Stock Code:688007 Stock Short Name: Appotronics

Appotronics Corporation Limited

The First Quarter Report in 2024

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

Important Notes

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

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

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

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The First Quarter Report in 2024 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) Main accounting data and financial indicators

In RMB

Item	During the reporting period	Change on a year-on-year basis (%)
Operating income	445,039,193.21	-3.04

Profit or loss on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on the disposal of financial assets and financial liabilities, other than those used in the effective hedging activities related to normal operating business of the Company	37,906,378.85	
Income earned from lending funds to non-financial enterprises and recognized in profit or loss		
Profit or loss on entrusted investments or assets management	3,661,419.17	
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 involving enterprises under common contro	3,601,854.87	
Other non-operating income and expenses	11,426.69	
Less: Effect of income taxes	7,133,583.78	
Effects attributable to minority interests (net of tax)	167,256.26	
Total	43,920,385.25	

It is required to specify the reasons for defining items not illustrated in *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 - Non-recurring Profit or Loss* as non-recurring profit or loss items of significant amounts, and for defining recurring profit or loss items illustrated in *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 - Non-recurring Profit or Loss* as recurring profit or loss items.

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

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Item	% Change	Main reason
Net profit attributable to shareholders of the listed company	226.21	The main reasons are the return on investment of an profit or loss on changes in the fair value of some held-for-trading financial assets during the reporting perio
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	1 $	The main reasons are the year-on-year decrease in the control expenses and period expenses during reporting period.
Net cash flow from operating activities	1 $	The main reasons are the adjustment in the metho settlement with suppliers and the optimization payment terms during the reporting period.
Basic earnings per share (RMB/share)	233.33	Same as the reasons for the change in the net attributable to shareholders of the listed company.
Diluted earnings per share (RMB/share)	233.33	Same as the reasons for the change in the net pr attributable to shareholders of the listed company.

1. Analysis of business operation

From the beginning of 2024, the Company insisted on high-quality development for overall operation by continuously carrying out the development strategy of “core technologies + core devices + application scenarios" to enhance the key development path with cinema businesses and dedicated display businesses as the fundamental business and with automotive businesses and other innovative businesses as growth businesses, which reflected strong resilience and activity in the overall business operation. The fundamental businesses led to continuously improving profit indicators for the Company, while the growth businesses created new energy-the automotive business achieved the revenue breakthrough from 0 to 1 to develop into a key growth pole of the Company in the future. During the reporting period, our operating income was RMB 445 million, essentially sustaining the level of the prior period; the net profit attributable to the parent company reached RMB 44.5433 million, up by 226.21% year on year; the net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss reversed the loss into profit; and the overall gross profit margin, was 32.44%, while other key financial indicators maintained stable. The operating highlights of the Company during the reporting period include:

- Starting of the revenue contribution period for the automotive optics business

In December 2023, we achieved the official implementation of AITO M9, the first nominated automobile model, and entered the stage of intense mass production and delivery in March 2024, which started the revenue contribution period for the automotive optics business. In the first quarter of 2024, we achieved the revenue of RMB 48.0268 million from the automotive optics business. The automobile-grade projection giant screen in AITO M9 redefined in-vehicle intelligent space by meeting various demands for in-vehicle entertainment, office, etc. The smooth implementation and delivery of M9 indicated that our automobile-grade projection giant screen has been fully tested on the market.

On April 25, 2024, we released the world's first All-2 1 (X Q L Y H U V D O O D V H U K H D G O , Q W H U Q D W L R Q D O $ X W R P R W L Y H ([K L E L W L R Q which, for the first time, integrated the high beam ADB headlight, variable color temperature headlight (compatible with the fog light mode), ground information display, automotive cinema, etc. into one headlight module with a small size. This greatly reduced the power consumption and volume of the entire system, and greatly reduced the overall cost of the system while meeting various demands for safety, social attrib our revenue from the cinema business was RMB 153 million, up by 21% year on year. Meanwhile, we

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expand the growth space of the cinema business and improve the business resilience for sustainable development.

➢ Continuous improvement in operation quality at Formovie

Thanks to the effective adjustment in personnel and business structure in the previous period, Formovie reasonably controlled and optimized its period expenses and continuously improved the quality of its overall operation during the reporting period. It reduced the losses by RMB 14.6943 million year on year, reducing the rate of loss by 40.12% year on year. This reduced the impact on the profit indicators of the Company. Formovie will continue to focus on more competitive own brand products while taking

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dynamics and operating quality.

