

Stock Code: 688007

Stock Short Name: Appotronics

Appotronics Corporation Limited

The Third Quarter Report in 2022

The Board of Directors and all the directors of the Company warrant that the information contained in this Report is free from any misrepresentation, misleading statement or material omission, and agree to assume the liability for the truth, accuracy and completeness of this Report according to the law.

Important note:

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

The Principal of the Company, Chief Accountant and Person in charge of the Accounting Body (Chief Accountants) warrant the information presented in the financial statements in this Quarter Report is true, accurate and complete.

Whether the third quarter financial statements 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年第三季度报告（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 Third Quarter Report in 2022 (English Version) 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

Key accounting data and financial indicators

In RMB

Item	During the reporting period	Change on a year-on-year basis(%)	From the beginning of the year to the end of the reporting period	Change on a year-on-year basis (%)
Operating income	606,484,116.96	9.09	1,875,806,319.07	12.96
Net profit attributable to shareholders of the listed company	45,389,736.02	-24.27	91,356,217.12	-56.78
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	32,170,896.11	-21.71	54,176,283.03	-49.86
Net cash flow from operating activities	N/A	N/A	11,219,837.41	N/A
Basic earnings per share (RMB/share)	0.10	-23.08	0.20	-57.45
Diluted earnings per share (RMB/share)	0.10	-23.08	0.20	-56.52
Weighted average return on net assets (%)	1.78	Decrease by 0.75 %	3.64	Decrease by 5.74%
Total R&D investments	59,286,764.89	-2.37	174,246,551.26	11.80
Proportion of R&D investments to operating income (%)	9.78	Decrease by 1.14%	9.29	Decrease by 0.1%
	At the end of the reporting period		At the end of the prior year	Change on a year-on-year basis (%)
Total assets	4,186,583,215.57		4,097,230,955.90	2.18

Equity attributable to shareholders of the listed company	2,593,553,081.32	2,438,064,581.44	6.38
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Note: The term “reporting period” refers to a period of three months from the beginning of this quarter to the end of this quarter, same as below.

Items and amounts of non-recurring profit or loss

			In RMB
Item	Amount for the reporting period	Amount from the beginning of the year to the end of the reporting period	Description
Profit or loss from disposal of non-current assets	-108,866.07	-5,048,303.41	
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)	5,019,896.14	21,046,715.69	
Profit or loss on entrusted investments or assets management	3,317,217.06	9,112,583.88	
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	7,239,843.02	20,834,179.08	
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	-375,000.00	-1,809,000.00	

hedging activities relating to normal operating business			
Non-operating income and expenses other than above	-403,894.95	-1,451,888.30	
Other profit or loss that meets the definition of non-recurring profit or loss	0.00	364,144.36	
Less: Effect of income taxes	1,006,532.41	3,777,297.81	
Effects attributable to minority interests (net of tax)	463,822.88	2,091,199.40	
Total	13,218,839.91	37,179,934.09	

Description of non-recurring profit and loss items defined or listed in the Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Profits and Losses being classified into the recurring profit and loss items

Applicable N/A

Description of and reason for changes in major accounting data and financial indicators

Applicable N/A

Item	Change (%)	Main reason
Net profit attributable to shareholders of the listed company _ from the beginning of the year to the end of the reporting period	-56.78	Primarily due to changes in product structure, decreased gross profit margin, increased expenses and decreased non-recurring profit or loss for the first three quarters .
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss _ from the beginning of the year to the end of the reporting period	-49.86	Primarily due to changes in product structure, decreased gross profit margin, and increased expenses for the first three quarters.
Net cash flow from operating activities _ from the beginning of the year to the end of the reporting period	N/A	This amount has increased by RMB 32.1367 million on a year-on-year basis, primarily due to the increased sales return and the decreased payment for stocked products.
Basic earnings per share (RMB/share) _ from the beginning of the year to the end of the reporting period	-57.45	Primarily due to the decreases in net profit attributable to shareholders of the listed company for the first three quarters.
Diluted earnings per share (RMB/share) _ from the beginning of the year to the end of the reporting period	-56.52	Primarily due to the decreases in net profit attributable to shareholders of the listed company for the first three quarters.

