

Gotion High-Tech Co., Ltd.

2023 First Quarterly Report

The Company and all members of the Board of Directors warrant that the information in the report are true, accurate and complete, without false record, misleading statement or material omission.

Important Notice

1. The Board of Directors, the Board of Supervisors and Directors, Supervisors and senior management of the Company hereby warrant the truthfulness, accuracy and completeness of the contents of this quarterly report, and that there are no false representations, misleading statements or material omissions contained herein, and severally and jointly accept legal responsibility.
2. The officer in charge of the Company, officer in charge of accounting, and officer in charge of the accounting office of the Company (head of accounting department), hereby guarantee that the financial statements contained in the report are true, accurate and complete.
3. Whether the first quarterly financial statements have been audited

☐ Yes ☒ No

1. Key financial data

(I) Main accounting data and financial indicators

Does the Company retroactively adjust or restate the accounting data of previous years

☐ YES ☒ NO

	This reporting period	Corresponding period of previous year	YoY change (%)
Operating income (yuan)	7,177,001,038.70	3,916,203,789.66	83.26%
Net profit attributable to shareholders of the listed company (yuan)	75,609,494.88	32,203,716.31	134.78%
Net profit attributable to shareholders of listed companies excluding non-recurring profit and loss (yuan)	-11,130,731.84	9,788,683.80	-213.71%
Net cash flow generated from operating activities (yuan)	61,247,620.00	44,179,590.60	38.63%
Basic earnings per share (yuan/share)	0.04	0.02	100.00%
Diluted earnings per share (yuan/share)	0.04	0.02	100.00%
Weighted average return on net assets (%)	0.42%	0.17%	0.25%
	As the end of this reporting period	As the end of previous year	Change as at the end of this reporting period as compared to the end of the previous year(%)
Total assets (yuan)	78,764,579,158.86	72,627,365,266.66	8.45%
Owner's equity attributable to the shareholders of the listed company (yuan)	23,680,721,983.30	23,512,253,186.21	0.72%

(II) Non-recurring profit and loss items and amount

☒ Applicable ☐ not applicable

Unit: yuan

Item	Amount of this reporting period	Explanation
Gains or losses on the disposal of non-current assets (including offset part of asset impairment provision)	349,437.09	
Government subsidies included in the current profit and loss (except the government subsidy that is tightly related to the Company's business and enjoyed per quota or ration in accordance with the government uniform standard)	20,836,134.70	
Gains or loss on changes in fair values of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities as well as the investment income obtained from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other creditor's right investment, except for effective hedging operations associated with the Company's normal operations	93,912,965.91	
Non-operating income and expenses other than the said items	-13,845,185.18	
Others items of gains and losses complying with the definition for non-recurring gains and losses	127,846.36	
Less: impact amount on income tax	12,333,182.90	
Effectuated amount of minority equity (after tax)	2,307,789.26	
Total	86,740,226.72	--

The details of other profit and loss items meeting the definition of non-recurring profit and loss:

☐ Applicable ☒ not applicable

The Company does not have any other profit and loss items that meet the definition of non-recurring profit and loss.

Description of the non-recurring profit and loss items listed in —— *Non-recurring Profit and Loss No.1 of Explanatory Announcement of Information Disclosure of Companies publicly Issuing Securities* are defined as recurring profit and loss items

☐ Applicable ☒ not applicable

The Company does not have the situation of defining the non-recurring profit and loss items listed in —— *Non-recurring Profit and Loss No.1 of Explanatory Announcement of Information Disclosure of Companies publicly Issuing Securities* as recurring profit and loss.

(III) Changes in Major Accounting Data and Financial Indicators and Reasons Thereof

☒ Applicable ☐ not applicable

Balance sheet items	Final amount (RMB)	Initial amount (RMB)	Change (%)	Main Reason
Trading financial assets	332,381.94	351,400.62	-5%	This is mainly due to the increase in investment in structured financial products in this period.
Accounts receivable	1,147,880.36	864,234.58	33%	This is mainly due to the increase in revenue in this period.