2. Profit analysis

(1) During the reporting period, some held-for-trading financial assets generated investment returns and profit or loss on change in the fair value, which provided active effects on the net profit attributable to the parent company;

(2) During the reporting period, we maintained stable and favorable development of the cinema, automotive optics, and other businesses; meanwhile, our optimization and control of expenses and expenditures led to the decrease in period expenses by 20.60%, achieving obvious results in cost reduction and efficiency improvement. At present, the arbitration between the Company and relevant GDC parties is still under trial. This arbitration case incurred the legal service fees of RMB 7.5593 million during the reporting period. With such fees excluded, the period expenses could be further reduced, which would increase by RMB 7.5593 million in the net profit attributable to the parent company and the net profit attributable to the parent company net of non-recurring profit or loss.

II. Shareholder information

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

Unit: Share

Total number of ordinary shareholders as of the end of the reporting period	15,699	Total number of preferred shareholders whose voting right has been restituted as of the end of the reporting period (if any)	1 $

Shares held by top 10 shareholders (excluding shares lent out under the refinancing arrangement)							
Shareholder	Nature of shareholder	Number of shares held	Proportion of shareholding (%)	Number of non-tradable shares held	Number of non-tradable shares held, including the shares lent out under the refinancing arrangement	Shares pledged, marked, or frozen	
						Status of shares	Number
Shenzhen Appotronics Holdings Limited	Domestic non-state owned corporation	79,762,679	17.24	0	0	1 R Q H	0
6 K H Q] K H Q < X D Q V K L / D V H U Industrial Investment Consulting Partnership (LP)	Domestic non-state owned corporation	24,139,500	5.22	0	0	1 R Q H	0
1 D Q W R Q J 6 W U D L W $ S S R W U R Q L F V Investment Partnership (LP)	Domestic non-state owned corporation	18,381,208	3.97	0	0	1 R Q H	0
Shenzhen Appotronics Daye Investment Partnership (LP)	Domestic non-state owned corporation	17,056,167	3.69	0	0	1 R Q H	0
Shenzhen Appotronics Hongye Investment Partnership (LP)	Domestic non-state owned corporation	13,601,344	2.94	0	0	1 R Q H	0
Shenzhen Appotronics Chengye Consulting Partnership (LP)	Domestic non-state owned corporation	10,394,846	2.25	0	0	1 R Q H	0
Bank of China Co., Ltd. - Stable Income Bond Securities Investment Fund R I ( ) X Q G	Others	9,945,837	2.15	0	0	1 R Q H	0

Shenzhen Jinleijing Investment Limited Partnership (LP)	Domestic non-state owned corporation	9,892,706	2.14	0	0	1 R Q H 0	
Hong Kong Securities Clearing Company Limited	Foreign corporation	7,692,374	1.66	0	0	1 R Q H 0	
Shanghai Pudong Development Bank Co., Ltd. - Invesco Great Wall 1 H Z (Q H U J \ Industry Stock Securities Investment Fund	Others	6,086,362	1.32	0	0	1 R Q H 0	

Shares held by top 10 holders of tradable shares

Shareholder	Number of tradable shares held	Type and number of shares	
		Type of shares	Number
Shenzhen Appotronics Holdings Limited	79,762,679	RMB-denominated ordinary share	79,762,679
6 K H Q] K H Q < X D Q V K L / D V H U , Q G X V W U L D O , Q Y H V W P H Q W Consulting Partnership (LP)	24,139,500	RMB-denominated ordinary share	24,139,500
1 D Q W R Q J 6 W U D L W $ S S R W U R Q L F V , Q Y H V W P H Q W Partnership (LP)	18,381,208	RMB-denominated ordinary share	18,381,208
Shenzhen Appotronics Daye Investment Partnership (LP)	17,056,167	RMB-denominated ordinary share	17,056,167
Shenzhen Appotronics Hongye Investment Partnership (LP)	13,601,344	RMB-denominated ordinary share	13,601,344
Shenzhen Appotronics Chengye Consulting Partnership (LP)	10,394,846	RMB-denominated ordinary share	10,394,846
Bank of China Co., Ltd. - Stable Income Bond 6 H F X U L W L H V , Q Y H V W P H Q W) X Q G R I ( ) X Q G	9,945,837	RMB-denominated ordinary share	9,945,837
Shenzhen Jinleijing Investment Limited Partnership (LP)	9,892,706	RMB-denominated ordinary share	9,892,706
Hong Kong Securities Clearing Company Limited	7,692,374	RMB-denominated ordinary share	7,692,374

