

Stock Code: 000026;200026    Abbreviation of the Stock: FIYTA;FIYTA B    Announcement No.: 2023-009

## FIYTA Precision Technology Co., Ltd.

### 2022 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 CNY2.50 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

#### II. Company Profile

##### 1. Company Information

Short form of the stock:	FIYTA and FIYTA B	Stock	000026 and 200026
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	Code	
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) Principal Business

The Company bases its establishment and development on the aviation precision technology and material technology, has been adhering to the values of "the leading role of brand, customer orientation, value creation, cooperation and responsibility, learning and innovation", taking "inheriting of the spirit of aeronautical patriotism and creating a quality life" as its mission, focusing on the watch industry; the core watch business has formed the business layout of "Brand + Channel" which consists of the self-owned brand and retails of world brand watches. In addition, the Company is actively exploring and cultivating new businesses such as precision technology and smart wears, which are in the stage of continuous development.

The Company is deeply involved in the construction of professional watchmaking capabilities and brand operations, has a number of self-owned brands such as "Fiyta", "Emile Chouriet", "Beijing" and "Jeep", covering different dimensions of mid-to-high-end, popular professional, fashion and cool and so on. Of them, the core self-owned brand of "FIYTA" is positioned as "a high-quality Chinese watch brand with aerospace watch as its characteristic". Relying on technology and quality advantages, the Company has continuously provided professional chronograph watches for China's aerospace industry. Through the idea of taking "the nation" as the core and "fashion" as the form, the Company has developed differentiated products which match the "aerospace quality", carried out integrated marketing, continuously expanded brand influence, and gradually established its leading position in the domestic industry.

In order to seize the opportunities in the domestic brand watch market, promote the long-term development of its own brands, and expand the retail business of "Harmony" world brand watches, "Harmony" is committed to "becoming the best comprehensive service provider of famous watches", and has long-term and in-depth cooperation with many famous watch groups and brands; Relying on its industry-leading operation management capabilities and customer service capabilities, it shall gradually become a professional high-end chain commercial brands of famous watches.

In recent years, the Company has relied on high-end precision manufacturing technology and industrial accumulation, based on the development principle of "technology being homologous, the industry being same-rooted and value being co-directional", and extended the development of precision technology business and smart wears business. At present, these two businesses have begun to take shape.

### (2) About the Industry the Company Engaged in

The watch industry the Company is engaged in has a long history and profound cultural precipitation, and is one of the representative industries of high-precision manufacturing with the nature of precision technology. The domestic watch industry closely follows the national light industry modernization progress, and is flourishing with the Chinese national craftsmanship and self-improvement culture. According to the strategic deployment of the 20th National Congress of the Communist Party of China and the "Guiding Opinions on the High-quality Development of Light Industry in the 14th Five-Year Plan" promulgated by the China Light Industry Federation, light industry, as an important consumer goods industry, undertakes the mission of providing high-quality consumer products for the people, among which, watches because of their multiple attributes of function and art, integrate a variety of needs of the new consumption era such as emotional value and aesthetic experience, and gradually develop in the direction of quality, fashion and personalization, so as to continuously meet the increasingly upgraded consumption needs of consumers.

With the improvement of national purchasing power and the growth of consumer demand, the overall scale of China's consumer market has continued to expand, ranking the second in the world. The domestic watch consumer market has also continued to grow at a compound growth rate of about 5% in the past five years. At present, under the guidance of relevant national policies such as "dual circulation" and "common prosperity", the middle-income group as the target consumer group of watches continues to expand, and is stimulating the consumption growth of urban clusters and

infiltrating the consumption demand of second- and third-tier cities. With the comprehensive release of travel policies, the offline passenger flow is gradually restored, and the watch consumption market is expected to continue to maintain the growth trend.

