

Stock code: 300870 Stock abbreviation: Honor Electron Announcement No.: 2024-016

Shenzhen Honor Electronic Co., Ltd. 2024 First Quarter Report

The company and all members of the board of directors guarantee that the information disclosed is true, accurate and complete, and there are no false records, misleading statements or major omissions.

Important content reminder:

1. The board of directors, the board of supervisors and the directors, supervisors and senior management ensure that the quarterly report is true, accurate and complete, and that there are no false records, misleading statements or major omissions, and bear individual and joint legal liabilities.
2. The person in charge of the company, the person in charge of accounting work and the person in charge of the accounting organization (accounting officer) declare that the financial information in the quarterly report is true, accurate and complete.
3. Has the first quarter report been audited?

■ whether

I. Main financial data

(1) Major accounting data and financial indicators

Whether the company needs to retrospectively adjust or restate the accounting data of previous years

■ whether

	This reporting period	Same period last year	Increase or decrease in the reporting period over the same period of the previous year (%)
Operating income (yuan)	695,862,387.52	519,050,617.70	34.06%
Net profit attributable to shareholders of listed companies (yuan)	31,164,265.74	1,728,427.51	1,703.04%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	29,984,745.73	-1,108,412.69	2,805.20%
Net cash flow from operating activities (yuan)	8,045,282.39	143,956,380.13	-94.41%
Basic earnings per share (yuan/share)	0.31	0.02	1,450.00%
Diluted earnings per share (yuan/share)	0.31	0.02	1,450.00%
Weighted average return on equity	1.66%	0.11%	1.55%
	At the end of the reporting period	End of last year	Increase or decrease at the end of the reporting period compared to the end of the previous year (%)
Total assets (yuan)	3,746,726,466.50	3,749,607,108.44	-0.08%
Owner's equity attributable to shareholders of listed companies (yuan)	1,888,324,898.08	1,857,283,741.55	1.67%

(2) Items and amounts of non-recurring gains and losses

Applicable ■ Not applicable

Unit:
Yuan

Projects	Amount for the reporting period	Description
Gains and losses on disposal of illiquid assets (including the write-off portion of the provision for asset impairment)	-1,557,870.38	Mainly due to the loss of retirement of non-current assets.
Government subsidies included in the current profit and loss (except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the company's profit and loss)	1,190,999.43	Mainly government subsidy income.

In addition to the effective hedging business related to the company's normal business operations, the gains and losses from changes in fair value arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities	288,789.03	
Profit and loss of entrusting others to invest or manage assets	20,323.92	
Other non-operating revenue and expenditure other than the above-mentioned items	1,173,461.82	Mainly due to the receipt of default deductions in the current period.
Other profit and loss items that meet the definition of non-recurring profit and loss	275,816.48	
Less: Income tax impact amount	206,335.46	
Amount of impact on minority shareholders' equity (after tax)	5,664.83	
Total	1,179,520.01	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss

Applicable ■ Not applicable

Other profit and loss items that meet the definition of non-recurring profit and loss are mainly the deduction of individual tax handling fees.

Explanation of the situation of defining the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profit and Loss" as recurring profit and loss items

■ Applicable Not Applicable

There is no situation in which the company defines the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Profit and Loss" as recurring profit and loss items.

