

LongShine 朗新

LongShine Technology Group Co., Ltd.

1st Quarter Report 2024 (Summary)

April, 2024

I. Key Accounting Data and Financial Indicators

I. Key Accounting Data and Financial Indicators:

	The Reporting Period	Same period of previous year	Increase/decrease of current year over previous year
Revenue (RMB)	667,505,407.63	652,692,873.73	2.27%
Net profit attributable to shareholders of listed company (RMB)	-19,227,215.14	20,069,422.58	-195.80%
Net profit attributable to shareholders of listed company excluding non-recurring gains and losses (RMB)	-46,113,344.35	3,428,835.41	-1,444.87%
Net cash flows from operating activities (RMB)	-207,097,199.72	-139,029,256.98	-48.96%
Basic EPS (RMB Yuan/share)	-0.018	0.019	-194.74%
Diluted EPS (RMB Yuan/share)	-0.018	0.019	-194.74%
Weighted average ROE	-0.25%	0.29%	-0.54%
	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)	9,795,748,829.71	9,978,148,404.43	-1.83%
Net assets attributable to shareholders of listed company (RMB)	7,576,522,368.23	7,621,006,322.84	-0.58%

1.1 Business Review

During the reporting period, Longshine's power grid-related Energy Digitization business continued to grow steadily, registering an increase of about 10% in revenues and a year-on-year rise in net cash flow from operating activities. Due to the growing demand and investment in the overall digital transformation of the power grid, Longshine consolidated its position and expanded its presence in the market in 2023. On this basis, Longshine's energy digitization project reserve increased significantly compared with the same period of last year. Major business opportunities include load management, virtual power plants, metering collection, electric vehicle charging and battery swapping operation, electricity trading, energy big data, etc. During the reporting period, Longshine further strengthened its strategic focus on energy industry and significantly reduced its non-energy digitization business.

During the reporting period, Longshine continued to maintain a rapid growth in Energy Internet business, with revenues increased by more than 50%. As of the end of Q1 2024, Xindiantu aggregated charging platform covered a total of more than 1.2 million charging devices, serving over 13 million registered users and generating more than 1.2 billion KWh of electricity charged via the platform. The revenue of Xindiantu in Q1 was more than doubled year on year, the efficiency of marketing subsidies was improved, and the operating losses were basically at the same level as those of the same period of last year. During the reporting period, the intelligent Vehicle-Energy-Infrastructure-Cloud cooperative system of Wuhan Donghu project was put into operation, and the construction of parking lot access and charging facilities were well under way. In terms of virtual power plants, Xinyao photovoltaic cloud platform was newly connected with more than 60,000 distributed photovoltaic power stations, with a capacity

of about 2GW, by the end of Q1 2024. Energy operation business grew rapidly, with more than 330 million KWh trading during the reporting period, including about 40 million KWh of green electricity.

During the reporting period, the OTT TV business was affected by various factors including the more stringent industry regulatory policies, weakening demand and the readjusted sharing mechanism with partners. The revenue of OTT TV in first quarter decreased more than 30%, with a dramatic decline in net profits and net cash flow from operating activities year on year. Longshine has started business improvement and cost control programs to mitigate the subsequent adverse impact.

1.2 Environmental, Social and Governance (ESG)

LongShine Group has released its *Environmental, Social and Governance (ESG) Report 2023*, which discloses the Company's practices and results in pursuing sustainable development to continuously enhance ESG governance. As an energy technology enterprise, LongShine has taken full advantage of cutting-edge technologies including digitization, intelligent applications, the Internet of Things (IoT), electric power and electronics technologies, coupled with a platform operation model, to continue empowering the transformation, upgrading, green and low-carbon development of the energy industry.

On March 1, 2024, the LongShine Public Welfare Foundation launched the "Hand-in-Hand and Warm-hearted Companion" project, donating 200 sets of intelligent terminal equipment to eight elderly care institutions such as the Wuxi Social Welfare Center and the Wuxi Yangzi Nursing Center. This equipment can provide a wide variety of services including audio-visual entertainment, online medical inquiries, health management, university for the elderly, so that the elderly can gain support in life, learn and enjoy themselves.

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)	-3,145.17	
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)	23,615,806.91	
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	3,759,856.12	
Other non-operating income and expenditures except the items mentioned above	2,204,856.35	
Less: Impact of income tax	1,044,697.14	
Impact of the minority interests (after tax)	1,640,480.44	
Total	26,886,129.21	

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

3.1 Explanation for variations in balance sheet items

Item	2024/03/31	2023/12/31	YoY change (%)	Explanation
Inventories	432,362,895.53	202,582,646.52	113.43%	Mainly due to the increase in energy digitalization service, the cost of performing these contracts increased

3.2 Explanation for variations in income statement items

Item	Amount for the current period	Amount for the prior period	YoY change (%)	Explanation
Revenue	667,505,407.63	652,692,873.73	2.27%	Mainly due to the increase of energy digitalization and energy internet.
Cost of Revenue	365,747,617.36	370,865,697.74	-1.38%	Mainly due to the decrease of hardware business in first quarter.
Selling expenses	184,016,149.08	119,525,577.24	53.96%	Mainly due to business development of energy digitalization in different provinces as well as the increase in Xindiantu

IV. Company Profile

Stock abbreviation	Longshine	Stock Code	300682
Website	http://www.longshine.com/		
Contact Us	Board Secretary	Securities Representative	
Name	Wang Shenyong	Wang Shuyang	
Address	Longshine Industry Park, No. 118 Jinghui East Road, Xinwu District, Wuxi	Longshine Industry Park, No. 118 Jinghui East Road, Xinwu District, Wuxi	
Tel.	0510-66676990	0510-66676990	
E-mail	ir@longshine.com	ir@longshine.com	