

OFFCN EDUCATION TECHNOLOGY CO., LTD.

Third Quarter 2022 Report

The Company and all the members of its Board of Directors hereby guarantee that the contents disclosed are true, accurate, and complete, and that there are no misrepresentations, misleading statements, or material omissions. This Report is prepared and published in Chinese and English versions. Should there be any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

Important notes:

1. The Company's Board of Directors, Supervisory Committee, directors, supervisors, and senior management hereby guarantee that the contents of the quarterly report are true, accurate, and complete, and that there are no misrepresentations, misleading statements, or material omissions, and shall assume individual and joint legal liabilities.

2. The Company's legal representative, the head in charge of accounting and the head of the accounting department (accounting supervisor), declare that they warrant the truthfulness, accuracy and completeness of the financial report in the quarterly report.

3. Whether audit has been performed on this Third Quarter Report

Yes No

Section I. Key financial data

1. Key accounting information and financial indicators

Does the Company need to adjust its financial information retrospectively or restate its accounting information of previous year?

Yes No

	Current reporting period	Increase/decrease in current reporting period over the same period of the previous year	From beginning of the year to the end of this reporting period	Increase/decrease from beginning of the year to the end of this reporting period over the same period of the previous year
Operating income (RMB)	1,667,177,321.53	15.36%	3,893,882,283.64	-38.20%
Net profit attributable to shareholders of the listed Company (RMB)	68,240,054.31	108.60%	-822,691,656.02	7.66%

Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (RMB)	62,707,787.41	107.86%	-840,931,516.85	13.13%
Net cash flow from operating activities (RMB)	—	—	1,589,638,866.89	143.60%
Basic earnings per share (RMB/share)	0.01	108.33%	-0.13	7.14%
Diluted earnings per share (RMB/share)	0.01	108.33%	-0.13	7.14%
Weighted average return on net assets	6.04%	27.01%	-55.68%	-32.42%
	End of the current reporting period	End of the previous year	Increase/decrease at the end of current reporting period over end of the previous year	
Total assets (RMB)	8,225,666,651.05	10,305,183,525.70	-20.18%	
Owner's equity attributable to shareholders of the listed Company (RMB)	1,066,127,098.18	1,888,818,754.20	-43.56%	

2. Items and amount of non-recurring gains and losses

Applicable Not applicable

Unit: RMB

Items	Amount of current reporting period	Amount from beginning of the year to end of the reporting period	Note
Disposal gains or losses of non-current assets (including the offset part of the provision for asset impairment)	230,851.51	289,728.74	
Government subsidies included in the current gains and losses (except the ones that are closely related to the normal business of the enterprise, and are enjoyed fixedly, quantitatively and continuously in accordance with national policies and certain standards)	4,290,258.98	22,724,394.98	
Gains or losses from entrusting others to invest or manage assets	2,485,466.43	8,096,711.30	
Gains or losses on changes in fair value arising from the possession of transactional financial assets and transactional financial liabilities; and the investment income from the disposal of transactional financial assets, transactional financial liabilities, and available-for-sale financial assets, except the effective hedging business related to the Company's normal business operations	-9,459.63	-3,445,201.84	
Other non-operating income and expenses except the items above	-413,863.85	-4,786,252.04	
Less: Impact on income tax	1,050,986.54	4,639,520.31	
Total	5,532,266.90	18,239,860.83	--

Details of other gains or losses items that meet the definition of non-recurring gains and losses:

Applicable Not applicable

The Company has no other gains or losses items that meet the definition of non-recurring gains and losses.

Provide explanations for classifying items of non-recurring gains and losses defined or listed in the *Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Profits and Losses* as items of recurring gains and losses.

Applicable Not applicable

There is no such case where the Company classifies non-recurring gains and losses items that are listed in the *Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Profits and Losses* as items of recurring gains and losses.

