

Stock Code: 000026; 200026 Abbreviation of the Stock: FIYTA; FIYTA B Announcement No.: 2023-023

FIYTA Precision Technology Co., Ltd.

2023 First Quarter Report

The Company and all members of the Board of Directors ensure that the information disclosed is authentic, accurate and complete, and there are no false records, misleading statements or significant omissions.

Important Notice:

1. The Board of Directors, the Supervisory Committee, directors, supervisors and senior executives hereby individually and collectively accept responsibility for the correctness, accuracy and completeness of the contents of this Report and confirm that there are neither material omissions nor errors which would render any statement misleading.

2. The Company leader, the chief financial officer, and the manager of the accounting department (treasurer) hereby confirm the authenticity, accuracy and completeness of the financial report enclosed in this Quarter Report.

3. Has the First Quarter Report been audited

No

I. Financial Highlights

(I) Summary of Accounting/Financial Data

Does the Company need to make retroactive adjustment or restatement of the accounting data of the previous year
No

	Reporting period	Same period of the previous year	Year-on-year increase/decrease in the reporting period over the same period of the previous year (%)
Revenue in CNY	1,200,095,568.76	1,173,700,720.94	2.25%
Net profit attributable to the Company's shareholders, in CNY	103,189,489.23	86,354,073.76	19.50%
Net profit attributable to the Company's shareholders less the non-recurring items, in CNY	95,484,229.79	84,104,404.06	13.53%
Net cash flows arising from operating activities, in CNY	80,169,964.00	16,020,422.02	400.42%
Basic earning per share (CNY/share)	0.2505	0.2083	20.26%
Diluted earning per share (CNY/share)	0.2505	0.2083	20.26%
Return on equity, weighted average	3.23%	2.84%	0.39%
	End of the reporting period	End of the previous year	Increase/decrease at the end of the year over the end of the previous year (%)
Total assets (in CNY)	4,100,025,213.23	4,117,143,911.99	-0.42%
Owner's equity attributable to the Company's shareholders, in CNY	3,252,796,335.91	3,136,423,492.15	3.71%

(II) Non-recurring gain/loss items and the amounts involved

In CNY

Items	Amount in the reporting period	Notes
Gain/loss from disposal of non-current assets, including the part written-off with the provision for impairment of assets.	-73,523.67	
The government subsidies included in the profits and losses of the current period (excluding government grants which are closely related to the Company's normal business and conform with the national standard amount or quantity)	2,825,263.25	
Reversal of provision for impairment of accounts receivable that has been separately tested for impairment	968,041.01	
Other non-operating income and expenses with the aforesaid items exclusive	259,239.00	
Other gains and losses in compliance with the definition of non-recurring gains and losses.	5,904,091.45	Offsetting of the equity incentive expense with the unlocking condition unsatisfied.
Less: Amount affected by the income tax	2,177,851.60	
Total	7,705,259.44	

Details of other gains and losses in compliance with the definition of non-recurring gains and losses.
Inapplicable

Explanation on defining the non-recurring gains and losses listed in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public as recurring gains and losses
Inapplicable

(III) Statement of Change in the Major Accounting Data and Financial Indicators and the Causes

1. Balance sheet items

Items	Ending balance	Opening balance	Percentage of change	Cause of the change
Advance payments	12,511,922.87	8,039,794.97	55.62%	Mainly due to increase of the advance payment for purchase of drive units and raw materials during the reporting period.
Advance receipts	10,651,706.80	16,960,128.83	-37.20%	Mainly due to decrease in advance receipts from the property business.
Payroll payable to employees	95,190,163.89	136,587,939.38	-30.31%	Mainly due to the year-end bonus paid already during the reporting period.

2. Profit Statement Items

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Percentage of change	Cause of the change
Interest expenses	2,990,967.60	5,184,394.84	-42.31%	Mainly due to a decrease in loan interest and amortization interest on lease liabilities.
Other income	2,825,263.25	4,320,020.38	-34.60%	Mainly due to the decrease of government subsidies received.