However, the rapidly growing domestic watch consumption market also shows significant differentiation. On the one hand, with the differentiation of price ranges, watches in the middle and high-end price ranges present double growth trend in both amount and quantity. The compound growth rate of the amount of Swiss watches exported to Chinese Mainland in the past five years has exceeded 10%, significantly higher than the market average. As a whole, domestic watch brands in the middle and low-end price ranges are facing greater pressure. On the other hand, with the differentiation of the competition pattern, the head brand or channel is promoting M & A and integration in the industry and accelerating the expansion of market share and further enhancing the concentration ratio relying on its competition advantages in scale, operation management, resources integration and so on. The increasingly intensified challenge is forcing watch brands, especially domestic watch brands to make continuous efforts to improve the price range and market share of the brands, and some domestic watch brands are rising after fierce competition.

The Company has had long-term prospects on watch industry, has been continuously cultivating and investing in the core businesses of "FIYTA", the own brand and "Harmony" world watch retails, constantly consolidating the "brand power, product power and channel power", and has been enjoying a good market share and industry position foundation. At present, in the face of the opportunities and challenges embodied in the watch consumption market, the Company shall, as always, maintain a positive attitude, take customer needs as the guide, adhere to the principle of high-quality development, and promote the "FIYTA", the self-owned brand, to develop in the direction of high quality and differentiation. "HARMONY" world watch retail is developing towards professionalization and benchmarking of operations and services; at the same time, shall continue to promote digital transformation and upgrading, and further integrate digital concepts and technologies into R&D, design, manufacturing, sales, services and other links in order to build its digital ability to use data to empower value creation.

### 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

	End of 2022	End of 2021	Increase/decrease of the end of the reporting year over the end of the previous year	End of 2020
Total assets	4,117,143,911.99.	4,110,579,952.49	0.16%	4,018,712,700.18
Net profit attributable to the Company's shareholders	3,136,423,492.15	3,013,232,642.53	4.09%	2,799,948,388.09
	2022	2021	Increase/decrease in the reporting year over the previous year	2020
Operating revenue	4,354,096,880.36	5,243,733,540.93	-16.97%	4,243,439,952.59
Net profit attributable to the Company's shareholders	266,681,451.84	387,840,282.95	-31.24%	294,115,156.04
Net profit less the non-recurring profit/loss attributable to the Company's shareholders	249,791,455.73	369,418,754.83	-32.38%	269,095,012.41
Net cash flows arising from operating activities	476,228,776.52	547,249,108.45	-12.98%	378,210,505.87
Basic earning per share (CNY/share)	0.6398	0.9036	-29.19%	0.6764
Diluted earning per share	0.6398	0.9036	-29.19%	0.6764

(CNY/share)				
Return on equity, weighted average (%)	8.68%	13.39%	-4.71%	10.78%

## (2) Major Accounting Data Based on Quarters

In CNY

	The first quarter	The second quarter	The third quarter	The fourth quarter
Operation Revenue	1,173,700,720.94	1,009,870,028.17	1,201,863,621.73	968,662,509.52
Net profit attributable to the Company's shareholders	86,354,073.76	54,338,710.53	89,108,590.17	36,880,077.38
Net profit less the non-recurring profit/loss attributable to the Company's shareholders	84,104,404.06	45,827,352.84	86,658,935.58	33,200,763.25
Net cash flows arising from operating activities	16,020,422.02	262,365,841.58	122,195,340.18	75,647,172.74

