

**FOCUSLIGHT TECHNOLOGIES INC ANNOUNCES FIRST QUARTER 2024**

**FINANCIAL RESULTS**

**Xi'an, China – April 25, 2024** – Focuslight Technologies Inc. (Shanghai Stock Exchange 688167) today reported financial results for the first quarter ended March 31, 2024.

**Key Accounting Data and Financial Indicators**

*(in RMB, except per share data and percentages)*

<b>Item</b>	<b>Reporting Period (2024 Q1)</b>	<b>Change from the Same Period Last Year (%)</b>
Operating Revenue	136,988,372.14	17.38
Net Profit Attributable to Shareholders of the Listed Company	-16,189,740.19	-206.61
Net Profit Attributable to Shareholders of the Listed Company after Deducting Non-Recurring Gains and Losses	-18,899,030.20	-382.30
Net Cash Flows from Operating Activities	-30,677,194.85	Not applicable
Basic Earnings per Share (RMB/Share)	-0.18	-205.88
Diluted Earnings per Share (RMB/Share)	-0.18	-205.88
Weighted Average Return on Net Assets (%)	-0.68	Decrease of 1.30 percentage points
Total R&D Investment	22,406,804.96	19.23
Proportion of R&D Investment to Operating Revenue (%)	16.36	Increase of 0.26 percentage points

**End of Reporting Period Financial Position**

*(in RMB, except per share data and percentages)*

<b>Item</b>	<b>End of Reporting Period (March 31, 2024)</b>	<b>End of Previous Year (December 31, 2023)</b>	<b>Change (%)</b>
Total Assets	2,970,621,979.18	2,629,364,499.63	12.98
Equity Attributable to Shareholders	2,337,952,190.53	2,411,390,703.48	-3.05

**Management Comments**

The main reasons for the changes in net profit attributable to shareholders and net profit attributable to shareholders excluding non-recurring gains and losses compared to the same period last year are as follows:

- 1. Acquisition of SUSS MicroOptics SA:** During the reporting period, we completed the acquisition of SUSS MicroOptics SA (renamed to Focuslight Switzerland SA, hereinafter referred to as "Focuslight Switzerland"). Due to concerns among Focuslight Switzerland's original customers about the uncertainty of the acquisition, revenue slightly declined, and costs were relatively high, resulting in a loss for Focuslight Switzerland during the reporting period, which affected the company's overall net profit. With the completion of the acquisition, the negative impact of these uncertainties has been eliminated. As market and sales integration and expansion continue, we expect Focuslight Switzerland's profitability to steadily improve. Additionally, the company is actively implementing cost reduction and efficiency measures, and the synergies from integration will gradually become evident.
- 2. Impact of Increased Competition in the Fiber Laser Market:** The intensified competition in the fiber laser market led to a decrease in the unit selling price of the company's original AuSn Pre-Deposited AlN substrate materials, and sales volume significantly declined compared to the same period last year. As the power of fiber laser pump source chips continues to increase, the new generation of AuSn Pre-Deposited AlN substrate materials is still in the introduction phase and has not yet contributed to sales. With the validation and introduction of the new generation of products by clients, we expect sales volume to recover.
- 3. Market and Customer Base Expansion:** During the reporting period, the company continued to expand its market and customer base, resulting in increased sales expenses.
- 4. Financial Expenses:** From the beginning of the year to the reporting period, unrealized exchange losses related to the Swiss franc increased significantly compared to the same period last year, leading to higher financial expenses.

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](http://www.focuslight.com).