3. Cases and reasons for fluctuation of key accounting information and financial indicators

Applicable Not applicable

Items of balance sheet	Amount at the end of the period (RMB)	Amount at the start of the period (RMB)	Growth	Note
Monetary fund	457,156,536.88	1,970,361,272.64	-76.80%	Mainly due to the repayment of bank loans due in the current period.
Transactional financial assets	1,003,774.25	346,726,621.74	-99.71%	Mainly due to the redemption of financial products due to maturity.
Other current assets	15,881,814.78	36,959,129.80	-57.03%	Mainly due to the decrease in the expected settlement amount.
Deferred tax assets	565,864,148.34	424,027,271.38	33.45%	Mainly due to the provision of deferred income tax assets in the current period.
Short-term borrowings	200,202,500.00	3,152,945,812.59	-93.65%	Mainly due to the repayment of bank loans due in the current period.
Contract liabilities	4,735,981,166.46	3,063,721,290.28	54.58%	Mainly due to the delay in the recognition of income and the corresponding delay of refund for the agreement class, resulted from the postponement of the civil servant provincial joint examination in the current period.
Payroll payable	566,492,240.39	422,886,856.60	33.96%	Mainly due to the unpaid payroll payable and the delay in payment of Social Security and Housing Fund during the pandemic.
Taxes payable	30,560,896.71	12,566,751.84	143.19%	Mainly due to the provision of value-added tax and additional tax on the income in Q1 2022.
Other current liabilities	142,079,434.99	91,925,853.39	54.56%	Mainly due to the increase in the balance of contract liabilities at the end of Q3 2022 compared with that in the beginning of the year.
Items of income statement	Amount in the current period	Amount in the previous period	Growth	Note
Operating income	3,893,882,283.64	6,301,194,119.42	-38.20%	Mainly due to the decrease in operating income in the first three quarters of 2022 dually impacted by continuous Covid-19 prevention and control and the postponement of provincial examinations.
Operating cost	2,420,963,306.46	3,588,626,072.16	-32.54%	Mainly due to the decreased number of face-to-face classes influenced by the breakout of pandemic in many provinces and cities in this period, the reduction of labor expenses with the decreased number of teachers and the decreased performance-based salary of employees impacted by operating loss.
Management fees	687,206,762.68	1,036,022,099.40	-33.67%	Mainly due to the reduction of labor expenses on management personnel and the decreased performance-based salary of employees impacted by operating loss.

R&D fees	482,232,337.63	835,716,194.57	-42.30%	Mainly due to the decreased labor expenses on R&D personnel resulted from the optimization of R&D staff and the reduction of R&D personnel for non-core business, and the decreased performance-based salary of employees impacted by operating loss.
Financial expenses	201,860,046.51	383,556,345.64	-47.37%	Mainly due to the decrease in bank loan interest and financial institution service fee in the current period.
Other income	41,968,144.89	67,843,227.07	-38.14%	Mainly due to the tax incentives in the previous year included in other income.
Investment income	302,234.51	74,689,765.65	-99.60%	Mainly due to the decrease in income from financial products and the redemption of fix term deposit.
Expected credit loss	-8,956,614.08	-2,013,158.79	344.90%	Mainly due to the increase in bad debt provision.
Non-operating expenses	4,786,252.04	886,108.68	440.14%	Mainly due to the new fines in the current period.
Income tax expenses	-147,222,566.32	-249,727.99	58853.17%	Mainly due to the provision of deferred income tax assets in the current period.
Cash flow statement items	Amount in current period	Amount in previous period	Growth	Note
Cash received from sales of goods and rendering of services	5,730,000,312.04	3,764,009,075.38	52.23%	Mainly due to the fact that the amount received in Q3 2021 is less than that of refunds, resulting in a negative number for the period of "Cash received from sales of goods and rendering of services".
Other cash received related to operating activities	50,093,501.17	82,925,359.00	-39.59%	Mainly due to the decrease in interest income.
Cash for purchasing goods and accepting labor services	605,787,718.06	1,272,319,232.44	-52.39%	Mainly due to the decrease of start-class fees and travel expense, caused by the decreased number of face-to-face classes influenced by the breakout of pandemic in many provinces and cities in this period.
Cash paid to and for employees	2,994,758,849.49	4,999,319,418.01	-40.10%	Mainly due to the decrease in the number of employees in the current period, and the decreased performance-based salary of employees impacted by operating loss.
Tax payment	102,676,276.01	257,440,759.41	-60.12%	Mainly due to the decrease in taxes paid because of the decrease in current income.
Payment of other cash related to operating activities	487,232,102.77	963,675,208.24	-49.44%	Mainly due to the reduction of expenses on marketing and daily management and operation, by carrying out the measures of reducing costs and increasing efficiency in the Company during the current period.
Cash received from recovery of investments	473,468,673.81	9,118,641,205.92	-94.81%	Mainly due to the decrease in short-term financial product purchased and the corresponding reduction in financial product redemption in the current period.
Cash received from investment income	9,809,931.29	234,974,156.04	-95.83%	Mainly due to the decrease in the financial product purchased in the current period and the corresponding decrease in income from the financial product.
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	107,941,393.57	2,826,593,982.87	-96.18%	Mainly due to the purchase of land use rights in the same period of the previous year.
Cash paid for investments	124,141,028.16	7,014,720,000.00	-98.23%	Mainly due to the decrease in the purchase of short-term financial product in the current period.
Cash received from the loan		4,369,000,000.00	-100.00%	Mainly due to zero new loans from financial institutions in the current period.
Cash paid for dividends, profits or interest payments	50,716,278.78	152,324,944.37	-66.71%	Mainly due to the decrease in interest expense on bank borrowings in the current period.
Other cash paid related to financing activities	353,781,444.16	559,203,347.89	-36.73%	Mainly due to the decrease in housing lease payments in the current period.

