

Stock Code: 000026;200026    Abbreviation of the Stock: FIYTA;FIYTA B    Announcement No.: 2025-007

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

### **2024 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 on the equity registration date when the profit distribution plan is implemented, cash dividends of RMB 4.00 (including tax) will be distributed to all shareholders for every 10 shares, without bonus share (including tax), and surplus funds will not be converted into additional 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) Industry status during the reporting period

In 2024, according to the data of the National Bureau of Statistics, the total retail sales of domestic consumer goods increased by 3.5% year-on-year, the total consumer market grew steadily but differentiated significantly, and the traditional watch consumer market faced multiple pressures such as demand contraction and intensified competition.

**In terms of consumption structure**, luxury goods and optional consumption continue to be under pressure, while experiential consumption such as health and technology is on the rise. Bain's report indicated that the sales of personal luxury goods in mainland China fell by 18%-20% year-on-year, among which the watch category was significantly affected by consumption outflow (the proportion of overseas consumption rose to 40%) and preference shift. Data from the Federation of the Swiss Watch Industry showed that the export value of Swiss watches to mainland China fell by 25.8% year-on-year throughout the year, and sales of watches in various price ranges declined to varying degrees; Meanwhile, the PwC report revealed that the demand for sports equipment and health monitoring equipment is rising, and IDC data showed that the shipments of wrist-worn devices (including smart watches and bracelets) in China increased by 20.1% YoY in the first three quarters of this year, ranking first in the world.

**In terms of consumption channels**, fragmentation of offline channels has intensified, with discount stores and immersive experience stores becoming the main growth drivers, while customer traffic to traditional department stores and specialty stores has declined; The penetration rate of online channels has stabilized, and the proportion of refined operation modes such as livestream e-commerce and member private domains has increased.

**In terms of consumption preferences**, young consumers are less loyal to brands and they are more concerned about cost-effectiveness and consumption experience. Proactive healthcare, technological interaction, dedicated services and other models are more popular.

In this context, the Company will insist on its own brand positioning, strengthen brand building and differentiation, and enhance the core competitiveness of traditional watch business; consolidate channel operation management, optimize store structure and form mode, and actively deploy high-quality and incremental channels. By emphasizing the customer orientation, the Company will increase AI and other technical empowerment and digital applications, and continue to deepen customer research; anchor the

transformation and upgrading goals, enhance the core technology capabilities of precision technology and smart wearable, and actively promote the expansion of related new industries, so as to cope with market changes.

## **(2) Analysis of Core Business**

In 2024, the Company, adhering to seeking progress while maintaining stability, strengthened and expanded the main business of watches, to improve core competitiveness, and focused on scientific and technological innovation, accelerated transformation and upgrading, enhanced core functions, deepened quality and efficiency improvement, prevented asset risks, identified operation counterattack points, and carried out various operation and management work in an orderly manner. During the reporting period, in the environment of continuous pressure on the watch consumer market, the Company achieved operating income of RMB 3,940.53 million yuan, a YoY decrease of 13.77%, with the total profit of RMB 286.11 million yuan, down 34.53% YoY. The Company paid close attention to lean operation and risk prevention and control. At the end of the period, the asset-liability ratio was 15.37%, and the net cash flow from business activities was RMB 537 million yuan, indicating high operating efficiency and controllable operating risks. Moreover, the Company consolidated confidence in development and attached importance to shareholder returns. It has implemented the cash dividend plan in 2023 and the domestic listed foreign shares (B shares) share repurchase and cancellation plan (Phase IV), and has formulated a cash dividend plan in 2024, to pay cash dividends of 4.00 yuan (tax included) to all shareholders for every 10 shares.