**FOCUSLIGHT TECHNOLOGIES INC CONSOLIDATED BALANCE SHEET**

**(unaudited)**

*Acc. to China GAAP*

<b>Item</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Current Assets:</b>		
Monetary Funds	1,184,881,454.48	1,602,532,535.93
Settlement Reserve Funds		
Lending Funds		
Trading Financial Assets	90,532,109.59	
Derivative Financial Assets		
Notes Receivable	22,299,947.12	19,878,351.35
Accounts Receivable	180,539,198.15	155,161,775.34
Accounts Receivable Financing	14,652,619.57	12,211,410.85
Prepayments	13,850,690.66	11,385,019.96
Premiums Receivable		
Reinsurance Receivables		
Reinsurance Contract Reserves Receivable		
Other Receivables	4,687,216.89	25,472,182.21
Including: Interest Receivable		
Dividends Receivable		
Purchased Resale Financial Assets		
Inventory	268,582,285.38	204,864,807.57
Including: Data Resources		
Contract Assets		
Assets Held for Sale		
Non-Current Assets Due Within One Year		
Other Current Assets	18,636,483.51	8,472,516.90
Total Current Assets	1,798,662,005.35	2,039,978,600.11
<b>Non-Current Assets:</b>		
Loans and Advances		
Debt Investments		
Other Debt Investments		
Long-term Receivables		
Long-term Equity Investments	8,783,871.51	8,897,492.15
Other Equity Instrument Investments		
Other Non-Current Financial Assets		
Investment Properties		
Fixed Assets	419,961,124.69	329,199,688.44
Construction in Progress	82,662,265.43	60,392,652.76
Productive Biological Assets		

Item	March 31, 2024	December 31, 2023
Oil and Gas Assets		
Right-of-Use Assets	36,608,286.36	1,222,035.50
Intangible Assets	161,187,774.32	60,831,493.48
Including: Data Resources		
Development Expenditure		
Including: Data Resources		
Goodwill	374,641,009.52	77,758,584.66
Long-term Deferred Expenses	31,955,122.07	367,043.91
Deferred Tax Assets	36,091,618.81	32,829,098.45
Other Non-Current Assets	20,068,901.12	17,887,810.17
Total Non-Current Assets	1,171,959,973.83	589,385,899.52
Total Assets	2,970,621,979.18	2,629,364,499.63
<b>Current Liabilities:</b>		
Short-term Borrowings	11,820,000.00	19,510,000.00
Borrowings from the Central Bank		
Borrowed Funds		
Trading Financial Liabilities		
Derivative Financial Liabilities		
Notes Payable		553,044.17
Accounts Payable	44,401,542.33	43,941,719.38
Advances from Customers		
Contract Liabilities	10,810,788.97	13,282,458.34
Sold Repurchase Financial Assets		
Deposits and Interbank Placements		
Securities Brokerage Funds		
Securities Underwriting Funds		
Employee Compensation Payable	29,339,849.54	20,831,970.85
Taxes Payable	7,483,519.59	19,746,288.50
Other Payables	35,011,778.54	27,130,374.30
Including: Interest Payable		
Dividends Payable		
Handling Fees and Commissions Payable		
Reinsurance Payables		
Liabilities Held for Sale		
Non-Current Liabilities Due Within One Year	3,957,298.00	3,019,143.34
Other Current Liabilities	2,077,390.77	
Total Current Liabilities	144,902,167.74	148,014,998.88
<b>Non-Current Liabilities:</b>		
Insurance Contract Reserves		
Long-term Borrowings	377,709,765.00	27,239,765.00

Item	March 31, 2024	December 31, 2023
<b>Bonds Payable</b>		
Including: Preferred Stock		
<b>Perpetual Bonds</b>		
Lease Liabilities	35,520,104.50	505,507.91
<b>Long-term Payables</b>		
Long-term Employee Compensation Payable	26,126,579.40	
Provisions	10,725,406.43	7,450,911.70
Deferred Income	37,685,765.58	34,762,612.66
<b>Deferred Tax Liabilities</b>		
Other Non-Current Liabilities		
<b>Total Non-Current Liabilities</b>	<b>487,767,620.91</b>	<b>69,958,797.27</b>
<b>Total Liabilities</b>	<b>632,669,788.65</b>	<b>217,973,796.15</b>
<b>Owner's Equity (or Shareholders' Equity):</b>		
Paid-in Capital (or Share Capital)	90,363,344.00	90,363,344.00
<b>Other Equity Instruments</b>		
Including: Preferred Stock		
<b>Perpetual Bonds</b>		
Capital Surplus	2,271,454,354.62	2,268,392,393.25
Less: Treasury Stock	180,390,133.86	130,544,772.17
Other Comprehensive Income	1,605,464.45	12,070,836.89
<b>Special Reserves</b>		
Surplus Reserves	12,695,500.11	12,695,500.11
<b>General Risk Reserves</b>		
Undistributed Profits	142,223,661.21	158,413,401.40
<b>Total Equity Attributable to Owners of the Parent Company (or Shareholders' Equity)</b>	<b>2,337,952,190.53</b>	<b>2,411,390,703.48</b>
<b>Minority Interests</b>		
<b>Total Owner's Equity (or Shareholders' Equity)</b>	<b>2,337,952,190.53</b>	<b>2,411,390,703.48</b>
<b>Total Liabilities and Owner's Equity (or Shareholders' Equity)</b>	<b>2,970,621,979.18</b>	<b>2,629,364,499.63</b>