(3) Changes in major accounting data and financial indicators and reasons

Applicable ■ Not applicable

Amount unit: yuan

Balance Sheet Items	Ending balance	Opening balance	Range of change	Reason for change
Trading financial assets	64,288,789.03	0.00	100.00%	Mainly due to the new purchase of wealth management products in the current period.
Other receivables	21,159,736.08	73,876,951.61	-71.36%	Mainly due to the receipt of the equity transfer payment at the end of the previous year in the current period.
Inventory	455,567,564.35	336,461,913.00	35.40%	Mainly due to the increase in sales volume during the current period.
Other Current Assets	38,847,961.99	22,798,520.43	70.40%	Mainly due to the increase in tax credits in the current period.
Other non-current assets	45,320,444.34	23,026,424.99	96.82%	Mainly due to the increase in prepaid engineering and equipment payments during the current period.
Short-term loan	70,057,750.00	115,057,750.00	-39.11%	Mainly due to the repayment of the loan due from the previous year in the current period.
Taxes payable	17,879,185.29	12,190,591.69	46.66%	Mainly due to the increase in tax payable in the current period.
Deferred income	18,793,882.87	8,835,651.83	112.71%	Mainly due to the increase in government subsidies related to assets received during the current period.
Income statement items	Amount in the current period	Amount in the previous period	Range of change	Reason for change
Operating income	695,862,387.52	519,050,617.70	34.06%	Mainly due to the increase in sales volume during the current period.
Operating cost	557,529,780.48	417,946,854.44	33.40%	Mainly due to the increase in sales volume during the current period.
Taxes & surcharges	944,874.28	1,762,872.42	-46.40%	Mainly due to the decrease in the tax payable.
Finance expense	-5,300,283.29	11,733,537.76	-145.17%	Mainly due to the increase in foreign exchange gains during the current period compared with the same period of the previous year.
Other income	1,466,815.91	2,311,167.28	-36.53%	This is due to the decrease in government subsidies received during the current period.

Investment income (losses are listed with "- ")	-8,256,540.37	143,641.19	-5,848.03%	Mainly due to the recognition of investment losses for participating companies based on the equity method.
Credit impairment loss (losses are listed with "- ")	3,301,053.76	8,944,747.76	-63.10%	It was due to the increase in the balance of accounts receivable at the end of the period.
Asset impairment loss (losses are listed with "- ")	-6,433,335.37	-3,215,330.51	100.08%	It was due to the increase in the balance of inventory depreciation reserves at the end of the period.
Non-operating income	1,179,115.40	377,058.67	212.71%	Mainly due to the receipt of default deductions in the current period.
Non-operating expenses	1,803,849.48	361,102.98	399.54%	Mainly due to the loss of asset retirement in the current period.
Income tax expense	9,810,508.94	1,834,035.09	434.91%	This is due to the increase in the sales scale during the current period and the increase in the total profit.
Cash Flow Statement Items	Amount in the current period	Amount in the previous period	Range of change	Reason for change
Net cash flow from operating activities	8,045,282.39	143,956,380.13	-94.41%	Mainly due to the increase in the amount of goods paid for purchases in the current period.
Net cash flows from investing activities	-83,732,929.81	-132,540,549.51	36.82%	Mainly due to the receipt of the transfer of the equity of the subsidiary in the current period.
Net cash flow from financing activities	-59,431,289.40	6,026,070.77	-1,086.24%	Mainly due to the repayment of the loan due from the previous year in the current period.

II. Shareholder Information

(1) The total number of ordinary shareholders and the number of preferred shareholders whose voting rights have been restored and the shareholding status of the top ten shareholders

Unit: share

Total number of common shareholders at the end of the reporting period		13,874	The total number of preferred shareholders whose voting rights were restored at the end of the reporting period (if any)		0	
Shareholding of the top 10 shareholders (excluding shares lent through refinancing)						
Name of shareholder	Nature of Shareholders	Shareholding ratio (%)	Number of shares held	Number of shares subject to sales restrictions	Pledge, mark or freeze	
					Share status	Quantity
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	Domestic non-state-owned legal person	28.89%	29,234,023	0	Not applicable	0
Shenzhen Genoli Information Consulting Co., Ltd	Domestic non-state-owned legal person	28.89%	29,234,023	0	Pledge	12,200,000
Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership)	Domestic non-state-owned legal person	3.59%	3,635,231	0	Not applicable	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	1.70%	1,715,368	0	Not applicable	0
Yang Ji	Domestic natural persons	1.11%	1,119,497	0	Not applicable	0
Wells Fargo Fund-China Life Insurance Co., Ltd. -Traditional Insurance-Wells Fargo Fund China Life Shares Growth StockTraditional Available-for-sale Single Asset Management Plan	other	1.03%	1,040,543	0	Not applicable	0