(I) Analysis of business situations during the reporting period

With adherence to the strategic layout of “core technologies + core devices + application scenarios” and great attentions to market and customer needs, the Company has achieved steady development by giving full play to its advantages and accurately grasping market opportunities despite multiple adverse impacts such as recurrence of Covid-19 and severe macro situation. For the first three quarters of 2022, its revenue achieved RMB 1.876 billion, up by 12.96% over the same period of the prior year; net cash flow from operating activities was RMB 11.2198 million cumulatively, better than that for the same period of the prior year. In the third quarter of 2022, the Company’s net profit attributable to shareholders of the listed company was RMB 45.3897 million, up by 61.49% on a month-on-month basis, which represented a sound and steady business situation of the Company.

During the reporting period, the Company’s main business sectors with great efforts to develop are stated as follows.

1. Core device business**1.1 New breakthroughs in vehicle optical business with cooperation with well-known automobile companies**

Insisting on innovation-driven strategy with focuses on customer needs, the Company continued to make more investments in research and development of innovative businesses and developed further cooperation with industry chain partners, and thus achieved new breakthroughs in vehicle optical business. During the reporting period, the Company received the Notice of Development Designation from its customer BYD Company Ltd, which means that the Company would become BYD’s supplier to provide vehicle optical components.

1.2 Significant growth in core household device business with active preparation for large shopping festivals

For the first three quarters of 2022, the Company’s revenue from core household device business achieved a year-on-year growth of over 140%. Even in the third quarter, the traditional slack season, the Company’s operating income from core household device business also increased by over 90% on a year-on-year basis. Looking forward to the fourth quarter, the Company’s customers will launch a variety of new products to the markets at home and abroad during the period of “Double 11”, “Black Friday” and other large shopping festivals. Therefore, it is expected that the Company will achieve a rapid growth on its core household device business.

2. Non-core device business**2.1 Rapid growth in self-owned brand business aiming to the consumer market with highlighted performance from new products**

For the first three quarters of 2022, the Company made greater efforts to promote its self-owned brand products in the consumer market. In terms of the Company’s subsidiary Formovie, its revenue from self-owned brand business accounted for over 50% of its total revenue for the first three quarters of 2022 and over 70% of its total revenue in the third quarter of 2022.

In September 2022, Formovie launched the new laser projector S5. Due to outstanding price advantage and excellent display effect, S5 laser projector received a very warm welcome immediately among products with mainstream prices. Responsive to strong demands on S5 laser projector, the Company was committed to delivering products with excellent quality and after-sale services as scheduled and continuously strengthening its supply chain management to meet consumer needs.

2.2 Building industry benchmark continuously for professional display business with new progress in overseas market

Under the trend of localization in the professional display market, the Company grasped market opportunities and gave full play its competitive advantages. Particularly, in terms of engineering business, the Company made continuous efforts to lighting and large stadium performing arts markets with focuses on creating high-quality scene cases; in terms of business education, the Company accelerated its transformation to higher vocational business education, and successively won bids for well-known university business projects. In addition, the Company actively explored overseas professional display market, and for the first three quarters of 2022, its overall sales turnover from overseas ODM and self-brand business increased by nearly 160%.

(II) Analysis of factors that can affect profits during the reporting period

In terms of operating income, the Company's business education grew weakly due to repeated outbreak of Covid-19, hence its operating income in the third quarter declined by 16.79% on a year-on-year basis.

In terms of selling expenses, the Company's selling expenses increased by RMB 24.0783 million and 43.09% on a year-on-year basis, primarily due to an increase of RMB12.5652 million in marketing expenses as the Company spent more on market promotion activities in consumer markets and accelerated the expansion of its self-owned brand business.

In terms of administrative expenses, with purposes to motivate core employees playing an important role in the Company's new growth curve in the future, the Company successively released restricted stock incentive plans. The share-based payment expenses for the current period were nearly RMB 26 million, up by over 8% compared with the same period of the prior year.

Exclusive of the impact of share-based payment expenses, the Company's net profits attributable to owners of the parent company amounted to RMB 73.8406 million, or RMB 60.6218 million after deduction of non-recurring profits.

