

Stock Code: 688007

Stock Short Name: Appotronics

# Appotronics Corporation Limited

## The Third Quarter Report in 2021

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 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 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《2021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。

The Third Quarter Report in 2021 is voluntarily disclosed by Appotronics Corporation Limited, and if the meaning of the translated version is different than the Chinese version, the Chinese version will control.

## I. Major financial data

## (I) Key accounting data and financial indicators

In RMB

Item	During the reporting period	Change over the prior period (%)	From the beginning of the year to the end of the reporting period	Change over the prior period (%)
Operating revenue	555,932,526.47	6.42	1,660,621,770.06	34.09
Net profit attributable to shareholders of the listed company	59,936,820.19	101.06	211,350,740.98	378.84
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	41,093,330.65	123.21	108,055,266.73	N/A
Net cash flow from operating activities	N/A	N/A	-20,916,883.81	-118.46
Basic earnings per share (RMB/share)	0.13	85.71	0.47	370.00
Diluted earnings per share (RMB/share)	0.13	85.71	0.46	360.00
Weighted average return on net assets (%)	2.53	Increase by 1.03%	9.38	Increase by 7.17%
Total R&D investments	60,724,744.04	2.47	155,853,227.70	6.34
Proportion of R&D investments to operating income (%)	10.92	Decrease by 0.42%	9.39	Decrease by 2.44%
	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 (%)
Total assets	3,802,025,432.02	3,226,204,326.69	17.85
Equity attributable to shareholders of the listed company	2,404,985,350.82	2,091,599,671.75	14.98

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.

### Analysis of business situations

In the context of the strain of industry supply chain, the Company actively adjusted its business strategy, and accordingly, its revenue for the first three quarters of 2021 achieved RMB 1.661 billion, up by 34.09% over the same period of the prior year; net profit attributable to shareholders of the listed company was RMB 211 million, up by 378.84% over the same period of the prior year; net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss was RMB 108 million, turning the negative profit for the same period of the prior year to the positive.

Looking forward to the fourth quarter, the Company will actively respond to changes in the operating environment. In terms of household business, the Company continues to conduct the strategic stocking, and will take the advantage of season-high promotion activities such as “Double 11” to launch a variety of new products to the market, and implement an active market competition strategy; for cinema business, as of September 30, Appotronics has over 24,000 ALPD® laser projectors installed throughout China, accelerating the laserization of cinema projections; regarding the large venue business, the Company will step up the expansion of overseas markets with ODM mode; and for the business education, the Company will shift its business focus to segmentation areas such as higher education and commerce. Further, with ALPD® technology as the core, the Company will deploy the entire laser display industry chain to expand its innovative application in scenarios such as aviation, automobile and smart home.

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

In RMB

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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 (including the offset part of the retained asset impairment provisions)	-179,148.42	1,869,005.68	
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)	6,633,924.98	78,442,136.30	
Profit or loss of assets investments and management entrusted by other people	3,769,295.90	5,915,219.29	
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	5,592,162.91	16,978,379.38	
Profit or loss on changes in the fair value of held-for-trading financial assets and held-for-trading financial liabilities and investment income on disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets (exclusive of the effective portion of the hedges that arise in the Company's ordinary course of business)	74,676.00	38,250,576.00	
Non-operating income and expenses other than above	29,640.59	530,950.33	
Projects meeting the definition of non-recurring profit or loss		571,819.78	Primarily due to return of handling costs

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			for individual taxes
Less: Effect of income taxes	-11,031,330.40	6,201,323.51	
Effect of minority interests (after tax)	8,108,392.82	33,061,289.00	
Total	18,843,489.54	103,295,474.25	

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

(III) Description of and reason for changes in key accounting information and financial indicators

