

Stock Code: 688007

Stock Short Name: Appotronics

Appotronics Corporation Limited

The First Quarter Report in 2022

The Board of Directors of the Company and all directors warrant that this Announcement is free from any misrepresentation, misleading statement, or material omission, and shall be jointly and severally liable for the truthfulness, accuracy, and completeness of the content hereof.

Important Notes

The Board of Directors, the Board of Supervisors, directors, supervisors, and senior officers of the Company hereby warrant that the information contained in this Quarterly Report is true, accurate and complete and this Quarterly Report is free from any misrepresentation, misleading statement or material omission, and agree to assume joint and several liability for this Quarterly Report.

The Principal, Person in Charge of the Accounting Body, and Chief Accountant of the Company hereby represent that the information of the financial statements contained in this Quarterly Report are true, accurate and complete.

Whether the financial statements of the 1st quarter have been audited

Yes No

本报告为深圳光峰科技股份有限公司自愿披露的《2022 年第一季度报告（英文版）》，对本报告的中英文版本理解上发生歧义时，以中文版本为准。

This First Quarter Report in 2022 is voluntarily disclosed by Appotronics Corporation Limited; in the event of any inconsistency in the understanding of the Chinese and English versions of this Report, the Chinese version prevails.

I. Major financial data

(I) Main accounting data and financial indicators

In RMB

Item	During the reporting period		Change on a year-on-year basis (%)
	At the end of the reporting period	At the end of the prior year	Changes at the end of the reporting period from the end of the prior year (%)
Operating income	525,139,870.53		0.03
Net profit attributable to shareholders of the listed company	17,858,914.53		-67.18
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	550,708.61		-98.50
Net cash flow from operating activities	-68,223,422.47		-164.23
Basic earnings per share (RMB/share)	0.04		-66.67
Diluted earnings per share (RMB/share)	0.04		-66.67
Weighted average return on net assets (%)	0.73		-1.84 percentage points
Total R&D investments	54,924,987.12		23.27
Proportion of R&D investments to operating income (%)	10.46		+1.97 percentage points
Total assets	4,078,683,693.46	4,097,230,955.90	-0.45
Owners' equity attributable to shareholders of the listed company	2,470,826,659.30	2,438,064,581.44	1.34

(II) Items and amounts of non-recurring profit or loss

In RMB

Item	Amount for the current period	Description
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Gain or loss on disposal of non-current assets	-163,268.42	
Government grants recognized in profit or loss for the current period (excluding government grants that are closely related to the business of the Company and are provided in fixed amount or quantity continuously according to the applicable polices and standards of the country)	9,788,819.73	
Profit or loss on entrusted investments or assets management	2,993,304.56	
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognized as a result of business combination of enterprises involving enterprises under common control	6,705,942.59	
Profit or loss on changes in the fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities and investment income on disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, other than those used in the effective hedging activities relating to normal operating business	-130,000.00	
Other non-operating income and expenses	79,683.91	
Other profits or losses meeting the definition of non-recurring profit or loss	316,603.77	
Less: Effect of income taxes	1,864,519.20	
Effects attributable to minority interests (net of tax)	418,361.02	
Total	17,308,205.92	

Description of defining non-recurring profit or loss items illustrated in *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 –Non-recurring Profit or Loss* as recurring profit or loss items

Applicable N/A

(III) Description of and reasons for changes in the main accounting data and financial indicators

Applicable N/A

Item	% Change	Main reason
Net profit attributable to shareholders of the listed company	-67.18	The main reasons are the year-on-year decrease by 11.5% in the incomes from the cinema projection service business, the decrease by 4.5% in the gross margin of the cinema projection service business, the year-on-year increase of RMB 18.1673 million of selling expenses, the year-on-year increase of RMB 22.0279 million in share-based payment expenses, and the year-on-year increase of RMB 10.3694 million in R&D investments, which lead to the year-on-year decrease in the total profits
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	-98.50	Same as the above
Net cash flow from operating activities	-164.23	The main reasons are the year-on-year increase in the payment for stock buildup, the payment for employee salaries and bonuses, and period expenses during the reporting period
Basic earnings per share (RMB/share)	-66.67	The main reasons are the decrease in the net profit attributable to shareholders of the listed company during the reporting period
Diluted earnings per share (RMB/share)	-66.67	The main reasons are the decrease in the net profit attributable to shareholders of the listed company during the reporting period