CFO: Yiping Ye

CEO: Xingsheng Liu

**FOCUSLIGHT TECHNOLOGIES INC CONSOLIDATED STATEMENT OF INCOME**

**(unaudited)**

*Acc. to China GAAP*

<b>Item</b>	<b>2024 Q1</b>	<b>2023 Q1</b>
<b>I. Total Operating Revenue</b>	136,988,372.14	116,708,716.74
Including: Operating Revenue	136,988,372.14	116,708,716.74
Interest Income		
Earned Premiums		
Fee and Commission Income		
<b>II. Total Operating Costs</b>	158,360,635.96	107,223,284.76
Including: Operating Costs	89,349,925.37	65,142,971.52
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	861,109.50	616,955.59
Selling Expenses	14,740,131.71	7,664,520.13
Administrative Expenses	22,355,319.15	24,354,720.12
R&D Expenses	22,406,804.96	18,792,564.88
Financial Expenses	8,647,345.27	-9,348,447.48
Including: Interest Expenses	2,892,980.81	463,318.96
Interest Income	8,114,230.59	7,963,858.20
Plus: Other Income	4,612,296.24	3,934,270.09
Investment Income (Losses are indicated with “-”)	-113,620.64	
Including: Investment Income from Associates and Joint Ventures	-113,620.64	
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 “-”)	548,909.59	5,246,608.37
Credit Impairment Losses (Losses are indicated with “-”)	1,848,369.78	56,332.56
Asset Impairment Losses (Losses are indicated with “-”)	-5,958,537.82	-4,589,586.67
Gains from Asset Disposal (Losses are indicated	82,007.81	-55.51

Item	2024 Q1	2023 Q1
with “-”)		
<b>III. Operating Profit (Losses are indicated with “-”)</b>	-20,352,838.86	14,133,000.82
Plus: Non-operating Income	413,507.30	937,502.69
Less: Non-operating Expenses	28,382.58	69,961.60
<b>IV. Total Profit (Total Loss is indicated with “-”)</b>	-19,967,714.14	15,000,541.91
Less: Income Tax Expenses	-3,777,973.95	-185,021.67
<b>V. Net Profit (Net Loss is indicated with “-”)</b>	-16,189,740.19	15,185,563.58
(1) Classified by Continuing Operations		
1. Net Profit from Continuing Operations (Net Loss is indicated with “-”)	-16,189,740.19	15,185,563.58
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 “-”)	-16,189,740.19	15,185,563.58
2. Minority Interests (Net Loss is indicated with “-”)		
<b>VI. Net Amount of Other Comprehensive Income after Tax</b>	-10,465,372.44	1,104,674.06
(1) Net Amount of Other Comprehensive Income Attributable to Owners of the Parent Company after Tax	-10,465,372.44	1,104,674.06
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	-10,465,372.44	1,104,674.06
(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	2024 Q1	2023 Q1
<b>Investments</b>		
(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	-10,465,372.44	1,104,674.06
(7) Others		
(2) Net Amount of Other Comprehensive Income Attributable to Minority Interests after Tax		
<b>VII. Total Comprehensive Income</b>	-26,655,112.63	16,290,237.64
(1) Total Comprehensive Income Attributable to Owners of the Parent Company	-26,655,112.63	16,290,237.64
(2) Total Comprehensive Income Attributable to Minority Interests		
<b>VIII. Earnings per Share:</b>		
(1) Basic Earnings per Share (Yuan/Share)	-0.18	0.17
(2) Diluted Earnings per Share (Yuan/Share)	-0.18	0.17