Applicable  N/A

Item	Change (%)	Main reason
Operating revenue_from the beginning of the year to the end of the reporting period	34.09	Primarily due to the increase in the revenue from large venue products and household products for the first three quarters and the recovery of the cinema business
Net profit attributable to shareholders of the listed company_from the beginning of the year to the end of the reporting period	378.84	Primarily due to the increases in revenue, gross profit and non-recurring profit or loss for the first three quarters
Net profit attributable to shareholders of the listed company_during the reporting period	101.06	Primarily due to the increase in the gross profit margin and the decrease in the income tax expenses caused by additional deduction of research and development expenses during the reporting period
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	N/A	Primarily due to the increases in revenue and gross profit margin for the first three quarters
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss_during the reporting period	123.21	Primarily due to the increase in the gross profit margin and the decrease in the income tax expenses caused by additional deduction of research and development expenses during the reporting period

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Net cash flow from operating activities_from the beginning of the year to the end of the reporting period	-118.46	Primarily due to the increases in strategic stocking and prepayments for the first third quarters
Basic earnings per share (RMB/share)_from the beginning of the year to the end of the reporting period	370.00	Primarily due to the increase in the profit of the Company for the first three quarters
Basic earnings per share (RMB/share)_during the reporting period	85.71	Primarily due to the increase in the profit of the Company during the reporting period
Diluted earnings per share (RMB/share)_from the beginning of the year to the end of the reporting period	360.00	Primarily due to the increase in the profit of the Company for the first three quarters
Diluted earnings per share (RMB/share)_during the reporting period	85.71	Primarily due to the increase in the profit of the Company during the reporting period

**II. Shareholder information**

- (I) 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	14,306			Total number of preferred shareholders with resumed voting right during the reporting period (if any)	N/A		
Shareholding status of top 10 shareholders							
Shareholder name	Shareholder nature	Number of shares held	Proportion of shareholding (%)	Number of restricted shares held	Number of restricted shares held, including the shares lent out under the refinancing arrangement	Shares pledged or frozen	
						Status	Number
Shenzhen Appotronics Holdings Limited	Domestic non-stated owned legal person	79,762,679	17.62	79,762,679	79,762,679	None	0

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CITIC PE Investment (Hong Kong) 2016 Limited	Overseas legal person	25,682,693	5.67	0	0	None	0
SAIF IV Hong Kong (China Investments) Limited	Overseas legal person	24,554,268	5.42	0	0	None	0
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	Others	24,139,500	5.33	24,139,500	24,139,500	None	0
Nantong Strait Appotronics Investment Partnership (LP)	Others	23,080,329	5.10	0	0	None	0
Shenzhen Appotronics Daye Investment Partnership (LP)	Others	20,430,250	4.51	20,430,250	20,430,250	None	0
Shenzhen Appotronics Hongye Investment Partnership (LP)	Others	15,662,374	3.46	15,662,374	15,662,374	None	0
Shenzhen Jinleijing Investment Limited Partnership (LP)	Others	12,353,106	2.73	12,353,106	12,353,106	None	0
GREEN FUTURE HOLDINGS LIMITED	Overseas legal person	12,333,426	2.72	0	0	None	0
Shenzhen Appotronics Chengye Consulting Partnership (LP)	Others	10,394,846	2.30	10,394,846	10,394,846	None	0
Shareholdings of top 10 unrestricted shareholders							
Shareholder name	Number of unrestricted shares held	Type and number of shares					
		Share type	Number				

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CITIC PE Investment (Hong Kong) 2016 Limited	25,682,693	RMB-denominated ordinary share	25,682,693
SAIF IV Hong Kong (China Investments) Limited	24,554,268	RMB-denominated ordinary share	24,554,268
Nantong Strait Appotronics Investment Partnership (LP)	23,080,329	RMB-denominated ordinary share	23,080,329
GREEN FUTURE HOLDINGS LIMITED	12,333,426	RMB-denominated ordinary share	12,333,426
Smart Team Investment Limited	6,605,948	RMB-denominated ordinary share	6,605,948
Shenzhen Guochuang Chenggu Capital Management Co., Ltd. - Shenzhen Chengguhui Equity Investment Partnership (LP)	6,464,369	RMB-denominated ordinary share	6,464,369
Shenzhen Liansong Capital Management Partnership (LP)	5,833,817	RMB-denominated ordinary share	5,833,817
China Merchants Bank Co., Ltd. - Huaxia SSE STAR Market 50 Constituent Trading Open-end Index Securities Investment Fund	5,197,149	RMB-denominated ordinary share	5,197,149

