | 15 |
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| | 20 |
| | Note 1 |
| | Note 1 |
| | Note 1 |
| | Note 2 |
| | Note 1 |
| | Note 1 1 |

XIV

was identified as a high-tech enterprise by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration on November 30, 2021, with the High-tech Enterprise Certificate No.GR202132006555 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2021.

r 2

30, 2021, with the High-tech Enterprise Certificate No.GR202132006790 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2021.

17. The sub-subsidiary, Suining Luxshare Precision Industry Co., Ltd. (“Suining Luxshare”), was identified as a high-tech enterprise by Sichuan Provincial Department of Science and Technology, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Service, State Taxation Administration on

enterprise income tax rate of 15% for 2021.

24. The subsidiary, Enshi Luxshare Precision Industry Co., Ltd. (“Luxshare Enshi”), was qualified for tax reduction in accordance with the *Announcement on the Continuation of Preferential Enterprise Income Tax Policies in the Western Region of China issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission* which provided that enterprise income tax should be levied at a reduced rate of 15% on enterprises engaged in the encouraged industries in the western region for the period from January 1, 2021 to December 31, 2030. Since it is located at Enshi Tujia and Miao Autonomous Prefecture, Hubei Province where enterprises can apply the preferential enterprise income tax policies in the Western Region of China, it enjoys an enterprise income tax rate of 15% for 2021.

25. The sub-subsidiary, Xuancheng Luxshare Precision Industry Co., Ltd. (“Luxshare Xuancheng”), was identified as a high-tech enterprise by Anhui Provincial Department of Science and Technology, Anhui Provincial Department of Finance, and Anhui Provincial Tax Service, State Taxation Administration on September 18, 2021, with the High-tech Enterprise Certificate No.GR202134004975 valid for three years. According to relevant provisions of the national high-tech enterprise income tax preferential policies in China, it enjoys an enterprise income tax rate of 15% for 2021.

Note 1. As per the tax law in Hong Kong, Hong Kong adopts a territorial source principle of taxation, under which only profits which have a source in Hong Kong are taxable there, while profits sourced elsewhere are not subject to Hong Kong gain tax. Luxshare Technologies Limited, Luxshare Standard Limited (HK), ICT-LANTO LIMITED(HK), Luxshare Precision Limited, Yunding Technology Co., Ltd., Luxis Technology Limited, and Luxshare Precision Investment Co., Ltd. are not required to pay income tax in Hong Kong.

Note 2. Luxshare-ICT (Japan) is entitled to the graded tax rate for the capital amounting to not more than JPY100 million. Corporate income tax (national tax): at 15% for the portion of taxable income within JPY8 million (inclusive), and at 23.2% for the portion in excess thereof. Local corporate income tax (national tax): at 10.3% of total corporate taxable income (national tax).

Note 3. The applicable tax rate of Luxshare ICT, Inc is shown as follows:

| | Applicable tax rate |
|----------------------|---------------------|
| Income tax (federal) | 21% |
| Local tax (state) | 8.84% |

Note 4. The applicable tax rate of Korea LuxshareICT Co., Ltd is shown as follows:

| Total profits | Corporate tax | Local tax |
|------------------------------|---------------|---------------------------------|
| Less than KRW200 million | 10% | 10% of corporate taxable income |
| KWR200 million~KWR20 billion | 20% | |
| KWR20 billion~KWR300 billion | 22% | |
| Above KWR300 billion | 25% | |

| | Closing balance | Opening balance |
|--|---------------------------|-----------------|
| | 137,325,482.78 | 251,899,317.40 |
| | 170,511,151.86 | 9,309,284.10 |

| Description | Closing balance | | |
|-------------|-----------------|--------------------|----------------------|
| | Book balance | Bad-debt provision | Provision proportion |

Descriptions on basis for determining the group:

If the bad-debt provision of notes receivable is made according to the general model of expected credit loss, please disclose the relevant information of bad-debt provision with reference to the disclosure method of other receivables:

Applicable N/A

Bad-debt provision in the current period:

In RMB

| Category | Opening balance | Amount of change in the current period | | | | Closing balance |
|----------|-----------------|----------------------------------------|----------------------|-----------|--------|-----------------|
| | | Provision | Recovery or reversal | Write-off | Others | |

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

Applicable N/A

In RMB

| Item | Pledged amount at the end of the period |
|----------------------|-----------------------------------------|
| Bank acceptance bill | 51,933,961.58 |
| Total | 51,933,961.58 |

In RMB

| Item | Derecognized amount at the end of the period | Amount not derecognized at the end of the period |
|----------------------|----------------------------------------------|--------------------------------------------------|
| Bank acceptance bill | 478,321,177.81 | |
| Total | 478,321,177.81 | |

In RMB



| Aging | Book balance |
|----------------------------------|--------------|
| Within 1 year (including 1 year) | |

| Entity name | Closing balance of accounts receivable | Proportion in total closing balance of accounts receivable | Closing balance of bad-debt provision |
|-------------|----------------------------------------|------------------------------------------------------------|---------------------------------------|
| Entity 1 | 17,873,506,938.34 | 56.35% | 8,936,753.47 |
| Entity 2 | 1,811,368,107.96 | 5.71% | 905,684.05 |
| Entity 3 | 1,683,558,136.61 | 5.31% | 841,779.07 |
| Entity 4 | 1,049,864,564.03 | 3.31% | 524,932.28 |
| Entity 5 | 837,357,956.82 | 2.64% | 418,678.98 |
| Total | 23,255,655,703.76 | 73.32% | |

Other descriptions:



| Borrower | Closing balance | Overdue time | Reasons for delay | Whether there is impairment and its judgment basis |
|----------|-----------------|--------------|-------------------|----------------------------------------------------|
|----------|-----------------|--------------|-------------------|----------------------------------------------------|

Other descriptions:

Applicable N/A

In RMB

| Item (or Investee) | Closing balance | Opening balance |
|--------------------|-----------------|-----------------|
|--------------------|-----------------|-----------------|

In RMB

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

Applicable N/A

Other descriptions:

In RMB

| Nature of receivables | Closing book balance | Opening book balance |
|--------------------------------|----------------------|----------------------|
| Reserve fund | 731,313.00 | 2,150,958.86 |
| Security deposit | 137,059,171.76 | 82,843,142.41 |
| Export tax rebate receivable | 187,123,564.48 | 52,519,780.76 |
| Disbursement | 56,222,486.93 | 61,811,236.98 |
| Transfer funds of fixed assets | 1,727,939.28 | 15,068,375.17 |
| Insurance indemnity | 59,200,000.00 | |
| Others | 160,733,783.92 | 195,784,468.71 |

| | | |
|-------|----------------|----------------|
| Total | 602,798,259.37 | 410,177,962.89 |
|-------|----------------|----------------|

In RMB

| Bad-debt provision | Stage I | Stage II | Stage III | Total |
|-----------------------------------------------------|--------------|----------------------------------------|-------------------------------------|--------------|
| | 12-month ECL | Lifetime ECL (without credit impaired) | Lifetime ECL (with credit impaired) | |
| Balance as at January 1, 2021 | 2,187,182.10 | | | 2,187,182.10 |
| Balance as at January 1, 2021 in the current period | — | — | — | — |
| Provision in the current period | 2,250,179.37 | | | 2,250,179.37 |
| Reversal in the current period | 203,621.51 | | | 203,621.51 |
| Other changes | | | | |

| | | | reversal | | | |
|----------------|--------------|--------------|------------|------|------------|--------------|
| Group by aging | 2,187,182.10 | 2,250,179.37 | 203,621.51 | 0.00 | 107,816.53 | 4,341,556.49 |
| Total | 2,187,182.10 | 2,250,179.37 | 203,621.51 | 0.00 | 107,816.53 | 4,341,556.49 |

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

In RMB

| Entity name | Amount reserved or recovered | Recovery method |
|-------------|------------------------------|-----------------|
|-------------|------------------------------|-----------------|

In RMB

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

Descriptions on the write-off of other receivables:

In RMB

| | | Closing balance | | Proportion in total closing balance of other receivables | Closing balance of bad-debt provision |
|--|--|-----------------|--|----------------------------------------------------------|---------------------------------------|
|--|--|-----------------|--|----------------------------------------------------------|---------------------------------------|

Entity 1

In RMB

| Item | Opening Balance | Increase in the current period | | Decrease in the current period | | Closing Balance |
|------------------------------|-----------------|--------------------------------|----------------|--------------------------------|--------------|-----------------|
| | | Provision | Other | Reversal or write off | Other | |
| Raw material | 30,816,233.39 | 86,466,854.63 | 152,728,576.57 | 107,883,862.28 | 733,559.35 | 161,394,242.96 |
| Products in process | 31,348,190.65 | 19,900,825.95 | 5,619,959.52 | 6,353,938.25 | 475,260.55 | 50,039,777.32 |
| Goods on hand | 67,217,791.93 | 50,877,290.59 | 282,273,365.01 | 260,129,781.13 | 827,581.60 | 139,411,084.80 |
| Revolving materials | 2,374.56 | 120,251.95 | | 5,892.51 | | 116,734.00 |
| Goods sold | 160,985.17 | 82,473.73 | 1,672,570.07 | 1,672,570.07 | | 243,458.90 |
| Materials in transit | | | | | | |
| Work in process - outsourced | | 1,444,894.26 | 11,146,722.09 | 8,830,170.74 | | 3,761,445.61 |
| Total | 129,545,575.70 | 158,892,591.11 | 453,441,193.26 | 384,876,214.98 | 2,036,401.50 | 354,966,743.59 |

Other items with amount increased in current period are included due to changes in the scope of consolidation.

In RMB

| Item | Closing Balance | | | Opening Balance | | |
|------|-----------------|--------------------------|------------|-----------------|--------------------------|------------|
| | Book balance | Provision for impairment | Book value | Book balance | Provision for impairment | Book value |
| | | | | | | |

The amount of and reasons for significant changes in the book value of contract assets in the current period:

In RMB

| Item | Change amount | Reason for change |
|------|---------------|-------------------|
| | | |

If the bad-debt provision of contract assets is made according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

Applicable N/A

Provision for impairment of contract assets in the current period

In RMB

| Item | Provision in the current | Reversal | Write off/cancellation | Reason |
|------|--------------------------|----------|------------------------|--------|
| | | | | |

| | | | | |
|--|--------|--|--|--|
| | period | | | |
|--|--------|--|--|--|

Other descriptions:

In RMB

| Item | Closing book balance | Provision for |
|------|-------------------------|---------------|
|------|-------------------------|---------------|

| | | | | | | |
|-------|------------------|--|------------------|--|--|--|
| Total | 1,464,279,206.63 | | 1,464,279,206.63 | | | |
|-------|------------------|--|------------------|--|--|--|

Significant debt investments

In RMB

| Debt item | Closing Balance | | | | Opening Balance | | | |
|-----------|-----------------|-------------|-------------------------|---------------|-----------------|-------------|-------------------------|---------------|
| | Face value | Coupon rate | Effective interest rate | Maturity date | Face value | Coupon rate | Effective interest rate | Maturity date |

Provision for impairment

In RMB

| Bad-debt provision | Stage I | Stage II | Stage III | Total |
|-----------------------------------------------------|---------------|----------------------------------------|---------------------------------------|-------|
| | 12 -month ECL | Lifetime ECL (without credit impaired) | Lifetime ECL (with credit unimpaired) | |
| Balance as at January 1, 2021 in the current period | — | — | — | — |

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

Applicable N/A

Other descriptions:

In RMB

| Item | Opening Balance | Accrued interest | Changes in fair value in the current period | Closing Balance | Cost | Cumulative changes in fair value | Cumulative provision for loss recognized in other comprehensive income | Remarks |
|------|-----------------|------------------|---------------------------------------------|-----------------|------|----------------------------------|------------------------------------------------------------------------|---------|
|------|-----------------|------------------|---------------------------------------------|-----------------|------|----------------------------------|------------------------------------------------------------------------|---------|

Other significant debt investments

In RMB

| Other debt item | Closing Balance | | | | Opening Balance | | | |
|-----------------|-----------------|-------------|-------------------------|---------------|-----------------|-------------|-------------------------|---------------|
| | Face value | Coupon rate | Effective interest rate | Maturity date | Face value | Coupon rate | Effective interest rate | Maturity date |