Advance payment	68,532.00	51,749.74	32%	This is mainly due to the increase in prepaid material payments in this period.
Fixed assets	1,650,320.56	1,178,528.00	40%	This is mainly due to the increase in fixed assets resulting from the conversion of construction in progress in this period.
Contract Liabilities	109,443.68	60,357.71	81%	This is mainly due to the increase in advance receipts for goods in this period.
Employee benefits payable	17,987.14	32,614.16	-45%	This is mainly due to the distribution of year-end bonuses from the previous year in this period.
Other current liability	12,997.20	36,686.08	-65%	This is mainly due to the increase in deductible output tax in this period.
Profit statement items	Current period amount	Same period last year amount	Change ratio	Cause of change
Operating income	717,700.10	391,620.38	83%	Mainly due to the increase in sales volume.
Operating cost	581,751.17	334,867.85	74%	Mainly due to the increase in sales revenue, which led to a corresponding increase in costs.
Selling expenses	17,863.31	11,313.78	58%	Mainly due to the increase in revenue, which led to a corresponding increase in marketing expenses.
Administrative expenses	37,883.75	17,302.59	119%	Mainly due to the recognition of option fees and increases in the current period.
Research and development expenditure	39,085.97	19,135.82	104%	Mainly due to the increase in research and development investment in the current period.
Financing Expenses	29,011.88	6,586.01	341%	Mainly due to the increase in financing scale in the current period, which led to a corresponding increase in financial expenses.
Investment income	2,096.40	2,221.70	-6%	Mainly due to the increase in investment income from associated companies in the current period.
Gains or loss on changes in fair values	10,044.14	-919.46	-1192%	Mainly due to changes in the fair value of investment financial assets in the current period.
Credit impairment loss	-12,971.33	-879.32	1375%	Mainly due to the increase in accounts receivable, which led to an increase in bad debt provisions.
Asset impairment loss	-4,591.19	-718.74	539%	Mainly due to the decline in raw material prices in the current period, which led to a decrease in the value of inventory and an increase in the corresponding provision for price declines.
Cash Flow statement items	Current period amount	Same period last year amount	Change ratio	Cause of change
Net cash flow generated from operating activities	6,124.76	4,417.96	39%	Mainly due to the increase in sales volume in the current period.
Net cash flow generated from investment activities	-342,299.80	-328,790.35	4%	Mainly due to the company's construction of production lines, which led to an increase in advance payments for engineering equipment.
Net cash flow generated from financing activities	323,808.77	339,783.58	-5%	Mainly due to the increase in borrowing and other financing by the company in the current period.

II. Shareholder information

(1) Table of the total number of common shareholders and the number of preferred shareholders with restored voting rights, and the shareholding status of the top ten shareholders

Unit: stock

Total number of common shareholders at the end of the reporting period		157,222	Total number of preferred shareholders with voting rights at the end of reporting period (if any)		0	
Holdings of the top 10 shareholders						
Name of shareholder	Nature of shareholders	Shareholding ratio	Number of holdings	Number of shares held on the limited conditions of sale	Pledge, marking, or freeze situation	
					Share status	Quantity
Volkswagen (CHINA) Investment Co., Ltd.	Domestic Non-state-owned legal persons	24.77%	440,630,983	440,630,983		
Nanjing Gotion Holding Group Co., Ltd.	Domestic Non-state-owned legal persons	9.60%	170,751,887	0	pledged	79,410,000
					frozen	4,868,000
Li Zhen	Domestic natural person	5.81%	103,276,150	77,457,112	frozen	286,147
The Hong Kong Central Clearing Company Limited	Overseas legal person	2.92%	51,914,243	0		
Citibank, National Association	Overseas legal person	2.43%	43,218,800	0		
Li Chen	Domestic natural person	1.60%	28,472,398	28,472,398		
Industrial & Commercial Bank of China company limited by shares-Qianhai Open Source New Flexible allocation of economy mixed securities investment capital fund	others	1.57%	27,976,202	0		
Foshan electrical lighting company limited by shares	State-owned legal person	0.96%	17,133,791	0		
China Construction Bank Corporation - Qianhai Kaiyuan Public Utilities Industry Stock-type Securities Investment Fund	others	0.86%	15,252,120	0		