China Merchants Bank Co., Ltd. - One-year ABC Huili Strategic Income Hybrid Securities Investment Fund	4,640,822	RMB-denominated ordinary share	4,640,822
China Construction Bank Corporation- Invesco Great Wall Environmental Advantage Stock Securities Investment Fund	4,379,557	RMB-denominated ordinary share	4,379,557
Description of related party relationship or concerted action of the said shareholders	As of the end of the reporting period, Appotronics Holdings, Yuanshi, Appotronics Daye, Appotronics Hongye, Jinleijing, Appotronics Chengye, and BLACKPINE Investment Corp. Limited are acting-in-concert parties. Besides, the Company has not received any notice about related or acting-in-concert parties among other shareholders stated above.		
Description of participation in the securities margin trading and short selling (if any) by top 10 shareholders and top 10 holders of tradable shares	N/A		

### III. Other reminders

The investors are requested to pay attention to other important information on the business of the Company for the reporting period

Applicable  N/A

#### (I) Litigation

1. During the reporting period, the Company received the (2021) Zui Gao Fa Zhi Min Zhong No. 1048) Civil Ruling issued by the Supreme People's Court in August 2021 (corresponding to the case of the first instance: (2019) Yue 73 Zhi Min Chu No. 663, in the first instance, Appotronics was determined to not commit the infringement and all claims made by Delta were dismissed). In the process of the trial by the Supreme People's Court, Delta applied for withdrawing the lawsuit, and the Supreme People's Court made a ruling that Delta is allowed to withdraw the lawsuit.

2. During the reporting period, the Company received the (2021) Zui Gao Zhi Min Zhong No. 639 Civil Ruling issued by the Supreme People’s Court in September 2021 (corresponding to the case of the first instance: (2019) Jing 73 Min Chu No. 1277, as the patents involved have been declared invalid by the State Intellectual Property Office and the lawsuit filed by Delta was dismissed upon the ruling of the first instance). The Supreme People’s Court upheld the ruling of the first instance, and judged that the litigation filed by Delta was dismissed.

3. During the reporting period, the Company received two notices of response issued by the Shanghai Intellectual Property Court ((2021) Hu 73 Zhi Min Chu No. 1069 and 1070) , and the amount involved in the lawsuit totaled RMB 32.02 million. Delta, as the plaintiff, filed a patent infringement lawsuit against the Company, the patents involved in the lawsuit were patents for invention including ZL201410249663.7 “Method for manufacturing light source module and color wheel” and ZL201110041436.1 “Heat dissipation assembly and projection device with the same.” After the analysis, the Company preliminarily determines that it does not commit the infringement in such two cases, it will actively respond to the lawsuit and take relevant legal measures to claim its own legitimate rights and interests.

(II) Petition for invalidation

As of the disclosure date of this Report, there have been three invalidation cases where the Company acted as a patentee, which are in trial at the State Intellectual Property Office. The patents involved in cases were ZL200810065225.X, ZL201110086731.9 and ZL201510464408.9.

As of the disclosure date of this Report, there has been one invalidation case that the Company, as a petitioner, brought against Delta, which is in trial at the State Intellectual Property Office.

