

FOCUSLIGHT TECHNOLOGIES INC ANNOUNCES ANNUAL 2023

FINANCIAL RESULTS

Xi'an, China – April 25, 2024 – Focuslight Technologies Inc. (Shanghai Stock Exchange 688167) today reported annual financial results for the year ended December 31st, 2023.

Key Accounting Data and Financial Indicators

(in RMB, except per share data and percentages)

Item	Reporting Period (2023)	Last Year (2022)	Change from the Same Period Last Year (%)
Operating Revenue	561,173,137.74	551,860,209.97	1.69
Net Profit Attributable to Shareholders of the Listed Company	90,546,088.87	127,093,929.17	-28.76
Net Profit Attributable to Shareholders of the Listed Company after Deducting Non-Recurring Gains and Losses	71,246,605.67	83,657,775.76	-14.84
Net Cash Flows from Operating Activities	157,231,213.00	14,881,622.48	956.55
Basic Earnings per Share (RMB/Share)	1.01	1.41	-28.37
Diluted Earnings per Share (RMB/Share)	1.01	1.41	-28.37
Weighted Average Return on Net Assets (%)	3.72	5.31	Decrease of 1.59 percentage points
Total R&D Investment	78,600,514.06	76,674,504.70	2.51
Proportion of R&D Investment to Operating Revenue (%)	14.01	13.89	Increase of 0.12 percentage points

End of Reporting Period Financial Position

(in RMB, except per share data and percentages)

Item	End of Reporting Period (December 31, 2023)	End of Previous Year (December 31, 2022)	Change (%)
Total Assets	2,629,364,499.63	2,707,431,025.19	-2.88
Equity Attributable to Shareholders	2,411,390,703.48	2,455,867,733.45	-1.81

Major Holding and Associate Companies

(in 10K RMB, expect per share data and percentages)

Company	Shareholding Ratio	Total Assets	Net Assets	Operating Revenue	Net Profit
Focuslight (DG) Microoptics Co., Ltd.	100.00%	32,981.63	15,567.16	19,388.47	2,431.08
Focuslight (Hong Kong) Investment Management Co., Limited	100.00%	22,012.85	21,969.48	151.19	372.33
Focuslight USA LLC	100.00%	1,849.89	1,289.66	389.25	9.63
LIMO GmbH	100.00%	13,463.10	6,184.44	12,010.58	-278.92
LIMO Display GmbH	100.00%	4,097.53	2,515.94	2,173.02	547.29
Focuslight Europe Limited	100.00%	1,251.42	-204.51	558.58	-61.73
Focuslight (Haining) Optoelectronics Co., Ltd.	100.00%	12,165.17	3,114.46	6,835.42	-450.57
Focuslight (Shaoguan) Optoelectronics Co., Ltd	100.00%	3,817.82	55.29		-14.28
Focuslight (Hefei) Optoelectronics Co., Ltd.	100.00%	1,079.77	-8.26		-8.26

Management Comments

During the reporting period, the company achieved operating revenue of RMB 561.17 million (including main business revenue of RMB 556.38 million), a year-on-year increase of 1.69%. The net profit attributable to shareholders of the listed company was RMB 90.55 million, a year-on-year decrease of 28.76%. By the end of the reporting period, influenced by factors such as dividends and share repurchases, the company's total assets were RMB 2,629.36 million, a decrease of 2.88% from the beginning of the period. The equity attributable to the owners of the parent company was RMB 2,411.39 million, a decrease of 1.81% from the beginning of the period.

The company's main business revenue is divided into upstream and midstream businesses. Upstream revenue was RMB 435.85 million, a year-on-year decrease of 4.59%, while midstream revenue was RMB 120.53 million, a year-on-year increase of 30.18%. The upstream business is the foundation of the company's growth, contributing about 78% to the company's main business revenue in 2023, and is currently the main contributor to revenue. Although the midstream business currently contributes less to the main business revenue, about 22%, it has great growth potential in the future. In 2023, the macroeconomic recovery was below expectations. The company actively responded to adverse impacts by continuously expanding its customer base, launching

new products, strengthening research and development, and planning for the future.

Board of Directors, Focuslight Technologies Inc

About Focuslight Technologies, Inc

Founded in 2007 and headquartered in Xi'an, China, Focuslight Technologies Inc. is a fast-growing public company (Shanghai Stock Exchange Star Market: 688167) that develops and manufactures high-power diode laser components and materials (photon generation), laser optics (photon control), and photonics modules and systems (application solutions) with a focus on automotive, pan-semiconductor, and medical & health application solutions. In 2017, Focuslight successfully acquired LIMO GmbH, and completed the brand unification in January 2022. In January 2024, Focuslight acquired SUSS MicroOptics (now as Focuslight Switzerland). Focuslight owns over 400 patents worldwide and is ISO 14001, ISO 45001, ISO 9001, and IATF 16949 certified. Additional information can be found at www.focuslight.com.