1. Analysis of business operation during the reporting period

During the reporting period, the Company expanded business operation focusing on “core technologies + core devices + application scenarios”, further optimized the business structure, and achieved outstanding results especially in the business of laser core devices. Key development of the Company’s main business during the reporting period is as follows:

Firstly, the business of laser projection core devices achieved rapid expansion in the household field. The Company supplied customized laser mini projectors, laser TV light generators, or other products to Dangbei, Anker Innovations, VAVA, Xgimi, ViewSonic,

Haier, Hewlett-Packard, and other companies. In the first quarter of 2022, we achieved the operating income of RMB 77.7392 million from this business, a year-on-year increase by 91.21%. The joining of more and more partners in the ALPD® laser projection ecology chain further proves the competitive advantages of our core technologies.

Secondly, Formovie, the controlled subsidiary for the TO C business of the Company, further optimized its business structure. By increasing the proportion of incomes from own-brand products from 36% to 56% on a year-on-year basis, Formovie gradually built the image of Formovie's own brand to start the benign cycle for its business. Formovie improved its overall gross margin by nearly 4 percentage points, mainly due to the increase in incomes from Formovie own-brand products and the increase in the gross margin of products. In particular, the gross margin of Formovie's laser TV business increased by nearly 10 percentage points on a year-on-year basis mainly due to the increase in the proportion of incomes from own-brand high-end TVs.

Since the beginning of 2022, the recurrence of COVID-19 in many cities across China caused certain impact on the Company's business development, which put pressure on both the incomes and profits of the Company in the first quarter, especially the obvious impact caused on the business education and cinema businesses. The incomes from business education of the Company decreased by 48.73% on a year-on-year basis; however, by focusing on the market of higher education, we achieved improvement in the gross margin compared with the previous year. With respect to the cinema projection service business, some places implemented shutdown measures in compliance with requirements for the prevention and control of COVID-19. During the reporting period, the incomes from the cinema projection service business decreased by 11.58%, and the gross margin decreased by 4.54 percentage points, which are the main reasons for the year-on-year decrease in the Company's profits in the current period.

2. Analysis of factors affecting profits

With respect to expenses, during the reporting period, the Company's selling expenses increased by RMB 18.1673 million, increased by 49.46% on a year-on-year basis, mainly due to the market investment expenses of RMB 14.1538 million to implement the

Company's policy of active market competition, increasing investment for the consumer market, and building own brands of the Company.

To motivate core personnel playing a significant role in the new growth curve of the Company in the future, the Company launched two restricted share incentive plans in 2021, under which the share-based payment expenses were RMB 25.3099 million in the current period, increased by 671.16% on a year-on-year basis.

As a result of the above, the Company experienced significant changes in the profits of the current period compared with the same period of the last year. With the share-based payment expenses not being included, the net profits attributable to owners of the parent company are RMB 46.7498 million, and the net profits attributable to owners of the parent company after deduction of non-recurring profit or loss are RMB 29.4416 million.

3. Development of innovation businesses

(1) Vehicle-mounted display business

A trend for the future vehicle industry is the intelligentization of vehicles. The new requirements on vehicle-mounted displays for intelligent cabins motivated innovative application of laser projection display as vehicle-mounted displays, such as drive assistance, and human-machine interaction experience and entertainment for passengers, including the vehicle roof screen, vehicle window transparent display, large screen for entertainment, AR-HUD, smart surfaces, smart laser headlights, etc., which lead to a broad market space for vehicle-mounted display.

