

Stock Code: 000026;200026    Abbreviation of the Stock: FIYTA;FIYTA B    Announcement No.: 2024-008

## **FIYTA Precision Technology Co., Ltd.**

### **2023 Annual Report, Summary**

#### **I. Important Notice**

This summary of the Annual Report is quoted out of the full text of the Annual Report. Investors desirous to understand entirely the Company's operation results, financial position and future development planning are advised to carefully read the full text of the Annual Report which is published in the medium designated by CSRC.

All the directors attended the board meeting for reviewing the Annual Report.

Indication of qualified audit opinion

Inapplicable

The profit distribution preplan or the preplan for conversion of reserve into capital for the reporting period reviewed by the Board of Directors

Is there any public reserve converted into capital stock

No

Reviewed and approved by the Board of Directors , the Company's profit distribution preplan is summarized as follows: based on the total share capital as at the date of record (with the shares in the special securities account for repurchase deducted) when the profit distribution plan is implemented in the future, the Company is going to distribute dividend to all the shareholders at the rate of CNY4.00 for every 10 shares (with the tax inclusive), 0 bonus shares (with the tax inclusive),and no public reserve shall be converted into share capital.

Profit Distribution Preplan for Preferred Shares during the Reporting Period Approved by the Resolution of the Board of Directors

Inapplicable

This report is prepared in both Chinese and English versions. If there is any ambiguity in understanding the report, the Chinese version shall prevail.

## II. Company Profile

### 1. Company Information

Short form of the stock:	FIYTA and FIYTA B	Stock Code	000026 and 200026
Stock Exchange Listed with	Shenzhen Stock Exchange		
Stock abbreviation before change (if any)	None		
Liaison Persons and Communication Information	Secretary of the Board	Securities Affairs Representative	
Names	Song Yaoming	Xiong Yaojia	
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### 2. Summary of the Principal Business or Leading Products during the Reporting Period

#### (1) Main businesses engaged by the Company during the reporting period

The Company's establishment and development originated from aviation precision technology and material technology. Adhering to the values of "brand leadership, customer orientation, value creation, cooperation and responsibility, and learning and innovation", with the mission of "inheriting the spirit of serving the country by aviation and creating a quality life", it focuses on the watch industry and forms a core business layout where its self-owned watch brand and the retail channel of famous watches promote each other. In addition, the Company actively explores and cultivates new businesses such as precision technology and smart wearables, and is in a stage of continuous development.

The Company is deeply committed to professional watchmaking capacity building and brand operation, and has multiple self-owned brands such as "FIYTA" and "EMILE CHOORIET", covering different dimensions such as mid to high end, mass professional, and fashion cool. Among them, the core self-owned brand positioning of "FIYTA" is "a high-quality Chinese watch brand with aviation and aerospace watches as its characteristic", adhering to the concept of "nation" as the core and "trendy" as the form, continuously creating differentiated characteristics, and upgrading to "youthfulness, high-end, and mainstream"; At the same time, it continuously increases investment in technological innovation fields such as movement and aviation technology applications, relying on the advantages of aviation technology and aerospace quality, and continuously provide professional timing watches for China's aerospace industry, gradually establishing a leading position in the domestic industry and expanding our brand influence.

In order to seize the opportunities in the domestic watch market and promote the long-term development of its self-own brand, the Company has established the "Harmony" watch retail channel. "Harmony" is committed to becoming the best comprehensive service provider for luxury watches, and has long-term and in-depth cooperation with numerous watch groups and brands. It has honed industry-leading operational management and customer service capabilities, and has become a leading professional commercial brand in high-end chain for luxury watches in China.

In recent years, the Company has adhered to the development principle of "technology sharing the same origin, industry sharing the same roots, and value sharing the same direction". With the strength of precision technology and industrial accumulation, the Company has extended and expanded its precision technology business and smart wearable business, and has now begun to take shape.