FOCUSLIGHT TECHNOLOGIES INC CONSOLIDATED BALANCE SHEET

(audited)

Acc. to China GAAP

Item	December 31, 2023	December 31, 2022
Current Assets:		
Monetary Funds	1,602,532,535.93	969,194,635.04
Settlement Reserve Funds		
Lending Funds		
Trading Financial Assets		737,349,255.93
Derivative Financial Assets		
Notes Receivable	19,878,351.35	30,658,501.69
Accounts Receivable	155,161,775.34	148,334,638.37
Accounts Receivable Financing	12,211,410.85	36,215,793.33
Prepayments	11,385,019.96	11,537,284.16
Premiums Receivable		
Reinsurance Receivables		
Reinsurance Contract Reserves Receivable		
Other Receivables	25,472,182.21	2,699,935.83
Including: Interest Receivable		
Dividends Receivable		
Purchased Resale Financial Assets		
Inventory	204,864,807.57	243,487,920.97
Contract Assets		
Assets Held for Sale		
Non-Current Assets Due Within One Year		
Other Current Assets	8,472,516.90	11,366,839.97
Total Current Assets	2,039,978,600.11	2,190,844,805.29
Non-Current Assets:		
Loans and Advances		
Debt Investments		
Other Debt Investments		
Long-term Receivables		
Long-term Equity Investments	8,897,492.15	
Other Equity Instrument Investments		
Other Non-Current Financial Assets		
Investment Properties		
Fixed Assets	329,199,688.44	295,056,950.01
Construction in Progress	60,392,652.76	50,058,598.65
Productive Biological Assets		
Oil and Gas Assets		

Item	December 31, 2023	December 31, 2022
Right-of-Use Assets	1,222,035.50	2,470,354.30
Intangible Assets	60,831,493.48	40,007,326.43
Development Expenditure		
Goodwill	77,758,584.66	74,723,441.99
Long-term Deferred Expenses	367,043.91	1,952,600.43
Deferred Tax Assets	32,829,098.45	32,591,559.11
Other Non-Current Assets	17,887,810.17	19,725,388.98
Total Non-Current Assets	589,385,899.52	516,586,219.90
Total Assets	2,629,364,499.63	2,707,431,025.19
Current Liabilities:		
Short-term Borrowings	19,510,000.00	54,418,590.63
Borrowings from the Central Bank		
Borrowed Funds		
Trading Financial Liabilities		
Derivative Financial Liabilities		443,531.88
Notes Payable	553,044.17	
Accounts Payable	43,941,719.38	61,418,548.45
Advances from Customers		
Contract Liabilities	13,282,458.34	9,811,106.94
Sold Repurchase Financial Assets		
Deposits and Interbank Placements		
Securities Brokerage Funds		
Securities Underwriting Funds		
Employee Compensation Payable	20,831,970.85	17,963,635.96
Taxes Payable	19,746,288.50	14,608,575.10
Other Payables	27,130,374.30	48,774,865.52
Including: Interest Payable		
Dividends Payable		
Handling Fees and Commissions Payable		
Reinsurance Payables		
Liabilities Held for Sale		
Non-Current Liabilities Due Within One Year	3,019,143.34	2,041,148.28
Other Current Liabilities		
Total Current Liabilities	148,014,998.88	209,480,002.76
Non-Current Liabilities:		
Insurance Contract Reserves		
Long-term Borrowings	27,239,765.00	
Bonds Payable		
Including: Preferred Stock		
Perpetual Bonds		

Item	December 31, 2023	December 31, 2022
Lease Liabilities	505,507.91	700,462.55
Long-term Payables		
Long-term Employee Compensation Payable		
Provisions	7,450,911.70	7,318,690.10
Deferred Income	34,762,612.66	34,064,136.33
Deferred Tax Liabilities		
Other Non-Current Liabilities		
Total Non-Current Liabilities	69,958,797.27	42,083,288.98
Total Liabilities	217,973,796.15	251,563,291.74
Owner's Equity (or Shareholders' Equity):		
Paid-in Capital (or Share Capital)	90,363,344.00	89,960,000.00
Other Equity Instruments		
Including: Preferred Stock		
Perpetual Bonds		
Capital Surplus	2,268,392,393.25	2,241,757,783.19
Less: Treasury Stock	130,544,772.17	
Other Comprehensive Income	12,070,836.89	5,174,104.32
Special Reserves		
Surplus Reserves	12,695,500.11	5,773,502.58
General Risk Reserves		
Undistributed Profits	158,413,401.40	113,202,343.36
Total Equity Attributable to Owners of the Parent Company (or Shareholders' Equity)	2,411,390,703.48	2,455,867,733.45
Minority Interests		
Total Owner's Equity (or Shareholders' Equity)	2,411,390,703.48	2,455,867,733.45
Total Liabilities and Owner's Equity (or Shareholders' Equity)	2,629,364,499.63	2,707,431,025.19