Wells Fargo Fund-China Life Insurance Co., Ltd. - Participating Insurance-Wells Fargo Fund China Life Shares Growth Equity Portfolio Single Asset Management Plan (Available for Sale)	other	0.88%	891,055	0	Not applicable	0
China Merchants Bank Co., Ltd. - ICBC Credit Suisse Yuanxing Hybrid Securities Investment Fund	other	0.72%	726,082	0	Not applicable	0
China Life Insurance Co., Ltd.-own funds	other	0.61%	622,195	0	Not applicable	0
Tibet Tongchuang Weiye Venture Capital Co., Ltd	Domestic non-state-owned legal person	0.55%	554,619	0	Not applicable	0
Shareholding of the top 10 shareholders with unrestricted sales conditions						
Name of shareholder	Number of unrestricted shares held	Type of shares				
		Type of shares	Quantity			
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	29,234,023	RMB ordinary shares	29,234,023			
Shenzhen Genoli Information Consulting Co., Ltd	29,234,023	RMB ordinary shares	29,234,023			
Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership)	3,635,231	RMB ordinary shares	3,635,231			
Hong Kong Securities Clearing Company Limited	1,715,368	RMB ordinary shares	1,715,368			
Yang Ji	1,119,497	RMB ordinary shares	1,119,497			
Wells Fargo Fund-China Life Insurance Co., Ltd. -Traditional Insurance-Wells Fargo Fund China Life Shares Growth Stock Traditional Available-for-sale Single Asset Management Plan	1,040,543	RMB ordinary shares	1,040,543			
Wells Fargo Fund-China Life Insurance Co., Ltd. - Participating Insurance-Wells Fargo Fund China Life Shares Growth Equity Portfolio Single Asset Management Plan (Available for Sale)	891,055	RMB ordinary shares	891,055			
China Merchants Bank Co., Ltd. - ICBC Credit Suisse Yuanxing Hybrid Securities Investment Fund	726,082	RMB ordinary shares	726,082			
China Life Insurance Co., Ltd.-own funds	622,195	RMB ordinary shares	622,195			

Tibet Tongchuang Weiye Venture Capital Co., Ltd	554,619	RMB ordinary shares	554,619
Description of the above-mentioned shareholders' connected relationship or concerted action	<p>The actual controllers of the company are Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsu and Wang Yuefei, and they act in concert. Among them, Wang Heqiu and Wang Yulin control 28.89% of the company's shares through Shenzhen Genoli Information Consulting Co., Ltd., Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsu and Wang Yuefei control 28.89% of the company's shares through Nanjing Wangyueke Wang Venture Capital Partnership (Limited Partnership), and Wang Heqiu is the executive partner and actual controller of Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership). In addition, the company does not know whether there is an associated relationship among the above-mentioned other shareholders, nor whether they are persons acting in concert as stipulated in the Administrative Measures for the Disclosure of Information Disclosure of Changes in Shareholding of Listed Companies.</p>		
Description of the top 10 shareholders participating in the margin financing and securities lending business (if any)	No		

Note: There is a special note for the repurchase account among the top 10 shareholders: The number of shares repurchased by the company through the repurchase special securities account through a centralized auction transaction is 1,655,300 shares, accounting for 1.64% of the company's current total share capital.

Shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of tradable shares without selling restrictions participated in the refinancing business and lent shares

■ Applicable Not Applicable

The top 10 shareholders and the top 10 shareholders of tradable shares without selling restrictions have changed from the previous period due to refinancing, lending/return

■ Applicable Not Applicable

(2) The total number of preferred shareholders of the company and the shareholding status of the top 10 preferred shareholders

■ Applicable Not Applicable

(3) Changes in restricted shares

■ Applicable Not Applicable

III. Other important matters

Applicable ■ Not applicable

On December 29, 2023, the Listing Review Committee of the Shenzhen Stock Exchange held the 92th Listing Review Committee Review Meeting in 2023 to review the company's application for issuing convertible corporate bonds to unspecified objects. According to the review results of the meeting, the company's application for the issuance of convertible corporate bonds to unspecified objects meets the issuance conditions, listing conditions and information disclosure requirements. For details, please refer to the "Announcement on the Issuance of Convertible Corporate Bonds to Unspecified Objects Approved by the Listing Review Committee of the Shenzhen Stock Exchange" (Announcement No.: 2023-087) disclosed by the company on www.cninfo.com.cn on December 29, 2023

