

Zhejiang NHU Company Ltd.

Q3 2022 Report

The Company and whole members of the BOD guarantee that the information disclosed is authentic, accurate, complete and free from any false records, misleading statements or significant omissions.

Important Content Reminder:

1. The Board of Directors, Board of Supervisors, directors, supervisors and senior executives of Zhejiang NHU Company Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this report is authentic, accurate, complete and free of any false records, misleading statements or material omissions, and they will bear joint and several liabilities for such information.
2. The Company’s legal representative, the person in charge of finance and accounting work, and the person in charge of accounting institution (Accounting Officer) hereby declare and warrant that the financial statements in this report are authentic, accurate and complete.
3. Whether the Third Quarterly Report has been audited or not
 Yes No

Note:

This Report has been prepared in both Chinese and English version, and the English version is for reference only. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail. The complete published Chinese Third Quarterly Report may be obtained at www.cninfo.com.cn.

Section □ Key Accounting Data

I Key Accounting Data and Financial Indicators

Whether the Company needs performed retroactive adjustment or restatement of accounting data in prior years or not

√ Yes □ No

Retroactive adjustment or restatement of reasons

Accounting policy changes and other reasons

Items	Q3 2022	Q3 2021		YoY Change(%)	Q1-Q3 2022	Q1-Q3 2021		YoY Change(%)
		Before Adjustment	After Adjustment [Note2]	After Adjustment		Before Adjustment	After Adjustment [Note2]	After Adjustment
Operating revenue (yuan)	3,694,978,856.40	3,262,074,936.89	3,273,918,382.43	12.86%	11,910,018,133.43	10,516,296,574.90	10,614,042,692.54	12.21%
Net profit attributable to shareholders of listed company (yuan)	797,168,419.00	957,591,164.57	965,016,497.48	-17.39%	3,011,045,838.25	3,366,090,298.07	3,391,995,645.90	-11.23%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss (yuan)	833,476,722.26	922,007,774.31	929,479,753.83	-10.33%	2,927,532,671.88	3,201,462,429.94	3,227,398,347.79	-9.29%
Net cash flows from operating activities (yuan)	-	-	-	-	2,527,486,364.07	3,830,824,490.52	3,856,729,838.35	-34.47%
Basic EPS (yuan/share)	0.26	0.37[Note1]	0.31	-16.13%	0.98	1.31[Note1]	1.10	-10.91%
Diluted EPS (yuan/share)	0.26	0.37[Note1]	0.31	-16.13%	0.98	1.31[Note1]	1.10	-10.91%
Weighted average ROE	2.95%	4.53%	4.79%	Decrease 1.84 percentage points	12.50%	16.55%	16.66%	Decrease 4.16 percentage points
Items	September 30, 2022	December 31, 2021		Change(%)				
		Before Adjustment	After Adjustment	After Adjustment				
Total assets (yuan)	38,245,908,900.33	34,692,165,111.88		34,724,025,476.79		10.14%		
Net assets attributable to shareholders of listed company (yuan)	22,982,303,553.60	21,799,977,645.94		21,831,838,010.85		5.27%		

[Note1] After the implementation of the Company's 2021 profit distribution plan, its share capital was increased from 2,578,394,760 shares to 3,090,907,356 shares. The above EPS of the comparative period was recalculated based on the adjusted share capital.

[Note2] The company has implemented *The Interpretation of Accounting Standards for Business Enterprises No. 15* since January 1, 2022. The interpretation requires that if the company sells the products or by-products produced before the fixed assets reach the expected serviceable state or during the research and development process, the income and cost related to the trial operation sales shall be accounted for separately and included in the current profit and loss, The net amount of the revenue from trial operation sales after offsetting the relevant costs shall not be used to offset the cost of fixed assets or R&D expenses. The company makes retroactive adjustment according to requirements.

II Non-recurring gains and losses for this period√ Applicable Not applicable

Unit: RMB

Item	Q3 2022	Q1-Q3 2022
Gains or losses on disposal of non-current assets, including write-off of provision for impairment	-5,447,443.35	1,227,407.46
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity or quota based on certain standards)	43,647,316.95	129,169,496.49
Gains or losses on assets consigned to the third party for investment or management	6,301,416.49	35,143,068.10
Gains or losses on changes in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets and held-for-trading financial liabilities, excluding those arising from hedging business related to operating activities	-80,247,557.93	-71,175,659.01
Other non-operating revenue or expenditures	2,266,524.91	3,064,330.15
Less: Enterprise income tax affected	2,810,884.07	13,857,733.23
Non-controlling interest affected (after tax)	17,676.26	57,743.59
Total	-36,308,303.26	83,513,166.37

Remarks on other profit or loss satisfying the definition of non-recurring profit or loss:

 Applicable Not Applicable

The Company has no other profit or loss satisfying the definition of non-recurring profit or loss.

