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(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2402)

2023 FIRST QUARTERLY REPORT

The board (the “**Board**”) of directors (the “**Directors**”) and all Directors of Beijing SinoHytec Co., Ltd. (the “**Company**”) warrant that there are no false representations, misleading statements, or material omissions in the contents of this report, and accept legal responsibility for the truthfulness, accuracy and completeness of its contents.

IMPORTANT NOTICE

The Board, the supervisory committee together with the Directors, the supervisors and senior management of the Company confirm that the information contained in this quarterly report is true, accurate, complete and without any false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.

Zhang Guoqiang, the Person-in-charge of the Company, Song Haiying, the Chief Financial Officer and Zhang Hongli, the Head of the Finance Department (the Person-in-charge of Accounting), warrant the truthfulness, accuracy and completeness of the financial information prepared in accordance with the PRC Accounting Standards for Business Enterprises in this quarterly report.

The first quarterly financial statements have not been audited.

I. KEY FINANCIAL DATA

(I) Major accounting data and financial indicators

Item	Current reporting period	Same period last year		Unit: RMB
		Before adjustment	After adjustment	Percentage of changes as compared with the same period last year (%)
Operating income	48,373,299.34	97,059,251.34	97,059,251.34	-50.16
Net profit attributable to shareholders of the listed company (“-” for net loss)	-38,633,719.32	-23,474,798.75	-23,335,593.52	N/A
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss (“-” for net loss)	-43,044,700.04	-25,629,412.18	-25,490,206.95	N/A
Net cash flows from operating activities (“-” for net outflow)	-94,301,140.70	-3,130,589.12	-3,130,589.12	N/A
Basic earnings per share (RMB/ share)	-0.35	-0.33	-0.23	N/A
Diluted earnings per share (RMB/ share)	-0.35	-0.33	-0.23	N/A
Weighted average return on net assets (%)	-1.32	-0.94	-0.93	N/A
Total research and development investments	39,127,065.86	33,797,186.99	33,797,186.99	15.77
Proportion of research and development investment in operating income (%)	80.89	34.82	34.82	Increase of 46.07 percentage points

	End of the current reporting period	End of last year		Percentage of changes as compared with the end of last year (%)
		Before adjustment	After adjustment	After adjustment
Total assets	4,730,042,880.22	3,778,976,563.77	3,778,976,563.77	25.17
Owner's equity attributable to shareholders of the listed company	3,227,087,848.96	2,342,621,962.46	2,342,621,962.46	37.76

Reason for retrospective adjustment or restatement

On December 13, 2022, the Ministry of Finance of the PRC issued the Notice on Issuing the Interpretation of Accounting Standards for Business Enterprises No. 16 (Cai Kuai [2022] No. 31), which provides a standard description of the accounting policy of “the accounting treatment for the deferred income taxes that are related to assets and liabilities arising from a single transaction and are not applicable for the initial recognition exemption”. The interpretation also requires an entity to adjust the retained earnings and other relevant financial statement items for the earliest period presented in the financial statements.

Accordingly, the Company adjusted the relevant items in the balance sheet as at December 31, 2022 and the data in the income statement for the same period of last year. Please refer to “IV. Quarterly Financial Statements” of this report for the adjusted report data.

(II) Non-recurring profit or loss items and amounts

Unit: RMB

Item	Amount for the period
Government grants included in profit or loss for the period, except for those closely related to the normal operation of the Company and continuously conferred on in compliance with national policies and regulations and the standard quota or quantity basis	5,791,032.24
Profit or loss from changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, except for effective hedging business related to the Company's normal operations	206,082.20
Other non-operating income and expenses other than the above items	-971,482.02
Less: Effect of income tax	656,252.62
Effect of minority interests (after tax)	<u>-41,600.92</u>
Total	<u><u>4,410,980.72</u></u>

Notes for the non-recurring profit or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Profit or Loss defined as its recurring profit or loss items.