#### IV. Quarter financial statements

(I) Audit opinion

Applicable  N/A

Financial statements

#### Consolidated Balance Sheet

September 30, 2021

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	September 30, 2021	December 31, 2020
<b>Current Assets:</b>		
Monetary capital	703,333,209.24	1,037,760,573.27
Settlement reserve		
Inter-bank lending		
Held-for-trading financial assets	585,000,000.00	114,000,000.00
Derivative financial assets		
Notes receivable	6,753,787.31	3,726,328.91

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Accounts receivable	199,512,521.37	341,660,832.43
Receivables financing	2,386,000.00	11,959,000.00
Prepayments	110,640,789.39	47,447,601.43
Premiums receivable		
Amounts receivable under reinsurance contracts		
Reinsurer's share of insurance contract reserves		
Other receivables	18,062,326.12	12,534,062.15
Including: Interest receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventories	752,859,798.88	418,812,140.80
Contract assets	6,532,419.33	3,744,655.50
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	53,254,499.37	13,002,195.46
<b>Total Current Assets</b>	<b>2,438,335,351.01</b>	<b>2,004,647,389.95</b>
<b>Non-current Assets:</b>		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables	6,126,264.99	13,196,087.78
Long-term equity investments	298,050,188.64	262,744,772.48
Other equity instrument investments	11,975,419.38	11,975,419.38
Other non-current financial assets		
Investment properties		
Fixed assets	460,966,280.07	447,571,328.91
Construction in progress	116,539,353.99	51,576,850.72
Bearer biological assets		
Oil and gas assets		
Use right assets	30,783,998.55	
Intangible assets	311,592,235.74	320,488,235.60
Development expenditure		
Goodwill		
Long-term prepaid expenses	10,571,226.72	11,572,346.79
Deferred tax assets	103,784,308.65	96,132,114.02

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Other non-current assets	13,300,804.28	6,299,781.06
Total Non-current Assets	1,363,690,081.01	1,221,556,936.74
Total assets	3,802,025,432.02	3,226,204,326.69
<b>Current Liabilities:</b>		
Short-term borrowings	5,567,645.00	88,778,852.86
Loans from the central bank		
Taking from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	144,667,187.09	116,822,674.67
Accounts payable	243,489,117.26	226,494,815.90
Receipts in advance	133,627,491.22	153,258,189.88
Contract liabilities	36,139,493.07	31,518,312.59
Income from sale of the repurchased financial assets		
Deposits taking and interbank placement		
Acting trading securities		
Acting underwriting securities		
Employee benefits payable	26,903,573.70	46,105,566.15
Taxes payable	30,757,529.88	19,871,846.94
Other payables	253,751,013.97	59,848,053.83
Including: Interest payable		
Dividends payable		
Service charge and commissions payable		
Payable reinsurance		
Held-for-sale liabilities		
Non-current liabilities due within one year	123,373,388.14	181,417,412.46
Other current liabilities	3,647,893.92	3,045,831.07
Total Current Liabilities	1,001,924,333.25	927,161,556.35
<b>Non-current Liabilities:</b>		
Insurance contract reserves		
Long-term borrowings	320,054,686.09	64,845,281.53
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Leasing liabilities	32,493,477.18	
Long-term payables	3,242,700.00	3,262,450.00

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Long-term employee benefits payable		
Estimated liabilities	33,102,029.79	28,799,354.65
Deferred income	14,227,863.58	16,723,257.15
Deferred tax liabilities		
Other non-current liabilities		
Total Non-current Liabilities	403,120,756.64	113,630,343.33
Total Liabilities	1,405,045,089.89	1,040,791,899.68
<b>Owners' (or Shareholders') equity:</b>		
Paid-in capital (or share capital)	452,756,901.00	452,756,901.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,380,591,521.75	1,249,020,991.15
Less: Treasury shares		
Other comprehensive income	-7,893,207.36	-3,214,291.93
Special reserve		
Surplus reserve	35,242,179.57	35,242,179.57
General risk reserve		
Retained profits	544,287,955.86	357,793,891.96
Total owners' (or Shareholders') equity attributable to owners of the Parent Company	2,404,985,350.82	2,091,599,671.75
Minority interests	-8,005,008.69	93,812,755.26
Total owners' (or Shareholders') equity	2,396,980,342.13	2,185,412,427.01
Total liabilities and owners' (or Shareholders') equity	3,802,025,432.02	3,226,204,326.69