CFO: Yiping Ye

CEO: Xingsheng Liu

FOCUSLIGHT TECHNOLOGIES INC CONSOLIDATED STATEMENT OF INCOME

(audited)

Acc. to China GAAP

Item	December 31, 2023	December 31, 2022
I. Total Operating Revenue	561,173,137.74	551,860,209.97
Including: Operating Revenue	561,173,137.74	551,860,209.97
Interest Income		
Earned Premiums		
Fee and Commission Income		
II. Total Operating Costs	461,095,770.39	435,890,900.75
Including: Operating Costs	292,038,257.30	252,399,065.80
Interest Expenses		
Fee and Commission Expenses		
Surrender Payments		
Net Claim Expenses		
Net Provision for Insurance Contract Reserves		
Policyholder Dividend Expenses		
Reinsurance Expenses		
Taxes and Surcharges	4,942,206.51	2,732,756.90
Selling Expenses	44,241,176.89	34,712,336.30
Administrative Expenses	82,572,550.66	97,686,466.50
R&D Expenses	78,600,514.06	76,674,504.70
Financial Expenses	-41,298,935.03	-28,314,229.45
Including: Interest Expenses	3,404,754.28	978,867.43
Interest Income	35,225,433.61	28,900,728.28
Plus: Other Income	15,926,448.22	19,622,084.66
Investment Income (Losses are indicated with "-")	-568,613.55	
Including: Investment Income from Associates and Joint Ventures		
Gains from Derecognition of Financial Assets Measured at Amortized Cost		
Exchange Gains (Losses are indicated with "-")		
Net Hedging Gains (Losses are indicated with "-")		
Gains from Changes in Fair Value (Losses are indicated with "-")	13,169,619.18	22,431,927.94
Credit Impairment Losses (Losses are indicated with "-")	-9,116,634.84	-2,819,900.60
Asset Impairment Losses (Losses are indicated with "-")	-24,960,332.33	-17,405,562.27
Gains from Asset Disposal (Losses are indicated with "-")	-3,347,748.71	139,797.56

Item	December 31, 2023	December 31, 2022
with “-”)		
III. Operating Profit (Losses are indicated with “-”)	91,180,105.32	137,937,656.51
Plus: Non-operating Income	5,403,332.53	9,235,490.43
Less: Non-operating Expenses	473,119.19	454,863.71
IV. Total Profit (Total Loss is indicated with “-”)	96,110,318.66	146,718,283.23
Less: Income Tax Expenses	5,564,229.79	20,380,609.83
V. Net Profit (Net Loss is indicated with “-”)	90,546,088.87	126,337,673.40
(1) Classified by Continuing Operations		
1. Net Profit from Continuing Operations (Net Loss is indicated with “-”)	90,546,088.87	126,337,673.40
2. Net Profit from Discontinued Operations (Net Loss is indicated with “-”)		
(2) Classified by Ownership		
1. Net Profit Attributable to Shareholders of the Parent Company (Net Loss is indicated with “-”)	90,546,088.87	127,093,929.17
2. Minority Interests (Net Loss is indicated with “-”)		-756,255.77
VI. Net Amount of Other Comprehensive Income after Tax	6,896,732.57	4,640,795.30
(1) Net Amount of Other Comprehensive Income Attributable to Owners of the Parent Company after Tax	6,896,732.57	4,151,823.11
1. Other Comprehensive Income that Cannot be Reclassified to Profit or Loss		
(1) Changes in Re-measurement of Defined Benefit Plans		
(2) Other Comprehensive Income that Cannot be Transferred to Profit or Loss under the Equity Method		
(3) Changes in Fair Value of Other Equity Investments		
(4) Changes in Fair Value Attributable to Own Credit Risk		
2. Other Comprehensive Income that Can be Reclassified to Profit or Loss		
(1) Other Comprehensive Income that Can be Transferred to Profit or Loss under the Equity Method		
(2) Changes in Fair Value of Other Debt		

Item	December 31, 2023	December 31, 2022
Investments		
(3) Amounts Reclassified to Other Comprehensive Income for Financial Assets		
(4) Credit Impairment Provisions for Other Debt Investments		
(5) Cash Flow Hedge Reserves		
(6) Exchange Differences on Translation of Foreign Currency Financial Statements	6,896,732.57	4,151,823.11
(7) Others		
(2) Net Amount of Other Comprehensive Income Attributable to Minority Interests after Tax		488,972.19
VII. Total Comprehensive Income	97,442,821.44	130,978,468.70
(1) Total Comprehensive Income Attributable to Owners of the Parent Company	97,442,821.44	131,245,752.28
(2) Total Comprehensive Income Attributable to Minority Interests		-267,283.58
VIII. Earnings per Share:		
(1) Basic Earnings per Share (Yuan/Share)	1.01	1.41
(2) Diluted Earnings per Share (Yuan/Share)	1.01	1.41