Provision for impairment

In RMB

| Bad-debt provision | Stage I | Stage II | Stage III | Total |
|--------------------------|---------------|----------------------------------------|---------------------------------------|-------|
| | 12 -month ECL | Lifetime ECL (without credit impaired) | Lifetime ECL (with credit unimpaired) | |
| Balance as at January 1, | — | — | — | — |

| | | | |
|----------------------------|--|--|--|
| 2021 in the current period | | | |
|----------------------------|--|--|--|

| | | | | equity method | t | | | | | nt |
|------------------------------------|-------------------|--|--|-------------------|----------------|--|-------------------|--|-----------------|--------------------|
| I. Joint ventures | | | | | | | | | | |
| Riyimao Industrial Co., Ltd. | 86,236,93 9.01 | | | 27,672,43 4.30 | 351,380.9 6 | | -7,238,92 1.00 | | -801,598. 00 | 106,220,2 35.27 |
| Xuande Energy Co., Ltd. | | | | | | | | | | |

Luxshare
Co., Ltd.

| | | | | | | |
|-----------------------------------------------------|--|----------------|------------|--|-------------------------------------|--|
| Ltd. | | | | | purposes | |
| Beijing Wiparking Technology Co., Ltd. | | | 182,872.22 | | Not for short-term trading purposes | |
| Jingtuo Liyin Technology (Beijing) Co., Ltd. | | 214,196.57 | | | Not for short-term trading purposes | |
| Zhejiang Tony Electronic Co., Ltd | | 190,911,536.60 | | | Not for short-term trading purposes | |
| Xuande Energy Co., Ltd. | | -280,153.40 | | | Not for short-term trading purposes | |
| Asia Pacific Emerging Industry Investment Co., Ltd. | | 205,568.60 | | | Not for short-term trading purposes | |

Other descriptions:

In RMB

| Item | Closing Balance | Opening Balance |
|-------------------------------------------------------|-----------------|-----------------|
| Financial assets at fair value through profit or loss | 5,700,000.00 | |
| Total | 5,700,000.00 | |

Other descriptions:

| | | | | |
|-----------------------------------|---------------|---------------|--|---------------|
| (1) Provision | | | | |
| | | | | |
| 3. Decrease in the current period | | | | |
| (1) Disposal | | | | |
| (2) Other transfer out | | | | |
| | | | | |
| 4. Closing Balance | | | | |
| IV. Book value | | | | |
| 1. Closing balance | 40,573,535.23 | 18,427,155.49 | | 59,000,690.72 |
| 2. Opening balance | 33,609,275.22 | 13,982,835.02 | | 47,592,110.24 |

Applicable N/A

In RMB

| Item | Book value | Reasons for not obtaining the title certificate |
|------|------------|-------------------------------------------------|
|------|------------|-------------------------------------------------|

Other descriptions

In RMB

| Item | Closing Balance | Opening Balance |
|--------------|-------------------|-------------------|
| Fixed assets | 34,113,259,322.43 | 19,761,012,854.95 |
| Total | 34,113,259,322.43 | 19,761,012,854.95 |

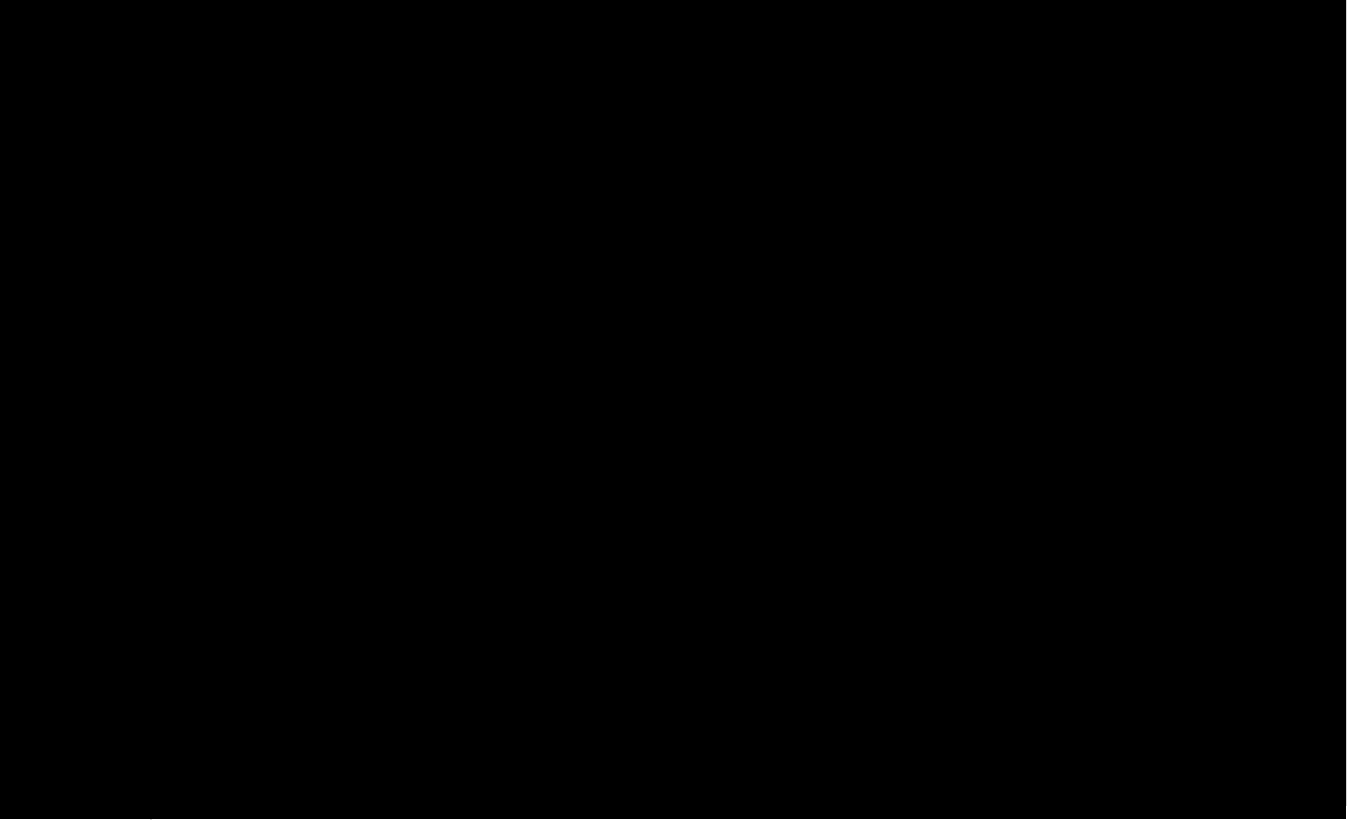
In RMB

| Item | Buildings | Office equipment | Machinery equipment | Computer equipment | Auxiliary production equipment | Transportation equipment | Other equipment | Mould equipment | Total |
|-----------------------------|-----------|------------------|---------------------|--------------------|--------------------------------|--------------------------|-----------------|-----------------|-------|
| I. Original carrying amount | | | | | | | | | |

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2
5
5
0



| | | | | | | | | | |
|--------------------------------------|------------------|----------------|------------------|---------------|----------------|---------------|------------------|------------------|-------------------|
| (1) Provision | 476,527,026.41 | 35,160,543.21 | 2,404,291,973.33 | 32,000,746.39 | 344,766,449.55 | 7,866,008.82 | 900,343,251.34 | 621,246,795.68 | 4,822,202,794.73 |
| (2) Increase in business combination | 333,435,764.50 | 9,769,833.75 | 2,366,366,510.31 | | | 6,765,289.32 | 661,923,893.92 | | 3,378,261,291.80 |
| 3. Decrease in the current period | 33,731,526.87 | 15,133,239.52 | 248,884,994.67 | 2,040,574.19 | 55,876,380.80 | 3,351,196.81 | 59,054,011.42 | 19,273,245.81 | 437,345,170.09 |
| (1) Disposal or scrap | 33,483,168.89 | 11,496,141.08 | 246,661,656.77 | 1,984,684.74 | 45,526,991.42 | 3,113,686.54 | 58,493,166.50 | 17,065,234.25 | 417,824,730.19 |
| (2) Decrease in business combination | | 3,927.92 | 1,200,101.65 | 34,027.55 | 644,432.20 | | 400,206.50 | | 2,282,695.82 |
| (3) Other | 248,357.98 | 3,633,170.52 | 1,023,236.25 | 21,861.90 | 9,704,957.18 | 237,510.27 | 160,638.42 | 2,208,011.56 | 17,237,744.08 |
| 4. Closing Balance | 1,732,613,980.84 | 116,874,793.66 | 6,448,630,701.91 | 85,500,206.37 | 840,014,950.46 | 35,372,104.15 | 2,276,336,782.37 | 1,332,467,890.80 | 12,867,811,410.56 |
| III. Provision for impairment | | | | | | | | | |
| 1. Opening Balance | | 1,806,681.32 | 43,458,498.43 | 31,156.29 | 2,563,440.11 | 42,534.87 | 5,084,008.57 | 24,373,349.76 | 77,359,669.35 |
| 2. Increase in the current period | 63,256,923.55 | | 254,592,907.72 | 10,651.74 | | | 20,998,644.91 | | 338,859,127.92 |
| (1) Provision | | | 3,887,092.27 | 10,651.74 | | | | | 3,897,744.01 |
| (2) Increase in business combination | 63,256,923.55 | | 250,705,815.45 | | | | 20,998,644.91 | | 334,961,383.91 |
| 3. Decrease in the current period | | | 48,775,955.68 | | 67,487.84 | | 11,667,224.46 | 1,592,535.11 | 62,103,203.09 |



| | | |
|---------------------------------------------------------|----------------|-------------------------------------------|
| Plant and Dormitory for Jiangxi Intelligent Manufacture | 592,830,470.14 | Newly built;the certificate is in process |
| Luxshare Dongguan factory | 65,691,767.40 | Newly built;the certificate is in process |
| Phase II plant of Ri Shan Zhejiang | 743,471,969.86 | Newly built;the certificate is in process |
| New plant of Rikai Yancheng | 44,378,742.39 | Newly built;the certificate is in process |

Other descriptions

Note 1: The land occupied by the staff dormitory is in nature an allotted land, the use right of which was acquired by the Company by means of transfer through agreement in line with relevant regulations at that time. The property title formed based on the allotted land use right is not allowed to be transferred unless the allocated land use right is converted to paid land use right. However, the existing land use right cannot be transferred by agreement, as a result of which the property title to the staff dormitory building has not been transferred to Fujian JK.

In RMB

| Item | Closing Balance | Opening Balance |
|------|-----------------|-----------------|
|------|-----------------|-----------------|

Other descriptions

In RMB

| Item | Closing Balance | Opening Balance |
|--------------------------|------------------|------------------|
| Construction in progress | 3,685,336,499.02 | 1,596,064,894.58 |
| Total | 3,685,336,499.02 | 1,596,064,894.58 |

In RMB

| Item | Closing Balance | | | Opening Balance | | |
|------------------------------------|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
| | Book balance | Provision for impairment | Book value | Book balance | Provision for impairment | Book value |
| Workshop construction | 2,131,800,600.48 | | 2,131,800,600.48 | 1,311,923,496.51 | | 1,311,923,496.51 |
| Equipment installation engineering | 1,326,553,134.57 | | 1,326,553,134.57 | 145,475,258.95 | | 145,475,258.95 |
| Mould improvement | 97,260,914.54 | | 97,260,914.54 | 4,759,515.63 | | 4,759,515.63 |
| Other | 129,721,849.43 | | 129,721,849.43 | 133,906,623.49 | | 133,906,623.49 |

| | | | | | | |
|-------|------------------|--|------------------|------------------|--|------------------|
| Total | 3,685,336,499.02 | | 3,685,336,499.02 | 1,596,064,894.58 | | 1,596,064,894.58 |
|-------|------------------|--|------------------|------------------|--|------------------|