On February 7, 2024, the company disclosed on www.cninfo.com.cn the "Announcement on the Approval of Registration Approval from the China Securities Regulatory Commission for the Issuance of Convertible Corporate Bonds to Unspecified Objects" (Announcement No. 2024-003). The company received the "Approval for the Registration of Shenzhen Honor Electronic Co., Ltd.'s Issuance of Convertible Corporate Bonds to Unspecified Objects" issued by the China Securities Regulatory Commission (Zheng Jian Ke [2024] No. 219). The board of directors of the company will handle matters related to the issuance of convertible corporate bonds to unspecified objects within the specified time limit in accordance with the above-mentioned documents, the requirements of relevant laws and regulations and the authorization of the company's general meeting of shareholders. And timely fulfill the obligation of information disclosure.

IV. Quarterly Financial Statements

(1) Financial statements

1. Consolidated Balance Sheets

Prepared by: Shenzhen Honor Electronic Co., Ltd.

March 31, 2024

Unit:
Yuan

Projects	Ending balance	Opening balance
Current assets:		
Monetary fund	528,958,410.03	669,082,320.25
Settlement reserve		
borrowed funds		
Trading financial assets	64,288,789.03	
Derivative financial assets		
Notes receivable	151,210,501.99	162,177,531.62
Accounts Receivable	861,175,048.38	890,787,486.41
Receivables Financing	15,824,980.62	17,633,625.14
Advance payment	2,813,549.50	3,018,853.80
Premiums receivable		
Reinsurance accounts receivable		
Reserve for reinsurance contracts receivable		
Other receivables	21,159,736.08	73,876,951.61
Including: interest receivable	152,374.57	421,991.68
Dividends receivable		
Redemptory monetary capital for sale		
Inventory	455,567,564.35	336,461,913.00
Among them: data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other Current Assets	38,847,961.99	22,798,520.43
Total current assets	2,139,846,541.97	2,175,837,202.26
Non-current assets:		
Issue loans and advances		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	91,008,959.69	95,121,442.43
Investment in other equity instruments		
Other non-current financial assets		
Investment real estate	119,996,908.12	120,727,136.94
Fixed assets	1,000,831,286.52	1,013,803,559.64

Construction in progress	149,752,977.67	133,048,776.54
Productive biological assets		
Oil and gas assets		
Right-of-use asset	39,894,863.47	40,521,407.26
Intangible assets	70,632,559.76	71,828,871.13
Among them: data resources		
Development expenditure		
Among them: data resources		
Goodwill		
Long-term deferred expenses	69,230,740.36	55,978,141.31
Deferred Tax Assets	20,211,184.60	19,714,145.94
Other non-current assets	45,320,444.34	23,026,424.99
Total non-current assets	1,606,879,924.53	1,573,769,906.18
Total assets	3,746,726,466.50	3,749,607,108.44
Current Liabilities:		
Short-term loan	70,057,750.00	115,057,750.00
Borrowing from the Central Bank		
Borrowed funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	418,290,911.13	468,760,151.92
Account payables	798,849,830.90	737,489,565.72
Advance receipt	264,662.45	280,811.77
Contract liabilities	3,392,521.76	3,002,110.54
Financial assets sold for repurchase		
Deposits and interbank deposits		
Securities brokerage		
Acting as an agent for underwriting securities		
Employee compensation payable	42,169,445.86	53,764,039.16
Taxes payable	17,879,185.29	12,190,591.69
Other payables	27,323,440.51	23,434,022.39
Including: interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	45,978,906.40	45,119,278.31
Other current liabilities	69,529,499.26	69,522,971.58
Total Current Liabilities	1,493,736,153.56	1,528,621,293.08
Non-Current Liabilities:		
Insurance contract reserves		
Long-term loan	313,315,000.11	319,550,000.10
Bonds payable		
Of which: preferred stock		
Perpetual bond		
Lease liabilities	25,724,064.50	26,432,950.93
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	18,793,882.87	8,835,651.83
Deferred Tax Liabilities	8,018,311.35	9,844,016.79
Other non-current liabilities		
Total Non-Current Liabilities	365,851,258.83	364,662,619.65
Total liabilities	1,859,587,412.39	1,893,283,912.73
Owners' equity:		
Capital stock	101,200,000.00	101,200,000.00
Other equity instruments		
Of which: preferred stock		
Perpetual bond		