II. Shareholder information

Table of total number of ordinary shareholders and preferred shareholders with resumed voting right as well as shareholding status of top 10 shareholders

Unit: Share

Total number of holders of ordinary shares at the end of the reporting period	13,608			Total number of preferred shareholders with resumed voting right during the reporting period (if any)	0	
Shareholding status of top 10 shareholders						
Shareholder name	Shareholder nature		Proportion	Number of restricted	Number of restricted	Shares pledged, marked or frozen

		Number of shares held	n of share holding (%)	shares held	shares held, including the shares lent out under the refinancing arrangement	Status	Quantity
Shenzhen Appotronics Holdings Limited	Domestic non-stated owned legal person	79,762,679	17.51	-	-	None	-
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	Domestic non-stated owned legal person	24,139,500	5.30	-	-	None	-
Nantong Strait Appotronics Investment Partnership (LP)	Domestic non-stated owned legal person	22,780,329	5.00	-	-	None	-
Shenzhen Appotronics Daye Investment Partnership (LP)	Domestic non-stated owned legal person	20,430,250	4.48	-	-	None	-
Shenzhen Appotronics Hongye Investment Partnership (LP)	Domestic non-stated owned legal person	15,662,374	3.44	-	-	None	-
Shenzhen Jinleijing Investment Limited Partnership (LP)	Domestic non-stated owned legal person	12,353,106	2.71	-	-	None	-
Shenzhen Appotronics Chengye Consulting Partnership (LP)	Domestic non-stated owned legal person	10,394,846	2.28	-	-	None	-
Citron PE Investment (Hong Kong) 2016 Limited	Overseas legal person	9,549,234	2.10	-	-	None	-

GREEN FUTURE HOLDINGS LIMITED	Overseas legal person	8,977,043	1.97	-	-	None	-
Bank of China - YFD Stable Income Bond Securities Investment Fund	Others	8,641,926	1.90	-	-	None	-
Shareholding status of top 10 unrestricted shareholders							
Shareholder name	Quantity of unrestricted outstanding shares held	Type and quantity of shares					
		Type	Quantity				
Shenzhen Appotronics Holdings Limited	79,762,679	RMB-denominated ordinary share	79,762,679				
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	24,139,500	RMB-denominated ordinary share	24,139,500				
Nantong Strait Appotronics Investment Partnership (LP)	22,780,329	RMB-denominated ordinary share	22,780,329				
Shenzhen Appotronics Daye Investment Partnership (LP)	20,430,250	RMB-denominated ordinary share	20,430,250				
Shenzhen Appotronics Hongye Investment Partnership (LP)	15,662,374	RMB-denominated ordinary share	15,662,374				
Shenzhen Jinleijing Investment Limited Partnership (LP)	12,353,106	RMB-denominated ordinary share	12,353,106				

Shenzhen Appotronics Chengye Consulting Partnership (LP)	10,394,846	RMB-denominated ordinary share	10,394,846
Citron PE Investment (Hong Kong) 2016 Limited	9,549,234	RMB-denominated ordinary share	9,549,234
GREEN FUTURE HOLDINGS LIMITED	8,977,043	RMB-denominated ordinary share	8,977,043
Bank of China - YFD Stable Income Bond Securities Investment Fund	8,641,926	RMB-denominated ordinary share	8,641,926
Description of related party relationship or concerted action of the said shareholders	Among the Company's top ten shareholders, Shenzhen Appotronics Holdings Limited, 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) have related party relationship and are acting-in-concert parties. However, these shareholders have neither related party relationship nor acting-in-concert party relationship with the third, the eighth, the ninth and the tenth shareholder. Except those described above, it is unknown that whether there are any other related or acting-in-concert parties among other shareholders stated above.		
Description of participation in the securities margin trading, short selling and refinancing by top 10 shareholders and top 10 unrestricted shareholders (if any)	N/A		

III. Other reminders

Other important information related to the Company's business operation that investors are requested to pay attention to during the reporting period

√ Applicable □ N/A

(I) Litigation and arbitration

During the reporting period, details of litigation and arbitration cases where the Company was involved are stated as below:

1. The Company received a civil ruling from the Supreme People's Court in responsive to the case numbered (2022) Zui Gao Fa Zhi Min Zhong No. 1586 in the second instance (corresponding to the case of the first instance: (2019) Jing 73 Min Chu No. 1276), in which the court ruled that Delta Electronics, Inc. was allowed to withdraw the case.

2. The Company received a notice of response for the case numbered (2022) Zui Gao Fa Zhi Min Zhong No. 1587 in the second instance. This case is an appeal case brought by Delta Electronics, Inc. corresponding to the first instance judgement for the (2019) Jing 73 Min Chu No. 1275 case and is in trial in the second instance.

3. The Company received a civil ruling from Hangzhou Intermediate People's Court in responsive to the case numbered (2022) Zhe 01 Min Chu No. 157, in which the court ruled that the plaintiff Shenzhen Wanbo Technology Co., Ltd. was allowed to withdraw the case in respect of the dispute over infringement on design patents.