Shanghai Pudong Development Bank Co., Ltd. - ,QYHVFR *UHDW :DOO 1HZ (QHUJ\ Securities Investment Fund	6,086,362	RMB-denominated ordinary share	6,086,362
Affiliates or concert parties among the shareholders stated above	1. As of March 31, 2024, the following entities in top shareholders of the Company constituted person acting in co Shenzhen Appotronics Holdings Limited 6KHQ]KHQ <XD Industrial Investment Consulting Partnership (LP), Shenz Appotronics Daye Investment Partnership (LP), Shenz Appotronics Hongye Investment Partnership (LP), Shenz Jinleijing Investment Limited Partnership (LP), and Shenz Appotronics Chengye Consulting Partnership (LP). ([FHSW IRU WKH DERYH whether there are affiliates or concert parties as defined in the *Administrative Measures for the Acquisition of the Listed Companies* among other shareholders.		
Description of margin trading, short selling, and refinancing involving top 10 shareholders and top 10 holders of non-restricted shares (if any)	1 $		

Lending of shares in refinancing businesses by shareholders holding over 5% shares, top 10 shareholders, and top 10 holders of tradable shares

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Change from the prior period due to lending/payback in refinancing businesses by top 10 shareholders and top 10 holders of tradable shares

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III. Other events

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

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As of the end of the reporting period, the Company, as the patentee, is involved in 3 cases of petition IRU LQYDOLGDWLRQ EURXJKW WR &KLQD 1DWLRQDO ,QWHOOHF involved are “a multi-color lighting apparatus using moving tran plate containing wavelength conversion material” (patent number: ZL200880107739.5), “a phosphor-based light source structure for

(II) Financial statements

Consolidated Balance Sheet

March 31, 2024

Prepared by: Appotronics Corporation Limited

In RMB Audit type: Unaudited

Item	March 31, 2024	December 31, 2023
Current Assets		
Cash and bank balances	1,295,107,682.52	1,386,828,549.06
Balances with clearing agencies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	558,813,500.00	514,010,000.00
Derivative financial assets		
1 R W H V U H F H L Y D E O H	8,245,476.89	8,951,308.71
Accounts receivable	191,013,153.46	180,290,007.90
Receivables financing	16,591,500.00	11,387,400.00
Prepayments	28,570,676.82	35,112,661.82
Premiums receivable		
Amounts receivable under reinsurance contracts		
Reinsurer's share of insurance contract reserves		
Other receivables	29,778,482.53	30,698,687.55
Where: Interest receivable		
Dividend receivable	14,048,100.00	14,023,746.00
Financial assets purchased under resale agreements		
Inventories	654,148,641.73	656,346,799.67
Where: Data resources		
Contract assets	1,711,165.29	1,664,740.29
Assets held for sale		
1 R Q-current assets due within one year	50,927,102.99	41,997,218.73
Other current assets	50,114,834.09	48,417,270.11
Total current assets	2,885,022,216.32	2,915,704,643.84
1 R Q-current Assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term accounts receivable	28,406,241.84	26,000,543.13
Long-term equity investment	145,151,087.41	144,726,776.43
Investment in other equity instruments	7,075,419.38	7,075,419.38
Other non-current financial assets		
Investment property		
Fixed assets	309,024,900.32	336,276,793.84

Insurance contract reserves		
Long-term borrowings	400,007,155.62	370,649,631.22

Consolidated Income Statement

For the period from January to March 2024

Prepared by: Appotronics Corporation Limited

In RMB Audit type: Unaudited

Item	The First Quarter in 2024	The First Quarter in 2023
I. Total operating income	445,039,193.21	459,012,885.14
Where: Operating income	445,039,193.21	459,012,885.14
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	436,256,932.50	467,714,458.54
Where: Operating costs	300,684,484.79	296,672,965.87
Interest expenses		
Fee and commission expenses		
Surrenders		[redacted]
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		

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(I) Total comprehensive income that can be attributable to owners of the parent company	44,862,262.88	13,541,820.71
(II) Total comprehensive income that can be attributable to minority shareholders	-3,096,986.86	-14,422,327.75
9 , , , (D U Q L Q J V S H U V K D U H		
(I) Basic earnings per share (RMB/share)	0.10	0.03
(II) Diluted earnings per share (RMB/share)	0.10	0.03