During the reporting period, we acquired the certificate for IATF 16949:2016 Quality Management System, the admission certificate for entering the domestic and overseas vehicle supply chain, which facilitates further expansion of the Company's vehicle-mounted laser projection display business. By now, we have engaged in cooperation with some vehicle manufacturers and tier-1 suppliers. It's expected that, after restoration from COVID-19, we will showcase the results of our cooperation with vehicle manufacturer at various major vehicle exhibitions throughout China.

(2) AR business

We have achieved breakthrough in the technology research and development in the AR filed by successfully developing the AR core device module which can achieve full-color, dynamic, and high-definition display effects. At present, we have been invited to the 2022 International Conference on Display Technology (ICDT 2022); moreover, we plan to present relevant R&D achievements on a stage-by-stage basis with reference to further optimization of AR technologies.

II. Shareholder information

- (I) Total number of ordinary shareholders, number of preferred shareholders whose voting right has been restituted, and shares held by top 10 shareholders

Unit: Share

Total number of ordinary shareholders as of the end of the reporting period		14,426	Total number of preferred shareholders whose voting right has been restituted as of the end of the reporting period (if any)		N/A		
Shares held by top 10 shareholders							
Shareholder	Nature of shareholder	Number of shares held	Proportion of shareholding (%)	Number of non-tradable shares held	Number of non-tradable shares held, including the shares lent out under the refinancing arrangement	Shares pledged, marked, or frozen	
						Status of shares	Quantity
Shenzhen Appotronics Holdings Limited	Domestic non-stated owned corporation	79,762,679	17.62	79,762,679	79,762,679	None	0
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	Domestic non-stated owned corporation	24,139,500	5.33	24,139,500	24,139,500	None	0

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Nantong Strait Appotronics Investment Partnership (LP)	Domestic non-stated owned corporation	23,080,329	5.10	0	0	None	0
Shenzhen Appotronics Daye Investment Partnership (LP)	Domestic non-stated owned corporation	20,430,250	4.51	20,430,250	20,430,250	None	0
Citron PE Investment (Hong Kong) 2016 Limited	Foreign corporation	17,435,203	3.85	0	0	None	0
Shenzhen Appotronics Hongye Investment Partnership (LP)	Domestic non-stated owned corporation	15,662,374	3.46	15,662,374	15,662,374	None	0
Shenzhen Jinleijing Investment Limited Partnership (LP)	Domestic non-stated owned corporation	12,353,106	2.73	12,353,106	12,353,106	None	0
Green Future Holdings Limited	Foreign corporation	12,333,426	2.72	0	0	None	0
SAIF IV Hong Kong (China Investments) Limited	Foreign corporation	11,367,191	2.51	0	0	None	0
Shenzhen Appotronics Chengye Consulting Partnership (LP)	Domestic non-stated owned corporation	10,394,846	2.30	10,394,846	10,394,846	None	0
Shares held by top 10 holders of tradable shares							
Shareholder	Number of tradable shares held			Type and number of shares			

		Type of shares	Quantity
Nantong Strait Appotronics Investment Partnership (LP)	23,080,329	RMB-denominated ordinary share	23,080,329
Citron PE Investment (Hong Kong) 2016 Limited	17,435,203	RMB-denominated ordinary share	17,435,203
Green Future Holdings Limited	12,333,426	RMB-denominated ordinary share	12,333,426
SAIF IV Hong Kong (China Investments) Limited	11,367,191	RMB-denominated ordinary share	11,367,191
Shenzhen Guochuang Chenggu Capital Management Co., Ltd. - Shenzhen Chengguhui Equity Investment Partnership (LP)	6,674,369	RMB-denominated ordinary share	6,674,369
LUO Xiaobin	6,333,626	RMB-denominated ordinary share	6,333,626
China Merchants Bank Co., Ltd. - Agricultural Bank of China Huili Strategic Income One-year Holding Hybrid Securities Investment Fund	5,778,752	RMB-denominated ordinary share	5,778,752
China Construction Bank Corporation - Invesco Great Wall Environment Protection Advantageous Stock Securities Investment Fund	5,419,897	RMB-denominated ordinary share	5,419,897
Bank of China Co., Ltd. - Invesco Great Wall Selected Hybrid Securities Investment Fund	4,867,793	RMB-denominated ordinary share	4,867,793
Bank of Ningbo Co., Ltd. - Invesco Great Wall Growth Leader One-year Holding Hybrid Securities Investment Fund	4,728,701	RMB-denominated ordinary share	4,728,701