Applicable Not Applicable

(III) Changes in major accounting data and financial indicators and the reasons thereof

Applicable Not Applicable

Item	Percentage of change (%)	Main reason
Operating income	-50.16	The fuel cell industry in which the Company operates is still at the early stage of industrialization, therefore it exposed to certain seasonal fluctuations.
Net profit attributable to shareholders of the listed company	-65.56	Mainly due to the decrease in operating income during the reporting period as compared with the same period last year and the payment of expenses related to the listing of H Shares during the current period.
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	-68.87	Mainly due to the decrease in operating income during the reporting period as compared with the same period last year and the payment of expenses related to the listing of H Shares during the current period.
Net cash flows from operating activities	-2,912.25	During the reporting period, the Company's net cash flows from operating activities decreased by RMB91.1706 million as compared with the same period last year, mainly due to the decrease in sales proceeds during the reporting period.

Item	Percentage of change (%)	Main reason
Basic earnings per share (RMB/share)	-47.83	Mainly due to the decrease in net profit attributable to shareholders of the listed company during the reporting period.
Diluted earnings per share (RMB/share)	-47.83	Mainly due to the decrease in net profit attributable to shareholders of the listed company during the reporting period.
Proportion of research and development investment in operating revenue (%)	46.07	Mainly due to: (1) the Company has always focused on product research and development and technological innovation, and continued to strengthen investment in research and development to maintain its leading position in the industry; (2) the decrease in operating income for the period as compared with the same period of last year led to a decrease in base number and an increase in the proportion.
Equity attributable to shareholders of the listed company	37.76	Mainly due to the net proceeds upon the completion of the listing of H shares and the share offer by the Company during the reporting period.

II. INFORMATION ON SHAREHOLDERS

(I) Total number of ordinary shareholders and number of preference shareholders with restored voting rights and shareholdings of the top ten shareholders

Unit: share

Total number of ordinary shareholders at the end of the reporting period	15,159	Total number of preference shareholders with restored voting rights as at the end of the reporting period (if any)	0
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Shareholdings of the top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of restricted shares	Number of restricted shares including lending securities for financing	Status of shares	Shares pledged, marked or frozen	Number
Zhang Guoqiang	Domestic natural person	18,594,117	15.73	18,570,202	18,570,202	Nil		0
HKSCC Nominees Limited <i>(Note)</i>	Unknown	18,295,590	15.48	0	0	Unknown		0
Yutong Bus Co., Ltd.	Domestic non-state-owned legal person	3,919,129	3.32	0	0	Nil		0
Tunghsu Optoelectronic Technology Co., Ltd.	Domestic non-state-owned legal person	3,589,746	3.04	0	0	Frozen	3,589,746	
Zhang He	Domestic natural person	2,800,000	2.37	0	0	Nil		0
Beijing Shuimu Sail Venture Capital Center (L.P.)	Others	2,620,100	2.22	0	0	Nil		0

Shareholdings of the top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of restricted shares	Number of restricted shares including lending shares for securities financing	Shares pledged, marked or frozen	
						Status of shares	Number
Zhuque Fund-Shaanxi Coal Industry Co., Ltd.- Shaanxi Coal Zhuque New Material Industry Phase 2 Single Asset Management Plan	Others	2,258,280	1.91	0	0	Nil	0
Beijing Shuimu Changfeng Equity Investment Center (L.P.)	Others	1,700,710	1.44	0	0	Nil	0
Bai Wei	Domestic natural person	1,458,334	1.23	0	0	Nil	0
Zhou Pengfei	Domestic natural person	1,400,000	1.18	0	0	Pledge	840,000