II. Information of the Shareholders**(I) Total number of the common shareholders and preferred shareholders whose voting rights are restored and shares held by the top 10 shareholders**

		In shares				
Total common shareholders at the end of the reporting period	34,163	Total preference shareholders with the voting power recovered at the end of the reporting period (if any)	0			
Shareholding by top 10 shareholders						
Names of the Shareholders	Nature of the shareholder	Shareholding proportion (%)	Number of shares held	Number of the restricted shares held	Pledging, marking or freezing	
					Status of the shares	Quantity
AVIC International Holding Limited	State corporate	39.02%	162,977,327	0.00		
# Wu Jilin	Domestic natural person	3.99%	16,657,976	0.00		
Xu Guoliang	Domestic natural person	1.04%	4,333,668	0.00		
Qiu Hong	Domestic natural person	0.59%	2,470,000	0.00		
Guoxin Investment Co., Ltd.	State legal entity	0.58%	2,441,500	0.00		
China Merchants Securities (HK) Co., Limited	Foreign legal entity	0.31%	1,294,817	0.00		
# Qu Yongjie	Domestic natural person	0.30%	1,266,800	0.00		
#Zhu Rui	Domestic natural person	0.29%	1,229,700	0.00		
Chen Hao	Domestic natural person	0.26%	1,079,243	0.00		
# Zhang Mingrong	Domestic natural person	0.24%	1,022,200	0.00		
Shares held by top 10 shareholders of unrestricted shares						
Names of the Shareholders	Quantity of unrestricted shares held	Share type				
		Share type	Quantity			
AVIC International Holding Limited	162,977,327	CNY ordinary shares	162,977,327			
# Wu Jilin	16,657,976	CNY ordinary shares	16,657,976			
Xu Guoliang	4,333,668	CNY ordinary shares	4,333,668			
Qiu Hong	2,470,000	CNY ordinary shares	2,470,000			
Guoxin Investment Co., Ltd.	2,441,500	CNY ordinary shares	2,441,500			
China Merchants Securities (HK) Co., Limited	1,294,817	Domestic listed foreign investment shares	1,294,817			
# Qu Yongjie	1,266,800	CNY ordinary shares	1,266,800			
#Zhu Rui	1,229,700	CNY ordinary shares	1,229,700			
Chen Hao	1,079,243	CNY ordinary shares	1,079,243			
# Zhang Mingrong	1,022,200	CNY ordinary shares	1,022,200			
Explanation on associated relationship or consistent action of the above shareholders	The Company has no idea on whether the above 10 shareholders are associated or are acting in concert.					
Note to the top 10 shareholders involved in margin financing & securities lending (if any)	1. In addition to the 9,825,624 shares held through the ordinary securities account, Wu Jilin, one of the shareholders of the Company, also holds 6,832,352 shares through the credit transaction guarantee securities account. Therefore, Wu Jilin is actually holding 16,657,976 shares; 2. In addition to the 22,800 shares held through the ordinary securities account, Qu Yongjie, one of the shareholders of the Company, also holds 1,244,000 shares through the credit transaction guarantee securities account. Therefore, Qu Yongjie is actually holding 1,266,800 shares;					

	<p>3. In addition to the 92,000 shares held through the ordinary securities account, Zhu Rui, one of the shareholders of the Company, also holds 1,137,700 shares through the credit transaction guarantee securities account. Therefore, Zhu Rui is actually holding 1,229,700 shares;</p> <p>4. In addition to the 0 shares held through the ordinary securities account, Zhang Mingrong, one of the shareholders of the Company, also holds 1,022,200 shares through the credit transaction guarantee securities account. Therefore, Zhang Mingrong is actually holding 1,022,200 shares;</p>
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(II) Total Preference Shareholders and the Shareholding by the Top 10 Preference Shareholders

Inapplicable

III. Note to other significant events

1. Matters in Connection with 2018 Restricted A-Share Incentive Scheme (Phase I)

Reviewed and approved at the 10th session of the Tenth Board of Directors, the Company satisfied the conditions for releasing the trading restriction in the third trading restriction release period of the Company's 2018 Restricted Stock Incentive Scheme (Phase I) and the 1.16232 million restricted A-shares involved were listed for trading on January 31, 2023. For the details, please refer to the "Indicative Announcement on the Listing of the Restricted Shares for Trading of the Third Trading Restriction Release Period in the 2018 A-Share Restricted Stock Incentive Scheme (Phase I) 2023-002" disclosed in <http://www.cninfo.com.cn>.

2. Matters in Connection with 2018 Restricted A-Share Incentive Scheme (Phase II)

Reviewed and approved at the 10th session of the Tenth Board of Directors, the Company satisfied the conditions for releasing the trading restriction in the first trading restriction release period of the Company's 2018 A-Share Restricted Stock Incentive Scheme (Phase II) and the 2.27439 million restricted A-shares involved were listed for trading on January 31, 2023. For the details, please refer to the "Indicative Announcement on the Listing of the Restricted Shares for Trading of the First Trading Restriction Release Period in the 2018 A-Share Restricted Stock Incentive Scheme (Phase II) 2023-001" disclosed in <http://www.cninfo.com.cn>.