In RMB

| Item | Budget | Opening Balance | Increase in the current period | Amount transferred to fixed assets in the current period | Other decrease in the current period | Closing Balance | Proportion of accumulated project investment in budget | Project progress | Amount of accumulated capitalized interest | Including: Amount of current capitalized interest | Current interest capitalization rate | Source of funds |
|---------------------------------------------------------|------------------|-----------------|--------------------------------|----------------------------------------------------------|--------------------------------------|------------------|--------------------------------------------------------|------------------|--------------------------------------------|---------------------------------------------------|--------------------------------------|-----------------|
| Changshu Luxshare workshop construction | 1,471,787,728.51 | 364,175,573.69 | 971,284,528.00 | | | 1,335,460,101.69 | 90.74% | 95.00% | | | | Other |
| Dongguan Luxshare workshop construction | 1,000,000,000.00 | 72,701,277.85 | | 72,701,277.85 | | | 100.00% | 100.00% | | | | Other |
| Workshop Project | 1,200,000,000.00 | 279,843,970.61 | 673,780,606.06 | 496,213,912.86 | | 457,410,663.81 | 51.21% | 51.21% | | | | Other |
| Intelligent Manufacturing Jiangxi workshop construction | 1,082,665,773.12 | 89,543,791.53 | | 89,543,791.53 | | | 100.00% | 100.00% | | | | Other |
| Yunzhong phase I and phase II | 1,700,000,000.00 | 28,170,000.00 | 27,810,000.00 | | | 55,980,000.00 | 98.21% | 98.21% | | | | Other |

| | | | | | | | | | | | | | |
|--------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|
| workshop construction | | | | | | | | | | | | | |
|--------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|

| | | | | |
|--|----------------------------|----------------|--------------|------------|
| | | | | |
| | Decrease in the current | 375,605,775.94 | | 437,601.68 |
| | leases | 192,804,650.78 | | 125,220.28 |
| | Decrease in business | | | 312,381.40 |
| | Investment due to | | | |
| | investment | | | |
| | r | | | |
| | 3. Decrease in the current | | 6,183,682.28 | 295,576.80 |
| | assets | 999,517.81 | | |

| | | | | |
|-----------------------------------|----------------|--------------|-----------|----------------|
| (1) Provision | | | | |
| | | | | |
| 3. Decrease in the current period | | | | |
| (1) Disposal | | | | |
| | | | | |
| 4. Closing Balance | | | | |
| IV. Book value | | | | |
| 1. Closing balance | 420,120,161.73 | 4,793,986.85 | 97,393.70 | 425,011,542.28 |
| 2. Opening balance | 147,495,370.17 | 1,693,632.15 | | 149,189,002.32 |

Other descriptions:

In RMB

| Item | Land use right | Patent right | Non-patent technology | Software | Other | Total |
|-----------------------------|------------------|--------------|-----------------------|----------------|---------------|------------------|
| I. Original carrying amount | | | | | | |
| | 1,178,602,217.69 | 928,068.13 | 86,906,922.50 | 126,554,925.95 | 42,037,843.00 | 1,435,029,977.27 |
| current period | 871,020,331.52 | 4,632,385.90 | 37,393,821.51 | 167,731,293.03 | 66,261,416.79 | 1,147,039,248.75 |
| (1) Purchase | 373,045,722.98 | 4,632,385.90 | 4,708,582.09 | 89,630,554.91 | | 472,017,245.88 |
| (2) Internal M .88 | t=- | | = | M | | |

| | | | | | | |
|--------------------|------------------|------------|---------------|---------------|---------------|------------------|
| balance | | | | | | |
| 2. Opening balance | 1,091,153,340.14 | 329,317.52 | 39,188,268.42 | 98,219,266.83 | 36,271,016.74 | 1,265,161,209.65 |

The proportion of intangible assets formed through internal R&D in the balance of intangible assets at the end of this period.

In RMB

| Item | Book value | Reasons for not obtaining the title certificate |
|------|------------|-------------------------------------------------|
|------|------------|-------------------------------------------------|

Other descriptions:

In RMB

| Item | Opening Balance | Increase in the current period | | | Decrease in the current period | | | Closing Balance |
|-------|-----------------|----------------------------------|-------|--|---------------------------------|-------------------------------------|--|-----------------|
| | | Internal development expenditure | Other | | Recognized as intangible assets | Converted to current profit or loss | | |
| | | | | | | | | |
| Total | | | | | | | | |

| | | | | | | |
|----------------------------------------------------|---------------|--|--|--|--|---------------|
| Limited | | | | | | |
| M&A of KERTONG goodwill | 53,174,339.31 | | | | | 53,174,339.31 |
| Fujian JK Wiring Systems Co., Ltd.. | 17,717,209.29 | | | | | 17,717,209.29 |
| Huzhou Jiuding Electronic Co., Ltd. | 1,730,318.45 | | | | | 1,730,318.45 |
| SpeedTech Corp. | 26,656,146.69 | | | | | 26,656,146.69 |
| Luxshare Electronic Technology (Kunshan) Co., Ltd. | 4,582,880.91 | | | | | |

| | | | | | | |
|-------------------------------------------------|--|---------------|--|--|--|---------------|
| Zhejiang Puxing Electronic Technology Co., Ltd. | | 804,455.51 | | | | 804,455.51 |
| [REDACTED] Digital Holding(Cayman) | | 41,765,582.41 | | | | 41,765,582.41 |
| Taihan Precision Co., Ltd. | | 9,972,872.88 | | | | 9,972,872.88 |
| | | | | | | |

goodwill impairment test of major asset groups are as follows:

| Asset group name | Gross margin | Growth rate | Discount rate |
|------------------|--------------|-------------|---------------|
|------------------|--------------|-------------|---------------|

| | | | | |
|---------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| Share-based payment | 311,751,257.24 | 75,531,955.67 | 390,170,003.29 | 67,974,211.12 |
| Other | 199,941,535.44 | 41,560,989.98 | 15,122,457.21 | 3,179,130.74 |
| Total | 5,196,287,956.62 | 891,215,468.53 | 2,299,556,632.52 | 355,834,434.21 |

In RMB

| Item | Closing Balance | | Opening Balance | |
|------------------------------------------------------------------------------------------------------|------------------------------|--------------------------|------------------------------|--------------------------|
| | Taxable temporary difference | Deferred tax liabilities | Taxable temporary difference | Deferred tax liabilities |
| Assets valuation appreciation of business combination not involving enterprises under common control | 909,128,653.76 | 171,173,301.23 | 93,903,990.20 | 16,054,921.33 |
| Changes in fair value of other investments in equity instruments | 191,890,689.53 | 28,783,603.43 | 95,831,927.34 | 14,374,789.10 |
| Accelerated depreciation of fixed assets | 6,009,902,532.36 | 905,906,182.00 | 5,363,997,971.61 | 806,120,054.47 |
| Support funds allocated by the government | 14,658,934.73 | 2,198,840.21 | 15,046,630.73 | 2,256,994.61 |
| Accumulative recognition of overseas investment interests by equity method | 646,292,642.90 | 129,258,528.58 | 342,518,297.34 | 68,503,659.35 |
| Prepaid pension | 5,447,475.80 | 1,089,495.16 | 4,849,056.41 | 969,811.28 |
| Allowance for bad debt overrun | 677,356.60 | 135,471.32 | 682,946.59 | 136,589.23 |
| Valuation of derivative financial instruments | 211,399,624.82 | 33,099,925.45 | 320,117,316.21 | 48,017,597.53 |
| Other | 2,261,422.45 | 447,120.48 | 51,621,287.35 | 9,657,796.05 |
| Total | 7,991,659,332.95 | 1,272,092,467.86 | 6,288,569,423.78 | 966,092,212.95 |

In RMB

| Item | Offset amount between deferred tax assets and liabilities at the end of | Closing balance of deferred tax assets or | Offset amount between deferred tax assets and liabilities at the | Opening balance of deferred tax assets or |
|------|-------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------|-------------------------------------------|
|------|-------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------|-------------------------------------------|

| | the period | liabilities after offset | beginning of the period | liabilities after offset |
|--------------------------|------------|--------------------------|-------------------------|--------------------------|
| Deferred tax assets | | 891,215,468.53 | | 355,834,434.21 |
| Deferred tax liabilities | | 1,272,092,467.86 | | 966,092,212.95 |

In RMB

| Item | | |
|------|--|--|
| | | |

In RMB

| Particular year | Closing amount | Opening amount | Remarks |
|-----------------|----------------|----------------|---------|
| | | | |

Other descriptions:

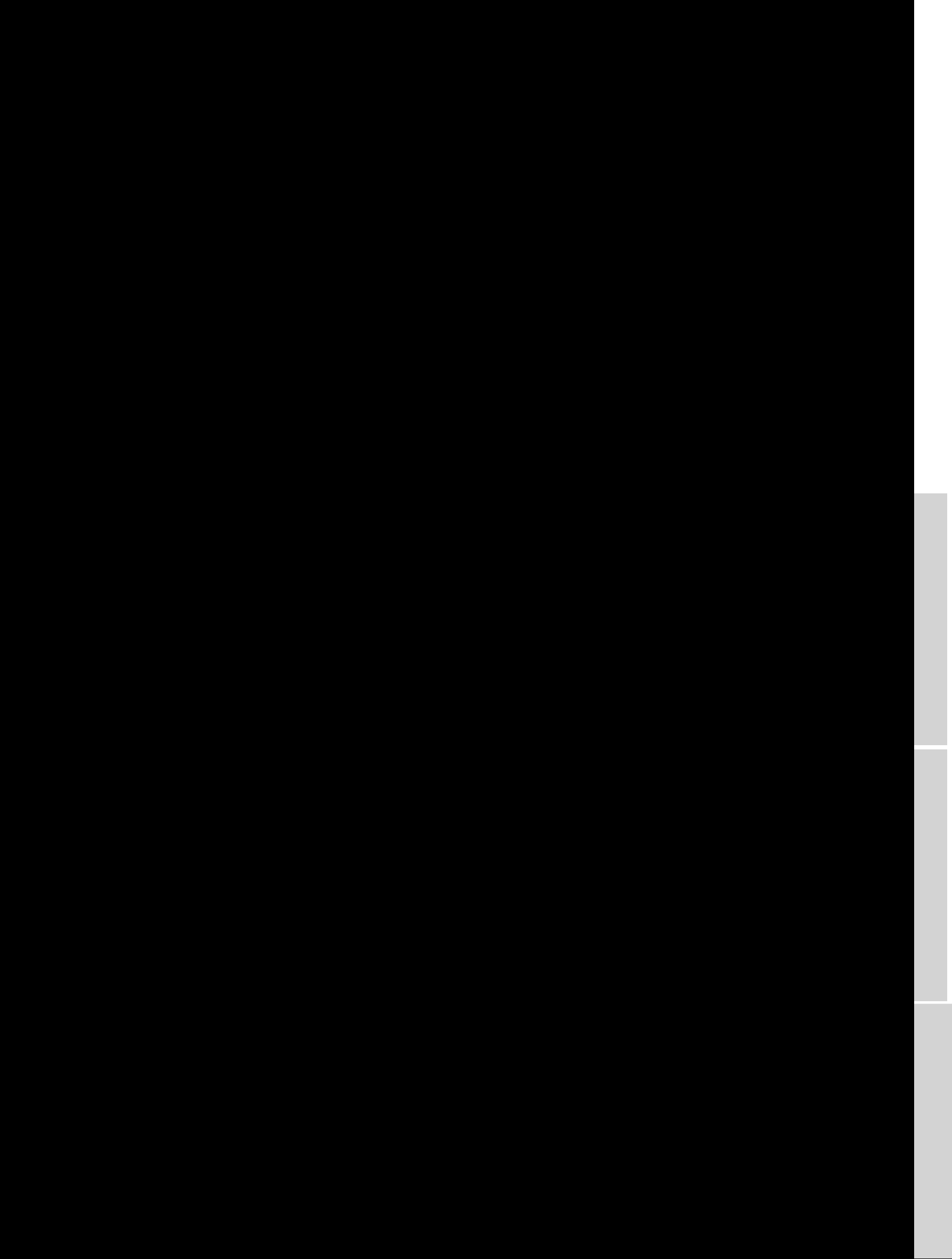
In RMB

| | Closing Balance | | | Opening Balance | | |
|---------------------------------------------|----------------------|--------------------------|----------------------|----------------------|--------------------------|----------------------|
| | Book balance | Provision for impairment | Book value | Book balance | Provision for impairment | Book value |
| Prepayments for equipment, project and land | 1,893,831.96 2.00 | | 1,893,831.96 2.00 | 1,212,186.29 0.84 | | 1,212,186.29 0.84 |
| Prepaid pension | 5,447,475.82 | | 5,447,475.82 | 4,849,056.41 | | 4,849,056.41 |
| Other | 5,025,743.67 | | 5,025,743.67 | 6,164,295.36 | | 6,164,295.36 |
| Total | 1,904,305.18 1.49 | | 1,904,305.18 1.49 | 1,223,199.64 2.61 | | 1,223,199.64 2.61 |

| | | |
|-------|-------------------|------------------|
| Total | 11,919,635,337.99 | 7,577,068,798.49 |
|-------|-------------------|------------------|

Descriptions on classification of short-term borrowings:

As at December 31, 2021, the Company discounted bank acceptance bills issued mutually among companies within the Group in the amount of RMB7,582,473,758.45, and pres



In RMB

| Item | Closing Balance | |
|------|-----------------|--|
|------|-----------------|--|

| | | | | |
|------------------------------------------------|------------------|-------------------|-------------------|------------------|
| Including: Medical insurance premium | 19,737,830.72 | 377,258,064.34 | 368,286,236.76 | 28,709,658.30 |
| Employment injury insurance premium | 2,197,080.72 | 29,508,920.74 | 29,070,058.54 | 2,635,942.92 |
| Maternity insurance premium | 1,358,142.15 | 34,732,832.46 | 33,345,190.02 | 2,745,784.59 |
| 4. Housing provident fund | 972,860.12 | 316,916,902.63 | 312,165,793.95 | 5,723,968.80 |
| 5. Trade union funds and staff education funds | 1,547,495.17 | 14,688,217.39 | 14,805,680.82 | 1,430,031.74 |
| 6. Other short-term compensation | 2,371,876.57 | 1,413,900,560.88 | 1,412,733,765.70 | 3,538,671.75 |
| Total | 1,362,258,894.71 | 15,668,099,039.88 | 14,973,064,960.96 | 2,057,292,973.63 |

In RMB

| Item | Opening Balance | Increase | Decrease | Closing Balance |
|--------------------------------------|-----------------|----------------|----------------|-----------------|
| 1. Basic endowment insurance premium | 34,443,692.48 | 906,923,458.42 | 900,272,413.80 | 41,094,737.10 |
| 2. Unemployment insurance premium | 831,097.12 | 30,789,530.65 | 30,302,975.17 | 1,317,652.60 |
| Total | 35,274,789.60 | 937,712,989.07 | 930,575,388.97 | 42,412,389.70 |

Other descriptions:

In RMB

| Item | Closing Balance | Opening Balance |
|----------------------------------------|-----------------|-----------------|
| Value added tax | 91,182,205.54 | 51,405,224.41 |
| Enterprise income tax | 289,614,289.13 | 61,775,887.49 |
| Individual income tax | 76,622,641.75 | 21,229,322.95 |
| Urban maintenance and construction tax | 29,252,309.25 | 39,628,090.50 |
| Property tax | 23,068,002.63 | 9,463,498.94 |
| Education surcharges | 17,112,381.32 | 24,409,566.22 |
| Local education surcharges | 11,090,231.72 | 15,752,322.98 |
| Land use tax | 4,341,775.20 | 2,197,387.91 |
| Stamp duty | 10,097,139.66 | 6,904,466.32 |

| | | |
|----------------------|-----------------------|-----------------------|
| Disability insurance | 50,292,555.43 | |
| Other | 13,366,064.65 | 4,655,723.91 |
| Total | 616,039,596.28 | 237,421,491.63 |

Other descriptions:

In RMB

| Item | Closing Balance | Opening Balance |
|---------------|-----------------------|-----------------------|
| Other payable | 382,391,106.17 | 146,162,097.14 |
| Total | 382,391,106.17 | 146,162,097.14 |

In RMB

| Item | Closing Balance | Opening Balance |
|------|-----------------|-----------------|
|------|-----------------|-----------------|

Significant overdue but unpaid interest:

In RMB

| Borrower | Overdue amount | Reasons for delay |
|----------|----------------|-------------------|
|----------|----------------|-------------------|

Other descriptions:

In RMB

| Item | Closing Balance | Opening Balance |
|------|-----------------|-----------------|
|------|-----------------|-----------------|

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

In RMB

| Item | Closing Balance | Opening Balance |
|---------------|-----------------------|-----------------------|
| Within 1 year | 345,015,789.15 | 144,334,594.60 |
| 1 -2 years | 17,196,648.52 | 622,251.94 |
| 2 -3 years | 14,409,891.93 | 410,000.00 |
| Over 3 years | 5,768,776.57 | 795,250.60 |
| Total | 382,391,106.17 | 146,162,097.14 |

In RMB

| Item | Closing Balance | Reasons for non-payment or carrying forward |
|------|-----------------|---------------------------------------------|
|------|-----------------|---------------------------------------------|

| | | | | | | | | Amount | | |
|-------|----|----|----|------------------|----------------|------------------|--------------|----------------|--|------------------|
| | | | | | | | | 508,715,277.78 | | |
| | | | | | | | | | | 804,733,333.34 |
| | | | | | | | | | | 401,265,000.00 |
| | | | | | | | | | | 401,040,111.11 |
| Total | -- | -- | -- | 2,100,000,000.00 | 508,715,277.78 | 1,600,000,000.00 | 7,050,777.45 | 508,715,277.78 | | 1,607,038,444.45 |

Other descriptions:

In RMB

| | | |
|----------------|--|-----------------|
| | | Opening Balance |
| Mortgage loans | | |

In RMB

| Item | Closing Balance | Opening Balance |
|-----------------------------|-----------------|-----------------|
| Payment | 336,593,292.75 | 157,440,735.91 |
| Capitalized financing costs | -21,499,809.20 | -12,978,050.00 |
| Total | 315,093,483.55 | 144,462,685.91 |

In RMB

| Item | Closing Balance | Opening Balance |
|------|-----------------|-----------------|
|------|-----------------|-----------------|

In RMB

| Item | Closing Balance | Opening Balance |
|------|-----------------|-----------------|
|------|-----------------|-----------------|

descriptions:

In RMB

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|------|-----------------------------------------|---------------------------------------|
|------|-----------------------------------------|---------------------------------------|

Net liabilities (net assets) of defined benefit plans

In RMB

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|------|-----------------------------------------|---------------------------------------|
|------|-----------------------------------------|---------------------------------------|

Descriptions on the content of the defined benefit plans, the related risks, and the impact on the Company's future cash flow, time and uncertainty:

Descriptions on the major actuarial assumptions and sensitivity analysis results concerning the defined benefit plans:

Other descriptions:

In RMB

| Item | Closing Balance | Opening Balance | Reason |
|--------------------------|-----------------|-----------------|--------|
| Product quality warranty | 923,738.96 | 1,360,598.63 | |
| Total | 923,738.96 | 1,360,598.63 | -- |

Other descriptions, including major assumptions and estimation descriptions related to significant provisions

In RMB

| Item | Opening Balance | Increase | Decrease | Closing Balance | Reason |
|-------------------|-----------------|----------------|---------------|-----------------|--------|
| Government grants | 425,345,982.64 | 199,402,659.37 | 86,191,697.83 | 538,556,944.18 | |
| Total | 425,345,982.64 | 199,402,659.37 | 86,191,697.83 | 538,556,944.18 | -- |

Projects involving government grants:

In RMB

| Liabilities | Opening Balance | New subsidy amount in the current period | Amount included in non-operating income in the current period | Amount included in other incomes in the current period | Amount of cost offset in the current period | Other changes | Closing Balance | Related to asset/income |
|-------------------------------------------------------------------------|-----------------|------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------|---------------|-----------------|-------------------------|
| Special funds for technological transformation and industrial upgrading | 413,834,324.74 | 199,402,659.37 | | 85,648,103.23 | | | 527,588,880.88 | Related to asset |
| Land-related | 11,511,657.90 | | | 543,594.60 | | | 10,968,063.30 | Related to |

| | | | | | | | | |
|--------|--|--|--|--|--|--|--|-------|
| refund | | | | | | | | asset |
|--------|--|--|--|--|--|--|--|-------|

| Outstanding financial instruments | Opening | | Increase | | Decrease | | Closing | |
|-----------------------------------|----------|--------------------|----------|------------|----------|------------|----------|--------------------|
| | Quantity | Book value | Quantity | Book value | Quantity | Book value | Quantity | Book value |
| Convertible bonds | | 527,449,226. 56 | | | | 91,200.58 | | 527,358,025. 98 |
| Total | | 527,449,226. 56 | | | | 91,200.58 | | 527,358,025. 98 |

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".

Decrease in other equity instrument in the current period is represented as the decrease in convertible bonds caused by conversing bonds to shares.

Other descriptions:

In RMB

| Item | Opening Balance | Increase | Decrease | Closing Balance |
|-----------------------------------------|------------------|------------------|----------------|------------------|
| Capital premium (share capital premium) | 1,367,064,124.74 | 974,641,174.47 | | 2,341,705,299.21 |
| Other capital reserve | 523,035,444.86 | 240,700,708.77 | 385,746,171.17 | 377,989,982.46 |
| Total | 1,890,099,569.60 | 1,215,341,883.24 | 385,746,171.17 | 2,719,695,281.67 |

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

Capital reserve - equity premium increased by RMB974,641,174.47 in the current period, including an increase of RMB535,744,317.19 from stock option exercise, a transfer of RMB385,746,171.17 from other capital reserve through stock option exercise, a conversion of RMB507,253.01 from convertible bonds, and an increase of RMB52,643,433.10 by other ways.

Capital reserve - the increase in other capital reserve in the

| Item | Opening Balance | Increase | Decrease | Closing Balance |
|------|-----------------|----------|----------|-----------------|
|------|-----------------|----------|----------|-----------------|

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

In RMB

| Item | Opening Balance | Amount recognized in the current period | | Closing Balance |
|------|-----------------|-----------------------------------------|--|-----------------|
| | | Amount of income in the current period | | |
| | | | | |

| | | | |
|------------------------|--|--|--------------|
| Safety production fees | | | 1,018,784.75 |
|------------------------|--|--|--------------|

| | | | | |
|----------------------------------------|--------------------|--|--|--------------------|
| Including: | | | | |
| | | | | |
| By the period of transferring products | | | | |
| Including: | | | | |
| | | | | |
| By contract term | | | | |
| Including: | | | | |
| | | | | |
| By sales channel | | | | |
| Including: | | | | |
| Direct sales | 153,946,097,790.40 | | | 153,946,097,790.40 |
| Total | 153,946,097,790.40 | | | 153,946,097,790.40 |

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 rec

In RMB

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|-----------------------------------------|-----------------------------------------|---------------------------------------|
| Employee benefits | 477,502,208.55 | 299,604,855.35 |
| Storage and lease expenses | 51,915,157.63 | 25,954,501.83 |
| Travel expenses | 7,698,136.97 | 10,523,347.33 |
| Business entertainment expenses | 23,190,907.73 | 20,355,079.41 |
| Material expenditure | 7,816,183.12 | 1,095,021.52 |
| Transportation expenses | 5,702,963.14 | 3,366,341.74 |
| Consumables and miscellaneous purchases | 47,560,953.11 | 5,583,719.60 |
| Depreciation and amortization | 8,650,043.25 | 5,752,130.91 |
| Consulting fees | 16,189,368.41 | 2,383,695.21 |
| Office expenses | 1,720,255.18 | 322,246.46 |
| Other | 141,961,986.71 | 102,106,9es 0 |

% s

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|-------------------------|-----------------------------------------|---------------------------------------|
| Personnel benefits | 3,240,607,062.66 | 2,908,511,305.08 |
| Mould and material cost | 1,372,424,795.60 | |

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|------|-----------------------------------------|---------------------------------------|
|------|-----------------------------------------|---------------------------------------|

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|--------------------------------------|-----------------------------------------|---------------------------------------|
| Bad debt loss of other receivables | -2,046,557.86 | -852,545.23 |
| Bad debt loss of notes receivable | -3,247.78 | |
| Bad debt loss of accounts receivable | -24,825,699.05 | -7,737,455.44 |
| Total | -26,875,504.69 | -8,590,000.67 |

Other descriptions:

In RMB

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|-------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------|
| II. Loss of inventory depreciation and impairment loss of contract performance cost | -158,892,591.11 | -60,363,851.75 |
| V. Impairment loss of fixed assets | -3,897,744.01 | -78,925,059.30 |
| Total | -162,790,335.12 | -139,288,911.05 |

Other descriptions:

In RMB

| Sources of income from asset disposal | Amount recognized in the current period | Amount recognized in the prior period |
|---------------------------------------|-----------------------------------------|---------------------------------------|
| Loss on disposal of fixed assets | -45,249,998.44 | -2,309,694.02 |
| Loss on disposal of intangible assets | -16,594.21 | |

Tot

| | | | |
|-------|---------------|---------------|---------------|
| Total | 21,096,536.60 | 21,932,288.24 | 21,096,536.60 |
|-------|---------------|---------------|---------------|

Government grants included in current profit or loss:

In RMB

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

Other descriptions:

In RMB

| | Amount recognized in the current period | Amount included in non-recurring profit or loss for the period | |
|--------------------------------------------|-----------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| | | Amount recognized in the current period | Amount included in non-recurring profit or loss for the period |
| External donation | 1,573,490.75 | 8,826,883.90 | |
| Asset retirement loss | 19,504,908.68 | 42,346,561.68 | 19,504,908.68 |
| Compensation, liquidated damages and fines | 17,481,196.86 | 368,635.63 | |

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|----------------------------|-----------------------------------------|---------------------------------------|
| Selling expenses | 272,687,431.13 | 171,690,889.32 |
| General expenses | 836,627,173.21 | 812,592,804.46 |
| R&D expenses | 983,858,805.26 | 971,330,641.74 |
| Non-operating expenses | 9,538,603.31 | 11,610,231.10 |
| Inter-company transactions | 239,332,761.28 | 70,545,074.10 |
| Handling charges | 34,077,016.62 | 39,620,655.76 |
| Other | 14,883,864.59 | 47,051,077.53 |
| Total | 2,391,005,655.40 | 2,124,441,374.01 |

Descriptions on other cash paid related to operating activities:

In RMB

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|------------------------------------------|-----------------------------------------|---------------------------------------|
| Obtain net cash received by subsidiaries | 4,665,590,364.12 | |
| Total | 4,665,590,364.12 | |

Descriptions on other cash received related to investing activities:

In RMB

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|------------------------------------------|-----------------------------------------|---------------------------------------|
| Income tax levied on equity transactions | 371,929,911.39 | |
| Supplier borrowings | 30,000,000.00 | |
| Other | 1,208,914.50 | |
| Total | 403,138,825.89 | |

Descriptions on other cash paid relating to investing activities:

In RMB

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|---------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Short-term financing bonds | 3,799,202,739.72 | 1,500,000,000.00 |
| Convertible bonds | 228,949,500.00 | 2,985,600,000.00 |
| Taxes withheld from shareholder for reduction of shares | 671,813,299.36 | |

| | | |
|--------------|-------------------------|-------------------------|
| Other | 5,965,056.90 | |
| Total | 4,705,930,595.98 | 4,485,600,000.00 |

Descriptions on other cash received related to financing activities:

In RMB

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|---------------------------------------------|-----------------------------------------|---------------------------------------|
| Short-term financing bonds | 2,700,000,000.00 | |
| Taxes prepaid for shareholder for reduction | | |
| | | |
| Financing charges | 7,388,317.66 | 14,511,270.50 |
| Total | 3,461,522,325.75 | 14,511,270.50 |

Descriptions on other cash paid related to financing activities:

In RMB

| Supplementary information | Prior period |
|------------------------------------------------|--------------|
| 1. Reconciliation of cash and cash equivalents | |



Less: Cash and cash equivalents held by subsidiaries at the date of purchase

Other descriptions:

Descriptions on the name of “other” items and the amount of adjustment for closing balance in the previous year

None

In RMB

| Item | Closing book value | Reasons for restriction |
|-----------------------------------|--------------------|------------------------------------------------------------|
| Cash and bank balances | 5,283,081,458.35 | Issue of notes and letter of credit |
| Notes receivable | 51,933,961.58 | Financing from pledge of notes receivable |
| Fixed assets | 1,176,330,347.47 | Financing from mortgage of fixed assets |
| Intangible assets | 777,621,389.62 | Financing from mortgage of land |
| Held-for-trading financial assets | 663,680,000.00 | Financing from pledge of held-for-trading financial assets |
| Accounts receivable | 49,644,035.79 | Financing from pledge of accounts receivable |
| Equity investment | 5,809,775,702.93 | Financing from pledge of equity |
| Total | 13,812,066,895.74 | -- |

Other descriptions:

In RMB

| Item | Closing balance in foreign currency | Exchange rate | Closing balance in RMB |
|------------------------|-------------------------------------|---------------|------------------------|
| Cash and bank balances | -- | -- | 3,809,946,844.03 |
| Including: USD | 549,726,199.35 | 6.3757 | 3,504,889,329.20 |
| EUR | 1,016,405.17 | 7.2197 | 7,338,140.43 |
| HKD | 18,613.71 | 0.8176 | 15,218.57 |
| JPY | 148,105,516.38 | 0.0554 | 8,207,267.19 |
| TWD | 935,408,419.98 | 0.2302 | 215,331,018.28 |
| VND | 34,638,767,833.33 | 0.0003 | 10,391,630.35 |
| KRW | 1,627,507,833.33 | 0.0054 | 8,788,542.30 |

| | | | |
|-----------------------|----------------------|--------|-------------------|
| GBP | 21,204.00 | 8.6064 | 182,490.11 |
| RUB | 640,224,387.85 | 0.0856 | 54,803,207.60 |
| Accounts receivable | -- | -- | 27,826,548,538.48 |
| Including: USD | 4,361,041,363.31 | 6.3757 | 27,804,691,420.03 |
| EUR | 2,156,059.22 | 7.2197 | 15,566,100.77 |
| HKD | | | |
| JPY | 3,104,794.91 | 0.0554 | 172,052.21 |
| TWD | 22,936,625.98 | 0.2302 | 5,280,011.30 |
| VND | 48,964,833.33 | 0.0003 | 14,689.45 |
| KRW | 152,641,616.67 | 0.0054 | 824,264.73 |
| Long-term borrowings | -- | -- | 378,468,877.94 |
| Including: USD | 19,502,777.91 | 6.3757 | 124,343,861.14 |
| EUR | | | |
| HKD | | | |
| TWD | 1,103,931,437.01 | 0.2302 | 254,125,016.80 |
| Other receivables | | | 19,928,358.09 |
| Including: USD | 1,429,404.56 | 6.3757 | 9,113,454.66 |
| EUR | 67,468.99 | 7.2197 | 487,105.87 |
| JPY | 13,950,414.69 | 0.0554 | 773,062.23 |
| TWD | 23,216,441.01 | 0.2302 | 5,344,424.72 |
| VND | 6,632,207,366.67 | 0.0003 | 1,989,662.21 |
| KRW | 240,181,085.19 | 0.0054 | 1,296,977.86 |
| GBP | 14,146.00 | 8.6064 | 121,746.13 |
| RUB | 9,368,275.93 | 0.0856 | 801,924.42 |
| Short-term borrowings | | | 2,218,863,494.96 |
| Including: USD | 341,515,779.70 | 6.3757 | 2,177,402,156.62 |
| TWD | 180,110,070.98 | 0.2302 | 41,461,338.34 |
| Accounts payable | | | 28,306,154,765.48 |
| Including: USD | 4,348,182,333.27 | 6.3757 | 27,722,706,102.23 |
| EUR | 246,432.18 | 7.2197 | 1,779,166.41 |
| HKD | 49,854.11 | 0.8176 | 40,760.72 |
| JPY | 187,198,720.98 | 0.0554 | 10,373,617.12 |
| TWD | 33,632,805.99 | 0.2302 | 7,742,271.94 |
| VND | 1,875,038,915,500.00 | 0.0003 | 562,511,674.65 |

| | | | |
|----------------|-------------------|--------|---------------|
| KRW | 29,876,448.15 | 0.0054 | 161,332.82 |
| GBP | 1,288.00 | 8.6064 | 11,085.04 |
| RUB | 9,681,712.03 | 0.0856 | 828,754.55 |
| Other payables | | | 39,768,243.29 |
| Including: USD | 3,797,438.16 | 6.3757 | 24,211,326.47 |
| JPY | 7,919,377.42 | 0.0554 | 438,852.30 |
| TWD | 39,028,634.01 | 0.2302 | 8,984,391.55 |
| VND | 16,719,194,666.67 | 0.0003 | 5,015,758.40 |
| KRW | 20,148,111.11 | 0.0054 | 108,799.80 |
| GBP | 116,589.00 | 8.6064 | 1,003,411.57 |
| RUB | 66,626.17 | 0.0856 | 5,703.20 |

Other descriptions:

Applicable N/A

Disclosure of the qualitative and quantitative information of the hedged items, relevant hedging instruments and hedged risks according to the hedging categories:

In RMB

| Category | Amount | Presentation item | Amount included in current profit or loss |
|-------------------|----------------|-------------------|-------------------------------------------|
| Related to asset | 538,556,944.18 | Deferred income | 86,191,697.83 |
| Related to income | 767,350,467.54 | Other income | 767,350,467.54 |

In RMB

| Name of acquiree | Time point of equity acquisition | Cost of equity acquisition | Equity acquisition ratio | Method of equity acquisition | Acquisition date | Basis for determination of acquisition date | Income of the acquiree from the acquisition date to the end of the period Net profit of |
|------------------|----------------------------------|----------------------------|--------------------------|------------------------------|------------------|---------------------------------------------|--------------------------------------------------------------------------------------------|
|------------------|----------------------------------|----------------------------|--------------------------|------------------------------|------------------|---------------------------------------------|--------------------------------------------------------------------------------------------|

| | | | | |
|-----------------------------------------------------------------------------------------------------------|------------------|---------------|----------------|---------------|
| assets | | | | |
| -- Fair value of issued or assumed debts | | | | |
| -- Fair value of issued equity securities | | | | |
| -- Fair value of contingent consideration | | | | |
| -- Fair value of equity shares held before the acquisition date at the acquisition date | | 59,570,545.97 | 131,123,350.23 | |
| -- Other | | | | |
| Total of combination cost | 6,000,000,000.00 | 59,570,545.97 | 131,123,350.23 | 20,000,000.00 |
| Less: share of fair value of identifiable net assets acquired | 5,185,215,199.04 | 17,804,963.56 | 121,150,477.35 | 19,195,544.49 |
| Amount of goodwill/combination cost less than the share of fair value of identifiable net assets acquired | 814,784,800.96 | 41,765,582.41 | 9,972,872.88 | 804,455.51 |

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

Main reasons for the formation of large goodwill:

Other descriptions:

In RMB

| | Luxcase Precision Technology (Yancheng) Co., Ltd. | | Caldigit Holding(Cayman) | | Taihan Precision Co., Ltd. | | Zhejiang Puxing Electronic Technology Co., Ltd. |
|--|---------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------------------------|
| | Fair value at acquisition date | Book value at acquisition date | Fair value at acquisition date | Book value at acquisition date | Fair value at acquisition date | Book value at acquisition date | Fair value at acquisition date |
| | | | | | | | |

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In RMB

| Name of combined party | Equity ratio obtained in business combination | Basis for business combination involving enterprises under common control | Combination date | Basis for determining the combination date | Income of the combined party from the beginning of the current period to the combination date | Net profit of the combined party from the beginning of the current period to the combination date | Income of the combined party during the comparison period | Net profit of the combined party during the comparison period |
|------------------------|-----------------------------------------------|---------------------------------------------------------------------------|------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------|
| | | | | | | | | |

Other descriptions:

In RMB

| Combination costs | |
|-------------------------------------------------|--|
| --Cash | |
| -- Book value of non-cash assets | |
| -- Book value of issued and assumed liabilities | |
| -- Par value of issued equity securities | |
| -- Contingent consideration | |

Descriptions on contingent considerations and changes therein:

Other descriptions:

In RMB

| | Combination date | End of last period |
|------------------------|------------------|--------------------|
| Assets: | | |
| Cash and bank balances | | |

| | | |
|-------------------------|--|--|
| Accounts receivable | | |
| Inventories | | |
| Fixed assets | | |
| Intangible assets | | |
| | | |
| Liabilities: | | |
| Borrowings | | |
| Accounts payable | | |
| | | |
| Net assets | | |
| Less: minority interest | | |
| Net assets acquired | | |

Contingent liabilities assumed by acquiree in business combinations:

Other descriptions:

| | | | | | | |
|--|--|--|--|--|--|---------------------------------|
| | | | | | | statemen t level correspo |
|--|--|--|--|--|--|---------------------------------|

| | |
|------------------------------------------------------------------------|------------------|
| Luxis Precision Intelligent Manufacture (Kunshan) Co., Ltd. | July 2, 2021 |
| Luxshare Intelligent Manufacture Electornic Service (Kunshan) Co.,Ltd. | August 16, 2021 |
| Liding Electronic Technology (Dongguan) Co.,Ltd. | August 10, 2021 |
| Luxshare Precision Technology(Nanjing) Co.,Ltd. | October 19, 2021 |
| Henan Lide Precision Industry Co., Ltd. | July 27, 2021 |
| Changzhi Luxshare Precision Industry Co., Ltd. | November 3, 2021 |
| | |