Shareholdings of the top ten shareholders of non-restricted shares

Name of shareholder	Number of circulating non-restricted shares	Type and number of shares	
		Type	Number
HKSCC Nominees Limited ^(Note)	18,295,590	Overseas listed foreign shares	18,295,590
Yutong Bus Co., Ltd.	3,919,129	RMB-denominated ordinary shares	3,919,129
Tunghsu Optoelectronic Technology Co., Ltd.	3,589,746	RMB-denominated ordinary shares	3,589,746
Zhang He	2,800,000	RMB-denominated ordinary shares	2,800,000
Beijing Shuimu Sail Venture Capital Investment Center (L.P.)	2,620,100	RMB-denominated ordinary shares	2,620,100
Zhuque Fund-Shaanxi Coal Industry Co., Ltd.- Shaanxi Coal Zhuque New Material Industry Phase 2 Single Asset Management Plan	2,258,280	RMB-denominated ordinary shares	2,258,280
Beijing Shuimu Changfeng Equity Investment Center (L.P.)	1,700,710	RMB-denominated ordinary shares	1,700,710
Bai Wei	1,458,334	RMB-denominated ordinary shares	1,458,334
Zhou Pengfei	1,400,000	RMB-denominated ordinary shares	1,400,000
Song Haiying	1,332,022	RMB-denominated ordinary shares	1,332,022
Explanation on connected relationship or acting in concert among the above shareholders	The executive partner of the Company's shareholders, Beijing Shuimu Sail Venture Capital Investment Center (L.P.) and Beijing Shuimu Changfeng Equity Investment Center (L.P.) is Beijing Shuimu Chuangxin Investment Management Center (G.P.).		
Description of the participation by the top ten shareholders and the top ten shareholders of non-restricted shares in the margin financing and securities lending and margin refinancing business (if any)	N/A		

As of the end of the reporting period, the total number of ordinary shareholders of the Company was 15,159, including 15,146 A shareholders and 13 H shareholders.

Note: HKSCC Nominees Limited holds shares on behalf of clients. As the relevant rules of The Stock Exchange of Hong Kong Limited do not require clients to declare whether their shares are pledged or frozen, HKSCC Nominees Limited is unable to calculate or provide the number of shares pledged or frozen.

III. OTHER REMINDERS

Other important information concerning the operation of the Company during the reporting period that needs to be brought to the attention of investors

Applicable Not Applicable

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

Applicable Not Applicable

(II) Financial statements

Consolidated Statements of Balance Sheets

March 31, 2023

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB Type of audit: Unaudited

Item	March 31, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	1,507,210,878.46	649,887,994.07
Balance with clearing companies	–	–
Placements with other financial institutions	–	–
Financial assets held-for-trading	–	25,165,123.28
Derivative financial assets	–	–
Note receivables	23,780,241.18	31,170,000.00
Account receivables	1,078,847,242.56	1,083,033,929.46
Receivables financing	24,586,808.69	21,990,000.00
Prepayments	29,123,564.60	19,554,147.32
Premium receivables	–	–
Reinsurance accounts receivable	–	–
Provision for reinsurance contract receivable	–	–
Other receivables	24,152,116.13	26,271,763.46

Item	March 31, 2023	December 31, 2022
Including: Interest receivables	–	–
Dividend receivable	–	–
Purchases of resold financial assets	–	–
Inventories	360,613,169.67	302,903,534.87
Contract assets	35,739,069.65	33,719,757.81
Held-for-sale assets	–	–
Non-current assets due within one year	–	–
Other current assets	<u>78,435,915.33</u>	<u>67,337,509.57</u>
Total current assets	<u>3,162,489,006.27</u>	<u>2,261,033,759.84</u>
Non-current assets:		
Loans and advances to customers	–	–
Debt investments	–	–
Other debt investments	–	–
Long-term receivables	–	–
Long-term equity investments	351,681,754.60	333,849,340.97
Other equity instrument investments	173,500,000.00	173,500,000.00
Other non-current financial assets	2,800,000.00	2,800,000.00
Investment properties	–	–
Fixed assets	473,422,911.08	478,969,668.22
Construction in progress	14,027,526.76	14,446,330.11
Productive biological assets	–	–
Oil and gas assets	–	–
Right-of-use assets	22,820,235.39	25,669,719.66
Intangible assets	214,509,614.55	204,985,879.25
Development expenses	74,293,474.24	72,941,726.28
Goodwill	–	–
Long-term deferred expenditures	33,709,455.52	27,933,004.82
Deferred income tax assets	141,741,306.81	130,545,747.97
Other non-current assets	<u>65,047,595.00</u>	<u>52,301,386.65</u>
Total non-current assets	<u>1,567,553,873.95</u>	<u>1,517,942,803.93</u>
Total assets	<u>4,730,042,880.22</u>	<u>3,778,976,563.77</u>