Remarks on defining non-recurring profit or loss listed in the “*Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss*” as recurring profit or loss. Applicable Not ApplicableThe Company has no situation of defining non-recurring profit or loss listed in the “*Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss*” as recurring profit or loss**III Major Changes of Main Items in Financial Statements and Financial Indicators within the Reporting Period, as well as the Reasons for the Changes**√ Applicable Not applicable**1. Balance Sheet Position**

(1) The closing balance of held-for-trading financial assets decreased by 68.02% compared to the opening balance in this year. It was mainly due to the maturity of idle funds raised during the reporting period of financial products.

(2) The closing balance of receivables financing increased by 77.00% compared to the opening balance in this year. It was mainly due to the increase in bank acceptance bills received during the reporting period

(3) The closing balance of advances paid increased by 162.64% compared to the opening balance in this year. It was mainly due to the increase in raw material purchases during the reporting period

(4) The closing balance of other current assets decreased by 92.66% compared to the opening balance in this year. It was mainly due to the the maturity redemption of financial products of idle funds raised during the reporting period.

- (5) The closing balance of other non-current assets increased by 51.74% compared to the opening balance in this year. It was mainly due to the increase of prepayment in equipment during the reporting period.
- (6) The closing balance of short-term borrowings increased by 66.47% compared to the opening balance in this year. It was mainly due to the increase in bank borrowings for operating business during the reporting period
- (7) The closing balance of other payables increased by 134.98% compared to the opening balance in this year. It was mainly due to the subsidiary owed shareholders during the reporting period.
- (8) The closing balance of deferred tax liabilities increased by 41.59% compared to the opening balance in this year. It was mainly caused by the one-time deduction of the taxable income amount from the newly added fixed assets and the calculation and withdrawal of deferred income tax liabilities during the reporting period.
- (9) The closing balance of treasury shares increased by 56.09% compared to the opening balance in this year. It was mainly due to the repurchase of part of companies' social public shares.
- (10) The closing balance of other comprehensive incomes increased by 5,815.88% compared to the opening balance in this year. It was mainly due to the difference of translating foreign currency financial statement.

2. Income Statement Position

- (1) Operating cost in the current Q1-Q3 period increased by 30.57% compared to the same period of last year. It was mainly due to the increase in the price of raw materials and product sales resulting in higher costs in the current Q1-Q3 period.
- (2) Financial expenses in the current Q1-Q3 period decreased by 87.64% compared to the same period of last year. It was mainly due to exchange gains arising from exchange rate fluctuations in the current Q1-Q3 period.
- (3) Investment income in the current Q1-Q3 period increased by 34.11% compared to the same period of last year. It was mainly due to the increase in income from investment in associates in the current Q1-Q3 period.
- (4) Gains on changes in fair value in the current Q1-Q3 period decreased by 258.11% compared to the same period of last year. It was mainly due to the change in the value of forward foreign settlement and sales products caused by the change in exchange rate in the current Q1-Q3 period.
- (5) Credit impairment loss in the current Q1-Q3 period decreased by 224.91% compared to the same period of last year. It was mainly due to the increase in receivables collection resulting in the reduction of bad debts in the current Q1-Q3 period.
- (6) Gains on asset disposal in the current Q1-Q3 period increased by 335.16% compared to the same period of last year. It was mainly due to the gains on disposal of non-current assets in the current Q1-Q3 period.
- (7) Non-operating revenues in the current Q1-Q3 period decreased by 57.41% compared to the same period of last year. It was mainly due to changes in compensation received in the current Q1-Q3 period.

3. Cash Flow Statement Position

- (1) Net cash flows from operating activities in the current Q1-Q3 period decreased by 34.47% compared to the same period of last year. It was mainly due to the increase of raw material purchase during the reporting period in the current Q1-Q3 period.
- (2) Net cash flows from financing activities in the current Q1-Q3 period increased by 200.46% compared to the same period of last year. It was mainly due to the the reduction of cash expenditure for repayment of borrowings in the current Q1-Q3 period.