During the reporting period, the Company's main business initiatives are as follows:

### **(I) Firmly promote the implementation of brand positioning upgrade strategy and spread aviation and Chinese culture**

During the reporting period, the aerospace product matrix was optimized continuously by positioning "FIYTA" brand as a "high-quality Chinese watch brand featuring aerospace watch", and a three-dimensional product layout was implemented in combination with aerospace characteristic IP. The integration with intangible cultural heritage was strengthened by incorporating traditional intangible cultural heritage crafts such as Song porcelain and mother-of-pearl inlay into product design, so as to showcase China's excellent traditional culture. The IP cooperation with "Y-20 Transport Aircraft", CNNC and other "Pillars of a Great Power" was deepened, and the brand was frequently exposed through Milan Fashion Week, cooperation with Xia Zhiguang, "Shenzhou-18", "Shenzhou-19", Zhuhai International Aviation & Aerospace Exhibition, Nasdaq large screen display and other brand events.

### **(II) Continue to promote the optimization of channel structure and improve to the efficiency of operation and management**

During the reporting period, for the "FIYTA" brand, the focus was on building offline core stores, and taking aerospace theme stores as the starting point, to actively deploy high-quality channels such as mainstream shopping malls, and promote the transformation of business models. The efficiency of self-owned stores and customer was improved through the "Little Red Book + TikTok Store Livestream + Local Life" model. By strengthening the development of new products online and the construction of self-operated livestream matrix, during the "618" period, the e-commerce GMV achieved contrarian growth, ranking first in the turnover of domestic watches in the whole network. Adhering to the integration of product and sales, the Company carried out global marketing, and made the popular "small gold watch" enter the TOP list of major platforms, helping the brand to significantly increase its share in mainstream e-commerce platforms. Meanwhile, the Company actively expanded overseas channels and duty-free channels, to develop incremental markets.

"Harmony" actively expanded cooperation with medium and high-end brands, developed offline channels with high quality, and steadily promoted the integrated development of online and offline channels; Deepen and refine excellent operation in an all-round way, and systematically improve operational efficiency from online, offline, stores, brands, members, services and other dimensions.

### **(III) Continue to increase investment in scientific and technological innovation and strengthen the strength of precision technology**

During the reporting period, the Company's self-developed automatic mechanical movement "Zhaixin" became the first female aerospace watch movement certified by the French Besançon Observatory. The Company actively promoted the large-scale commercial use of the self-developed movement, the product application of high-level mechanical movements such as the tourbillon, the development of key parts such as clamps and hairsprings, and the development and application of aerospace materials and precision timing technology.

**(IV) Continue to promote digital transformation and deepen digital platform application**

During the reporting period, the Company continued to carry out digital operations, improving and iterating the digital retail system; Focusing on customer needs and profiles, optimized the member life cycle model to enhance core metrics such as conversion of potential customers and retention of existing customers, ensuring continuous improvement. Deepening the private domain operations, leveraged mini-programs to cultivate private domain traffic and develop activities like private domain group purchases.

**(V) Continue to promote the exploration of new businesses and actively cultivate strategic emerging industries**

During the reporting period, the Company strengthened its precision technology business, enhancing its technical capabilities to meet the demands of complex and high-precision products, driving the expansion of new customers. The smart wearable business continued to advance with upgrades in product and technological capabilities. There was a strong emphasis on enhancing both software and hardware technologies, along with new product development. Under the "Jeep" brand, new products such as the curved screen square smartwatch integrating AI technology were launched, achieving the increased revenue during the reporting period.

**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

	As at the end of 2024	As at the end of 2023	Increase or decrease at the end of the current year compared with the end of the previous year	As at the end of 2022
Total assets (yuan)	4,007,690,717.02	4,204,260,897.08	-4.68%	4,117,143,911.99
Net assets attributable to shareholders of the listed company (yuan)	3,391,843,200.61	3,333,805,752.19	1.74%	3,136,423,492.15
	2024	2023	Increase or decrease YoY	2022
Operating income (yuan)	3,940,530,934.07	4,569,690,002.99	-13.77%	4,354,096,880.36
Net profit attributable to shareholders of the listed company (yuan)	220,350,184.99	333,178,102.37	-33.86%	266,681,451.84
Net profit after deducting non-recurring profits and losses attributable to shareholders of the listed company (yuan)	208,728,288.68	316,806,208.13	-34.11%	249,791,455.73
Net cash flows from operating activities (yuan)	536,730,960.29	632,401,487.98	-15.13%	476,228,776.52