Item	March 31, 2023	December 31, 2022
Current liabilities:		
Short-term borrowings	299,015,995.33	229,872,186.96
Borrowings from central bank	–	–
Loans from other financial institutions	–	–
Financial liabilities held-for-trading	–	–
Derivative financial liabilities	–	–
Note payables	100,598,043.94	114,143,006.75
Accounts payable	393,014,181.43	399,794,860.24
Advances from customers	–	27,522.93
Contract liabilities	7,561,539.23	5,532,261.91
Proceeds from disposal of repurchased financial assets	–	–
Absorption of deposits and interbank deposits	–	–
Acting sale of securities	–	–
Acting underwriting of securities	–	–
Accrued payroll	55,998,389.12	49,339,486.30
Taxes payable	682,020.57	7,929,205.25
Other payables	1,278,348.78	1,612,717.10
Including: Interest payable	–	–
Dividend payable	–	–
Handling fee and commission payable	–	–
Reinsurance accounts payable	–	–
Held-for-sale liabilities	–	–
Non-current liabilities due within one year	7,511,288.99	9,113,362.44
Other current liabilities	25,490,306.53	11,614,079.94
Total current liabilities	<u>891,150,113.92</u>	<u>828,978,689.82</u>

Item	March 31, 2023	December 31, 2022
Non-current liabilities:		
Reserve fund for insurance contracts	–	–
Long-term borrowings	19,617,884.13	19,417,783.33
Bonds payable	–	–
Including: Preferred shares	–	–
Perpetual bonds	–	–
Lease liabilities	14,288,823.74	14,299,147.15
Long-term payables	10,000,000.00	–
Long-term accrued payroll	–	–
Accrued liabilities	37,836,345.04	37,428,122.52
Deferred income	107,904,673.83	109,666,422.97
Deferred income tax liabilities	29,457,081.61	24,631,301.24
Other non-current liabilities	–	–
Total non-current liabilities	<u>219,104,808.35</u>	<u>205,442,777.21</u>
Total liabilities	<u>1,110,254,922.27</u>	<u>1,034,421,467.03</u>
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	118,189,837.00	99,891,387.00
Other equity instruments	–	–
Including: Preferred shares	–	–
Perpetual bonds	–	–
Capital reserve	3,283,433,987.86	2,378,146,637.90
Less: Treasury shares	–	–
Other comprehensive income	94,682,771.34	94,682,771.34
Special reserve	4,851,966.63	4,819,344.54
Surplus reserve	9,216,035.02	9,216,035.02
Provision for general risk	–	–
Undistributed profit	<u>-283,286,748.89</u>	<u>-244,134,213.34</u>
Total equity attributable to shareholders of the listed company (or shareholders' equity)	<u>3,227,087,848.96</u>	2,342,621,962.46
Minority interests	<u>392,700,108.99</u>	<u>401,933,134.28</u>
Total owners' equity (or shareholders' equity)	<u>3,619,787,957.95</u>	<u>2,744,555,096.74</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>4,730,042,880.22</u>	<u>3,778,976,563.77</u>

Person-in-charge of the Company:
Zhang Guoqiang

Chief Financial Officer:
Song Haiying

Head of the Finance Department:
Zhang Hongli

Consolidated Statement of Income

January to March 2023

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB Type of audit: Unaudited

Item	First quarter of 2023	First quarter of 2022
I. Total operating income	48,373,299.34	97,059,251.34
Including: Operating income	48,373,299.34	97,059,251.34
Interest income	—	—
Premiums earned	—	—
Handling fee and commission income	—	—
II. Total operation costs	105,839,572.08	135,316,866.08
Including: Operation costs	31,493,268.53	56,491,812.00
Interest expense	—	—
Handling fee and commission expenses	—	—
Surrenders value	—	—
Net expenditure for insurance claims settlement	—	—
Net drawing on provision for insurance contracts	—	—
Expenditures for policy dividend	—	—
Reinsurance expenditures	—	—
Tax and surcharges	770,175.88	764,700.51
Selling expenses	12,272,361.23	13,508,377.89
Administrative expenses	59,189,256.89	42,771,335.17
Research and development expenses	23,278,091.00	21,275,160.00
Financial expenses	-21,163,581.45	505,480.51