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

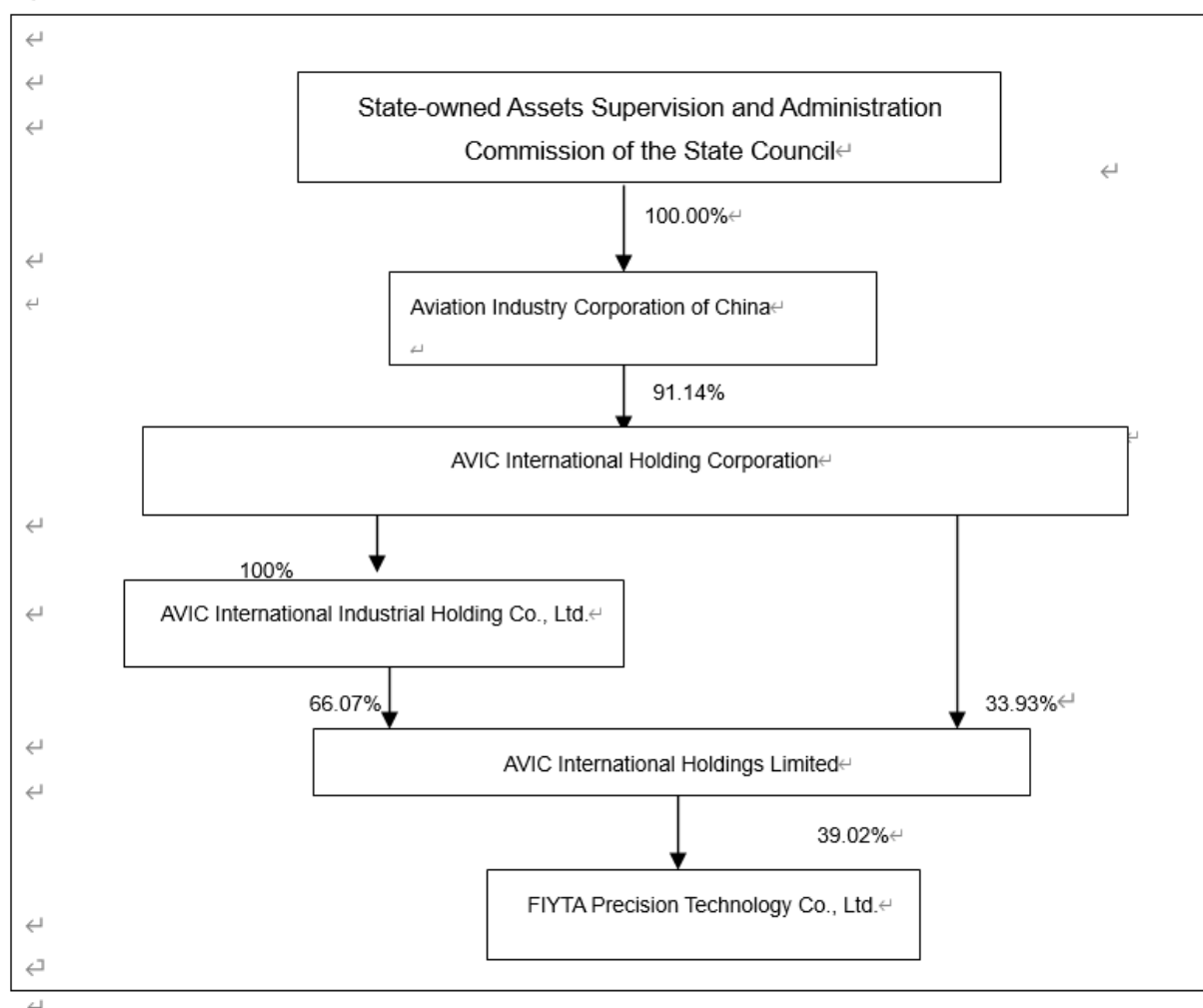
Total common shareholders at the end of the reporting period	31,527	Total common shareholders at the end of the month before the date of disclosing the Annual Report	36,789	Total preference shareholders with the voting power recovered at the end of the reporting period	0	Total preference shareholders with the voting power recovered at the end of the month before the day of disclosing the Annual Report	0
Shareholding by top 10 shareholders							
Names of the Shareholders	Nature of the shareholder	Shareholding proportion	Number of shares held	Number of the restricted shares held	Pledging, marking or freezing		
					Status of the shares	Quantity	
AVIC International Holding Limited	State corporate	39.02%	162,977,327	0			
# Wu Jilin	Domestic natural person	4.30%	17,945,614	0			