Section □ Shareholders Information

I Total Number of Common Shareholders and Number of Preferred Shareholders with Voting Rights Recovered and Information about Top 10 Shareholders

Unit: share

Total number of common shareholders at the end of the reporting period		89,376	Total number of preferred shareholders whose voting rights have been recovered at the end of the reporting period		0	
Information about top 10 shareholders						
Shareholders	Nature of shareholders	Holding proportion	Quantity of shares	Quantity of restricted shares	Shares pledged, marked or frozen	
					Condition	Quantity
NHU Holding Group Co., Ltd.	Domestic non-state-owned legal person	49.07%	1,516,802,525	0		
Hong Kong Securities Clearing Company Limited	Overseas legal person	2.32%	71,757,705	0		
Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Huizhi Fund	Others	1.75%	54,072,200	0		
National Social Security Fund No.503 Portfolio	Others	1.04%	32,000,000	0		
Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Yingzhi Fund	Others	0.53%	16,248,559	0		
China Construction Bank Co., Ltd.- E Fund CSI 300 Medicine Health Trading Open Index Securities Investment Fund	Others	0.48%	14,701,859	0		
Hu Baishan	Domestic natural person	0.47%	14,595,929	10,946,946		
Chongyang Group Co., Ltd.	Domestic non-state-owned legal person	0.45%	13,962,191	0		
Hu Baifan	Domestic natural person	0.45%	13,922,998	10,442,248		
Sanhua Holding Group Co., Ltd.	Domestic non-state-owned legal person	0.45%	13,772,970	0		
Information about top 10 shareholders without trading restrictions						
Shareholders	Quantity of non-restricted shares	Category of shares				
		Category	Quantity			
NHU Holding Group Co., Ltd.	1,516,802,525	RMB ordinary shares	1,516,802,525			
Hong Kong Securities Clearing Company Limited	71,757,705	RMB ordinary shares	71,757,705			
Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Huizhi Fund	54,072,200	RMB ordinary shares	54,072,200			
National Social Security Fund No.503 Portfolio	32,000,000	RMB ordinary shares	32,000,000			

Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Yingzhi Fund	16,248,559	RMB ordinary shares	16,248,559
China Construction Bank Co., Ltd.- E Fund CSI 300 Medicine Health Trading Open Index Securities Investment Fund	14,701,859	RMB ordinary shares	14,701,859
Chongyang Group Co., Ltd.	13,962,191	RMB ordinary shares	13,962,191
Sanhua Holding Group Co., Ltd.	13,772,970	RMB ordinary shares	13,772,970
Kuwait Investment Authority	13,759,402	RMB ordinary shares	13,759,402
Agricultural Bank of China Co., Ltd. - Franklin Guohai Deepening Value Hybrid Securities Investment Fund	13,187,519	RMB ordinary shares	13,187,519
Explanation on associated relationship or concerted actions among above shareholders	Among the above shareholders, Hu Baifan is the chairman of the board, general manager and actual controller of NHU Holding Group Co., Ltd.; Hu Baishan is the director of NHU Holding Group Co., Ltd., and Hu Baifan and Hu Baishan are brothers. The Company does not know whether other shareholders have relationships and whether they are persons acting in concert as defined in <i>Administration of the Takeover of Listed Companies Procedures</i> .		
Explanation on top 10 shareholders' participating in securities margin trading	Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Huizhi Fund holds 54,072,127 shares through client account of collateral securities for margin trading of Guotai Junan Securities Co., Ltd.; Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Yingzhi Fund holds 16,248,461 shares through client account of collateral securities for margin trading of Citic Securities Co., Ltd.; Chongyang Group Co., Ltd. holds 13,961,946 shares through client account of collateral securities for margin trading of China Merchants Securities Co., Ltd..		

Notes: Zhejiang NHU Co., Ltd. Repurchase Securities Account is among top 10 shareholders at the end of the reporting period, but do not participate in the listing of the top 10 shareholders of the company.