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

Principal of the Company:	Person in Charge of the Accounting Work:	Person in Charge of the Accounting Body:
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Consolidated Cash Flow Statement

For the period from January to March 2024

Prepared by: Appotronics Corporation Limited

In RMB Audit type: Unaudited

Item	The First Quarter in 2024	The First Quarter in 2023
I. Cash Flows from Operating Activities		
Cash receipts from the sale of goods and the renderi services	458,063,284.69	554,311,050.64
1HW LQFUHDVH LQ FXVWRPHU GHSRVLWV DQG GHSRVLWV IURP banks and other financial institutions		
1HW LQFUHDVH LQ ORDQV IURP		
1HW LQFUHDVH LQ WDNLQJ IURP EDQNV DQG RWKHU ILQDQFLDO institutions		
Cash receipts from premiums under direct insurance contracts		
1HW FDVK UHFHLSWV IURP UHLQVXUDQFH EXVLQHVV		
1HW FDVK UHFHLSWV IURP SRO investment contract liabilities		
Cash receipts from interest, fees and commissions		
1HW LQFUHDVH LQ WDNLQJ IURP EDQNV		
1HW LQFUHDVH LQ ILQDQFLDO DVVHWV VROG XQGHU UHSXUFKDV arrangements		
1HW FDVK UHFHLYHG IURP VHFXULWLHV WUDGLQJ DJHQFLHV		
Receipts of tax refunds	3,613,547.07	1,723,533.49
Other cash receipts related to operating activities	17,358,037.32	33,315,025.44
Subtotal of cash inflows from operating activities	479,034,869.08	589,349,609.57
Cash payments for goods purchased and services received	247,377,326.75	404,270,221.28
1HW LQFUHDVH LQ ORDQV and advances to customers		
1HW LQFUHDVH LQ EDODQFH ZLWK WKH FHQWUDO EDQN DQG GXH from banks and other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
1HW LQFUHDVH LQ SODFHPHQW banks and other financial institutions		
Cash payments for interest, fees and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to and on behalf of employees	135,358,112.47	136,748,077.35

II. Cash Flows from Investing Activities		
Cash receipts from disposals and recovery of investments	316,950,000.00	390,000,000.00
Cash receipts from investment income	15,474,786.27	2,405,845.55
1HW FDVK UHFHLSWV IURP disposals of fixed assets, intangible assets and other long-term assets	43,545.13	5,500.00
1HW FDVK UHFHLSWV IURP GLVSRVDOV RI VXEVLGLDULHV DQG other business units		
Other cash receipts related to investing activities		
Subtotal of cash inflows from investing activities	332,468,331.40	392,411,345.55
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	24,423,820.06	18,023,943.37
Cash payments to acquire investments	335,000,001.00	395,000,000.00
1HW increase in pledged loans receivables		
1HW FDVK SD\PHQWV IRU DFTX other business units		
Other cash payments related to investing activities	1,361,661.36	-
Subtotal of cash outflows from investing activities	360,785,482.42	413,023,943.37
1HW FDVK IORZV IURP LQYHV ting activities	-28,317,151.02	-20,612,597.82
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions	7,327,467.64	
Where: Cash receipts from capital contributions from minority shareholders of subsidiaries		
Cash receipts from borrowings	41,923,143.29	265,000,000.00
Other cash receipts related to financing activities	-	-
Subtotal of cash inflows from financing activities	49,250,610.93	265,000,000.00
Cash repayments of borrowings	73,550,000.00	60,700,002.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	5,755,799.95	6,782,419.71
Where: Payments for distribution of dividends or profi to minority shareholders of subsidiaries		
Other cash payments related to financing activities	51,446,720.89	7,697,165.45
Subtotal of cash outflows from financing activities	130,752,520.84	75,179,587.16
1HW FDVK IORZV IURP ILQDQ	-81,501,909.91	189,820,412.84
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	652,614.64	-5,331,963.01
V. Net Increase in Cash and Cash Equivalents	-96,941,653.34	127,544,761.33
Add: Opening balance of cash and cash equivalents	1,297,848,895.75	1,254,582,403.12
VI. Closing Balance of Cash and Cash Equivalents	1,200,907,242.41	1,382,127,164.45

Principal of the Company: /, <L

Person in Charge of the Accounting Work: :$1* <LQJ[LD

Person in Charge of the Accounting Body: :$1* <LQJ[LD