Item	First quarter of 2023	First quarter of 2022
Including: Interest expense	2,805,814.57	1,933,174.78
Interest income	9,031,092.66	3,347,532.75
Add: Other income	9,810,902.39	5,351,561.98
Investment income (“-” for loss)	-7,216,380.89	-4,786,551.14
Including: Investment income from associates and joint ventures	-7,167,586.37	-5,802,830.56
Gains from derecognition of financial assets at amortized cost	-	-
Exchange gains (“-” for losses)	-	-
Gains on net exposure hedges (“-” for losses)	-	-
Gains on change in fair value (“-” for losses)	-165,123.28	1,576,613.70
Losses on credit impairment (“-” for losses)	1,183,888.18	1,106,608.36
Impairment losses on assets (“-” for losses)	69,129.06	-1,306,903.85
Gains from asset disposal (“-” for losses)	-	-112,914.94
III. Operating profits (“-” for losses)	-53,783,857.28	-36,429,200.63
Add: Non-operating income	104,344.84	32,265.40
Less: Non-operating expenses	1,075,826.86	70,758.16
IV. Total profits (“-” for total losses)	-54,755,339.30	-36,467,693.39
Less: Income tax expenses	-7,007,627.72	-933,217.67

Item	First quarter of 2023	First quarter of 2022
V. Net profits (“-” for net losses)	-47,747,711.58	-35,534,475.72
(1) Classified by continuity of operations		
1. Net profit from continuing operations (“-” for net loss)	-47,747,711.58	-35,534,475.72
2. Net profit from discontinued operations (“-” for net loss)	-	-
(2) Classified by ownership		
1. Net profit attributable to equity shareholders of the listed company (“-” for net loss)	-38,633,719.32	-23,335,593.52
2. Minority interests (“-” for net losses)	-9,113,992.26	-12,198,882.20
VI. Net amount of other comprehensive income after tax	-	-14,875,000.00
(1) Net amount of other comprehensive income after tax attributable to shareholders of the listed company	-	-14,875,000.00
1. Other comprehensive income that cannot be reclassified to profit or loss	-	-14,875,000.00
(1) Re-measurement of changes under defined benefit plan	-	-
(2) Other comprehensive income which cannot be reclassified to profit or loss under equity method	-	-
(3) Change in fair value of other equity instrument investments	-	-14,875,000.00
(4) Changes in fair value of the enterprise’s own credit risk	-	-

Item	First quarter of 2023	First quarter of 2022
2. Other comprehensive income that will be reclassified to profit or loss	-	-
(1) Other comprehensive income that can be reclassified to profit or loss under equity method	-	-
(2) Changes in fair value of other debt investments	-	-
(3) Amount included in other comprehensive income on reclassification of financial assets	-	-
(4) Credit impairment provision for other debt investments	-	-
(5) Cash flow hedging reserve	-	-
(6) Differences on translation of foreign currency statements	-	-
(7) Others	-	-
(2) Net amount of other comprehensive income after tax attributable to minority shareholders	-	-
VII. Total comprehensive income	-47,747,711.58	-50,409,475.72
(1) Total comprehensive income attributable to owners of the listed company	-38,633,719.32	-38,210,593.52
(2) Total comprehensive income attributable to minority shareholders	-9,113,992.26	-12,198,882.20
VIII. Earnings per share		
(1) Basic earnings per share (<i>RMB/share</i>)	-0.35	-0.23
(2) Diluted earnings per share (<i>RMB/share</i>)	-0.35	-0.23

For the business combination under common control in the current period, the net profit realized by the merged party before the combination was RMB0, and the net profit realized by the merged party in the previous period was RMB0.