II Total Number of Preferred Shareholders and Information about Top 10 Preferred Shareholders

Applicable Not applicable

Section III Other Significant Events

Applicable Not applicable

I Progress of shareholding increase by controlling shareholders

Based on the confidence in the sustainable and stable development of the company in the future and the recognition of the company's value, and to enhance investors' confidence, the controlling shareholder of the company, NHU Holding Group Co., Ltd plans to increase its holdings of the company's shares in the next six months through the ways allowed by the trading system of Shenzhen Stock Exchange (including but not limited to centralized bidding, block trading, etc.), and the amount of shares to be increased is not less than RMB 300 mn and not more than RMB 600 mn. There is no price range in this shareholding increase plan, and the shareholding increase plan will be gradually implemented according to the fluctuation of the company's stock price and the overall trend of the capital market. For more details, please refer to The Announcement of Controlling Shareholders' Share Increase Plan (2022-031) published on the company's designated information disclosure media and cninfo (<http://www.cninfo.com.cn>) on May 18, 2022. By September 30, 2022, NHU Holding Group Co., Ltd had increased its holdings by 14,518,152 shares.

II Progress of Investment Project with Raised Funds

With the approval of [2017] No. 1684 document of China Securities Regulatory Commission, the company's lead underwriter, CSC Securities Co., Ltd., privately issued 175 million common shares (A shares) to specific objects at an issue price of RMB 28.00/share, raising a total of RMB 4,900 million. After deducting the underwriting and recommendation fees of RMB 30 million yuan (including tax), the raised funds amounted to RMB 4,870 million, which was remitted to the raised funds supervision account of the company by the lead underwriter, CSC Securities Co., Ltd. on December 7, 2017. In addition, after deducting lawyer fees, audit fees, capital verification fees and other issuance expenses of RMB 4.62 million (excluding tax), and considering the deductible VAT input tax of RMB 1.70 million of underwriting fees and recommendation fees deducted by the lead underwriter, the net amount of funds raised was RMB 4,867.08 million. The availability of the above raised funds has been verified by Tianjian Certified Public Accountants (special general partnership), who issued the capital verification report ([2017] No. 503).

From January 1 to September 30, 2022, the actual use of the raised funds was RMB 1,187.00 mn, and the accumulated investment of the raised funds project was RMB 3,274.45 mn. By September 30, 2022, the balance of raised funds was RMB 2,294.79 mn (including financial products and structured deposits, the net amount of interest on cash in bank less handling charges, gains on financial products and structured deposits received on an accumulated basis).

Section IV Quarterly Financial Statements

I Financial statements

1. Consolidated balance sheet

Prepared by Zhejiang NHU Co., Ltd.

September 30, 2022

Unit: RMB Yuan

Items	September 30, 2022	January 1, 2022
Current assets:		
Cash and bank balances	7,141,557,642.42	5,952,909,626.94
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	400,000,000.00	1,250,736,359.24
Derivative financial assets		
Notes receivable	364,261,478.14	349,145,316.03
Accounts receivable	2,390,691,753.18	2,755,168,573.14
Receivables financing	323,714,583.61	182,891,179.65
Advances paid	207,408,794.52	78,969,960.60
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	257,240,401.67	254,497,248.13
Including: Interest receivable		
Dividend receivable		
Financial assets under reverse repo		
Inventories	4,123,609,039.61	3,193,657,367.16
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	65,767,719.02	895,782,268.87
Total current assets	15,274,251,412.17	14,913,757,899.76
Non-current assets:		
Loans and advances		
Debt investments		

Items	September 30, 2022	January 1, 2022
Other debt investments		
Long-term receivables		
Long-term equity investments	420,345,116.37	351,327,625.75
Other equity instrument investments	22,998,147.55	22,998,147.55
Other non-current financial assets		
Investment property		
Fixed assets	16,490,499,124.60	14,350,779,852.73
Construction in progress	3,456,613,151.06	2,984,835,072.82
Productive biological assets		
Oil & gas assets		
Right-of-use assets	2,947,987.05	3,123,637.11
Intangible assets	1,743,112,711.59	1,521,729,757.66
Development expenditures		
Goodwill	4,410,005.33	
Long-term prepayments	14,835,697.22	18,591,707.06
Deferred tax assets	55,555,626.65	55,805,191.95
Other non-current assets	760,339,920.74	501,076,584.40
Total non-current assets	22,971,657,488.16	19,810,267,577.03
Total assets	38,245,908,900.33	34,724,025,476.79
Current liabilities:		
Short-term borrowings	2,336,172,712.77	1,403,332,827.92
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities	58,195,058.11	
Derivative financial liabilities		
Notes payable	869,349,399.24	694,124,946.73
Accounts payable	1,581,290,501.98	1,435,966,427.76
Advances received		
Contract liabilities	75,487,524.38	61,135,258.36
Financial liabilities under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		