<p>Affiliates or concert parties among the shareholders stated above</p>	<p>1. As of March 31, 2022, the Company has received no statement from aforementioned shareholders to confirm there is a related-party relationship or concerted action, except the concerted action among Shenzhen Appotronics Holdings Co., Ltd., Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP), Shenzhen Appotronics Daye Investment Partnership (LP), Shenzhen Appotronics Hongye Investment Partnership (LP), Shenzhen Jinleijing Investment Limited Partnership (LP), and Shenzhen Appotronics Chengye Consulting Partnership (LP) in top 10 shareholders of the Company.</p> <p>2. We are not aware whether there are affiliates or concert parties as defined in the <i>Administrative Measures for the Acquisition of the Listed Companies</i> among other shareholders.</p>
<p>Description of margin trading, short selling, and refinancing involving top 10 shareholders and top 10 holders of non-restricted shares (if any)</p>	<p>N/A</p>

III. Other events

Other important information about the business operation of the Company during the reporting period requesting the attention of investors

Applicable N/A

(I) Litigation and arbitration

1. During the reporting period, the Company received the civil ruling (2019) Jing 73 Min Chu No. 1275 and (2019) Jing 73 Min Chu NO. 1276 issued by Beijing Intellectual Property Court in January 2022. In the judgment of the first instance, Beijing Intellectual Property Court dismissed all the claims of Delta Electronics.

2. During the reporting period, the Company settled with Delta Electronics, Inc. and withdrew the case (case No.: 19-cv-00466-RGD-LRL) concerning the dispute over the inventor of the US patent for invention No. US9,024,241.

3. During the reporting period, the Company received a Notice of Responding to Action from the American Arbitration Association (case No.: 01-22-0001-2735), in which the plaintiffs GDC Cayman and GDC BVI raised arbitration claims to the American Arbitration Association against the Company and Appotronics HK on the ground that the Company failed to assist them in getting listed, hence constituting violation of agreement; the amount involved is USD 38.00 million in total.

4. During the reporting period, the subsidiaries Appotronics Xiaoming and Beijing Fengmi received a Notice of Responding to Action from Zhejiang Higher People's Court (case No.: (2022) Zhe 01 Min Chu No. 157), in which Shenzhen Wanbo Technology Co., Ltd. initiated the civil litigation on the ground that Appotronics Xiaoming and Beijing Fengmi infringed the design patent No. ZL201930556138.3 owned by Shenzhen Wanbo, requesting the court to order for stopping the act of infringing the design patent and making compensation for infringement in the amount of RMB 3.00 million.

(II) Petition for invalidation

As of the release date of this report, two cases of petition for invalidation in which the Company is the patentee are under trial at the National Intellectual Property Administration, involving the patents ZL200810065225.X and ZL201510464408.9. One case (case No.: 6W120359) of petition for invalidation in which Beijing Fengmi, a subsidiary of the Company, is the patentee is under trial at the National Intellectual Property Administration, involving the design patent 202130075102.0. In March 2022, the subsidiary Beijing Fengmi received a Notice of Termination of Examination on Petition for Invalidation (case No.: 6W120283) from the National Intellectual Property Administration, stating that the petitioner had submitted a statement on withdrawing the petition for invalidation, and the trial of this case had been terminated.

As of the release date of this Report, the Company, as the petitioner, initiated 3 cases of petition for invalidation to the National Intellectual Property Administration against Delta Electronics. In January 2022, the subsidiary Beijing Fengmi submitted a petition for invalidation (case No.: 6W120711) to the National Intellectual Property Administration against Shenzhen Wanbo Technology Co., Ltd. concerning the design patent for the "projector (T6)" (patent No.: 202130243902.9).