China postal savings Bank shares limited Company-Oriental New Energy car theme mixed securities investment capital fund	other	0.54%	9,552,699	0		
Holdings of the top 10 shareholders with unlimited sale conditions						
Name of shareholder	Number of unlimited conditional shares held	Stock class				
		Stock class	Quantity			
Nanjing Gotion Holding Group Co., Ltd.	170,751,887	RMB common stock	170,751,887			
The Hong Kong Central Clearing Company Limited	51,914,243	RMB common stock	51,914,243			
Citibank, National Association	43,218,800	RMB common stock	43,218,800			
Li Chen	28,472,398	RMB common stock	28,472,398			
Industrial and Commercial Bank of China Limited-Qianhai Open Source New Economy Flexible Allocation Hybrid Securities Investment Fund	27,976,202	RMB common stock	27,976,202			
Li Zhen	25,819,038	RMB common stock	25,819,038			
Foshan Electric Appliance Lighting Co., Ltd	17,133,791	RMB common stock	17,133,791			
China Construction Bank Corporation - Qianhai Kaiyuan Public Utilities Industry Stock-type Securities Investment Fund.	15,252,120	RMB common stock	15,252,120			
China postal savings Bank shares limited Company-Oriental New Energy car theme mixed securities investment capital fund	9,552,699	RMB common stock	9,552,699			
CITIC Securities Co., Ltd.	9,203,869	RMB common stock	9,203,869			
Description of the above shareholder association or concerted action	<p>1. The company shareholders, Li Zhen, Li Chen and Nanjing Gotion Holding Group Co., LTD. ("Gotion Holdings") are acting in concert (Li Zhen is the controlling shareholder, legal representative and executive director of Gotion Holdings; Li Chen is the son of Li Zhen);</p> <p>2. In addition to the aforementioned associations, it is unknown whether there are other associations between the above-mentioned shareholders, and whether there are concerted acting persons stipulated in the <i>Administrative Measures for the Acquisition of Listed Companies</i>.</p>					
Description of the Top 10 Shareholders Participating in Margin Selling Business (if any)	Shareholder-Gotion Holding holds 10,750,000 shares of the Company through a credit securities account					

(II) The table of the total number of preferred shareholders and the shareholding status of the top 10 preferred shareholders

☐ Applicable ☒ not applicable

III. Other important matters

☐ Applicable ☒ not applicable

IV. Quarterly financial statement

(1) Financial statements

1. Consolidated balance sheet

Prepared by: Gotion High-Tech Co., Ltd

Unit: yuan

Item	Balance as at end of this reporting period	Balance as at beginning of the year
Current assets:		
Monetary funds	14,785,134,321.38	14,122,371,543.66
Deposit reservation for balance		
Lending funds		
Trading financial assets	3,323,819,437.58	3,514,006,212.53
Derivative financial assets		
Notes receivable	73,821,000.00	94,321,000.00
Accounts receivable	11,478,803,644.39	8,642,345,823.74
Receivable financing	898,821,694.61	731,403,441.49
Advance payment	685,319,970.13	517,497,410.29
Premium receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivable	553,219,377.52	285,857,879.41
Including: interest receivable		
dividends receivable		
Financial assets purchased under resale agreements		
Inventories	6,598,292,672.59	7,584,033,662.25
Contract assets		
Assets held for sale		
Non-current assets maturing within one year	103,648,896.04	103,648,896.04
Other current assets	2,227,178,581.89	1,891,378,028.14
Total current assets	40,728,059,596.13	37,486,863,897.55
Non-current assets:		
Disbursement of loans and advances		
Creditor's right investment		
Other debt investments	4,810,190.00	4,875,220.00
Long-term receivables	9,110,443.63	9,110,443.63
Long-term equity investment	1,475,668,447.38	1,085,613,368.72
Other equity investments	510,468,495.43	510,468,495.43
Other non-current financial assets	1,000,000,000.00	1,000,000,000.00
Investment properties		
Fixed assets	16,503,205,580.92	11,785,279,959.06
Construction in progress	10,049,229,332.39	11,669,257,989.53
Productive biological assets		
Oil and gas assets		
Use Right assets	51,021,743.65	52,798,126.55