4. The Company received a civil ruling from Shenzhen Nanshan District People's Court in responsive to the case numbered (2022) Yue 0305 Min Chu No.10069, in which the court ruled that the Company was allowed to withdraw the case. The Company and the defendant Shenzhen Creality 3D Technology Co., Ltd. achieved a settlement for the dispute over the sale and purchase contract and withdrew the case. The defendant refunded RMB 163,600 to the Company and paid the litigation costs.

5. The Company brought a civil litigation (Case No.: (2022) Yue 0305 Su Qian Tiao No. 25324) against Huaxia Jingrui Lighting Technology (Beijing) Co., Ltd. to Shenzhen Nanshan District People's Court in respect of the dispute over the sale and purchase contract, requesting the court ruled the defendant paid goods prices and liquidated damages totaled RMB 1,219,500

6. Qingda Appotronics (Xiamen) Technology Co., Ltd., a subsidiary controlled by the Company, received an arbitration award (Case No.: XA20220598) from Xiamen Arbitration Commission in respect of the dispute over the sale and purchase contract, in which it is ruled that the respondent Yunzhi Feiyang (Beijing) Network Technology Co., Ltd. shall compensate the claimer Qingda Appotronics (Xiamen) Technology Co., Ltd. goods prices and liquidated damages totaled RMB 215,900.

(II) Petition for invalidation

1. As of the end of the reporting period, there have been two cases where the Company has filed petitions for invalidation against the patents held by Delta Electronics, Inc., which are in trial at the State Intellectual Property Office.

2. As of the end of the reporting period, there have been three cases where petitions for invalidation has been filed against the patents about which the Company acted as a patentee, which are in trial at the State Intellectual Property Office. Patents involved in such three cases are “a phosphor-based light source structure for improving the efficiency of light conversion” (Patent No. 200810065225.X), “High-brightness excitation method and light-emitting device based on optical wavelength conversion” (Patent No. 201110086731.9), and “A kind of luminescent ceramic and light-emitting device for high power light source” (Patent No. 201510219000.5) respectively.

IV. Quarter financial statements

(I) Audit opinion

 Applicable N/A

(II) Financial statements

Consolidated Balance Sheet

September 30, 2022

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	September 30, 2022	December 31, 2021
Current Assets:		
Cash and bank balances	1,320,582,344.29	957,729,831.15
Balances with clearing agencies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	299,191,000.00	417,200,000.00
Derivative financial assets		
Notes receivable	8,034,397.86	5,256,603.03
Accounts receivable	278,886,931.57	403,134,471.87
Receivables financing	2,875,765.10	244,860.00
Prepayments	62,856,672.53	98,116,970.83
Insurance premium receivable		
Reinsurance accounts receivables		
Contract reserve of reinsurance receivable		
Other receivables	26,764,699.46	30,472,595.66
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	841,315,691.78	769,621,133.00
Contract assets	1,175,353.83	3,903,859.23
Held-for-sale assets		
Non-current assets due within one year	5,189,728.92	3,473,049.18
Other current assets	81,106,594.98	52,761,820.83
Total Current Assets	2,927,979,180.32	2,741,915,194.78

Non-current Assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables	4,542,748.56	5,793,552.74
Long-term equity investments	158,644,730.18	293,601,085.27
Other equity instrument investments	7,075,419.38	7,075,419.38
Other non-current financial assets		
Investment properties		
Fixed assets	441,014,683.12	470,410,450.18
Construction in progress	228,171,743.11	148,620,511.35
Bearer biological assets		
Oil and gas assets		
Use right assets	40,024,402.11	26,803,910.76
Intangible assets	293,537,765.67	301,164,605.56
Development expenditure		
Goodwill		
Long-term prepaid expenses	6,521,806.15	10,126,164.82
Deferred tax assets	63,877,607.14	80,721,419.29
Other non-current assets	15,193,129.83	10,998,641.77
Total Non-current Assets	1,258,604,035.25	1,355,315,761.12
Total assets	4,186,583,215.57	4,097,230,955.90
Current Liabilities:		
Short-term borrowings	123,042,777.78	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	116,849,657.69	134,378,967.61
Accounts payable	290,649,093.44	419,966,567.27
Receipts in advance	124,924,109.57	130,288,312.62
Contract liabilities	43,984,403.44	45,541,629.55
Income from financial assets sold under repurchase agreements		
Absorbing deposit and interbank deposit		
Funds from securities trading agency		