IV. Quarterly financial statements

(I) Type of audit opinions

Applicable N/A

(II) Financial statements

Consolidated Balance Sheet

March 31, 2022

Prepared by: Appotronics Corporation Limited

In RMB Audit type: Unaudited

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Item	March 31, 2022	December 31, 2021
Current Assets:		
Cash and bank balances	893,944,617.32	957,729,831.15
Balances with clearing agencies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	405,070,000.00	417,200,000.00
Derivative financial assets		
Notes receivable	2,606,670.80	5,256,603.03
Accounts receivable	249,432,125.61	403,134,471.87
Receivables financing	514,860.00	244,860.00
Prepayments	96,563,840.23	98,116,970.83
Premiums receivable		
Amounts receivable under reinsurance contracts		
Reinsurer's share of insurance contract reserves		
Other receivables	31,072,645.86	30,472,595.66
Including: Interest receivable		
Dividend receivable		
Financial assets purchased under resale agreements		
Inventories	935,536,289.44	769,621,133.00
Contract assets	4,169,941.83	3,903,859.23
Assets held for sale		
Non-current assets due within one year	2,688,446.82	3,473,049.18
Other current assets	80,695,678.12	52,761,820.83
Total current assets	2,702,295,116.03	2,741,915,194.78
Non-current Assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term accounts receivable	6,615,854.85	5,793,552.74
Long-term equity investment	293,458,118.88	293,601,085.27
Investment in other equity instruments	7,075,419.38	7,075,419.38
Other non-current financial assets		
Investment property		
Fixed assets	468,505,681.65	470,410,450.18
Construction in progress	161,158,824.60	148,620,511.35
Productive biological assets		

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Oil and gas assets		
Use right assets	52,715,114.45	26,803,910.76
Intangible assets	297,728,916.34	301,164,605.56
Development expenditure		
Goodwill		
Long-term prepaid expenses	8,335,147.04	10,126,164.82
Deferred tax assets	65,681,214.69	80,721,419.29
Other non-current assets	15,114,285.55	10,998,641.77
Total non-current assets	1,376,388,577.43	1,355,315,761.12
Total assets	4,078,683,693.46	4,097,230,955.90
Current Liabilities:		
Short-term borrowings	55,570,867.46	5,570,878.11
Loans from the central bank		
Taking from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	163,544,873.77	134,378,967.61
Accounts payable	328,130,174.79	419,966,567.27
Advance from customers	147,276,771.55	130,288,312.62
Contract liabilities	59,693,156.56	45,541,629.55
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Funds from securities trading agency		
Funds from underwriting securities agency		
Employee benefits payable	25,691,883.12	64,119,087.51
Taxes payable	29,696,086.83	19,546,190.23
Other payables	35,836,400.43	54,115,784.80
Including: Interest payable		
Dividend payable		
Fees and commissions payable		
Amounts payable under reinsurance contracts		
Liabilities held for sale		
Non-current liabilities due within one year	129,967,297.58	154,785,116.35

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Other current liabilities	6,188,785.48	19,561,104.12
Total current liabilities	981,596,297.57	1,047,873,638.17
Non-current Liabilities:		
Insurance contract reserves		
Long-term borrowings	348,486,808.11	368,635,614.64
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Leasing liabilities	55,683,911.42	10,789,352.69
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities	36,709,808.03	36,428,688.94
Deferred income	9,400,442.21	10,266,982.08
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	450,280,969.77	426,120,638.35
Total liabilities	1,431,877,267.34	1,473,994,276.52
Owners' Equity (Shareholders' Equity):		
Paid-in capital (or share capital)	452,756,901.00	452,756,901.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,417,623,095.46	1,400,605,136.65
Less: Treasury shares		
Other comprehensive income	-18,955,308.08	-16,840,512.60
Special reserve		
Surplus reserve	56,265,868.31	56,265,868.31
General risk reserve		
Undistributed profit	563,136,102.61	545,277,188.08
Total owners' (or shareholders') equity attributable to owners of the Parent Company	2,470,826,659.30	2,438,064,581.44
Minority interests	175,979,766.82	185,172,097.94
Total owners' (or shareholders') equity	2,646,806,426.12	2,623,236,679.38
Total liabilities and owners' (or shareholders') equity	4,078,683,693.46	4,097,230,955.90