# Xu Guoliang	Domestic natural person	1.26%	5,264,768	0		
Qiu Hong	Domestic natural person	0.57%	2,370,000	0		
#Zhu Rui	Domestic natural person	0.41%	1,702,600	0		
Li Shuyuan	Domestic natural person	0.33%	1,377,600	0		
# Qu Yongjie	Domestic natural person	0.30%	1,266,800	0		
# Zhang Mingrong	Domestic natural person	0.29%	1,228,200	0		
Lu Shaowen	Domestic natural person	0.28%	1,166,100	0		
Chen Hao	Domestic natural person	0.26%	1,088,943	0		
Explanation on associated relationship or consistent action of the above shareholders	The Company has no idea on whether the above 10 shareholders are associated or are acting in concert.					
Note the shareholders involved in margin financing & securities lending (if any)	<p>1. In addition to the 11,221,862 shares held through the ordinary securities account, Wu Jilin, one of the shareholders of the Company, also holds 6,723,752 shares through the credit transaction guarantee securities account. Therefore, Wu Jilin is actually holding 17,945,614 shares;</p> <p>2. In addition to the 4,604,568 shares held through the ordinary securities account, Xu Guoliang, one of the shareholders of the Company, also holds 660,200 shares through the credit transaction guarantee securities account. Therefore, Xu Guoliang is actually holding 5,264,768 shares;</p> <p>3. In addition to the 107,900 shares held through the ordinary securities account, Zhu Rui, one of the shareholders of the Company, also holds 1,594,700 shares through the credit transaction guarantee securities account. Therefore, Zhu Rui is actually holding 1,702,600 shares;</p> <p>4. In addition to the 22,800 shares held through the ordinary securities account, Qu Yongjie, one of the shareholders of the Company, also holds 1,244,000 shares through the credit transaction guarantee securities account. Therefore, Qu Yongjie is actually holding 1,266,800 shares;</p> <p>5. In addition to the 0 shares held through the ordinary securities account, Zhang Mingrong, one of the shareholders of the Company, also holds 1,228,200 shares through the credit transaction guarantee securities account. Therefore, Zhang Mingrong is actually holding 1,228,200 shares.</p>					

## 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



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

Inapplicable

## III. Significant Events

### 1. About the Amendment of the Articles of Association

Reviewed and approved at the 7th session of the Tenth Board of Directors and 2021 Annual General Meeting, the Company decided to revise partial articles of the Articles of Association of the Company according to the law and regulations. For detail, please refer to the "Plan for Revising the Articles of Association" and "Announcement on the Resolution of 2021 Annual General Meeting 2022-026" disclosed by the Company on <http://www.cninfo.com.cn/> on April 23, 2022 and May 14, 2022 respectively.

Reviewed and approved at the 10th session of the Tenth Board of Directors, the Company, based on the authorization of 2019 1st Extraordinary General Meeting, 2021 1st Extraordinary General Meeting and 2021 5th Extraordinary General Meeting, revised partial articles of the "Articles of Association". For details, please refer to the Proposal for the Amendment of the Articles of Association and the "Announcement on the Resolution of the 7th Session of the Tenth Board of Directors 2022-046" disclosed by the Company on <http://www.cninfo.com.cn/> on December 21, 2022.

### 2. Repurchase of Partial Domestically Listed Foreign Investment Shares (B-Shares)

The Company's 2nd Session of the Tenth Board of Directors and the 5th Extraordinary General Meeting reviewed and approved the "Proposal on Repurchase of Partial Domestically Listed Foreign Shares (B-Shares)", and subsequently disclosed the repurchase report and series of progress announcements in accordance with relevant regulations. Ended

November 29, 2022, the repurchase of the shares was finished in implementation and the relevant shares had been canceled. For the detail, please refer to the “Announcement on the Expiration and the Implementation Result of the Repurchase of Partial Domestically Listed Foreign Investment Shares (B-Shares) 2022-044” and the “Announcement of Completion of the Cancellation of Partial Domestically Listed Foreign Investment Shares (B-Shares) as Repurchased and Change of the Company’s Shares 2022-045 disclosed in the Securities Times, Hong Kong Commercial Daily and <http://www.cninfo.com.cn> respectively on November 30, 2022 and December 17, 2022.

FIYTA Precision Technology Co., Ltd.

Board of Directors

March 18, 2023