Intangible assets	2,927,970,925.17	2,902,902,087.53
Development expenditure	747,087,044.71	620,378,001.34
Goodwill	512,038,244.65	512,038,244.65
Long-term deferred expenses	101,164,623.46	101,405,214.69
Deferred tax assets	853,325,345.58	795,565,257.24
Other non-current assets	3,291,419,145.75	4,090,808,960.74
Total non-current assets	38,036,519,562.72	35,140,501,369.11
Total assets	78,764,579,158.86	72,627,365,266.66
Current liabilities:		
Short-term borrowings	10,661,062,756.43	10,820,704,180.47
Borrowing from central bank		
Borrowing funds		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	9,714,353,271.46	5,515,753,934.77
Accounts payable	11,559,733,707.85	11,814,791,449.62
Advances from customers		
Contract liabilities	1,094,436,832.06	603,577,134.25
Financial assets sold under repurchase agreements		
Absorption of deposits and interbank deposits		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Employee benefits payable	179,871,432.77	326,141,584.15
Tax payable	119,152,099.72	356,949,077.68
Other payables	1,088,661,997.05	930,833,382.04
Including: interest payable		
dividends payable		
Handling charge and commission payable		
Reinsurance accounts payable.		
Liabilities held for sale		
Non-current liabilities due within one year	3,318,729,875.20	3,633,466,234.89
Other current liabilities	129,972,025.64	366,860,818.60
Total current liabilities	37,865,973,998.18	34,369,077,796.47
Non-current liability:		
Reserves for insurance contracts		
Long-term borrowings	12,980,450,409.58	10,688,953,878.75
Bonds payable	394,791,091.61	394,159,870.29
including: preferred stock		
perpetual bond		
Lease liabilities	233,241,065.82	163,978,672.33
Long-term payable	1,899,454,828.43	1,822,657,855.39
Long-term employee benefits payable		
Provisions	386,388,113.30	385,641,072.27
Deferred income	189,092,277.53	186,513,101.09
Deferred income tax liabilities	118,126,386.05	118,608,811.42
Other non-current liabilities		
Total non-current liabilities	16,201,544,172.32	13,760,513,261.54
Total liabilities	54,067,518,170.50	48,129,591,058.01
Owner's equity:		
Share capital	1,778,874,835.00	1,778,874,835.00
Other equity instruments		

including: preferred stock		
perpetual bond		
Capital reserves	18,281,819,975.49	18,191,023,725.17
Less: treasury shares	404,574,459.45	404,574,459.45
Other comprehensive income	213,673,515.44	209,751,958.34
Special reserves	950,624.03	2,809,129.24
Surplus reserves	188,051,476.38	188,051,476.38
General risk reserve		
Retained earnings	3,621,926,016.41	3,546,316,521.53
Total equity attributable to owners of the parent company	23,680,721,983.30	23,512,253,186.21
Minority equity	1,016,339,005.05	985,521,022.44
Total owner's equity	24,697,060,988.35	24,497,774,208.65
Total liabilities and owner's equity	78,764,579,158.85	72,627,365,266.66

Legal representative: Li Zhen Person in charge of accounting: Zhang Yifei Person in charge of accounting organization: Zhao Hua