Items	September 30, 2022	January 1, 2022
Employee benefits payable	288,562,337.36	370,609,333.07
Taxes and rates payable	294,653,594.26	420,743,262.69
Other payables	133,260,314.27	56,712,103.36
Including: Interest payable		
Dividend payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	2,538,748,536.10	2,029,499,509.43
Other current liabilities	6,534,145.98	5,133,310.10
Total current liabilities	8,182,254,124.45	6,477,256,979.42
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	5,750,146,727.09	5,148,811,786.49
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,841,901.64	2,936,868.15
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	1,059,337,251.92	1,063,699,676.16
Deferred tax liabilities	192,205,910.18	135,751,304.31
Other non-current liabilities		
Total non-current liabilities	7,004,531,790.83	6,351,199,635.11
Total liabilities	15,186,785,915.28	12,828,456,614.53
Equity:		
Share capital	3,090,907,356.00	2,578,394,760.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	3,613,594,210.48	4,121,063,080.96
Less: Treasury shares	500,059,711.25	320,360,784.48

Items	September 30, 2022	January 1, 2022
Other comprehensive income	92,264,221.51	-1,614,172.31
Special reserve	26,682,819.24	12,692,218.51
Surplus reserve	1,289,197,380.00	1,289,197,380.00
General risk reserve		
Undistributed profit	15,369,717,277.62	14,152,465,528.17
Total equity attributable to the parent company	22,982,303,553.60	21,831,838,010.85
Non-controlling interest	76,819,431.45	63,730,851.41
Total equity	23,059,122,985.05	21,895,568,862.26
Total liabilities & equity	38,245,908,900.33	34,724,025,476.79

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: Wang Xiaobi

2. Consolidated income statement for Q1-Q3

Unit: RMB Yuan

Items	Q1~Q3 2022	Q1~Q3 2021
I. Total operating revenue	11,910,018,133.43	10,614,042,692.54
Including: Operating revenue	11,910,018,133.43	10,614,042,692.54
Interest income		
Premiums earned		
Revenue from handling charges and commission		
II. Total operating cost	8,534,027,513.81	6,840,700,429.91
Including: Operating cost	7,397,206,010.54	5,665,348,246.11
Interest expenses		
Handling charges and commission expenditures		
Surrender value		
Net payment of insurance claims		
Net provision of insurance policy reserve		
Premium bonus expenditures		
Reinsurance expenses		
Taxes and surcharges	80,266,088.04	88,269,874.64
Selling expenses	88,982,628.60	88,864,094.38
Administrative expenses	344,402,783.49	291,525,770.12
R&D expenses	600,093,376.48	520,062,056.43
Financial expenses	23,076,626.66	186,630,388.23
Including: Interest expenses	236,654,223.33	246,262,466.47

Items	Q1~Q3 2022	Q1~Q3 2021
Interest income	109,571,188.41	116,114,608.98
Add: Other income	130,273,543.85	100,525,022.26
Investment income (or less: losses)	79,284,084.27	59,117,130.85
Including: Investment income from associates and joint ventures	61,815,175.50	28,674,263.48
Gains from derecognition of financial assets at amortized cost		
Gains on foreign exchange (or less: losses)		
Gains on net exposure to hedging risk (or less: losses)		
Gains on changes in fair value (or less: losses)	-53,501,499.68	33,837,177.78
Credit impairment loss (or less: losses)	30,020,718.39	-24,034,277.06
Assets impairment loss (or less: losses)	-12,151,215.72	-10,877,539.41
Gains on asset disposal (or less: losses)	1,227,407.46	282,056.79
III. Operating profit (or less: losses)	3,551,143,658.19	3,932,191,833.84
Add: Non-operating revenue	4,711,191.13	11,062,337.09
Less: Non-operating expenditures	2,750,908.34	3,786,996.91
IV. Profit before tax (or less: total loss)	3,553,103,940.98	3,939,467,174.02
Less: Income tax	529,208,314.51	533,069,053.25
V. Net profit (or less: net loss)	3,023,895,626.47	3,406,398,120.77
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations (or less: net loss)	3,023,895,626.47	3,406,398,120.77
2. Net profit from discontinued operations (or less: net loss)		
(II) Categorized by the portion of equity ownership		
1. Net profit attributable to owners of parent company	3,011,045,838.25	3,391,995,645.90
2. Net profit attributable to non-controlling shareholders	12,849,788.22	14,402,474.87
VI. Other comprehensive income after tax	94,117,185.64	-14,782,885.55
Items attributable to the owners of the parent company	93,878,393.82	-10,157,427.46
(I) Not to be reclassified subsequently to profit or loss		
1. Changes in remeasurement on the net defined benefit plan		
2. Items under equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of own credit risk		
5. Others		