Section II. Shareholders

1. Table on the total number of common shareholders and preferred shareholders with restored voting

rights and shares held by the top 10 shareholders

Unit: share(s)

Total number of common shareholders at the end of reporting period		162,755	Total number of preferred shareholders with restored voting rights at end of the reporting period (if any)		0	
Particulars about shares held by the top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares	Number of shares held with sales restrictions	Pledged, marked or frozen	
					Status of shares	Number of shares
Lu Zhongfang	Domestic natural person	41.36%	2,550,549,260.00	2,550,549,260.00	Pledged	1,437,543,359.00
Li Yongxin	Domestic natural person	18.35%	1,131,415,121.00	1,131,070,121.00	Pledged	791,586,641.00
Wang Zhendong	Domestic natural person	13.83%	852,885,418.00	639,664,063.00	Pledged	424,793,884.00
Beijing Offcn Future Information Consulting Center (Limited Partnership)	Domestic non-state-owned legal person	1.30%	80,000,000.00	0		
Zhou Xiayun	Domestic natural person	1.28%	78,848,640.00	0	Pledged	36,000,000.00
Beijing Aerospace Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	1.24%	76,263,495.00	0		
Zhou Hui	Domestic natural person	1.03%	63,545,974.00	0	Pledged	19,000,000.00
Beijing Kerui Technology Innovation Investment Center (Limited Partnership)	Domestic non-state-owned legal person	0.89%	54,887,323.00	0		
Zhou Li	Domestic natural person	0.75%	46,341,580.00	0		
Beijing Guangyin Venture Capital Center (Limited Partnership)	Domestic non-state-owned legal person	0.64%	39,228,952.00	0		
Particulars about shares held by the top 10 shareholders without sales restrictions						
Name of shareholder	Number of shares held without sales restrictions			Type of shares		
				Type of shares	Number of shares	
Wang Zhendong	213,221,355.00			RMB common shares	213,221,355.00	