Person-in-charge of the Company:
Zhang Guoqiang

Chief Financial Officer:
Song Haiying

Head of the Finance Department:
Zhang Hongli

Consolidated Statement of Cash Flows

January to March 2023

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB Type of audit: Unaudited

Item	First quarter of 2023	First quarter of 2022
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	82,351,683.82	200,212,543.48
Net increase in customer deposits and interbank deposits	—	—
Net increase in borrowings from central bank	—	—
Net increase in placements from other financial institutions	—	—
Cash received from premiums under original insurance contracts	—	—
Net cash received from reinsurance business	—	—
Net increase in deposits from policyholder and investment funds	—	—
Cash received from interests, handling fees and commissions	—	—
Net increase in capital borrowed	—	—
Net increase in capital from repurchase business	—	—
Net cash received from acting sale of securities	—	—
Refund of taxes and levies	4,019,870.15	3,785,107.50
Cash received relating to other operating activities	9,252,132.80	10,122,211.00
Sub-total of cash inflows from operating activities	<u>95,623,686.77</u>	<u>214,119,861.98</u>

Item	First quarter of 2023	First quarter of 2022
Cash paid for the purchase of goods and the acceptance of services	88,465,053.48	124,394,946.53
Net increase in loans and advances to customers	-	-
Net increase in deposits with central bank and interbank deposits	-	-
Cash paid for compensation payments under original insurance contracts	-	-
Net increase in placements with other financial institutions	-	-
Cash paid for interests, handling fees and commissions	-	-
Cash paid for policyholder dividend	-	-
Cash paid to and for employees	66,346,535.09	61,432,762.88
Payments of all types of taxes	10,284,989.15	9,434,254.44
Cash payments relating to other operating activities	<u>24,828,249.75</u>	<u>21,988,487.25</u>
Sub-total of cash outflows from operating activities	<u>189,924,827.47</u>	<u>217,250,451.10</u>
Net cash flows from operating activities	<u>-94,301,140.70</u>	<u>-3,130,589.12</u>
II. Cash flows from investing activities:		
Cash received from disposal of investments	65,000,000.00	263,000,000.00
Cash received from investment income	486,938.81	1,186,147.92
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-	3,260.00
Net cash received from disposal of subsidiaries and other operating units	-	-
Cash received relating to other investing activities	-	-
Sub-total of cash inflows from investing activities	<u>65,486,938.81</u>	<u>264,189,407.92</u>

Item	First quarter of 2023	First quarter of 2022
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	29,612,933.77	36,073,718.95
Cash paid for investments	66,000,000.00	439,000,000.00
Net increase in pledged loans	-	-
Net cash paid for acquisition of subsidiaries and other operating units	-	-
Cash paid relating to other investing activities	-	-
	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	95,612,933.77	475,073,718.95
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Net cash flows from investing activities	<u>-30,125,994.96</u>	<u>-210,884,311.03</u>
III. Cash flows from financing activities:		
Cash received from capital contributions	915,364,635.94	-
Including: Cash received by subsidiaries from investment of minority shareholders	-	-
Cash received from borrowings	106,879,793.11	54,484,560.88
Cash received from other financing activities	15,267,453.93	33,227,845.28
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	1,037,511,882.98	87,712,406.16
	<hr/>	<hr/>
Cash paid for repayment of debts	45,622,912.76	30,000,000.00
Cash payments for distribution of dividends, profits or interest expenses	2,072,101.85	1,311,659.75
Including: Dividends and profits paid to minority shareholders by subsidiaries	-	-
Cash paid relating to other financing activities	21,177,857.83	29,407,152.97
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Sub-total of cash outflows from financing activities	68,872,872.44	60,718,812.72
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Net cash flows from financing activities	<u>968,639,010.54</u>	<u>26,993,593.44</u>

Item	First quarter of 2023	First quarter of 2022
IV. Effect of exchange rate changes on cash and cash equivalents	<u>15,798,258.30</u>	<u>–</u>
V. Net increase in cash and cash equivalents	860,010,133.18	-187,021,306.71
Add: Balance of cash and cash equivalents at the beginning of the period	<u>616,790,436.73</u>	<u>799,692,784.74</u>
VI. Balance of cash and cash equivalents at the end of the period	<u>1,476,800,569.91</u>	<u>612,671,478.03</u>

Person-in-charge of the Company:
Zhang Guoqiang

Chief Financial Officer:
Song Haiying

Head of the Finance Department:
Zhang Hongli

Adjustments to the financial statements as at the beginning of the year relating to the initial application of the new accounting standards or interpretations of standards since 2023

Applicable Not Applicable

Explanation on the reasons for adjusting the financial statements at the beginning of the year

On December 13, 2022, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 16 (Cai Kuai [2022] No. 31, hereinafter referred to as the “**Interpretation No. 16**”), which explains that the provisions of “the accounting treatment of the initial recognition exemption is not applicable to the deferred income tax related to assets and liabilities arising from a single transaction” shall be implemented from January 1, 2023.