Legal Representative: BO Lianming      Person in Charge of the Accounting Body: WANG Yingxia  
Chief Accountant: LIU Jie

**Consolidated Income Statement**

For the period from January to September 2021

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The First Three Quarters in 2021 (From January to September)	The First Three Quarters in 2020 (From January to September)

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I. Turnover	1,660,621,770.06	1,238,398,708.87
Including: Operating income	1,660,621,770.06	1,238,398,708.87
Interest income		
Premiums earned		
Service charge and commission income		
II. Total operating costs	1,522,416,553.31	1,248,451,362.20
Including: Operating costs	1,076,872,169.84	892,453,334.39
Interest expenses		
Service charge and commission expenses		
Surrender value		
Net compensation expenses		
Net withdrawal of insurance contract reserves		
Payment of policy dividends		
Expenses for reinsurance		
Taxes and levies	5,617,717.41	4,205,362.39
Selling expenses	145,563,099.50	83,078,892.91
Administrative expenses	132,895,382.17	113,115,280.56
R&D expenses	155,853,227.70	146,557,856.84
Financial expenses	5,614,956.69	9,040,635.11
Including: Interest expense	18,318,882.49	16,194,534.70
Interest income	14,347,106.01	7,366,346.43
Add: other income	63,720,294.62	38,477,908.99
Investment income (loss is indicated by “-”)	14,662,288.46	12,610,023.47
Including: Income from investments in associates and joint ventures	8,747,066.17	-149,153.80
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 “-”)	38,250,576.00	
Losses of credit impairment (loss is indicated by “-”)	5,758,981.72	2,199,052.47
Impairment losses of assets (loss is indicated by “-”)	-14,281,326.09	-8,929,461.13

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Gains from disposal of assets (loss is indicated by “-”)	2,806,008.82	416,243.15
III. Operating profit (loss is indicated by “-”)	249,122,040.28	34,721,113.62
Add: Non-operating income	22,396,289.78	876,830.38
Less: Non-operating expenses	710,619.08	854,035.98
IV. Total profits (total losses are indicated by “-”)	270,807,710.98	34,743,908.02
Less: Income tax expenses	45,287,451.51	18,096,689.22
V. Net profits (net losses are indicated by “-”)	225,520,259.47	16,647,218.80
(I) Categorized by the sustainability of operation		
1. Net profits from sustainable operations (net losses are indicated by “-”)	225,520,259.47	16,647,218.80
2. Net profits from termination 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 “-”)	211,350,740.98	44,138,225.23
2. Profits or losses attributable to minority shareholders (net losses are indicated by “-”)	14,169,518.49	-27,491,006.43
VI. Net of other comprehensive income after tax	-4,661,497.44	2,236,630.70
(I) Net of other comprehensive income after tax attributable to owners of the Parent Company	-4,678,915.43	2,205,949.42
1. Other comprehensive income that cannot be reclassified 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	-4,678,915.43	2,205,949.42

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(1) Other comprehensive income that will be reclassified to profit or loss under the equity method		6,635,497.46
(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) Converted difference in foreign currencies statements	-4,678,915.43	-4,429,548.04
(7) Others		
(II) Net of other comprehensive income after tax that can be attributable to minority shareholders	17,417.99	30,681.28
VII. Total comprehensive income	220,858,762.03	18,883,849.50
(I) Total comprehensive income that can be attributable to owners of the Parent Company	206,671,825.55	46,344,174.65
(II) Total comprehensive income that can be attributable to minority shareholders	14,186,936.48	-27,460,325.15
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.47	0.10
(II) Diluted earnings per share (RMB/share)	0.46	0.10

Legal Representative: BO Lianming      Person in Charge of the Accounting Body: WANG Yingxia  
Chief Accountant: LIU Jie