Basic earnings per share (yuan/share)	0.5385	0.8082	-33.37%	0.6398
Diluted earnings per share (yuan/share)	0.5378	0.8075	-33.40%	0.6398
Return on weighted average net assets	6.55%	10.28%	-3.73%	8.68%

## (2) Major Accounting Data Based on Quarters

In CNY

	Q1	Q2	Q3	Q4
Operating revenue	1,065,150,876.00	1,011,247,035.32	963,368,988.81	900,764,033.94
Net profit attributable to shareholders of the listed company	75,499,096.30	71,639,386.04	50,484,466.22	22,727,236.43
Net profit after deducting non-recurring profits and losses attributable to shareholders of the listed company	69,755,955.88	70,689,265.93	50,362,069.34	17,920,997.53
Net cash flows from operating activities	-964,281.20	137,495,077.72	180,837,164.86	219,362,998.91

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 ordinary shareholders as at the end of the reporting period	26,316	Total number of ordinary shareholders at the end of the latest month before the date of disclosure of the annual report	25,508	Total number of preferred shareholders whose voting rights have been restored at the end of the reporting period (if any)	0	Total number of preferred shareholders whose voting rights have been restored at the end of the previous month prior to the disclosure date of the annual report (if any)	0
Shareholders holding more than 5% stock or the top 10 stock shareholders' shareholding details (excluding shares lent through refinancing)							

Shareholder's name	Nature	Shareholding Ratio	Number of shares held at the end of the reporting period	Number of restrictive stocks held	Pledged, tagged or frozen	
					Status	Number
AVIC International Holding Limited	State-owned legal person	40.17%	162,977,327	0	Not applicable	0
# Wu Jilin	Domestic natural person	4.43%	17,972,441	0	Not applicable	0
Xu Guoliang	Domestic natural person	1.39%	5,659,968	0	Not applicable	0
Qiu Hong	Domestic natural person	0.62%	2,510,000	0	Not applicable	0
#Zhu Rui	Domestic natural person	0.53%	2,149,400	0	Not applicable	0
604 Portfolio of National Social Security Fund	Others	0.41%	1,676,300	0	Not applicable	0
SWS MU Fund - China Everbright Bank - SWS MU Changhong No. 1 Collective Asset Management Plan	Others	0.41%	1,658,000	0	Not applicable	0
Industrial and Commercial Bank of China Limited - GF ZZGX Central Government-owned Enterprise Shareholder Return Trading	Others	0.36%	1,457,500	0	Not applicable	0

Open-Ended Index Securities Investment Fund						
#Wang Xing	Domestic natural person	0.34%	1,387,800	0	Not applicable	0
#Qu Yongjie	Domestic natural person	0.31%	1,271,900	0	Not applicable	0
Notes to shareholders' related relationship or persons acting in concert	The Company does not know whether the above 10 shareholders are related or act in concert.					
Description of the above shareholders' involvement in the commissioned/entrusted voting rights and waiver of voting rights	The shareholder, AVIC International Holdings Limited, authorized a representative to exercise voting rights on behalf of the Company at the 2023 annual general meeting of shareholders, the 1st extraordinary general meeting in 2024 and the 2nd extraordinary general meeting in 2024, representing 162,977,327 shares. For details of the voting results, please refer to the relevant announcements issued by the Company on the CNINFO website.					