The Company's changes in scope of consolidation caused by deregistration of subsidiaries in 2021 are stated as follows:

| Company | Date of deregistration |
|-----------------------------------------------------|------------------------|
| Ji'an Jizhou District Luxshare Electronic Co., Ltd. | October 19, 2021 |
| Luxshare-ICT International Cable, Inc. | March 30, 2021 |
| Speedtech (LS-ICT) Co., Limited | November 2, 2021 |
| LUXSHARE-ICT INTERNATIONAL B.V. | April 6, 2021 |

| Name of subsidiary | Main place of business | Place of registration | Nature of business | Shareholding ratio | | Method of acquisition |
|-----------------------------------------|------------------------|-----------------------|-----------------------|--------------------|----------|-----------------------|
| | | | | Direct | Indirect | |
| Luxshare Precision Technology Co., Ltd. | Hong Kong | Hong Kong | Investment consulting | 100.00% | | Establishment |
| Taiwan Luxshare Precision Limited | Taiwan | Taiwan | Marketing | | 100.00 % | Establishment |

ESTABLISH

Establishe

| | | | | | | |
|-------------------------------------------------|----------|-----------|------------------------------|--|----------|---------------|
| Co., Ltd. | | | | | | |
| Luxshare Precision Industry (Baoding) Co., Ltd. | Baoding | Baoding | Processing and manufacturing | | 100.00 % | Establishment |
| Xuancheng Luxshare Precision Industry Co., Ltd. | Anhui | Xuancheng | Processing and manufacturing | | 100.00 % | Establishment |
| Luxshare Electric (Shanghai) Co., Ltd. | Shanghai | Shanghai | Processing and manufacturing | | | |

| | | | | | | |
|------------------------------------------------|----------------|----------------|------------------------------|----------|----------|---------------------------------------------------------------------|
| Beijing Luxshare Acoustic Technology Co., Ltd. | Beijing | Beijing | Processing and manufacturing | | 100.00 % | Establishment |
| Luxshare Precision Industry (Shanxi) Co., Ltd. | Changzhi | Changzhi | Processing and manufacturing | | 100.00 % | Establishment |
| Changzhi Luxshare Precision Industry Co., Ltd. | Changzhi | Changzhi | Processing and manufacturing | | 100.00 % | Establishment |
| Suzhou Liantao Electronic Co., Ltd. | Suzhou | Suzhou | Processing and manufacturing | | 100.00 % | Establishment |
| Wan'an Xiexun Electronic Co., Ltd. | Wan'an | Wan'an | Processing and manufacturing | 100.00 % | | Establishment |
| Xiexun Electronic (Ji'an) Co., Ltd. | Ji'an | Ji'an | Processing and manufacturing | 100.00 % | | Business combination involving enterprises under common control |
| ASAP Technology (Jiangxi) Co., Ltd. | Ji'an | Ji'an | Processing and manufacturing | 100.00 % | | Establishment |
| Yongxin County Boshuo Electronic Co., Ltd. | Yongxin County | Yongxin County | Processing and manufacturing | | 100.00 % | Business combination not involving enterprises under common control |
| Xinyu Xiexun Electronic Co., Ltd. | Xinyu | Xinyu | Processing and manufacturing | | 100.00 % | Establishment |
| Jiangxi ASAP Electronic Co., Ltd. | Ji'an | Ji'an | Processing and manufacturing | | 100.00 % | Establishment |
| Fujian JK Wiring Systems Co., Ltd. | Fuzhou | Fuzhou | Processing and manufacturing | 55.00 % | | Business combination not involving enterprises 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 not involving enterprises 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 |
| SuK Kunststofftechnik GmbH | Germany | Germany | Processing and manufacturing | | 100.00 % | Business combination not involving enterprises under common control |
| Luxshare Automation (Jiangsu) Ltd. | Kunshan | Kunshan | Processing and manufacturing | | 70.00 % | Business combination not involving enterprises under common control |

Dongguan

Precision Industry
Co., Ltd.

C



100.00 %



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

| | | | | | | |
|------------------------------------------|-----------|-----------|------------------------------|--|---------|---------------------------------------------------------------------|
| Luxshare Technologies Limited | Hong Kong | Hong Kong | Processing and manufacturing | | 90.00 % | Establishment |
| Dongguan Xuntao Electronic Co., Ltd. | Dongguan | Dongguan | Processing and manufacturing | | 90.00 % | Business combination not involving enterprises under common control |
| Xingning Luxshare Technology Co., Ltd. | Xingning | Xingning | Processing and manufacturing | | 90.00 % | Establishment |
| Kunshan-Luxshare RF Technology Co., Ltd. | Kunshan | Kunshan | Processing and manufacturing | | 90.00 % | Establishment |

Hangzhou Xuntao

| | | | | | | |
|-----------------------------------------------------------------------------------|----------|----------|------------------------------|----------|--------|---------------|
| Lianxun Intelligent Equipment (Rugao) Co., Ltd. | Rugao | Rugao | Processing and manufacturing | | 9.09 % | Establishment |
| Yancheng Luxshare Corporate Management Services Partnership (Limited Partnership) | Yancheng | Yancheng | Investment consulting | | 9.09 % | Establishment |
| Luxshare Intelligent Equipment (Yancheng) Co., Ltd. | Yancheng | Yancheng | Investment consulting | | 9.14 % | Establishment |
| 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 |
| Luxshare Precision Technology(Xi'an) Co., Ltd. | Xi'an | Xi'an | Processing and manufacturing | 100.00 % | | Establishment |
| Luxshare Electronic | Enshi | Enshi | Processing and manufacturing | 100.00 % | | Establishment |

| | | | | | | |
|----------------------------------------------------------|-----------|-----------|------------------------------|----------|---------|---------------------------------------------------------------------|
| Technology (Enshi) Co., Ltd. | | | | | | |
| Luxis Technology (Kunshan) Co., Ltd. | Kunshan | Kunshan | Processing and manufacturing | 100.00 % | | Establishment |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | Yancheng | Yancheng | Processing and manufacturing | 51.83 % | | Business combination not involving enterprises under common control |
| Ri Pei Computer Accessory (Shanghai) Co., Ltd. | Shanghai | Shanghai | Processing and manufacturing | | 51.83 % | Business combination not involving enterprises under common control |
| Ri Shan Computer Accessory (Jiashan) Co., Ltd. | Jiashan | Jiashan | Processing and manufacturing | | 51.83 % | Business combination not involving enterprises under common control |
| Ri Ming Computer Accessory (Shanghai) Co., Ltd. | Shanghai | Shanghai | Processing and manufacturing | | 51.83 % | Business combination not involving enterprises under common control |
| Sheng-Rui Electronic Technology (Shanghai) Limited | Shanghai | Shanghai | Processing and manufacturing | | 51.83 % | Business combination not involving enterprises under common control |
| Rida Intelligent Manufacture Technology (Rugao) Co.,LTD. | Rugao | Rugao | Processing and manufacturing | | 51.83 % | Business combination not involving enterprises under common control |
| Caseteck Singapore PTE.LTD., | Singapore | Singapore | Investment consulting | | 51.83 % | Business combination not involving enterprises under common control |
| Luxshare Smart Technology | Rugao | Rugao | Processing and | | 51.83 % | Establishment |

| | | | | | | |
|-------------------------------------------------------------------------|----------|----------|------------------------------|----------|--|---------------|
| (Rugao) Co., Ltd. | | | manufacturing | | | |
| Luxis Precision Intelligent Manufacture (Kunshan) Co., Ltd. | Kunshan | Kunshan | Processing and manufacturing | 100.00 % | | Establishment |
| Luxshare Intelligent Manufacture Electornic Service (Kunshan) Co., Ltd. | Kunshan | Kunshan | Processing and manufacturing | 100.00 % | | Establishment |
| Liding Electronic Technology (Dongguan) Co., Ltd. | Dongguan | Dongguan | Processing and manufacturing | 100.00 % | | Establishment |
| Luxshare Precision Technology(Nanji | Nanjing | Nanjing | Processing and manufacturing | 100.00 % | | Establishment |

oting rights but not

balance of minority
rest at the end of the
period

| | | | | |
|---------------------------------------------------------|---------|-----------------|--|-------------------|
| Merry Electronics (Suzhou) Co., Ltd. | 49.00 % | 22 ,553,757.35 | | 742 ,161,417.42 |
| SpeedTech Corp. | 68.53 % | 139 ,416,880.55 | | 598 ,295,857.99 |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | 48.17 % | 446 ,137,087.51 | | 5 ,290,647,766.48 |

Descriptions on the difference between the shareholding ratio of minority shareholders and their voting right ratio in the subsidiary:

Other descriptions:

| | | | | | | | | | | | | |
|---------------------------------------------------|-------------------|------------------|-------------------|-------------------|----------------|-------------------|--|--|--|--|--|--|
| Luxcase Precision Technology (Yancheng) Co., Ltd. | 22,778,481,259.26 | 9,339,570,358.86 | 32,118,051,618.12 | 20,783,802,429.89 | 337,685,747.10 | 21,121,488,176.99 | | | | | | |
|---------------------------------------------------|-------------------|------------------|-------------------|-------------------|----------------|-------------------|--|--|--|--|--|--|

In RMB

| Name of subsidiary | Amount recognized in the current period | | | | Amount recognized in the prior period | | | |
|---------------------------------------------------|-----------------------------------------|----------------|-----------------------------|-------------------------------------|---------------------------------------|----------------|-----------------------------|-------------------------------------|
| | Operating income | Net profits | Total comprehensive incomes | Cash flow from operating activities | Operating income | Net profits | Total comprehensive incomes | Cash flow from operating activities |
| Fujian JK Wiring Systems Co., Ltd. | 326,411,016.33 | 15,331,123.27 | 15,082,244.83 | 19,186,063.76 | 250,073,562.76 | 2,911,512.54 | -26,954,549.23 | 16,729,734.42 |
| Luxshare Automation (Jiangsu) Ltd. | 863,982,192.72 | 70,972,671.11 | 75,591,546.56 | 124,551,641.02 | 766,700,321.47 | 82,205,745.40 | 85,533,891.39 | -31,470,651.03 |
| M&A Merry Electronics (Huizhou) Co., LTD. | 1,280,685,863.21 | 100,888,081.51 | 102,990,996.60 | -113,129,941.39 | 1,352,111,265.87 | 114,971,511.03 | 114,817,091.01 | 196,105,592.33 |
| Merry Electronics (Suzhou) Co., Ltd. | 2,373,278,246.97 | 46,028,076.22 | 47,322,409.28 | 73,648,850.16 | 2,510,006,534.54 | 104,525,341.39 | 105,446,016.56 | 413,323,812.87 |
| SpeedTech Corp. | 4,316,395,111.91 | 378,360,435.24 | 640,576,904.00 | 251,280,685.70 | 3,463,332,781.62 | 327,841,387.24 | 365,550,567.60 | 437,331,860.62 |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | 49,727,123,010.93 | 961,423,139.90 | 991,691,069.76 | 893,969,747.46 | | | | |

Other descriptions:

Other descriptions:

In RMB

| | |
|---------------------------------------------------------------------------------------------------------|--|
| | |
| Acquisition cost/ disposal consideration | |
| --Cash | |
| -- Fair value of non-cash assets | |
| | |
| Total acquisition cost/ disposal consideration | |
| Less: share of subsidiaries' net assets calculated by the proportion of acquired/disposed equity shares | |
| Difference | |
| Including: Adjustment to capital reserve | |
| Adjustment to surplus reserve | |
| Adjustment to undistributed profits | |

Other descriptions

| Name of joint venture or associate | Main place of business | Place of registration | Nature of business | Shareholding ratio | | Accounting treatment of investment in joint venture or associate |
|------------------------------------|------------------------|-----------------------|--------------------|--------------------|----------|------------------------------------------------------------------|
| | | | | Direct | Indirect | |
| | | | | | | |

Descriptions on the difference between the shareholding ratio and the voting right ratio in the joint venture or associate:

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but without significant influence:

In RMB

| | Closing balance/Amount recognized in the current period | Opening balance/Amount recognized in the prior period |
|-------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| Current assets | | |
| Including: cash and cash equivalents | | |
| Non-current assets | | |
| Total assets | | |
| Current liabilities | | |
| Non-current liabilities | | |
| Total liabilities | | |
| Minority interests | | |
| Equity attributable to shareholders of the parent company | | |
| Share of net assets calculated by shareholding proportion | | |
| Adjusted items: | | |
| -- Goodwill | | |
| -- Unrealized profit of internal transactions | | |
| --Other | | |
| Book value of equity investment in joint ventures | | |
| Fair value of equity investment in joint ventures with published quoted price | | |
| Operating income | | |
| Financial expenses | | |
| Income tax expenses | | |
| Net profits | | |
| Net profit from discontinued operation | | |
| Other comprehensive income | | |
| Total comprehensive incomes | | |
| Dividends received from joint ventures in the current year | | |