**Consolidated Cash Flow Statement**

For the period from January to September 2021

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The First Three Quarters in 2021 (From January to September)	The First Three Quarters in 2020 (From January to September)
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	2,048,876,161.32	1,457,706,115.99

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Net increase in customer deposits taking and interbank placement		
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	3,976,915.95	5,764,495.55
Other cash receipts relating to operating activities	121,666,254.86	131,484,147.03
Sub-total of cash inflows from operating activities	2,174,519,332.13	1,594,954,758.57
Cash payments for goods purchased and services received	1,668,381,738.55	1,026,554,782.15
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, service charge and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to and for employees	252,707,702.15	224,599,412.16
Payments of various types of taxes	66,765,688.03	55,076,208.73

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Other cash payments relating to operating activities	207,581,087.21	175,407,612.24
Sub-total of cash outflows from operating activities	2,195,436,215.94	1,481,638,015.28
Net cash flow from operating activities	-20,916,883.81	113,316,743.29
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	1,263,000,000.00	1,810,000,000.00
Cash receipts from investment income	5,915,222.29	12,759,177.27
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	14,860.00	3,600.00
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	1,268,930,082.29	1,822,762,777.27
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	71,898,602.19	44,898,632.06
Cash payments to acquire investments	1,768,048,387.32	2,062,213,540.00
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	1,839,946,989.51	2,107,112,172.06
Net cash flow from investing activities	-571,016,907.22	-284,349,394.79
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from capital contributions	10,131,579.00	

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Including: cash receipts from capital contributions from minority shareholders of subsidiaries	10,131,579.00	
Cash receipts from borrowings	377,914,331.79	98,922,683.45
Other cash receipts relating to financing activities	215,000,000.00	19,320,000.00
Sub-total of cash inflows from financing activities	603,045,910.79	118,242,683.45
Cash repayments of borrowings	264,982,699.04	248,568,075.70
Cash payments for distribution of dividends or profits or settlement of interest expenses	53,970,048.18	50,497,914.29
Including: payments for distribution of dividends or profits to minority shareholders of subsidiaries	18,400,000.00	
Other cash payments relating to financing activities	37,065,490.51	187,880.36
Sub-total of cash outflows from financing activities	356,018,237.73	299,253,870.35
Net cash flow from financing activities	247,027,673.06	-181,011,186.90
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	-523,591.99	-3,483,946.39
<b>V. Net Increase in Cash and Cash Equivalents</b>	-345,429,709.96	-355,527,784.79
Add: Opening balance of cash and cash equivalents	983,525,089.44	829,789,487.86
<b>VI. Ending Balance of Cash and Cash Equivalents</b>	638,095,379.48	474,261,703.07

Legal Representative: BO Lianming      Person in Charge of the Accounting Body: WANG Yingxia  
Chief Accountant: LIU Jie

(II) Description of adjustments in opening balances of line items in financial statements of the year due to the implementation of new lease standard since 2021

Applicable    N/A

Consolidated Balance Sheet

In RMB

Item	December 31, 2020	January 1, 2021	Adjusted amount
<b>Current Assets:</b>			
Monetary capital	1,037,760,573.27	1,037,760,573.27	

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Settlement reserve			
Inter-bank lending			
Held-for-trading financial assets	114,000,000.00	114,000,000.00	
Derivative financial assets			
Notes receivable	3,726,328.91	3,726,328.91	
Accounts receivable	341,660,832.43	341,660,832.43	
Receivables financing	11,959,000.00	11,959,000.00	
Prepayments	47,447,601.43	49,174,631.52	1,727,030.09
Premiums receivable			
Amounts receivable under reinsurance contracts			
Reinsurer's share of insurance contract reserves			
Other receivables	12,534,062.15	12,534,062.15	
Including: Interest receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories	418,812,140.80	418,812,140.80	
Contract assets	3,744,655.50	3,744,655.50	
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	13,002,195.46	13,002,195.46	
Total Current Assets	2,004,647,389.95	2,006,374,420.04	1,727,030.09
<b>Non-current Assets:</b>			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	13,196,087.78	13,196,087.78	
Long-term equity investments	262,744,772.48	262,744,772.48	
Other equity instrument investments	11,975,419.38	11,975,419.38	
Other non-current financial assets			
Investment properties			
Fixed assets	447,571,328.91	447,571,328.91	
Construction in progress	51,576,850.72	51,576,850.72	
Bearer biological assets			
Oil and gas assets			
Use right assets		39,368,070.17	39,368,070.17