Funds from securities underwriting agency		
Employee benefits payable	31,177,340.91	64,119,087.51
Taxes payable	5,681,292.36	19,546,190.23
Other payables	44,371,425.62	54,115,784.80
Including: Interest payable		
Dividends payable		
Service charge and commissions payable		
Payable reinsurance		
Held-for-sale liabilities		
Non-current liabilities due within one year	146,745,383.90	154,785,116.35
Other current liabilities	4,718,226.90	19,561,104.12
Total Current Liabilities	932,143,711.61	1,047,873,638.17
Non-current Liabilities:		
Insurance contract reserves		
Long-term borrowings	451,715,399.91	368,635,614.64
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Leasing liabilities	27,314,483.85	10,789,352.69
Long-term payables		
Long-term employee benefits payable		
Provisions	39,937,347.02	36,428,688.94
Deferred income	7,622,104.11	10,266,982.08
Deferred tax liabilities		
Other non-current liabilities		
Total Non-current Liabilities	526,589,334.89	426,120,638.35
Total Liabilities	1,458,733,046.50	1,473,994,276.52
Owners' (or Shareholders') equity:		
Paid-in capital (or share capital)	455,638,398.00	452,756,901.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,508,057,851.64	1,400,605,136.65
Less: Treasury shares	19,377,297.59	
Other comprehensive income	3,874,452.19	-16,840,512.60
Special reserve		

Surplus reserve	56,265,868.31	56,265,868.31
General risk reserve		
Retained profits	589,093,808.77	545,277,188.08
Total owners' (or Shareholders') equity attributable to owners of the Parent Company	2,593,553,081.32	2,438,064,581.44
Minority interests	134,297,087.75	185,172,097.94
Total owners' (or Shareholders') equity	2,727,850,169.07	2,623,236,679.38
Total liabilities and owners' (or Shareholders') equity	4,186,583,215.57	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 September 2022

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The first three quarters in 2022 (from January to September)	The first three quarters in 2021 (from January to September)
I. Total operating income	1,875,806,319.07	1,660,621,770.06
Including: Operating income	1,875,806,319.07	1,660,621,770.06
Interest income		
Premiums earned		
Service charge and commission income		
II. Total operating costs	1,818,361,563.44	1,522,416,553.31
Including: Operating costs	1,286,752,064.01	1,076,872,169.84
Interest expenses		
Service charge and commission expenses		
Surrenders		
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		
Net withdrawal of insurance contract reserves		
Payment to insurance policyholder dividends		
Expenses for reinsurance accepted		
Taxes and levies	8,705,987.65	5,617,717.41
Selling expenses	200,257,568.83	145,563,099.50
Administrative expenses	163,525,277.50	132,895,382.17
R&D expenses	174,246,551.26	155,853,227.70
Financial expenses	-15,125,885.81	5,614,956.69
Including: Interest expense	18,844,776.16	18,318,882.49
Interest income	10,707,361.63	14,347,106.01
Add: other income	27,706,973.61	63,720,294.62
Investment income (loss is indicated by “-”)	13,360.80	14,662,288.46
Including: Income from investments in associates and joint ventures	-9,299,223.08	8,747,066.17
Gains from derecognition of financial assets at amortized assets		

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 “-”)	-2,009,000.00	38,250,576.00
Losses of credit impairment (loss is indicated by “-”)	3,912,023.56	5,758,981.72
Impairment losses of assets (loss is indicated by “-”)	-27,117,996.54	-14,281,326.09
Gains from disposal of assets (loss is indicated by “-”)	123,037.54	2,806,008.82
III. Operating profit (loss is indicated by “-”)	60,073,154.60	249,122,040.28
Add: Non-operating income	501,785.71	22,396,289.78
Less: Non-operating expenses	2,038,616.70	710,619.08
IV. Total profits (total losses are indicated by “-”)	58,536,323.61	270,807,710.98
Less: Income tax expenses	22,417,671.57	45,287,451.51
V. Net profits (net losses are indicated by “-”)	36,118,652.04	225,520,259.47
(I) Categorized by the nature of continuity of operation		
1. Net profits from continuing operations (net losses are indicated by “-”)	36,118,652.04	225,520,259.47
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 “-”)	91,356,217.12	211,350,740.98
2. Profits or losses attributable to minority shareholders (net losses are indicated by “-”)	-55,237,565.08	14,169,518.49
VI. Other comprehensive income, net of tax	19,825,712.36	-4,661,497.44
(I) Other comprehensive income attributable to owners of the Parent Company, net of tax	20,714,964.79	-4,678,915.43
1. Other comprehensive income that cannot be reclassified subsequently to profit or loss		