Beijing Offcn Future Information Consulting Center (Limited Partnership)	80,000,000.00	RMB common shares	80,000,000.00
Zhou Xiayun	78,848,640.00	RMB common shares	78,848,640.00
Beijing Aerospace Industry Investment Fund (Limited Partnership)	76,263,495.00	RMB common shares	76,263,495.00
Zhou Hui	63,545,974.00	RMB common shares	63,545,974.00
Beijing Kerui Technology Innovation Investment Center (Limited Partnership)	54,887,323.00	RMB common shares	54,887,323.00
Zhou Li	46,341,580.00	RMB common shares	46,341,580.00
Beijing Guanyin Venture Capital Center (Limited Partnership)	39,228,952.00	RMB common shares	39,228,952.00
Hong Kong Securities Clearing Company Ltd. (HKSCC)	26,307,043	RMB common shares	26,307,043
Yang Shaofeng	24,062,680.00	RMB common shares	24,062,680.00
Description of the relationship or concerted action among the above mentioned shareholders	The Company's controlling shareholder and actual controller Lu Zhongfang and Li Yongxin are in a mother-son relationship. Lu Zhongfang, Li Yongxin, and Beijing Offcn Future Information Consulting Center (Limited Partnership) constitute persons acting in concert. Zhou Xiayun and Zhou Hui have a father-son relationship. Zhou Xiayun and Zhou Li have a father-daughter relationship. It is unknown whether there is an associated relationship among the above-mentioned other shareholders, nor whether the above-mentioned shareholders belong to the parties acting in concert as stipulated in the <i>Administrative Measures on Information Disclosure of Shareholding Changes in Listed Companies</i> .		
Description of the top 10 shareholders participating in the margin trading (if any)	None		

2. Table on the total number of preferred shareholders and shares held by the top 10 preferred shareholders

Applicable Not Applicable

Section III. Other significant events

Applicable Not applicable

1. Overview of the Company's operations in the third quarter of 2022

During the reporting period, under the background of implementing epidemic prevention and control measures regularly and precisely, the recruitment examinations resumed in an orderly manner, and the Company's trainees enrollment and teaching activities also returned to normal. The pending revenue to be recognized due to exams delay has been partially released in the third quarter. At the same time, the Company focused on benefit and actively promoted operations. The Company's Q3 performance achieved both year-on-year and month-on-month turnaround from losses. During the reporting period, the Company realized a net

profit of RMB 68 million attributable to shareholders of the listed company in Q3, a year-on-year increase of 108.6% and a month-on-month increase of 115.98%.

1) Regarding revenue, with the resumption of recruitment examinations, the Company's business volume and operating income gradually improved. The Company has set up an Innovation Strategy Research Institute, focusing on strengthening, supplementing and extending the chain of vocational training industry, deeply studying and optimizing the curriculum system, and consistently carrying out the strengthening and refinement measures during the training for each sequence of examinations in the third quarter, which effectively facilitated the Company's business improvement. In the third quarter, the operating income was RMB 1.667 billion, a year-on-year increase of 15.36%, including RMB 642 million from online training revenue, a 29.36% increase on an annual basis.

2) Regarding cost, the Company continued to promote lean operation and cost control. In the third quarter, the Company's sales expenses decreased by 25.45% year-on-year, and management expenses decreased by 49.75% year-on-year. The effect of reducing costs and increasing efficiency has initially appeared.

In future, the Company will maintain a prudent and stable business strategy, promote the digitalization of vocational education by accelerating the update of online curriculum system with Dolby Atmos and continuously explore and conduct vocational training and simulation practice in new professions and new business models. Meanwhile, the Company will consistently foster management innovation and develop a “Integrating Order with Personnel, and Jointly Creating a Win-Win Situation” management mode adaptable to the Internet age, to reduce costs and increase efficiency. The Company will also judge and respond to market risks in a timely manner and hedge against the pandemic and its derivative risks by adjusting structural products and accelerating the development of vocational education to fulfill the business boost plan in 2022.

2. Other important events

On December 15, 2021, the Company received the *Notice of Filing* (No. SR Filing 0232021010) from the CSRC for being suspected of failing to disclose related-party transaction information and violating the laws and regulations of information disclosure.