CFO: Yiping Ye

CEO: Xingsheng Liu



**FOCUSLIGHT TECHNOLOGIES INC CONSOLIDATED CASH FLOWS**

**(unaudited)**

*Acc. to China GAAP*

<b>Item</b>	<b>2024 Q1</b>	<b>2023 Q1</b>
<b>I. Cash Flows from Operating Activities:</b>		
Cash Received from Sales of Goods and Rendering of Services	125,165,833.79	101,384,375.12
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	2,608,698.56	
Other Cash Received Relating to Operating Activities	20,535,187.78	9,684,809.76
Subtotal of Cash Inflows from Operating Activities	148,309,720.13	111,069,184.88
Cash Paid for Purchases of Goods and Receipt of Services	52,999,764.59	71,890,782.50
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	2024 Q1	2023 Q1
Cash Paid for Policyholder Dividends		
Cash Paid to Employees and for Employees	79,052,574.60	47,570,505.05
Payments of Various Taxes	16,659,221.87	9,301,541.88
Other Cash Paid Relating to Operating Activities	30,275,353.92	15,173,839.18
Subtotal of Cash Outflows from Operating Activities	178,986,914.98	143,936,668.61
Net Cash Flows from Operating Activities	-30,677,194.85	-32,867,483.73
<b>II. Cash Flows from Investing Activities:</b>		
Cash Received from Disposal of Investments	20,000,000.00	907,500,000.00
Cash Received from Investment Income	16,800.00	18,646,687.34
Net Cash Received from Disposal of Fixed Assets, Intangible Assets, and Other Long-term Assets		3,955.34
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	20,016,800.00	926,150,642.68
Cash Paid for Purchases of Fixed Assets, Intangible Assets, and Other Long-term Assets	25,327,098.07	53,160,510.07
Cash Paid for Investments	110,000,000.00	597,060,000.00
Net Increase in Pledged Loans		
Net Cash Paid for Acquiring Subsidiaries and Other Business Units	419,587,165.53	
Other Cash Paid Relating to Investing Activities	132,342,989.32	
Subtotal of Cash Outflows from Investing Activities	687,257,252.92	650,220,510.07
Net Cash Flows from Investing Activities	-667,240,452.92	275,930,132.61
<b>III. Cash Flows from Financing Activities:</b>		
Cash Received from Absorbing Investment Including: Cash Received from Minority Shareholders' Investment by Subsidiaries		
Cash Received from Borrowings	350,970,000.00	16,480,000.00
Other Cash Received Relating to Financing Activities	8,274.85	
Subtotal of Cash Inflows from Financing Activities	350,978,274.85	16,480,000.00
Cash Paid for Repayment of Debts	7,390,000.00	5,000,000.00

<b>Item</b>	<b>2024 Q1</b>	<b>2023 Q1</b>
Cash Paid for Distribution of Dividends or Profits and for Interest Payments	2,474,808.56	224,009.89
Including: Dividends and Profits Paid to Minority Shareholders by Subsidiaries		
Other Cash Paid Relating to Financing Activities	50,148,570.22	42,385,840.58
Subtotal of Cash Outflows from Financing Activities	60,013,378.78	47,609,850.47
Net Cash Flows from Financing Activities	290,964,896.07	-31,129,850.47
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	-5,304,696.84	-116,562.86
<b>V. Net Increase in Cash and Cash Equivalents</b>	-412,257,448.54	211,816,235.55
Plus: Opening Balance of Cash and Cash Equivalents	1,558,569,975.50	941,291,050.40
<b>VI. Closing Balance of Cash and Cash Equivalents</b>	1,146,312,526.96	1,153,107,285.95

CFO: Yiping Ye

CEO: Xingsheng Liu