Capital reserve	1,093,900,827.71	1,089,736,446.16
Less: treasury shares	62,600,689.07	62,600,689.07
Other comprehensive income	-509,477.12	3,778,013.64
Special reserve		
Surplus reserve	50,885,000.00	50,885,000.00
General risk preparation		
Undistributed profit	705,449,236.56	674,284,970.82
Total owner's equity attributable to parent Company	1,888,324,898.08	1,857,283,741.55
Minority interests	-1,185,843.97	-960,545.84
Total owner's equity	1,887,139,054.11	1,856,323,195.71
Total liabilities and owners' equity	3,746,726,466.50	3,749,607,108.44

Legal representative: Wang Heqiu Person in charge of accounting work: Zhang Shuyuan Person in charge of accounting agency: Tan Qun

2. Consolidated income statement

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
I. Total operating income	695,862,387.52	519,050,617.70
Including: operating income	695,862,387.52	519,050,617.70
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating cost	645,095,285.37	524,551,190.99
Including: operating cost	557,529,780.48	417,946,854.44
Interest expense		
Fees and commissions		
Surrender money		
Net compensation expense		
Withdrawal of net insurance liability reserves		
Policy dividend payout		
Reinsurance fees		
Taxes & surcharges	944,874.28	1,762,872.42
Selling expense	18,264,586.10	14,155,861.44
Administration expense	28,181,388.45	29,270,527.21
R&D; expenses	45,474,939.35	49,681,537.72
Finance expense	-5,300,283.29	11,733,537.76
Including: interest expense	3,913,471.47	4,623,736.64
Interest income	2,597,892.83	1,374,907.89
Plus: other income	1,466,815.91	2,311,167.28
Investment income (losses are listed with "- ")	-8,256,540.37	143,641.19
Including: investment income in associates and joint ventures	-8,276,864.29	-5,071.14
Derecognition of financial assets measured at amortized cost		
Exchange gains (losses are listed with "- ")		
Net exposure hedging gain (losses are listed with "- ")		
Gain from change in fair value (losses are listed with "- ")	288,789.03	411,460.00

Credit impairment loss (losses are listed with "- ")	3,301,053.76	8,944,747.76
Asset impairment loss (losses are listed with "- ")	-6,433,335.37	-3,215,330.51
Asset disposal gains (losses are listed with "- ")	240,325.52	17,683.03
III. Operating profit (losses are listed with "- ")	41,374,210.63	3,112,795.46
Plus: non-operating income	1,179,115.40	377,058.67
Less: non-operating expenses	1,803,849.48	361,102.98
IV. Total profit (total loss is listed with "- ")	40,749,476.55	3,128,751.15
Less: income tax expense	9,810,508.94	1,834,035.09
V. Net profit (net loss is listed with "- ")	30,938,967.61	1,294,716.06
(1) Classified by business continuity		
1. Net profit from continuing operations (net loss is listed with "- ")	30,938,967.61	1,294,716.06
2. Net profit from discontinued operations (net loss is listed with "- ")		
(2) Classification by ownership		
1. Net profit attributable to owners of the parent company	31,164,265.74	1,728,427.51
2. Minority shareholder gains and losses	-225,298.13	-433,711.45
VI. Net after-tax other comprehensive income	-4,287,490.76	-2,761,281.43
After-tax net of other comprehensive income attributable to owners of the parent company	-4,287,490.76	-2,761,281.43
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measurement of defined benefit plan changes		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Other		
(2) Other comprehensive income that will be reclassified into profit or loss	-4,287,490.76	-2,761,281.43
1. Other comprehensive income that can be transferred to profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash Flow Hedge Reserve		
6. Foreign currency financial statement translation differences	-4,287,490.76	-2,761,281.43
7. Other		
Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	26,651,476.85	-1,466,565.37
Total comprehensive income attributable to owners of the parent company	26,876,774.98	-1,032,853.92