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Intangible assets	320,488,235.60	320,488,235.60	
Development expenditure			
Goodwill			
Long-term prepaid expenses	11,572,346.79	11,572,346.79	
Deferred tax assets	96,132,114.02	96,455,790.38	323,676.36
Other non-current assets	6,299,781.06	6,299,781.06	
Total Non-current Assets	1,221,556,936.74	1,261,248,683.27	39,691,746.53
Total assets	3,226,204,326.69	3,267,623,103.31	41,418,776.62
<b>Current Liabilities:</b>			
Short-term borrowings	88,778,852.86	88,778,852.86	
Loans from the central bank			
Taking from banks and other financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	116,822,674.67	116,822,674.67	
Accounts payable	226,494,815.90	226,494,815.90	
Receipts in advance	153,258,189.88	153,258,189.88	
Contract liabilities	31,518,312.59	31,518,312.59	
Income from sale of the repurchased financial assets			
Deposits taking and interbank placement			
Acting trading securities			
Acting underwriting securities			
Employee benefits payable	46,105,566.15	46,105,566.15	
Taxes payable	19,871,846.94	19,871,846.94	
Other payables	59,848,053.83	58,821,952.01	-1,026,101.82
Including: Interest payable			
Dividends payable			
Service charge and commissions payable			
Payable reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year	181,417,412.46	200,024,423.85	18,607,011.39
Other current liabilities	3,045,831.07	3,045,831.07	
Total Current Liabilities	927,161,556.35	944,742,465.92	17,580,909.57
<b>Non-current Liabilities:</b>			
Insurance contract reserves			

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Long-term borrowings	64,845,281.53	64,845,281.53	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Leasing liabilities		23,804,845.36	23,804,845.36
Long-term payables	3,262,450.00	3,262,450.00	
Long-term employee benefits payable			
Estimated liabilities	28,799,354.65	28,799,354.65	
Deferred income	16,723,257.15	16,723,257.15	
Deferred tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities	113,630,343.33	137,435,188.69	23,804,845.36
Total Liabilities	1,040,791,899.68	1,082,177,654.61	41,385,754.93
<b>Owners' (or Shareholders') equity:</b>			
Paid-in capital (or share capital)	452,756,901.00	452,756,901.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	1,249,020,991.15	1,249,020,991.15	
Less: Treasury shares			
Other comprehensive income	-3,214,291.93	-3,214,291.93	
Special reserve			
Surplus reserve	35,242,179.57	35,242,179.57	
General risk reserve			
Retained profits	357,793,891.96	357,838,162.29	44,270.33
Total Owners' (or Shareholders') Equity Attributable to Owners of the Parent Company	2,091,599,671.75	2,091,643,942.08	44,270.33
Minority interests	93,812,755.26	93,801,506.62	-11,248.64
Total Owners' (or Shareholders') Equity	2,185,412,427.01	2,185,445,448.70	33,021.69
Total Liabilities and Owners' (or Shareholders') Equity	3,226,204,326.69	3,267,623,103.31	41,418,776.62

Description of adjustments on each item:

√Applicable □ N/A

The Company implements new lease standards for the first time since January 1, 2021 to recognize the right-of-use assets and lease liabilities and adjust the relevant items in the financial statements.

This Report is hereby announced.

Board of Directors of Appotronics Corporation Limited  
October 23, 2021