Reviewed and approved at the 11th session of the Tenth Board of Directors, as four of the incentive grantees in the incentive scheme left their offices, the Company intended to repurchase and cancel a total of 146,740 restricted A-shares in their hands which had been granted to them but had not been released from the trading restrictions; as the conditions for releasing the trading restriction in the second trading restriction release period of the Incentive Scheme had not yet been satisfied, the Company intended to handle the repurchase and cancellation of the shares with the conditions for releasing the trading restriction unsatisfied held by 120 incentive grantees with a total of 2,201,130 shares involved. The above matter still need to be submitted to 2022 Annual General Meeting for review and approval. For the details, please refer to the "Indicative Announcement on Repurchase and Cancellation of Partial Restricted Shares in the 2018 A-Share Restricted Stock Incentive Scheme (Phase II) 2023-013" and the "Announcement on the Conditions for Releasing the Trading Restriction of the Second Trading Restriction Release Period in the 2018 A-Share Restricted Stock Incentive Scheme (Phase II) Unsatisfied and Repurchase and Cancellation of Partial Restricted Shares 2023-014" disclosed in <http://www.cninfo.com.cn>.

3. Repurchase of Partial Domestically Listed Foreign Investment Shares (B-Shares)

Reviewed and approved at the 11th session of the Tenth Board of Directors, the Company intended to use its own funds of no less than CNY 50 million but no more than CNY 100 million to repurchase 6.66 million to 13.32 million B-shares by means of the centralized bidding transaction for deregistration and reduction of the registered capital. This matter still needs to be submitted to the 2022 Annual General Meeting for review and approval. For the detail, please refer to the "Proposal for Repurchasing Partial Domestically Listed Foreign Investment Shares (B-Shares) as Repurchased and the Change of the Company's Shares 2023-015" disclosed in <http://www.cninfo.com.cn> on March 18, 2023.

IV. Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by FIYTA Precision Technology Co., Ltd.

March 31, 2023

In CNY

Items	Ending balance	Opening balance
Current assets:		
Monetary capital	348,095,993.14	313,747,463.64
Settlement reserve		
Inter-bank lending		
Transactional financial assets		
Derivative financial assets		
Notes receivable	23,746,911.51	32,214,912.10
Accounts receivable	368,140,156.62	305,290,959.68
Financing with accounts receivable		
Advance payment	12,511,922.87	8,039,794.97
Receivable premium		
Reinsurance accounts receivable		
Reserve for reinsurance contract receivable		
Other receivables	58,383,934.76	56,918,019.48
Including: Interest receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventories	2,090,175,263.42	2,141,320,373.67
Contract assets		
Held-for-sale assets		
Non-current assets due within a year		
Other current assets	51,062,882.89	66,339,505.32
Total current assets	2,952,117,065.21	2,923,871,028.86
Non-current assets:		
Loan issuing and advance in cash		
Equity investment		
Other equity investment		
Long term accounts receivable		
Long-term equity investments	58,182,086.90	58,182,086.90
Investment in other equity instruments	85,000.00	85,000.00
Other non-current financial assets		
Investment-oriented real estate	371,059,873.30	374,979,494.71
Fixed assets	359,287,572.07	364,628,765.17
Construction-in-progress		
Productive biological asset		
Oil and Gas Assets		
Use right assets	92,504,408.52	110,330,512.03
Intangible assets	32,251,415.40	33,200,218.63
Development expenses		
Goodwill		
Long term expenses to be apportioned	129,941,028.99	144,488,452.18
Deferred income tax asset	92,849,263.82	95,784,611.94
Other non-current assets	11,747,499.02	11,593,741.57
Total non-current assets	1,147,908,148.02	1,193,272,883.13