Other descriptions

In RMB

| | Closing balance/Amount recognized in the current period | Opening balance/Amount recognized in the prior period |
|-----------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| Current assets | | |
| | | |
| Total assets | | |
| Current liabilities | | |
| Non-current liabilities | | |
| Total liabilities | | |
| Minority interests | | |
| Equity attributable to shareholders of the parent company | | |
| Adjusted items: | | |
| -- Goodwill | | |
| | | |
| | | |

In RMB

| | Closing balance/Amount recognized in the current period | Opening balance/Amount recognized in the prior period |
|--------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| Joint ventures: | -- | -- |
| Total amount of the following items calculated according to shareholding ratio | -- | -- |
| Associates: | -- | -- |
| Total amount of the following items calculated according to shareholding ratio | -- | -- |

Other descriptions

In RMB

| Name of joint venture or associate | Cumulative unrecognized losses accumulated in previous period | Unrecognized losses in the current period (or net profit shared in the current period) | Cumulative unrecognized losses at the end of the period |
|------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------|
| | | | |

Other descriptions

| Name of joint operation | Main place of business | Place of registration | Nature of business | Shareholding ratio / share | |
|-------------------------|------------------------|-----------------------|--------------------|----------------------------|----------|
| | | | | Direct | Indirect |
| | | | | | |

| | | |
|-------|----------------|----------------|
| Total | 210,278,829.12 | 114,221,319.04 |
|-------|----------------|----------------|

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

In RMB

Item

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

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

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

None

None

None

None

None

| Name of other related parties | Relationship betwe | leted | ti Ê sM |
|-------------------------------|--------------------|-------|---------|
|-------------------------------|--------------------|-------|---------|

| | | | |
|---------------------------------|--|--|--|
| Manufacture (Kunshan) Co., Ltd. | | | |
|---------------------------------|--|--|--|

Descriptions on related-party leases

| Name of lessor | Types of leased assets | Current period | | | Prior period | |
|--------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------|--------------------------------------------|---------------------------|
| | | Rental costs for short-term leases and low-value asset leases that are treated in a simplified manner and variable lease payments that are not included in the measurement of lease liabilities | Rents paid | Right-of-use assets increased | Interest cost of lease liabilities assumed | Lease payments recognized |
| Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd. | Fixed assets and buildings | | | 85,406,789.07 | 1,536,653.21 | |

In RMB

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

In RMB

| Item | Amount recognized in the current period | Amount recognized in the prior period |
|-------------------------------------|-----------------------------------------|---------------------------------------|
| Compensation of key managers | 10,465,440.15 | 11,414,640.00 |
| Share-based payment of key managers | 5,454,355.12 | 9,586,952.73 |

In RMB

| Item | Related party | Closing balance | | Opening balance | |
|---------------------|------------------------------------------------------|-----------------|--------------------|-----------------|--------------------|
| | | Book balance | Bad-debt provision | Book balance | Bad-debt provision |
| Accounts receivable | | | | | |
| | Shangrao City Lijing Innovation Technology Co., Ltd. | | | 324,853.80 | 162.43 |
| | Guangzhou Luxvisions Innovation Technology Limited | 1,617,967.38 | 808.98 | 14,398,489.55 | 7,199.24 |
| | Bisaisi Automotive Technology (Suzhou) Co., Ltd. | 158,076,590.05 | 79,038.30 | 59,654,508.75 | 29,827.25 |
| | Ayala Design Co.,Ltd.(Japan) | | | 890,628.97 | 445.31 |
| | Caldigit (UK) Limited | | | 17,773,116.02 | 8,886.56 |
| | Caldigit American Inc. | | | 38,290,629.44 | 19,145.31 |
| | BCS | 95,631.05 | 47.82 | | |

| | | | | | |
|--|---------------------------------------------------------|---------------|-----------|--|--|
| | AUTOMOTIVE INTERFACE SOLUTIONS | | | | |
| | Assem Technology Co., Ltd. | 311,427.22 | 155.71 | | |
| | Luxsan Technology (Kunshan) Co., Ltd. | 39,532,101.88 | 19,766.05 | | |
| | Xunmu Information Technology (Shanghai) Co., Ltd. | 12,256,936.88 | 6,128.47 | | |
| | Merry & Luxshare Vietnam Co., Ltd | 6,316,914.83 | 3,158.46 | | |
| | | | | | |

Guangzhou
Luxvisions

| | | | |
|----------------|--------------------------------------------------------------|---------------|--------------|
| | Innovation Technology Limited | | |
| | Luxvisions Innovation Limited | 80,169.45 | |
| | Bisaisi Automotive Technology (Suzhou) Co., Ltd. | 2,980,261.04 | 447,157.67 |
| | Luxsan Precision Intelligent Manufacture (Kunshan) Co., Ltd. | 37,710,113.75 | |
| | Luxsan Technology (Kunshan) Co., Ltd. | 398,415.58 | |
| | Riyimao Industrial Co., Ltd. | 8,597,415.91 | 3,195,766.80 |
| | Zhuhai Kinwong Flexible Circuit Co., Ltd. | 5,143.81 | |
| | Merry & Luxshare Vietnam Co., Ltd | 1,015,850.48 | |
| | LUXSAN TECHNOLOGY LIMITED | 23,227,385.80 | |
| Other payables | | | |
| | Assem Technology Co., Ltd. | 2,537.96 | |

Applicable N/A

In RMB

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Total amount of the Company's equity instruments granted in the current period | 52,092,000.00 |
| Total amount of the Company's equity instruments exercised in the current period | 53,480,164.00 |
| Total amount of the Company's equity instruments invalid in the current period | 16,851,105.02 |
| The range of exercise prices of Company's outstanding stock options at the end of the period and the remaining term of the contract | See the following |
| The range of exercise prices of other equity instruments issued by the Company at the end of the period and the remaining term of the contract | See the following |

Other descriptions

The range of exercise prices of Company's outstanding stock options at the end of the period and the remaining term of the contract: (1) On September 25, 2018, the *Proposal on Granting Stock Options to Grantees under the 2018 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd.* was approved upon deliberation at the Fifth Meeting of the Fourth Session of the Board of Directors of the Company. Accordingly, the Company granted 97.50 million of stock options to 1,899 eligible grantees at the exercise price of RMB17.58 per share. After 12 months from the date on which the registration of grants was completed, grantees meeting the exercise conditions would exercise the options in five periods,

| | |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Method of determining the fair value of equity instruments on the grant date | Black-Scholes model |
| Basis for determining the number of exercisable equity instruments | The determination is made by the Company according to the equity instruments corresponding to the on-the-job grantees and the Company's performance forecast in the future. |
| Reasons for significant differences between current and prior estimates | None |
| Cumulative amount of share-based payment settled in equity included in the capital reserve | 937,782,848.94 |
| Total amount of share-based payment settled in equity recognized in the current period | 237,932,583.86 |

Other descriptions

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

On November 27, 2019, the Company held the Thirteenth Meeting of the Fourth Session of the Board of Directors and the Thirteenth Meeting of

Price under the Stock Option Incentive Plans in 2018 and 2019, and Canceling Some Stock Options of the Stock Option Incentive Plan in 2019

Stock Option Incentive Plan. After the adjustment, the number of grantees subject to the stock option incentive plan was changed from 258 to 250, and the quantity of stock options granted was changed from 21,113,740 to 20,657,454.

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

(3) On December 3, 2021, the Company held the Sixth Meeting of the Fifth Session of the Board of Directors, deliberating and approving the *Proposal on Granting Stock Options to Grantees under the 2021 Stock Option Incentive Plan of Luxshare Precision Industry Co., Ltd.*, whereby it was determined that 52,419,000 stock options would be granted.

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.

In RMB

| Item | Content | Effectuated quantum on financial position and operating results | Reasons why the effectuated quantum cannot be estimated |
|------|---------|-----------------------------------------------------------------|---------------------------------------------------------|
|------|---------|-----------------------------------------------------------------|---------------------------------------------------------|

In RMB

| | |
|---------------------------------------------|----------------|
| Profits or dividends planned to distribute | 779,273,162.47 |
| Profits or dividends approved to distribute | 779,273,162.47 |

(I) Significant non-adjusting items

1. According to the resolution of the Seventh Meeting of the Fifth Session of the Board of Directors, the Company intends to raise

channel for Luxshare Precision's core automotive parts business, committed to achieving the Company's medium- and long-term goal of becoming the Tier 1 leader in the field of automotive parts.

4. In order to further improve its strategic layout, the Company intended to acquire 204,930,000 shares (representing approximately 11.09%, "Underlying Share 1") of Time Interconnect Technology Limited (a company listed on the main board of the Hong Kong Stock Exchange with a stock code of 01729.HK, "Time Interconnect Technology" or "Underlying Company") held by Datatech Investment Inc. ("Seller 1") and 1,175,070,000 shares (representing approximately 63.58% , "Underlying Share 2", and collectively referred to as "UnderlyM .

| | | | |
|--|--|-------------------------------------|--|
| | | statements of the comparison period | |
|--|--|-------------------------------------|--|

| | | |
|----------------------------|--------------------|--------------------------------------------------------|
| Accounting error corrected | Approval procedure | Reasons for adopting method of prospective application |
|----------------------------|--------------------|--------------------------------------------------------|

In RMB

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

Other descriptions

In RMB

| Item | | Inter-segment offset | Total |
|------|--|----------------------|-------|
| | | | |

| Opening balance | | Bad-debt provision | |
|-----------------|----------------------|--------------------|----------------------|
| Amount | Provision proportion | Amount | Provision proportion |
| 241,403.36 | 100.00 % | 241,403.36 | 100.00 % |
| 4,846,817.94 | 0.22 % | 4,846,817.94 | 0.07 % |
| 4,846,817.94 | 0.47 % | 4,846,817.94 | 0.47 % |
| 1,549,227.09 | 85.23 % | 5,904,849.85 | 850.62 % |

| | |
|-------|------------------|
| Total | 2,908,290,994.37 |
|-------|------------------|

| | | | |
|----------|------------------|---------|-----------|
| Entity 5 | 81,685,003.81 | 2.81 % | 40,842.50 |
| Total | 2,208,032,436.46 | 75.93 % | -- |

| | | credit impaired) | unimpaired) | |
|-----------------------------------------------------|--------------|------------------|-------------|--------------|
| Balance as at January 1, 2021 | 1,079,681.16 | | | 1,079,681.16 |
| Balance as at January 1, 2021 in the current period | — | — | — | — |
| Reversal | 203,621.51 | | | 203,621.51 |
| Balance as at December 31, 2021 | 876,059.65 | | | 876,059.65 |

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

Applicable N/A

Disclosure by aging

In RMB

| Aging | Book balance |
|----------------------------------|----------------|
| Within 1 year (including 1 year) | 424,384,561.30 |
| Total | |

| | | | | | |
|--|--|--|--|--|----------------------------|
| | | | | | related-party transactions |
|--|--|--|--|--|----------------------------|

Descriptions on the write-off of other receivables

In RMB

| Entity name | Nature of receivables | Closing balance | Aging | Proportion in total closing balance of other receivables | Closing balance of bad-debt provision |
|-------------|-----------------------|-----------------|-------|----------------------------------------------------------|---------------------------------------|
| Entity 1 | Current account | 250,000,000.00 | Undue | 58.91 % | |
| Entity 2 | Equity transfer funds | 142,500,000.00 | Undue | 33.58 % | 712,500.00 |
| Entity 3 | Security deposit | 26,800,000.00 | Undue | 6.32 % | 134,000.00 |
| Entity 4 | Security deposit | 4,216,931.94 | Undue | 0.99 % | 21,084.66 |
| Entity 5 | Security deposit | 412,839.90 | Undue | 0.10 % | 2,064.20 |
| Total | -- | 423,929,771.84 | -- | 99.90 % | 869,648.86 |

In RMB

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

None

None

None

Other descriptions:

In RMB

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

| | | | | | | |
|---------------------------------------------|-------------------|---------------|-------------------|-------------------|---------------|-------------------|
| Investment in subsidiaries | 21,141,692,140.29 | 28,560,179.80 | 21,113,131,960.49 | 13,406,253,703.42 | 28,560,179.80 | 13,377,693,523.62 |
| Investment in joint ventures and associates | 255,849,450.14 | 34,372,608.46 | 221,476,841.68 | 260,260,811.77 | 34,372,608.46 | 225,888,203.31 |
| Total | 21,397,541,590.43 | 62,932,788.26 | 21,334,608,802.17 | 13,666,514,515.19 | 62,932,788.26 | 13,603,581,726.93 |

In RMB

| | |
|----------|--|
| Investee | |
|----------|--|

| | | | | | | | |
|-----------------------------------------------------|------------------|--------------|--------------|--|--|------------------|---------------|
| Industry Co., Ltd. | | | | | | | |
| Kunshan Luxshare Precision Industry Co., Ltd. | 522,944,914.67 | | 6,292,670.44 | | | 516,652,244.23 | |
| Wan'an Xiexun Electronic Co., Ltd. | 40,248,495.19 | 56,183.42 | | | | 40,304,678.61 | |
| Fujian JK Wiring Systems Co., Ltd.. | 97,098,001.20 | | 248,878.44 | | | 96,849,122.76 | |
| Ji'an Jizhou district Luxshare Electronic Co., Ltd. | 8,050,100.95 | | 8,050,100.95 | | | | |
| Xingning Luxshare Technology Co., Ltd. | 215,943.92 | 159,965.41 | 26,003.07 | | | 349,906.26 | |
| Luxshare Precision Industry (Chuzhou), Ltd. | 768,384,558.86 | 2,781,915.36 | | | | 771,166,474.22 | |
| SuK Kunststofftechnik GmbH | 33,746,516.14 | | | | | 33,746,516.14 | |
| Fengshun Luxshare Precision Industry Co., Ltd. | 10,114,690.87 | 25,930.81 | | | | 10,140,621.68 | |
| Shenzhen Luxshare Acoustics Technology Ltd. | 3,924,994.27 | 2,171,669.55 | | | | 6,096,663.82 | 28,560,179.80 |
| Dongguan Luxshare Precision | 1,023,997,667.53 | 6,344,897.56 | | | | 1,030,342,565.09 | |

| | | | | | | | |
|----------------------------------------------------|------------------|---------------|--------------|--|--|------------------|--|
| Industry Co., Ltd. | | | | | | | |
| Luxshare Automation (Jiangsu) Ltd. | 41,355,980.68 | 4,618,875.45 | | | | 45,974,856.13 | |
| Shenzhen Luxshare Standard Co., Ltd. | 21,000,000.00 | | | | | 21,000,000.00 | |
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | 1,059,279,991.07 | 17,628,302.21 | | | | 1,076,908,293.28 | |
| Donguan Xuntao Electronic Co., Ltd. | -9,372,824.16 | | 1,561,501.83 | | | -10,934,325.99 | |
| Luxshare Electronic Technology (Kunshan) Co., Ltd. | 2,246,910,803.19 | 10,915,609.05 | | | | 2,257,826,412.24 | |
| Luxshare Precision Components (Kunshan) Co., Ltd. | 101,391,220.04 | 9,589.24 | | | | 101,400,809.28 | |
| Luxshare Precision Industry (Enshi) Co., Ltd. | 100,975,752.97 | 1,129,878.28 | | | | 102,105,631.25 | |
| Yongxin County Boshuo Electronic Co., Ltd. | 613,382.62 | 237,729.23 | | | | 851,111.85 | |
| LUXSHARE-IC T | 2,233,928.58 | 144,092.12 | | | | 2,378,020.70 | |
| Taiwan Luxshare Precision | 103,613,239.93 | 16,879,201.47 | | | | 120,492,441.40 | |

| | | | | | | | |
|-------------------------------------------------|----------------|---------------|------------|--|--|----------------|--|
| Luxshare& Merry Electronic Co., Ltd. | | | | | | | |
| Bozhou Lanto Electronic Limited | 3,923,321.03 | 1,049,509.09 | | | | 4,972,830.12 | |
| Kunshan Luxshare Precision Mould Co., Ltd. | 2,052,314.71 | | 760,535.58 | | | 1,291,779.13 | |
| Huzhou Jiuding Electronic Co., Ltd. | 944,286.31 | 272,586.50 | | | | 1,216,872.81 | |
| Xinyu Xiexun Electronic Co., Ltd. | 7,286,518.99 | 3,194,304.92 | | | | 10,480,823.91 | |
| Luxshare Precision Industry (Xi'an) Co., Ltd. | | | | | | | |
| Luxshare Precision Industry (Suzhou) Co., Ltd. | 130,000,000.00 | | | | | 130,000,000.00 | |
| Luxshare iTech (Zhejiang) Co., LTD. | 747,520,596.65 | 31,285,660.54 | | | | 778,806,257.19 | |
| Bozhou Xuntao Electronic Limited | 169,968.40 | 55,445.18 | | | | 225,413.58 | |
| Dongguan Luxshare Technology Co., Ltd. | 883,685,555.85 | 6,809,458.10 | | | | 890,495,013.95 | |
| Xuancheng Luxshare Precision Industry Co., Ltd. | 3,411,822.28 | 13,619,684.02 | | | | 17,031,506.30 | |

| | | | | | | | |
|---------------------------------------------------------------------------------|----------------|----------------|----------------|--|--|------------------|--|
| Beijing Luxshare Acoustic Technology Co., Ltd. | 3,563,643.54 | 1,662,117.89 | | | | 5,225,761.43 | |
| Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd. | 716,342,959.97 | 693,171,284.76 | | | | 1,409,514,244.73 | |
| Xingning Luxshare Electronic Co., Ltd. | 143,840.32 | 38,896.21 | | | | 182,736.53 | |
| SpeedTech Corp. | 906,496.72 | 617,360.96 | | | | 1,523,857.68 | |
| Luxshare Technologies Limited | 1,872,619.53 | -292,938.95 | | | | 1,579,680.58 | |
| Luxshare Smart Technology (Rugao) Co., Ltd. | 12,000,000.00 | 88,000,000.00 | 100,000,000.00 | | | | |
| Changshu Luxshare Industrial Investment Management Co., Ltd. | 30,000,000.00 | 80,210,000.00 | | | | 110,210,000.00 | |
| Kunshan Luxshare Enterprise Management Development Co., Ltd. | | 200,000,000.00 | | | | 200,000,000.00 | |
| Luxshare Precision Industry (Jiangsu) Co., Ltd. | | 95,071.11 | | | | 95,071.11 | |

| | | | | | | | |
|-------------------------------------------------------------------------|--|-----------------------|--|--|--|-----------------------|--|
| Rida Intelligent Manufacture Technology Rugao) Co.,LTD. | | 4 ,564,728.72 | | | | 4 ,564,728.72 | |
| Rikai Computer Accessories Co., Ltd. | | 5 ,760,562,165 .73 | | | | 5 ,760,562,165. 73 | |
| Luxis Technology (Kunshan) Co., Ltd. | | 151 ,471,194.5 2 | | | | 151 ,471,194.5 2 | |
| Luxshare Electronic Technology (Enshi) Co., Ltd. | | 15 ,000,000.00 | | | | 15 ,000,000.00 | |
| Liding Electronic Technology (Dongguan) Co., Ltd. | | 55 ,590,269.64 | | | | 55 ,590,269.64 | |
| Luxshare Precision Technology(Xi' an) Co., Ltd. | | 1 ,000,000.00 | | | | 1 ,000,000.00 | |
| Luxis Precision Intelligent Manufacture (Kunshan) Co., Ltd. | | 161 ,382,181.3 0 | | | | 161 ,382,181.3 0 | |
| Luxshare Precision Technology(Nan jing) Co., Ltd. | | 400 ,000.00 | | | | 400 ,000.00 | |
| Luxshare Electronic (Shanghai) Co., Ltd. | | 340 ,902.08 | | | | 340 ,902.08 | |
| Ri Ming Computer | | 663 ,622.71 | | | | 663 ,622.71 | |

| | | | | | | | |
|----------------------------------------------------|------------------------------|-----------------------------|---------------------------|--|--|------------------------------|----------------------|
| Accessory (Shanghai) Co., Ltd. | | | | | | | |
| Ri Pei Computer Accessory (Shanghai) Co., Ltd. | | 1,302,245.97 | | | | 1,302,245.97 | |
| Sheng-Rui Electronic Technology (Shanghai) Limited | | 36,362.89 | | | | 36,362.89 | |
| Ri Shan Computer Accessory (Jiashan) Co., Ltd. | | 424,991.24 | | | | 424,991.24 | |
| LUXSHARE-ICT (VIETNAM) LIMITED | | 1,790,298.57 | | | | 1,790,298.57 | |
| Hangzhou Xuntao Technology Co., Ltd. | | 9,999,497.45 | | | | 9,999,497.45 | |
| Total | 13,377,693.52 3.62 | 7,853,464.562 .49 | 118,026,125.6 2 | | | 21,113,131.96 0.49 | 28,560,179.80 |

In RMB

| Investee | Opening balance (book value) | Increase and decrease in the current period | | Closing balance (book value) | Closing balance of provision for impairment |
|----------|------------------------------|---------------------------------------------|--------------------|------------------------------|---------------------------------------------|
| | | Additional investment | Reduced investment | | |
| | | | | | |

| | | | | | | | | | | |
|-------------------------------------------|----------------|--|--|---------------|--|--|--|--|----------------|---------------|
| | 06.55 | | | 18 | | | | | 24.37 | |
| Zhuhai Kinwong Flexible Circuit Co., Ltd. | 203,224,696.76 | | | -4,016,979.45 | | | | | 199,207,717.31 | 34,372,608.46 |
| Subtotal | 225,888,203.31 | | | -4,411,361.63 | | | | | 221,476,841.68 | 34,372,608.46 |
| Total | 225,888,203.31 | | | -4,411,361.63 | | | | | 221,476,841.68 | 34,372,608.46 |

In RMB

| Item | Amount recognized in the current period | | Amount recognized in the prior period | |
|--------------------|-----------------------------------------|------------------|---------------------------------------|-------------------|
| | Income | Cost | Income | Cost |
| Principal business | 9,174,890,300.12 | 8,531,671,602.47 | 11,464,276,490.11 | 10,754,493,607.05 |
| Other business | 105,254,622.90 | 33,510,191.72 | 100,827,039.16 | 26,703,475.62 |
| Total | 9,280,144,923.02 | 8,565,181,794.19 | 11,565,103,529.27 | 10,781,197,082.67 |

Income related to 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: | | | | |
| | | | | |

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| | | |

performance obligations:

acts signed whose performance has not been commenced or
 zed in , RMB is expected to be recognized in , and RMB is

In RMB

| current period | Amount recognized in the prior period |
|----------------|---------------------------------------|
|----------------|---------------------------------------|

42,183,081.46t me M

Applicable N/A

In RMB

| Item | Amount | Remarks |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Profit or loss from disposal of non-current assets | -57,241,855.39 | |
| Government grants recognized in the current profit or loss (except for the government grants which are closely related to the company's normal business operations and gained at a fixed amount or quantity according to national uniform standards) | 853,542,165.37 | |
| Gains from the excess of attributable fair value of identifiable net assets of the investee over the consideration paid for the acquisition of subsidiaries, associates and joint ventures | 16,559,223.33 | The difference between the original book value and the fair value of long-term equity investment under cost method changed from equity method due to inclusion of subsidiaries into the scope of consolidation. |
| Profit or loss on assets under entrusted investment or management | 95,298,693.93 | |
| Except for effective hedging business related to the company's normal business operations, profit or loss from changes in fair value arising from the holding of held-for-trading financial assets and liabilities, and investment income from disposal of held-for-trading financial assets and liabilities, and available-for-sale financial assets | 602,993,325.33 | |

| | | |
|-------|------------------|----|
| Total | 1,054,923,166.44 | -- |
|-------|------------------|----|

Details of other profit and loss satisfying the definition of non-recurring profit and loss

Applicable N/A

The Company has no other items of profit and loss satisfying the definition of non-recurring profit and loss.

Description of classifying non-recurring profit and loss items enumerated in the Explanatory Announcement No.1 for Public Company Information Disclosures – Non-recurring Profits and Losses as recurring profit and loss items

Applicable N/A

| Profit in the reporting period | Weighted average return on equity | Earnings per share | |
|--------------------------------|-----------------------------------|-----------------------------------------|-------------------------------------|
| | | Basic earnings per share (RMB/share) | Diluted earnings per (RMB/share) |