Participation of shareholders holding more than 5% of the shares, top ten shareholders, and top ten shareholders with unlimited tradable shares in the lending of shares through the refinancing business  
Not applicable

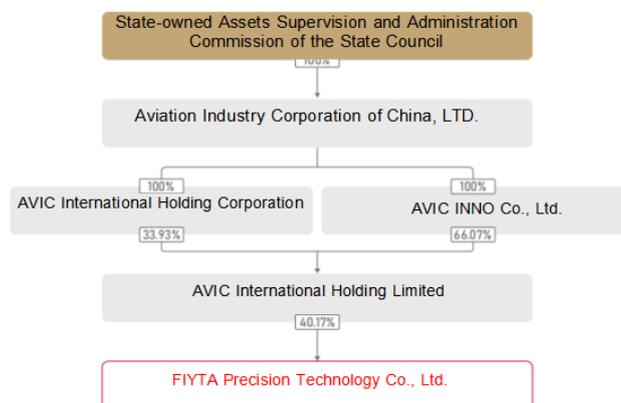
The top ten shareholders and the top ten shareholders with unlimited tradable shares have changed compared to the previous period due to the reasons of refinancing, lending, and repayment  
Not applicable

**(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

#### (I) Repurchase of a portion of domestic listed foreign shares (B-shares)

The Company's 11th meeting of the 10th Board of Directors and the 2022 Annual General Meeting of Shareholders approved the Plan for the Repurchase of a Portion of Domestic Listed Foreign Shares (B-shares), and subsequently disclosed the repurchase report and a series of progress announcements in accordance with relevant regulations. As of April 25, 2024, the implementation of the repurchase plan has been completed, and the repurchased 9,355,763 B-shares have been canceled on May 10, 2024. For detailed information, please refer to the company's announcements "Announcement on the Expiration and Implementation Results of the Repurchase of Certain Domestically Listed Foreign Shares (B Shares) 2024-020" and "Announcement on the Completion of the Cancellation of Repurchased Domestically Listed Foreign Shares (B Shares) and Share Changes 2024-021," disclosed on CNINFO on April 26, 2024, and May 14, 2024, respectively.

#### (II) General election of the Board of Directors and the Board of Supervisors and appointment of senior officers

Upon the deliberation and approval at the 20th meeting of the 10th Board of Directors, the 18th meeting of the 10th Board of Supervisors and the 2nd Extraordinary General Meeting in 2024, the Company elected the directors of the 11th Board of Directors and the shareholder representative supervisors of the 11th Board of Supervisors; Upon the deliberation and approval at the 5th Congress of Workers and Staff of the 5th Session, the Company elected the employee representative supervisor of the 11th Board of Supervisors. For details, please refer to the Announcement on the General Election of the Board of Directors 2024-027, the Announcement on the General Election of the Board of Supervisors 2024-028 and the Announcement on the General Election of Employee Representative Supervisors 2024-033 disclosed by the Company on August 21 and August 27, 2024 on the CNINFO website.

Upon the deliberation and approval at the first meeting of the 11th Board of Directors and the first meeting of the 11th Board of Supervisors, the Company completed the election of the chairman of the Board of Directors, the appointment of senior officers and the election of chairman of the Board of Supervisors. For details, please refer to the Announcement on the Completion of General Election of the Board of Directors and the Board of Supervisors and the Appointment of Senior Officers disclosed by the Company on September 7, 2024 on the CNINFO website.

#### (III) Adjustment of the Strategy Committee of the Board of Directors and revision of relevant systems

In order to meet the needs of the strategic development, improve the Company's ESG management level, and improve the ESG management system, the Board of Directors agreed to adjust the "Strategy Committee" to the "Strategy and ESG Committee" upon the deliberation and approval at the fourth meeting of the 11th Board of Directors, and added ESG management-related responsibilities on the basis of the original duties of the Strategy Committee. Meanwhile, the relevant provisions of the Detailed Rules for the Implementation of Special Committees of the Board of Directors were revised, and the ESG Management System was formulated. For details, please refer to the Announcement on Adjusting the Strategy Committee of the Board of Directors to the Strategy and ESG Committee of the Board of Directors and the full text of relevant systems disclosed by the Company on January 2, 2025 on the CNINFO website.

FIYTA Precision Technology Co., Ltd.

Board of Directors

March 14, 2025