## (2) Industry conditions of the Company during the reporting period

In 2023, the National Bureau of Statistics announced a YoY GDP growth of 5.2%. Driven by policies such as expanding domestic demand and promoting consumption, coupled with the growth of household income, the driving force of consumption on economic growth continues to increase, gradually becoming the main driving force of economic growth.

The domestic watch consumption market is still under overall pressure due to the diversion of Hong Kong and some overseas regions, as well as the rationalization of consumer preferences. Among them, the middle and high-end watch consumer market is facing periodic fluctuations. According to the data released by the Swiss Watch Association, the cumulative amount of Swiss exports to Chinese Mainland increased by about 8% YoY, and Chinese Mainland is still the second largest consumer market of Swiss watches; The consumer market for mid to low-end watches is still sluggish, with fierce competition in segmented fields. In an uncertain economic environment, the differentiation of watch brands is further highlighted. Brands with high reputation, differentiated characteristics, and quality services have stronger consumer resilience.

The Company's main watch business covers medium, high, and fashion brands, with multiple types of channels complementing each other. It continues to attach importance to investment in brand differentiation, channel operation, customer service, and other aspects. Faced with market fluctuations, the main business maintains a healthy development trend as a whole.

## 3. Summary of Accounting/Financial Data

### (1) Summary of Accounting/Financial Data in the Past Three Years

Does the Company need to make retroactive adjustment or restatement of the accounting data of the previous years

No

In CNY

	2023	2022	Changes compared to the previous year in this year	2021
Operating revenue (RMB)	4,569,690,002.99	4,354,096,880.36	4.95%	5,243,733,540.93
Net profit attributable to shareholders of the listed company (RMB)	333,178,102.37	266,681,451.84	24.93%	387,840,282.95
Net profit attributable to shareholders of the listed company after deducting non recurring gains and losses (RMB)	316,806,208.13	249,791,455.73	26.83%	369,418,754.83
Net cash flows from operating activities (RMB)	632,401,487.98	476,228,776.52	32.79%	547,249,108.45
Basic earnings per share (RMB/share)	0.8082	0.6398	26.32%	0.9036
Diluted earnings per share (RMB/share)	0.8075	0.6398	26.21%	0.9036
Weighted average ROE	10.28%	8.68%	1.60%	13.39%
	At the end of 2023	At the end of 2022	Changes at the end of this year compared to	At the end of 2021

			the end of the previous year	
Total assets (RMB)	4,204,260,897.08	4,117,143,911.99	2.12%	4,110,579,952.49
Net assets attributable to shareholders of the listed company (RMB)	3,333,805,752.19	3,136,423,492.15	6.29%	3,013,232,642.53

## (2) Major Accounting Data Based on Quarters

In CNY

	Q1	Q2	Q3	Q4
Operating revenue	1,200,095,568.76	1,164,409,693.80	1,162,738,360.51	1,042,446,379.92
Net profit attributable to shareholders of the listed company	103,189,489.23	84,205,578.00	78,162,925.58	67,620,109.56
Net profit attributable to shareholders of the listed company after deducting non recurring gains and losses	95,484,229.79	81,868,313.87	75,522,620.72	63,931,043.75
Net cash flows from operating activities	80,169,964.00	264,489,879.62	134,414,639.49	153,327,004.87

Are the above financial indicators or their totals significantly different from the financial indicators disclosed by the Company in the quarterly and semi-annual reports?

No

## 4. Capital Stock and Shareholders

### (1) Number of the common shareholders and preferred shareholders whose voting rights are restored and shareholding by the top 10 shareholders

In shares

Total number of common shareholders at the end of the reporting period	28,145	Total number of common shareholders at the end of the previous month prior to the disclosure date of the annual report	28,183	Total number of preferred shareholders with restored voting rights at the end of the reporting period (if any) (see Note 8)	0	Total number of preferred shareholders with restored voting rights at the end of the previous month prior to the disclosure date of the annual report (if any) (see Note 8)	0
Shareholdings of shareholders holding more than 5% or the top 10 shareholders (excluding shares lent through refinancing)							
Name of	Nature of	Holding	Number of shares held at	Changes during the reporting	Number of	Number of shares held	Situations of pledge, marking