(1) Changes from re-measurement 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 will be reclassified to profit or loss	20,714,964.79	-4,678,915.43
(1) Other comprehensive income that will be reclassified to profit or loss under the equity method	-17,884,048.14	-2,312,419.51
(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	38,599,012.93	-2,366,495.92
(7) Others		
(II) Other comprehensive income that can be attributable to minority shareholders, net of tax	-889,252.43	17,417.99
VII. Total comprehensive income	55,944,364.40	220,858,762.03
(I) Total comprehensive income that can be attributable to owners of the Parent Company	112,071,181.91	206,671,825.55
(II) Total comprehensive income that can be attributable to minority shareholders	-56,126,817.51	14,186,936.48
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.20	0.47
(II) Diluted earnings per share (RMB/share)	0.20	0.46

In the event of business combinations involving enterprises under common control incurred in the current period, the acquiree achieved a net profit of RMB 0 before the combination; the acquiree achieved a net profit of RMB 0 during the prior period.

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 September 2022

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The first three quarters in 2022 (from January to September)	The first three quarters in 2021 (from January to September)
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	2,164,236,179.89	2,048,876,161.32
Net increase in customer deposits and interbank deposits		
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, service charges 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	5,838,929.38	3,976,915.95
Other cash receipts relating to operating activities	48,236,150.56	121,666,254.86
Sub-total of cash inflows from operating activities	2,218,311,259.83	2,174,519,332.13
Cash payments for goods purchased and services received	1,515,632,936.78	1,668,381,738.55
Net increase in loans and advances to customers		
Net increase in balance with the central bank and due from interbank		
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, service charges and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to and for employees	323,124,265.49	252,707,702.15
Payments of various types of taxes	73,909,253.09	66,765,688.03
Other cash payments relating to operating activities	294,424,967.06	207,581,087.21
Sub-total of cash outflows from operating activities	2,207,091,422.42	2,195,436,215.94
Net cash flow from operating activities	11,219,837.41	-20,916,883.81
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	1,580,644,186.95	1,263,000,000.00
Cash receipts from investment income	9,312,583.88	5,915,222.29
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	2,210.00	14,860.00
Net cash receipts from disposals of subsidiaries and other business units		
Other cash receipts relating to investing activities	8,085,360.00	
Sub-total of cash inflows from investing activities	1,598,044,340.83	1,268,930,082.29
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	109,638,548.45	71,898,602.19
Cash payments to acquire investments	1,330,000,000.00	1,768,048,387.32
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	1,439,638,548.45	1,839,946,989.51
Net cash flow from investing activities	158,405,792.38	-571,016,907.22

III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions	51,233,634.36	10,131,579.00
Including: cash receipts from capital contributions from minority shareholders of subsidiaries		10,131,579.00
Cash receipts from borrowings	346,952,995.19	377,914,331.79
Other cash receipts relating to financing activities		215,000,000.00
Sub-total of cash inflows from financing activities	398,186,629.55	603,045,910.79
Cash repayments of borrowings	152,403,832.00	264,982,699.04
Cash payments for distribution of dividends or profits or settlement of interest expenses	67,299,926.03	53,970,048.18
Including: payments for distribution of dividends or profits to minority shareholders of subsidiaries		18,400,000.00
Other cash payments relating to financing activities	40,688,919.08	37,065,490.51
Sub-total of cash outflows from financing activities	260,392,677.11	356,018,237.73
Net cash flow from financing activities	137,793,952.44	247,027,673.06
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	23,809,674.61	-523,591.99
V. Net Increase in Cash and Cash Equivalents	331,229,256.84	-345,429,709.96
Add: Opening balance of cash and cash equivalents	891,195,166.73	983,525,089.44
VI. Closing Balance of Cash and Cash Equivalents	1,222,424,423.57	638,095,379.48

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

Description of adjustments in opening balances of line items in financial statements of the year due to initial adoption of new accounting standards or interpretations of standards since 2022

Applicable N/A

This Report is hereby announced.

Board of Directors of Appotronics Corporation Limited
October 29, 2022