Total comprehensive income attributable to minority shareholders	-225,298.13	-433,711.45
VIII. Earnings per share:		
(1) Basic earnings per share	0.31	0.02
(2) Diluted earnings per share	0.31	0.02

If a business combination under the same control occurs in the current period, the net profit realized by the merged party before the merger is: Yuan, and the net profit realized by the merged party in the previous period is: Yuan.

Legal representative: Wang Heqiu Person in charge of accounting work: Zhang Shuyuan Person in charge of accounting department: Tan Qun

3. Consolidated cash flow statement

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	590,502,235.74	587,445,495.39
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in deposits and investment funds of policyholders		
Cash for interest, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from brokerage of securities		
Tax refunds received	18,778,740.52	26,242,566.83
Receive other cash related to operating activities	94,007,974.21	47,218,357.12
Subtotal of cash inflow from operating activities	703,288,950.47	660,906,419.34
Cash paid for purchasing goods and accepting labor services	442,056,045.21	282,421,494.63
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbanks		
Cash for payment of original insurance contract claims		
Net increase in borrowing funds		
Cash for payment of interest, fees and commissions		
Cash to pay policy dividends		
Cash paid to and for employees	135,064,739.51	136,966,421.45
Taxes paid	12,839,457.31	19,270,747.20
Other cash payments related to operating activities	105,283,426.05	78,291,375.93

Subtotal of cash outflows from operating activities	695,243,668.08	516,950,039.21
Net cash flow from operating activities	8,045,282.39	143,956,380.13
II. Cash flow from investing activities:		
Cash received from investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	720,000.00	
Net cash received from disposal of subsidiaries and other business units	44,000,000.00	
Receipt of other cash related to investing activities	21,350,482.20	20,148,712.33
Subtotal of cash inflows from investing activities	66,070,482.20	20,148,712.33
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	85,803,412.01	79,689,261.84
Cash paid for investments		
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments related to investing activities	64,000,000.00	73,000,000.00
Subtotal of cash outflows from investing activities	149,803,412.01	152,689,261.84
Net cash flows from investing activities	-83,732,929.81	-132,540,549.51
III. Cash flow from financing activities:		
Cash received from investment		
Including: cash received by the subsidiary from absorbing minority shareholders' investment		
Cash received from borrowing		55,000,000.00
Other cash received in connection with financing activities		
Subtotal of cash inflows from financing activities		55,000,000.00
Cash paid for debt repayment	6,234,999.99	36,234,999.99
Cash paid for distribution of dividends, profits or interest payments	3,445,860.01	3,321,555.98
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	49,750,429.40	9,417,373.26
Subtotal of cash outflows from financing activities	59,431,289.40	48,973,929.23
Net cash flow from financing activities	-59,431,289.40	6,026,070.77
IV. The impact of exchange rate changes on cash and cash equivalents	4,255,227.12	-4,739,160.94
V. Net increase in cash and cash equivalents	-130,863,709.70	12,702,740.45
Add: balance of cash and cash equivalents at the beginning of the period	527,879,261.82	438,009,246.87
VI. Balance of cash and cash equivalents at the end of the period	397,015,552.12	450,711,987.32

(2) The first implementation of the new accounting standards from 2024 to adjust the items related to the financial statements at the beginning of the year

■ Applicable Not Applicable

(3) Audit report

Is the first quarter report audited?

■ whether

The Company's first quarter report is unaudited.

Board of Directors of Shenzhen Honor Electronic Co., Ltd.

April 26, 2024