Consolidated Statements of Balance Sheets

Unit: RMB			
Item	December 31, 2022	January 1, 2023	Adjustment
Current assets:			
Cash and cash equivalents	649,887,994.07	649,887,994.07	–
Balance with clearing companies	–	–	–
Placements with other financial institutions	–	–	–
Financial assets held-for-trading	25,165,123.28	25,165,123.28	–
Derivative financial assets	–	–	–
Note receivables	31,170,000.00	31,170,000.00	–
Account receivables	1,083,033,929.46	1,083,033,929.46	–
Receivables financing	21,990,000.00	21,990,000.00	–
Prepayments	19,554,147.32	19,554,147.32	–
Premium receivables	–	–	–
Reinsurance accounts receivable	–	–	–
Provision for reinsurance contract receivable	–	–	–
Other receivables	26,271,763.46	26,271,763.46	–
Including: Interest receivables	–	–	–
Dividend receivable	–	–	–
Purchases of resold financial assets	–	–	–
Inventories	302,903,534.87	302,903,534.87	–
Contract assets	33,719,757.81	33,719,757.81	–
Held-for-sale assets	–	–	–
Non-current assets due within one year	–	–	–
Other current assets	<u>67,337,509.57</u>	<u>67,337,509.57</u>	–
Total current assets	<u>2,261,033,759.84</u>	<u>2,261,033,759.84</u>	–

Item	December 31, 2022	January 1, 2023	Adjustment
Non-current assets:			
Loans and advances to customers	—	—	—
Debt investments	—	—	—
Other debt investments	—	—	—
Long-term receivables	—	—	—
Long-term equity investments	333,849,340.97	333,849,340.97	—
Other equity instrument investments	173,500,000.00	173,500,000.00	—
Other non-current financial assets	2,800,000.00	2,800,000.00	—
Investment properties	—	—	—
Fixed assets	478,969,668.22	478,969,668.22	—
Construction in progress	14,446,330.11	14,446,330.11	—
Productive biological assets	—	—	—
Oil and gas assets	—	—	—
Right-of-use assets	25,669,719.66	25,669,719.66	—
Intangible assets	204,985,879.25	204,985,879.25	—
Development expenses	72,941,726.28	72,941,726.28	—
Goodwill	—	—	—
Long-term deferred expenditures	27,933,004.82	27,933,004.82	—
Deferred income tax assets	130,545,747.97	135,525,491.45	4,979,743.48
Other non-current assets	<u>52,301,386.65</u>	<u>52,301,386.65</u>	—
Total non-current assets	<u>1,517,942,803.93</u>	<u>1,522,922,547.41</u>	<u>4,979,743.48</u>
Total assets	<u><u>3,778,976,563.77</u></u>	<u><u>3,783,956,307.25</u></u>	<u><u>4,979,743.48</u></u>

Item	December 31, 2022	January 1, 2023	Adjustment
Current liabilities:			
Short-term borrowings	229,872,186.96	229,872,186.96	–
Borrowings from central bank	–	–	–
Loans from other financial institutions	–	–	–
Financial liabilities held-for-trading	–	–	–
Derivative financial liabilities	–	–	–
Note payables	114,143,006.75	114,143,006.75	–
Accounts payable	399,794,860.24	399,794,860.24	–
Advances from customers	27,522.93	27,522.93	–
Contract liabilities	5,532,261.91	5,532,261.91	–
Proceeds from disposal of repurchased financial assets	–	–	–
Absorption of deposits and interbank deposits	–	–	–
Acting sale of securities	–	–	–
Acting underwriting of securities	–	–	–
Accrued payroll	49,339,486.30	49,339,486.30	–
Taxes payable	7,929,205.25	7,929,205.25	–
Other payables	1,612,717.10	1,612,717.10	–
Including: Interest payable	–	–	–
Dividend payable	–	–	–
Handling fee and commission payable	–	–	–
Reinsurance accounts payable	–	–	–
Held-for-sale liabilities	–	–	–
Non-current liabilities due within one year	9,113,362.44	9,113,362.44	–
Other current liabilities	<u>11,614,079.94</u>	<u>11,614,079.94</u>	–
Total current liabilities	<u><u>828,978,689.82</u></u>	<u><u>828,978,689.82</u></u>	<u><u>–</u></u>