Total assets	4,100,025,213.23	4,117,143,911.99
Current liabilities:		
Short term borrowings	290,224,736.11	290,237,111.11
Borrowings from the central bank		
Loans from other banks		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	2,000,600.00	2,000,600.00
Accounts payable	124,137,573.10	170,589,456.67
Advance receipts	10,651,706.80	16,960,128.83
Contract liabilities	14,956,720.71	16,844,437.47
Money from sale of the repurchased financial assets		
Deposits taking and interbank placement		
Acting trading securities		
Income from securities underwriting on commission		
Payroll payable to employees	95,190,163.89	136,587,939.38
Taxes payable	64,283,879.12	60,770,168.30
Other payables	142,432,724.66	165,060,122.58
Including: interest payable		
Dividends payable	3,423,458.72	6,324,013.97
Service charge and commission payable		
Payable reinsurance		
Held-for-sale liabilities		
Non-current liabilities due within a year	60,494,208.97	71,546,316.16
Other current liabilities	1,902,319.63	1,686,806.01
Total current liabilities	806,274,632.99	932,283,086.51
Non-current liabilities:		
Reserve for insurance contract		
Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liabilities	34,335,209.12	41,642,561.58
Long-term accounts payable		
Long term payroll payable to employees		
Estimated liabilities		
Deferred income	1,295,926.80	1,295,926.80
Deferred income tax liability	5,323,108.41	5,498,844.95
Other non-current liabilities		
Total non-current liabilities	40,954,244.33	48,437,333.33
Total liabilities	847,228,877.32	980,720,419.84
Owner's equity:		
Capital stock	417,627,960.00	417,627,960.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserve	1,002,934,806.10	1,007,086,643.48
Less: shares in stock	31,260,789.45	50,759,806.16
Other comprehensive income	3,250,523.12	5,739,589.89
Special reserve	2,337,306.88	2,012,064.91
Surplus reserve	275,010,401.50	275,010,401.50
Reserve against general risks		

Retained earnings	1,582,896,127.76	1,479,706,638.53
Total owners' equity attributable to the parent company	3,252,796,335.91	3,136,423,492.15
Minority shareholders' equity		
Total owner's equity	3,252,796,335.91	3,136,423,492.15
Total liabilities and owners' equity	4,100,025,213.23	4,117,143,911.99

Legal representative: Zhang Xuhua
Department: Tian Hui

Chief Financial Officer: Song Yaoming Person in charge of the Accounting

2. Consolidated Profit Statement

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Turnover	1,200,095,568.76	1,173,700,720.94
Including: operating income	1,200,095,568.76	1,173,700,720.94
Interest income		
Earned insurance premium		
Service charge and commission income		
II. Total operating costs	1,070,094,479.27	1,065,454,948.14
Including: Operating costs	767,722,882.96	725,288,861.90
Interest payment		
Service charge and commission payment		
Surrender Value		
Compensation expenses, net		
Provision of reserve for insurance liabilities, net		
Payment of policy dividend		
Reinsurance expenses		
Taxes and surcharges	7,087,405.97	6,623,183.80
Sales costs	228,113,224.28	257,444,571.92
Administrative expenses	48,007,102.03	55,399,290.60
R & D expenditures	13,175,703.59	12,984,545.64
Financial expenses	5,988,160.44	7,714,494.28
Where: Interest cost	2,990,967.60	5,184,394.84
Interest income	873,024.53	750,842.75
Plus: Other income	2,825,263.25	4,320,020.38
Investment income (loss is stated with "-")		
Including: return on investment in associate and joint venture		
Gain from the derecognition of the financial assets measured at amortised cost		
Exchange income (loss stated with "-")		
Net exposure hedge income (loss stated with "-")		
Income from change of fair value (loss is stated with "-")		
Loss from impairment of credit (loss is stated with "-")	-240,194.86	29,964.40
Loss from impairment of assets (loss is stated with "-")		
Income from disposal of	-73,523.67	-729,742.09

assets (loss is stated with "-")		
III. Operating Profit (loss is stated with "-")	132,512,634.21	111,866,015.49
Plus: Non-operating income	480,647.98	73,317.70
Less: Non-operating expenses	221,408.98	769,784.25
IV. Total profit (total loss is stated with "-")	132,771,873.21	111,169,548.94
Less: Income tax expense	29,582,383.98	24,815,475.18
V. Net Profit (net loss is stated with "-")	103,189,489.23	86,354,073.76
(I) Classification based on operation sustainability		
1. Net Profit from sustainable operation (net loss is stated with "-")	103,189,489.23	86,354,073.76
2. Net Profit from termination of operation (net loss is stated with "-")		
(II) Classification by ownership		
1. Net profit attributable to the parent company's owner	103,189,489.23	86,354,073.76
2. Minority shareholders' gain/loss		
VI. Net of other comprehensive income after tax	-2,489,066.77	-48,552.58
Net of other comprehensive income after tax attributable to the parent company's owner	-2,489,066.77	-48,552.58
(I) Other comprehensive income which cannot be re-classified into gain and loss		
1. Remeasurement of the change amount in the defined benefit plan		
2. Other comprehensive income which cannot be converted into gain and loss based on the equity method		
3. Movement of the fair value of the investment in other equity instruments		
4. Movement of the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income which shall be re-classified into gain and loss	-2,489,066.77	-48,552.58
1. Other comprehensive income which can be converted into gain and loss based on the equity method		
2. Movement of the fair value of other creditor's right investment		
3. Amount of the reclassified financial assets counted to the other comprehensive income		
4. Provision for impairment of the credit of the other creditor's right investment		
5. Reserve for cash flow hedge		
6. Conversion difference in foreign currency statements	-2,489,066.77	-48,552.58
7. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders		