CFO: Yiping Ye

CEO: Xingsheng Liu

FOCUSLIGHT TECHNOLOGIES INC CONSOLIDATED CASH FLOWS

(audited)

Acc. to China GAAP

Item	December 31, 2023	December 31, 2022
I. Cash Flows from Operating Activities:		
Cash Received from Sales of Goods and Rendering of Services	544,806,734.03	477,457,841.18
Net Increase in Customer Deposits and Interbank Deposits		
Net Increase in Borrowings from the Central Bank		
Net Increase in Funds Borrowed from Other Financial Institutions		
Cash Received from Premiums under Original Insurance Contracts		
Net Cash Received from Reinsurance Business		
Net Increase in Policyholder Deposits and Investments		
Cash Received from Interest, Fees, and Commissions		
Net Increase in Borrowed Funds		
Net Increase in Repurchase Business Funds		
Net Cash Received from Securities Brokerage Business		
Tax Refunds Received	7,109,359.47	25,322,722.67
Other Cash Received Relating to Operating Activities	49,191,360.22	32,005,943.10
Subtotal of Cash Inflows from Operating Activities	601,107,453.72	534,786,506.95
Cash Paid for Purchases of Goods and Receipt of Services	180,046,890.94	255,215,910.62
Net Increase in Loans and Advances to Customers		
Net Increase in Deposits with the Central Bank and Interbank Deposits		
Cash Paid for Claims under Original Insurance Contracts		
Net Increase in Funds Lent		
Cash Paid for Interest, Fees, and Commissions		

Item	December 31, 2023	December 31, 2022
Cash Paid for Policyholder Dividends		
Cash Paid to Employees and for Employees	190,777,557.07	196,172,422.88
Payments of Various Taxes	25,270,812.43	18,666,067.64
Other Cash Paid Relating to Operating Activities	47,780,980.28	49,850,483.33
Subtotal of Cash Outflows from Operating Activities	443,876,240.72	519,904,884.47
Net Cash Flows from Operating Activities	157,231,213.00	14,881,622.48
II. Cash Flows from Investing Activities:		
Cash Received from Disposal of Investments	2,011,905,724.05	1,135,197,647.73
Cash Received from Investment Income	13,169,619.18	3,972,665.02
Net Cash Received from Disposal of Fixed Assets, Intangible Assets, and Other Long-term Assets	17,273,314.78	500,356.24
Net Cash Received from Disposal of Subsidiaries and Other Business Units		
Other Cash Received Relating to Investing Activities		
Subtotal of Cash Inflows from Investing Activities	2,042,348,658.01	1,139,670,668.99
Cash Paid for Purchases of Fixed Assets, Intangible Assets, and Other Long-term Assets	141,061,308.81	162,282,214.98
Cash Paid for Investments	1,262,060,000.00	1,811,500,000.00
Net Increase in Pledged Loans		
Net Cash Paid for Acquiring Subsidiaries and Other Business Units		
Other Cash Paid Relating to Investing Activities	23,577,600.00	
Subtotal of Cash Outflows from Investing Activities	1,426,698,908.81	1,973,782,214.98
Net Cash Flows from Investing Activities	615,649,749.20	-834,111,545.99
III. Cash Flows from Financing Activities:		
Cash Received from Absorbing Investment Including: Cash Received from Minority Shareholders' Investment by Subsidiaries	403,344.00	
Cash Received from Borrowings	52,398,486.20	54,418,590.63
Other Cash Received Relating to Financing Activities	15,754,443.65	
Subtotal of Cash Inflows from Financing Activities	68,556,273.85	54,418,590.63
Cash Paid for Repayment of Debts	39,950,590.63	27,770,000.00

Item	December 31, 2023	December 31, 2022
Cash Paid for Distribution of Dividends or Profits and for Interest Payments	41,712,811.07	1,100,580.14
Including: Dividends and Profits Paid to Minority Shareholders by Subsidiaries		
Other Cash Paid Relating to Financing Activities	133,070,070.95	33,002,983.58
Subtotal of Cash Outflows from Financing Activities	214,733,472.65	61,873,563.72
Net Cash Flows from Financing Activities	-146,177,198.80	-7,454,973.09
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	10,575,161.57	2,951,136.28
V. Net Increase in Cash and Cash Equivalents	637,278,924.97	-823,733,760.32
Plus: Opening Balance of Cash and Cash Equivalents	921,291,050.40	1,745,024,810.72
VI. Closing Balance of Cash and Cash Equivalents	1,558,569,975.37	921,291,050.40

CFO: Yiping Ye

CEO: Xingsheng Liu