Shareholders	shareholders	ratio	the end of the reporting period	period	shares held with limited sales conditions	with unlimited sales conditions	or freezing	
							Share status	Quantity
AVIC International Holding Limited	State-owned legal person	39.25%	162,977,327	0	0	162,977,327	Not applicable	0
#Wu Jilin	Domestic natural persons	4.35%	18,043,627	98,013	0	18,043,627	Not applicable	0
#Xu Guoliang	Domestic natural persons	1.74%	7,242,768	1,978,000	0	7,242,768	Not applicable	0
Qiu Hong	Domestic natural persons	0.59%	2,470,000	100,000	0	2,470,000	Not applicable	0
#Zhu Rui	Domestic natural persons	0.34%	1,407,100	-295,500	0	1,407,100	Not applicable	0
CITIC Securities Company Limited	State-owned legal person	0.33%	1,368,078	1,248,109	0	1,368,078	Not applicable	0
#Qu Yongjie	Domestic natural persons	0.31%	1,286,800	20,000	0	1,286,800	Not applicable	0
Industrial and Commercial Bank of China Ltd. - GF CSI Guoxin Central-SOEs Shareholder Return ETF	Other	0.29%	1,212,700	1,212,700	0	1,212,700	Not applicable	0
Chen Hao	Domestic natural persons	0.27%	1,101,643	12,700	0	1,101,643	Not applicable	0
China Construction Bank Corporation - China Universal CSI Guoxin Central-SOEs Shareholder Return ETF	Other	0.26%	1,071,900	1,071,900	0	1,071,900	Not applicable	0
Explanation on associated relationship or consistent action of the above shareholders			The Company is unaware of whether the 10 shareholders mentioned above have any related relationships or are concerted actors.					
Explanation of the participation of the top 10 common shareholders in the margin trading and securities lending business (if any)			1. In addition to holding 10,597,777 shares through the ordinary securities account, shareholder Wu Jilin also holds 7,445,850 shares through the customer credit trading guarantee securities account of China CICC Wealth Management Securities Company Limited, totaling 18,043,627 shares;					

	<p>2. In addition to holding 6,640,868 shares through the ordinary securities account, shareholder Xu Guoliang also holds 601,900 shares through the customer credit trading guarantee securities account of Guosen Securities Co., Ltd., totaling 7,242,768 shares;</p> <p>3. In addition to holding 62,000 shares through the ordinary securities account, shareholder Zhu Rui also holds 1,345,100 shares through the customer credit trading guarantee securities account of First Capital Securities Co., Ltd., totaling 1,407,100 shares;</p> <p>4. In addition to holding 42,800 shares through the ordinary securities account, shareholder Qu Yongjie also holds 1,244,000 shares through the customer credit trading guarantee securities account of Shanxi Securities Company Limited, totaling 1,286,800 shares.</p>
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Top 10 shareholders participating in the lending of shares through refinancing business