2. Consolidated income statement

Unit: yuan

Project	Balance as at end of this reporting period	Balance as at beginning of the year
I. Total operating revenue	7,177,001,038.70	3,916,203,789.66
Including: Operating revenue	7,177,001,038.70	3,916,203,789.66
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total operating cost	7,101,160,720.12	3,912,727,414.05
Including: Operating costs	5,817,511,715.08	3,348,678,497.79
Interest expense		
Handling charges and commission expenses		
Surrender value		
Net expenditure for compensation		
Net provision for insurance liabilities deposits		
Policy dividend expenses		
Reinsurance costs		
Taxes and surcharges	45,199,896.78	20,666,941.06
Selling expenses	178,633,105.04	113,137,782.31
Administrative expenses	378,837,502.71	173,025,945.11
Research and development expenses	390,859,725.86	191,358,178.30
Finance expenses	290,118,774.65	65,860,069.48
Including: Interest fees	247,666,116.61	107,356,431.45
Interest income	-21,250,732.56	-21,668,621.17
Add: Other income	20,963,981.06	22,216,990.69
Investment income (loss stated	66,429,623.46	26,521,142.51

with "-")		
Including: Investment gains in associated enterprise and joint-venture enterprise	63,577,842.64	-399,816.38
Income from derecognition of financial assets measured at amortized cost .		
Exchange gains (losses stated with "-")		
Gains on net exposure hedges (losses stated with "-")		
Gains on changes in fair values (losses state with "-")	100,441,353.58	-9,194,636.80
Credit impairment loss (loss stated with "-")	-129,713,278.96	-8,793,236.60
Impairment losses of assets ("-" for losses)	-45,911,896.83	-7,187,368.93
Asset disposal income ("-" for losses)	349,437.09	11,289,505.07
III. Operating profit (loss stated with "-")	88,399,537.98	38,328,771.55
Add: Non-operating income	3,563,568.22	2,660,446.96
Less: Non-operating expenses	17,408,753.40	497,710.35
IV. Total profit (total loss stated with "-")	74,554,352.80	40,491,508.16
Less: income tax expense	-29,921,869.90	4,283,364.60
V. Net profit (net loss stated with "-")	104,476,222.70	36,208,143.56
(1) Classification by business continuity		
1. Net profit on continuous operations (net loss stated with "-")	104,476,222.70	36,208,143.56
2. Net profit from terminated operation (net loss stated with "-")		
(2) Classification by attribution of ownership		
1. Net profit attributable to owners of the parent company (net loss stated with "-")	75,609,494.88	32,203,716.31
2. Profit and loss attributable to minority shareholders (net loss stated with "-")	28,866,727.82	4,004,427.25
VI. Other comprehensive income, net of income tax	4,387,127.85	-58,613,854.99
Net after tax of other comprehensive income attributable to the owner of the parent company	3,921,557.10	-58,613,854.99
(1) Other comprehensive income attributable to owners of the Company, net of tax.		-85,364,546.48
1. Items that will not be reclassified subsequently to profit or loss		
2. Other comprehensive income that cannot be reclassified to profit and loss under the equity method		
3. Changes in fair value of other		-85,364,546.48

investment in equity instruments		
4. Changes in fair value of company's own credit risk		
5. Other		
(2) Other comprehensive income to be reclassified to profit or loss in subsequent periods	3,921,557.10	26,750,691.49
1. Other comprehensive income that will be reclassified to profit and loss under the equity method	87,310.55	1,486,432.83
2. Changes in the fair value of other debt investments		
3. Amount of reclassification of financial assets into other comprehensive income		
4. Credit impairment provisions for other debt investment		
5. Cash flow hedging reserves		
6. Translation difference of foreign currency financial statements	3,834,246.55	25,264,258.66
7. Other		
Net after-tax amount of other comprehensive income attributable to minority shareholders	465,570.75	
VII. Total comprehensive income	108,863,350.55	-22,405,711.43
(1) Total comprehensive income attributable to owner of the parent company	79,531,051.98	-26,410,138.67
(2) Total comprehensive income attributable to the minority shareholders	29,332,298.57	4,004,427.24
VIII. Earnings per share		
(1) Basic earnings per share	0.04	0.02
(2) Diluted earnings per share	0.04	0.02

In case of business combination under the same control in the current period, the net profit realized by the combined party before the combination is: yuan, and the net profit realized by the combined party in the previous period is: yuan.

