



LongShine Technology Group Co., Ltd.

1rd Quarter Report 2022 (Summary)

April, 2022

I. Key Accounting Data and Financial Indicators

I. Key Accounting Data and Financial Indicators in Recent Three Years:

	The Reporting Period	Same period of previous year	Increase/decrease of current year over previous year
Revenue (RMB)	840,107,471.21	600,653,776.68	39.87%
Net profit attributable to shareholders of listed company (RMB)	51,398,337.62	49,106,553.59	4.67%
Net profit attributable to shareholders of listed company excluding non-recurring gains and losses (RMB)	47,219,733.76	44,745,025.75	5.53%
Net cash flows from operating activities (RMB)	-445,537,721.70	-215,336,068.60	-106.90%
Basic EPS (RMB Yuan/share)	0.0490	0.0479	2.30%
Diluted EPS (RMB Yuan/share)	0.0490	0.0479	2.30%
Weighted average ROE	0.80%	0.89%	-0.09%
	As at the end of the reporting period	As at the end of last year	Increase/decrease of current year over previous year
Total assets (RMB)	8,656,923,279.57	8,849,787,273.48	-2.18%
Net assets attributable to shareholders of listed company (RMB)	6,442,006,211.72	6,405,957,775.70	0.56%

1.1 Business Review

LongShine focuses its strategy on “Xindiantu” aggregated charging service from 2022, enhances investment on platform construction and user service, improves the coverage of charging network, user experience, and increases the GMV of electricity on the platform. In 2022, China formulated a series of new promotion policies on new energy vehicles, according to data from the Ministry of Public Security of PRC, at the end of the first quarter of 2022, the holding quantity of new energy vehicles increased to 8.915 million, about 2.9% of total automobile in China, the penetration rate of new energy vehicles reached 19.3%. At the end of the first quarter 2022, the platform has accumulated nearly 400,000 charging piles, provided charging services for nearly 3 million electric vehicle owners which increased more than 0.7 million in the first quarter, total aggregated charging capacity reached more than 330 million kWh which is 7 times than the same period 2021, total GMV of electricity on the platform was more than 100 million kWh. According to the development and competition in public charging service market in China, “Xindiantu” continuously enhances its aggregated charging network, and devotes resources to marketing and promotional campaigns, provides electric vehicle owners with a "more, faster, better and more economical" charging experience, charging capacity increased rapidly and built a strong base for upcoming energy operation. During the reporting period, the revenue of “Xindiantu” aggregated charging service revenue was more than 60 million RMB, the operating loss attributed to listed company was about 15 million because of the platform construction and marketing investment.

During the reporting period, Energy Digitization Business kept a steady growth under the disadvantage of Covid-19. With the construction of the new electric power system, LongShine continued to seize the industrial opportunity and increase the orders from core system of electric consumption service, digital new infrastructure and energy service and operation. The sector of energy and power is related to national energy security and national

economic development, and is as well the main battlefield of carbon emission reduction. It is necessary to change the way of development and take marketization as the premise, digitization as the basis and consumption scenario as the means. By building a new electric power system, especially focusing on the power demand side and promoting the electrification of energy consumption, it will eventually solve the 'Energy Trilemma' problem of Security, Equity and Sustainability. The digital transition and the construction of new electric power systems in energy industry will bring in definite business increase to Longshine in 2022. During the reporting period, the users of OTT Business continued to increase, as well as the revenue and profit.

1.2 Environmental, Social and Governance (ESG)

At March 25th, LongShine Technology issued its first ESG report, using this report as a guide, LongShine Technology will continue to strengthen its ESG governance, internal corporate governance, and business ethics, firmly establish a defense line of information security and privacy protection, pay attention to talent development needs, place an emphasis on professional talent training, and implement the concept of green development. LongShine will give full play to its advantages of digital technologies in the energy sector, enable low-carbon energy transition, lead a green and low-carbon life.

As the pandemic of Covid-19 changes rapidly and new circumstances and new problems keep cropping up in different fields, Longshine quickly developed the digital anti-pandemic product for the relevant government departments of city of Wuxi, which combines different records such as health code, nucleic acid test results, vaccination result and so on, helps the government to implement an effective and science-based prevention.

II. Items and Amounts of Non-recurring Gains and Losses

Item	Amounts for the Reporting Period	Explanation
Profit or loss from disposal of non-current assets (including the write-off for the impairment provision of assets)	5,189.81	
Government grants included in the current profit and loss (except for government grants that are closely related to the Company's regular business operations, comply with national policies, and those that are continuously enjoyed in accordance with a certain standard fixed or quantitative basis)	5,137,881.67	
The investment cost of the company to obtain subsidiaries, associates and joint ventures is less than the income generated by the fair value of the investee's identifiable net assets when the investment is obtained	65,675.75	
Other non-operating income and expenditures except the items mentioned above	-582.50	
Less: Impact of income tax	262,814.11	
Impact of the minority interests (after tax)	766,746.76	
Total	4,178,603.86	

III. Information and explanation about variations in key accounting data and financial indicators

3.1 Explanation for variations in balance sheet items

Item	2021/09/30	2020/12/31	YoY change (%)	Explanation
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Inventories	457,183,571.43	300,175,654.77	52.31%	Mainly due to the increase in energy digitalization service, the cost of performing these contracts increased
Intangible assets	139,374,372.21	81,320,163.29	71.39%	Mainly due to the increase in land-use right in Longshine industry park
Short-term loans	104,188,866.02	14,017,238.20	643.29%	Mainly due to the increase in short-term loans in Longshine

3.2 Explanation for variations in income statement items

Item	Amount for the current period	Amount for the prior period	YoY change (%)	Explanation
Revenue	840,107,471.21	600,653,776.68	39.87%	Mainly due to the “carbon neutrality” strategy, the increase of energy digitalization revenue and energy internet revenue.
Cost of Revenue	543,418,506.84	342,266,804.11	58.77%	Increase with sales revenue growth, as well as the new business in energy internet.
Selling expenses	75,322,839.77	44,309,595.10	69.99%	Mainly due to the increased investment in new business in energy internet.

3.3 Explanation for variations in cash flow statement items

Item	Amount for the current period	Amount for the prior period	YoY change (%)	Explanation
Net cash flows from Operating Activities	-445,537,721.70	-215,336,068.60	-106.90%	Mainly due to the delayed return under the situation of Covid-19, and the increased personnel in energy digitalization service.
Net cash flows from Financing activities	116,410,943.27	-89,648,940.05	229.85%	Mainly due to the increase of short-term loans.

IV. Company Profile

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