Items	Q1~Q3 2022	Q1~Q3 2021
(II) To be reclassified subsequently to profit or loss	93,878,393.82	-10,157,427.46
1. Items under equity method that may be reclassified to profit or loss		
2. Changes in fair value of other debt investments		
3. Profit or loss from reclassification of financial assets into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation reserve	93,878,393.82	-10,157,427.46
7. Others		
Items attributable to non-controlling shareholders	238,791.82	-4,625,458.09
VII. Total comprehensive income	3,118,012,812.11	3,391,615,235.22
(I) Items attributable to the owners of the parent company	3,104,924,232.07	3,381,838,218.44
(II) Items attributable to non-controlling shareholders	13,088,580.04	9,777,016.78
VIII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)	0.98	1.10
(II) Diluted EPS (yuan per share)	0.98	1.10

Net profit realized by the combined party in business combination under common control before the business combination in the current period was 0.00 yuan, and net profit realized by the combined party in the previous period was 0.00 yuan.

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: Wang Xiaobi

3.Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB Yuan

Items	Q1~Q3 2022	Q1~Q3 2021
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	12,071,389,906.85	10,444,510,249.93
Net increase of client deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash receipts from original insurance contract premium		
Net cash receipts from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling charges and commission		
Net increase of loans from others		

Items	Q1~Q3 2022	Q1~Q3 2021
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	850,452,324.18	663,717,474.82
Other cash receipts related to operating activities	287,124,257.37	262,072,642.42
Subtotal of cash inflows from operating activities	13,208,966,488.40	11,370,300,367.17
Cash payments for goods purchased and services received	8,139,683,463.77	5,626,420,552.09
Net increase of loans and advances to clients		
Net increase of central bank deposit and interbank deposit		
Cash payments for insurance indemnities of original insurance contracts		
Net increase of loans to others		
Cash payments for interest, handling charges and commission		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	1,437,531,327.11	1,119,035,556.90
Cash payments for taxes and rates	831,112,937.34	683,137,156.56
Other cash payments related to operating activities	273,152,396.11	84,977,263.27
Subtotal of cash outflows from operating activities	10,681,480,124.33	7,513,570,528.82
Net cash flows from operating activities	2,527,486,364.07	3,856,729,838.35
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	40,762,530.88	41,295,727.22
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	6,903,703.28	12,356,503.13
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	1,827,620,203.77	1,800,000,000.00
Subtotal of cash inflows from investing activities	1,875,286,437.93	1,853,652,230.35
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	2,895,146,588.78	2,191,412,359.35
Cash payments for investments		
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units	5,589,983.30	83,904,479.79
Other cash payments related to investing activities	616,205,784.81	1,600,000,000.00
Subtotal of cash outflows from investing activities	3,516,942,356.89	3,875,316,839.14
Net cash flows from investing activities	-1,641,655,918.96	-2,021,664,608.79

Items	Q1~Q3 2022	Q1~Q3 2021
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Including: Cash received by subsidiaries from non-controlling shareholders as investments		
Cash receipts from borrowings	4,749,513,521.52	4,848,268,656.73
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	4,749,513,521.52	4,848,268,656.73
Cash payments for the repayment of borrowings	2,350,075,021.90	3,411,549,400.71
Cash payments for distribution of dividends or profits and for interest expenses	2,051,162,620.80	1,771,907,984.48
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		
Other cash payments related to financing activities	4,421,020.29	7,086,761.24
Subtotal of cash outflows from financing activities	4,405,658,662.99	5,190,544,146.43
Net cash flows from financing activities	343,854,858.53	-342,275,489.70
IV. Effect of foreign exchange rate changes on cash & cash equivalents	-13,554,069.00	-41,320,150.82
V. Net increase in cash and cash equivalents	1,216,131,234.64	1,451,469,589.04
Add: Opening balance of cash and cash equivalents	5,714,537,538.23	4,669,306,776.09
VI. Closing balance of cash and cash equivalents	6,930,668,772.87	6,120,776,365.13

II Independent Auditor's Report

Whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.

Board of Directors of Zhejiang NHU Company Ltd
October 26,2022