Legal representative: Li Zhen Person in charge of accounting work: Zhang Yifei Person in charge of accounting organization: Zhao Hua

3. Consolidated statement of cash flows

Unit: yuan

Item	Amount incurred in current period	Amount incurred in last period
1. Cash flow from operating activities:		
Cash receipts from the sale of goods and the rendering of services	4,218,221,261.59	2,393,571,331.99
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in placements from other financial institutions		
Cash received from the premium of		

the original insurance contract		
Net cash received from the reinsurance business		
The net increase of household deposits and investment funds is guaranteed		
Cash charged for interest, fees and commissions		
Net increase in demolition funds		
Net increase in repurchase business funds		
Net cash received from an agent in buying and selling securities		
Tax refund received	50,757,775.38	18,322,303.74
Other cash received related to business activities received	574,987,305.43	368,747,711.69
Subtotal of cash inflow from operating activities	4,843,966,342.40	2,780,641,347.42
Cash paid for the purchase of goods and receiving labor services	2,946,504,896.32	1,653,179,320.96
Net increase in customer loans and advances		
Net increase in central bank and interbank payments deposited		
Cash paid under the original insurance contract		
A net increase in the demolition of funds		
Cash paid for interest, fees and commissions		
Cash to pay the policy dividends		
Cash paid to and for employees	840,043,501.70	510,235,899.09
All taxes and fees paid	278,878,323.42	115,904,822.54
Payment of other cash related to business activities	717,292,000.96	457,141,714.23
Subtotal of cash outflow from operating activities	4,782,718,722.40	2,736,461,756.82
Net cash flow generated from operating activities	61,247,620.00	44,179,590.60
2. Cash flow generated from investment activities:		
Cash receipts from disposal and recovery of investments	305,272,683.34	
Cash receipts from investment income	1,182,739.73	16,706,163.34
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	34,750.00	210,000.00
Net cash receipts from disposals of subsidiaries and other business entities		1,800,000.00
Other cash receipts relating to investing activities		6,297.70
Subtotal of cash inflows from investing activities	306,490,173.07	18,722,461.04
Cash payments to acquire or construct fixed assets, intangible assets and other	2,890,461,569.49	3,017,024,735.11

long-term assets		
Cash payment to acquire investments	833,844,445.83	289,601,256.59
Net increase in pledged loans		
Net cash paid by subsidiaries and other business units		
Pay other cash related to investment activities	5,182,200.00	
Subtotal of cash outflows from investing activities	3,729,488,215.32	3,306,625,991.70
Net cash flow from investment activities	-3,422,998,042.25	-3,287,903,530.66
3. Cash flow from financing activities:		
Cash receipts from investment		141,000,000.00
including: cash receipts from capital contributions from minority owners of subsidiaries		
Cash receipts from borrowings	5,968,113,282.40	4,175,608,727.04
Other cash receipts relating to financing activities	162,855,000.00	719,296,675.80
Subtotal of cash inflow from financing activities	6,130,968,282.40	5,035,905,402.84
Cash repayments of borrowings	2,369,721,964.07	1,342,969,553.23
Cash payments for distribution of dividends or profits or settlement of interest expenses	371,350,344.83	140,983,719.24
including: dividends and profits paid to minority shareholders by subsidiaries		
Other cash payments relating to financing activities	151,808,273.63	154,116,296.52
Subtotal of cash outflow from financing activities	2,892,880,582.53	1,638,069,568.99
Net cash flow from financing activities	3,238,087,699.87	3,397,835,833.85
4. Effect of foreign exchange rate changes on cash and cash equivalents	8,825,424.90	7,172,306.60
5. Net increase in cash and cash equivalents	-114,837,297.48	161,284,200.39
Add: Opening balance of cash and cash equivalents	11,242,032,512.47	9,439,103,239.24
6. Closing balance of cash and cash equivalents	11,127,195,214.99	9,600,387,439.63

Company's first-quarter report was unaudited.

Board of Directors of Gotion High-Tech Co., Ltd.
April 27, 2023