Not applicable

Changes in the top 10 shareholders compared to the previous period

Unit: shares

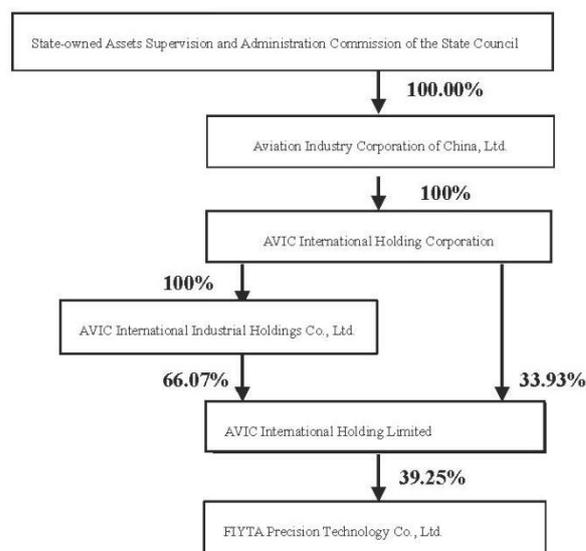
Changes in the top 10 shareholders compared to the end of the previous period					
Name of Shareholders (Full Name)	New additions/exits during this reporting period	Number of shares lent through refinancing and not yet repaid at the end of the period		Number of shares held in the ordinary account and credit account of shareholders, as well as the shares lent through refinancing and not yet repaid at the end of the period	
		Total quantity	Proportion to the total share capital	Total quantity	Proportion to the total share capital
CITIC Securities Company Limited	New addition	0	0.00%	1,368,078	0.33%
Industrial and Commercial Bank of China Ltd. - GF CSI Guoxin Central-SOEs Shareholder Return ETF	New addition	0	0.00%	1,212,700	0.29%
China Construction Bank Corporation - China Universal CSI Guoxin Central-SOEs Shareholder Return ETF	New addition	0	0.00%	1,071,900	0.26%
Li Shuyuan	Exit	0	0.00%	811,500	0.20%
Zhang Mingrong	Exit	0	0.00%	0	0.00%
Lv Shaowen	Exit	0	0.00%	0	0.00%

## (2) Total Preference Shareholders and the Shareholding by the Top 10 Preference Shareholders

Inapplicable

## (3) Block Diagram of the Ownership and Control Relations between the Company and the Actual Controller

Block diagram of property rights and control relationship between the Company and the actual controller



## 5. Status of Bonds Existing on the Date of Approval of the Annual Report

Inapplicable

### III. Significant Events

#### 1. Repurchase some domestically listed foreign shares (B Shares)

At the 11th Meeting of the 10th Board of Directors and the 2022 Annual General Meeting, the Company approved the Program on the Repurchase of Some Domestically Listed Foreign Shares (B Shares), and subsequently disclosed the repurchase report and a series of progress announcements in accordance with relevant regulations. As of December 31, 2023, the Company has cumulatively repurchased 9,355,763 shares of B shares through a special repurchase securities account through centralized bidding, with a total amount paid of HKD 70,401,771.17 (excluding transaction fees). For details, please refer to the relevant progress announcements disclosed by the Company on CNINF.

#### 2. Change of business scope and revision of the Articles of Association

After deliberation and approval by the 13th Meeting of the 10th Board of Directors and the 1st Extraordinary General Meeting in 2023, the Company has decided to expand its business scope, adjust the standardized expression of the existing business scope, and revise the corresponding provisions of the Articles of Association based on the changed business scope. For details, please refer to the Announcement on the Resolutions of the 13th Meeting of the 10th Board of Directors 2023-025, Announcement on Changing the Business Scope and Amending the Articles of Association 2023-027, and Announcement on Resolutions of the 1st Extraordinary General Meeting 2023-031, which were disclosed by the Company on May 16, 2023 and June 1, 2023 on CNINF.

#### 3. Capital increase to wholly-owned subsidiaries

At the 14th Meeting of the 10th Board of Directors, the Company approved the Proposal on Capital Increase to Wholly-owned Subsidiary Shenzhen FIYTA Precision Technology Co., Ltd., and decided to increase the capital of its wholly-owned subsidiary Shenzhen FIYTA Precision Technology Co., Ltd. by RMB 80 million. For details, please refer to the Announcement on Capital Increase to Wholly-owned Subsidiary Shenzhen FIYTA Precision Technology Co., Ltd. 2023-047 and Announcement on Completion of Industrial and Commercial Change Registration for Capital Increase of Wholly-owned Subsidiary 2023-059 disclosed by the Company on August 23, 2023 and December 1, 2023 on CNINF.

FIYTA Precision Technology Co., Ltd.

Board of Directors

March 14, 2024