VII. Total comprehensive income	100,700,422.46	86,305,521.18
Total comprehensive income attributable to the parent company's owner	100,700,422.46	86,305,521.18
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(I) Basic earnings per share	0.2505	0.2083
(II) Diluted earnings per share	0.2505	0.2083

Legal representative: Zhang Xuhua Chief Financial Officer: Song Yaoming Person in charge of the Accounting Department: Tian Hui

3. Consolidated Cash Flow Statement

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Cash flows arising from operating activities:		
Cash received from sales of goods and supply of services	1,268,572,542.49	1,341,476,147.74
Net increase of customers' deposit and due from banks		
Net increase of borrowings from the central bank		
Net increase of borrowings from other financial institutions		
Cash received from the premium of the original insurance contract		
Net cash received from the reinsurance business		
Net increase of the reserve from policy holders and investment		
Cash received from interest, service charge and commission		
Net increase of loan from other banks		
Net increase of fund from repurchase business		
Net cash received from securities trading on commission		
Rebated taxes received	612,797.28	448,081.85
Other operation activity related cash receipts	14,811,953.04	13,508,738.54
Subtotal of cash flow in from operating activity	1,283,997,292.81	1,355,432,968.13
Cash paid for purchase of goods and reception of labor services	848,501,717.56	950,732,002.36
Net increase of loans and advances to customers		
Net increase of due from central bank and due from other banks		
Cash from payment for settlement of the original insurance contract		
Net increase of the lending capital		
Cash paid for interest, service charge and commission		
Cash for payment of policy dividend		
Cash paid to and for staff	197,287,320.08	234,412,020.13
Taxes paid	69,642,205.23	69,645,546.92
Other business activity related	88,396,085.94	84,622,976.70

cash payments		
Subtotal of cash flow out from operating activity	1,203,827,328.81	1,339,412,546.11
Net cash flows arising from operating activities	80,169,964.00	16,020,422.02
II. Cash flow arising from investment activities:		
Cash received from recovery of investment		
Cash received from investment income		
Net cash from disposal of fixed assets,intangible assets and recovery of other long term assets	858.16	3,705.21
Net cash received from disposal of subsidiaries and other operating units		
Other investment activity related cash receipts		
Subtotal of cash flow in from investment activity	858.16	3,705.21
Cash paid for construction/purchase of fixed assets, intangible assets and other long term assets	13,729,006.77	29,038,120.17
Cash paid for investment		
Net increase of the pledged loan		
Net cash paid for acquisition of subsidiaries and other operation units		
Other investment activity related cash payments		
Subtotal of cash flow out from investment activity	13,729,006.77	29,038,120.17
Net cash flow arising from investment activities:	-13,728,148.61	-29,034,414.96
III. Cash flow arising from fund-raising activities:		
Cash received from absorbing investment		
Incl.: Cash received from the subsidiaries' absorption of minority shareholders' investment		
Cash received from loans	150,000,000.00	593,052,257.18
Other fund raising activity related cash receipts		
Subtotal of cash flow in from fund raising activity	150,000,000.00	593,052,257.18
Cash paid for debt repayment	150,000,000.00	500,000,000.00
Cash paid for dividend/profit distribution or repayment of interest	4,779,458.02	4,471,210.32
Including: Dividend and profit paid by the subsidiaries to minority shareholders		
Other investment activity related cash payments	26,933,476.33	67,053,433.45
Sub-total cash flow paid for financing activities	181,712,934.35	571,524,643.77
Net cash flow arising from fund-raising activities	-31,712,934.35	21,527,613.41
IV. Change of exchange rate influencing the cash and cash equivalent	-380,351.54	-463,710.47
V. Net increase of cash and cash equivalents	34,348,529.50	8,049,910.00
Plus: Opening balance of cash and cash equivalents	313,747,463.64	210,254,737.14

VI. Ending balance of cash and cash equivalents	348,095,993.14	218,304,647.14
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Legal representative: Zhang Xuhua Chief Financial Officer: Song Yaoming Person in charge of the Accounting Department: Tian Hui

(II) Auditor's Report

Has the First Quarter Report been audited

No

FIYTA Precision Technology Co., Ltd.
Board of Directors
April 25, 2023