Legal Representative: LI Yi Chief Accountant: WANG Yingxia Person in Charge of the Accounting Body: WANG Yingxia

Consolidated Income Statement

For the period from January to March 2022

Prepared by: Appotronics Corporation Limited

In RMB Audit type: unaudited

Item	The First Quarter in 2022	The First Quarter in 2021
I. Total operating income	525,139,870.53	524,967,989.26
Including: Operating income	525,139,870.53	524,967,989.26
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	523,692,375.90	468,379,392.92
Including: Operating costs	354,352,194.03	352,723,171.28
Interest expenses		
Fee and commission expenses		
Surrenders		
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		
Net withdrawal of insurance contract reserves		
Insurance policyholder dividends		
Expenses for reinsurance accepted		
Taxes and additions	2,776,916.38	2,289,691.36
Selling expenses	54,900,208.42	36,732,891.97
Administrative expenses	54,622,705.64	32,052,318.68
R&D expenses	54,924,987.12	44,555,558.17
Financial expenses	2,115,364.31	25,761.46
Including: Interest expense	5,325,013.75	5,017,702.98
Interest income	3,267,436.22	5,330,089.31
Add: Other income	12,499,685.94	14,353,842.94
Investment income (loss is indicated by “-”)	1,790,753.08	4,546,382.37
Including: Income from investments in associates and joint ventures	-1,202,551.48	3,610,499.91
Gains from derecognition of financial assets measured at amortized cost		
Foreign exchange gains (loss is indicated by “-”)		
Gains from net exposure hedges (loss is indicated by “-”)		
Gains from changes in fair values (loss is indicated by “-”)	-130,000.00	

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Losses of credit impairment (loss is indicated by “-”)	7,933,147.01	7,707,743.19
Impairment losses of assets (loss is indicated by “-”)	1,018,024.96	-1,714,867.75
Gains from disposal of assets (loss is indicated by “-”)	3,849.89	2,806,103.11
III. Operating profit (loss is indicated by “-”)	24,562,955.51	84,287,800.20
Add: Non-operating income	79,121.80	438,003.45
Less: Non-operating expense	166,556.20	74,302.34
IV. Total profits (total losses are indicated by “-”)	24,475,521.11	84,651,501.31
Less: Income tax expenses	17,084,893.94	20,220,441.99
V. Net profits (net losses are indicated by “-”)	7,390,627.17	64,431,059.32
(I) Categorized by the continuity of operation		
1. Net profits from continuing operations (net losses are indicated by “-”)	7,390,627.17	64,431,059.32
2. Net profits from discontinued operations (net losses are indicated by “-”)		
(II) Categorized by the ownership		
1. Net profits attributable to shareholders of the Parent Company (net losses are indicated by “-”)	17,858,914.53	54,409,294.00
2. Profits or losses attributable to minority shareholders (net losses are indicated by “-”)	-10,468,287.36	10,021,765.32
VI. Other comprehensive income, net of tax	-2,098,194.75	-1,030,020.03
(I) Other comprehensive income that can be attributable to owners of the Parent Company, net of tax	-2,114,795.48	-1,018,143.17
1. Other comprehensive income that cannot be reclassified subsequently to profit or loss		
(1) Changes from remeasurement of defined benefit plans		
(2) Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
(3) Changes in fair value of investments in other equity instruments		
(4) Changes in fair value of enterprises’ own credit risks		
2. Other comprehensive income that	-2,114,795.48	-1,018,143.17

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will be reclassified to profit or loss		
(1) Other comprehensive income that will be reclassified to profit or loss under the equity method	-531,438.79	
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified to other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Reserve for cash flow hedges		
(6) Exchange differences on translation of financial statements denominated in foreign currencies	-1,583,356.69	-1,018,143.17
(7) Others		
(II) Other comprehensive income that can be attributable to minority shareholders, net of tax	16,600.73	-11,876.86
VII. Total comprehensive income	5,292,432.42	63,401,039.29
(I) Total comprehensive income that can be attributable to owners of the Parent Company	15,744,119.05	53,391,150.83
(II) Total comprehensive income that can be attributable to minority shareholders	-10,451,686.63	10,009,888.46
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.04	0.12
(II) Diluted earnings per share (RMB/share)	0.04	0.12

In the event of business combinations involving enterprises under common control, the net profits realized prior to the combination by the party being absorbed is: RMB 0, and the net profits realized in the last period by the party being absorbed is: RMB 0.