Item	December 31, 2022	January 1, 2023	Adjustment
Non-current liabilities:			
Reserve fund for insurance contracts	—	—	—
Long-term borrowings	19,417,783.33	19,417,783.33	—
Bonds payable	—	—	—
Including: Preferred shares	—	—	—
Perpetual bonds	—	—	—
Lease liabilities	14,299,147.15	14,299,147.15	—
Long-term payables	—	—	—
Long-term accrued payroll	—	—	—
Accrued liabilities	37,428,122.52	37,428,122.52	—
Deferred income	109,666,422.97	109,666,422.97	—
Deferred income tax liabilities	24,631,301.24	30,248,893.97	5,617,592.73
Other non-current liabilities	—	—	—
Total non-current liabilities	<u>205,442,777.21</u>	<u>211,060,369.94</u>	<u>5,617,592.73</u>
Total liabilities	<u>1,034,421,467.03</u>	<u>1,040,039,059.76</u>	<u>5,617,592.73</u>
Owners' equity (or shareholders' equity):			
Paid-up capital (or share capital)	99,891,387.00	99,891,387.00	—
Other equity instruments	—	—	—
Including: Preferred shares	—	—	—
Perpetual bonds	—	—	—
Capital reserve	2,378,146,637.90	2,378,146,637.90	—
Less: Treasury shares	—	—	—
Other comprehensive income	94,682,771.34	94,682,771.34	—
Special reserve	4,819,344.54	4,819,344.54	—
Surplus reserve	9,216,035.02	9,216,035.02	—
Provision for general risk	—	—	—
Undistributed profit	<u>-244,134,213.34</u>	<u>-244,653,029.56</u>	<u>-518,816.22</u>
Total equity attributable to shareholders of the listed company (or shareholders' equity)	2,342,621,962.46	2,342,103,146.24	-518,816.22
Minority interests	<u>401,933,134.28</u>	<u>401,814,101.25</u>	<u>-119,033.03</u>

Item	December 31, 2022	January 1, 2023	Adjustment
Total owners' equity (or shareholders' equity)	<u>2,744,555,096.74</u>	<u>2,743,917,247.49</u>	<u>-637,849.25</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>3,778,976,563.77</u>	<u>3,783,956,307.25</u>	<u>4,979,743.48</u>

The comparative analysis of items in the income statement from January to March 2022 affected by the changes in accounting policies is as follows:

	Unit: RMB		
Item	Before adjustment	After adjustment	Adjustment
Income tax expenses	-792,208.94	-933,217.67	-141,008.73
Net profit	-35,675,484.45	-35,534,475.72	141,008.73
Net profit attributable to shareholders of the listed company	-23,474,798.75	-23,335,593.52	139,205.23
Minority interests	-12,200,685.70	-12,198,882.20	1,803.50
Total comprehensive income	-50,550,484.45	-50,409,475.72	141,008.73
Total comprehensive income attributable to shareholders of the listed company	-38,349,798.75	-38,210,593.52	139,205.23
Total comprehensive income attributable to minority shareholders	-12,200,685.70	-12,198,882.20	1,803.50

By order of the Board
Beijing SinoHytec Co., Ltd.
ZHANG Guoqiang
Chairman of the Board

Beijing, the PRC
April 27, 2023

As of the date of this announcement, the Board comprises Mr. Zhang Guoqiang, Ms. Song Haiying and Ms. Dai Dongzhe as executive Directors, Ms. Teng Renjie and Mr. Wu Yong as non-executive Directors, Mr. Fang Jianyi, Mr. Liu Xiaoshi, Mr. Ji Xuehong and Mr. Chan So Kuen as independent non-executive Directors.