Legal Representative: LI Yi Chief Accountant: WANG Yingxia Person in Charge of the Accounting Body: WANG Yingxia

Consolidated Cash Flow Statement

For the period from January to March 2022

Prepared by: Appotronics Corporation Limited

In RMB Audit type: Unaudited

Item	The First Quarter in 2022	The First Quarter in 2021
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods	759,788,663.43	747,962,281.72

and the rendering of services		
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in taking from banks and other financial institutions		
Cash receipts from premiums under direct insurance contracts		
Net cash receipts from reinsurance business		
Net cash receipts from policyholders' deposits and investment contract liabilities		
Cash receipts from interest, fees and commissions		
Net increase in taking from banks		
Net increase in financial assets sold under repurchase arrangements		
Net cash received from securities trading agencies		
Receipts of tax refunds	1,653,792.53	975,787.81
Other cash receipts relating to operating activities	19,019,366.32	35,073,661.67
Sub-total of cash inflows from operating activities	780,461,822.29	784,011,731.20
Cash payments for goods purchased and services received	601,723,858.74	498,775,867.34
Net increase in loans and advances to customers		
Net increase in balance with the central bank and due from banks and other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payments for interest, fees and commissions		
Cash payments for insurance policyholder dividends		

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Cash payments to and on behalf of employees	131,556,204.70	96,357,835.55
Payments of various types of taxes	21,170,130.47	22,526,122.46
Other cash payments relating to operating activities	94,235,050.84	60,128,643.98
Sub-total of cash outflows from operating activities	848,685,244.75	677,788,469.33
Net cash flow from operating activities	-68,223,422.47	106,223,261.88
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	431,000,000.00	114,000,000.00
Cash receipts from investment income	2,993,304.56	935,882.46
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	50.00	
Net cash receipts from disposals of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	433,993,354.56	114,935,882.46
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	24,223,261.42	14,262,405.92
Cash payments to acquire investments	419,000,000.00	148,048,387.32
Net increase in pledged loans receivables		
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	443,223,261.42	162,310,793.24
Net cash flows from investment activities	-9,229,906.86	-47,374,910.78
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions		22,500,000.00
Including: Cash receipts from capital contributions from minority		22,500,000.00

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shareholders of subsidiaries		
Cash receipts from borrowings	62,977,252.77	61,489,331.60
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	62,977,252.77	83,989,331.60
Cash repayments of borrowings	39,250,545.00	87,595,777.45
Cash payments for distribution of dividends or profits or settlement of interest expenses	5,435,603.29	4,677,974.98
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		
Other cash payments relating to financing activities	6,680,619.57	23,777,056.92
Sub-total of cash outflows from financing activities	51,366,767.86	116,050,809.35
Net cash flows from financing activities	11,610,484.91	-32,061,477.75
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	-285,263.26	670,024.42
V. Net Increase in Cash and Cash Equivalents	-66,128,107.68	27,456,897.77
Add: Opening balance of cash and cash equivalents	891,195,169.00	983,525,089.44
VI. Closing Balance of Cash and Cash Equivalents	825,067,061.32	1,010,981,987.21

Legal Representative: LI Yi Chief Accountant: WANG Yingxia Person in Charge of the Accounting Body: WANG Yingxia

(III) Description of adjustments in opening balances of line items in financial statements of the year due to implementation of new accounting standard since 2022

Applicable N/A

Be it hereby announced

Board of Directors of Appotronics Corporation Limited
April 27, 2022