On April 27, 2022, the Company and the relevant parties received the official *Decision of Administrative Penalty* from the Anhui Securities Regulatory Bureau, which determines Offcn Edu, its subsidiaries Beijing Offcn Education Technology Co., Ltd. and Liaoning Zhongcheng Real Estate Development Co.,Ltd. constitute a related-party relationship with Shaanxi Guancheng Industrial Co., Ltd., Beijing Chuangsheng Construction Decoration Engineering Co., Ltd., Shanghai Beiding Network Technology Co., Ltd., Ji'an Jingkai Lixiangxue Financial Information Service Co., Ltd. and Liaoning Hanhui Industrial Co., Ltd.. The total amount involved in related transactions was RMB 1232.395 million, including RMB 196.335 million in year 2019 and RMB

1036.06 million in year 2020, which accounted for 6.65% and 30.19% of the net assets of Offcn Edu in the latest period respectively. The Company did not disclose the above-mentioned information in accordance with relevant laws and regulations and there existed major omissions of the Company's information disclosure. A warning was given to and a fine was imposed on the Company and the relevant persons responsible for the situation, and corresponding rectification was required. Specific information is stated in the announcement (No. 2022-032) disclosed by the Company on CNINFO (www.cninfo.com.cn) and other designated media for information disclosure.

On August 24, 2022, the Company and corresponding parties received the *Decision on Publicly Reproaching Offcn Education Technology Co., Ltd. and Corresponding Parties* issued by Shenzhen Stock Exchange. The Decision determined that according to the facts identified in the *Decision of Administrative Penalty* ([2022] No. 1) issued by Anhui Securities Regulatory Bureau of the China Securities Regulatory Commission, the Company and corresponding parties are suspected of the following violations: the Company and its subsidiaries Beijing Offcn Education Technology Co., Ltd., Liaoning Zhongcheng Real Estate Development Co.,Ltd. and related parties Beijing Chuangsheng Construction Decoration Engineering Co., Ltd., Shanghai Beiding Network Technology Co., Ltd., Ji'an Jingkai Lixiangxue Financial Information Service Co., Ltd., Liaoning Hanhui Industrial Co., Ltd. and Shaanxi Guancheng Industrial Co., Ltd. involved transactions of a total amount of RMB1232.395 million, including RMB 196.335 million in 2019 and RMB 1036.06 million in 2020, respectively accounting for 6.65% and 30.19% of the Company's latest audited net assets. Regarding the above matters, the Company failed to perform the review procedures and information disclosure obligations in accordance with related party transactions, and the Company and corresponding parties were given public condemnation.

Section IV. Financial statements of the first three quarters

1. Financial statements

(1) Consolidated balance sheet

Company: Offcn Education Technology Co., Ltd.

September 30, 2022

Unit: RMB

Item	September 30, 2022	January 1, 2022
Current assets:		
Monetary funds	457,156,536.88	1,970,361,272.64
Settlement reserve		
Lendings		
Transactional financial assets	1,003,774.25	346,726,621.74

Derivative financial assets		
Notes receivable		
Accounts receivable	41,582,561.53	40,374,842.27
Receivables financing		
Prepayments	1,730,742.03	1,438,350.00
Premium receivable		
Accounts receivable reinsurance		
Reserve for reinsurance receivable contracts		
Other receivables	204,042,845.01	219,501,061.83
Including: interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventory		
Contract assets		
Assets held-for-sale		
Non-current assets due within one year		
Other current assets	15,881,814.78	36,959,129.80
Total current assets	721,398,274.48	2,615,361,278.28
Non-current assets:		
Loans and advances		
Debt investment		7,058,993.55
Other debt investment		
Long-term receivables		
Long-term equity investment	37,342,667.62	46,850,364.40
Other equity investment	130,400,000.00	130,400,000.00
Other non-current financial assets	30,260,000.00	30,260,000.00
Investment property	629,724,910.85	644,936,541.46
Fixed assets	1,694,600,015.38	1,770,372,338.85
Construction in progress	315,726,412.15	294,785,678.31
Productive biological assets		
Oil and gas assets		
Right-of-use asset	1,191,256,726.76	1,342,280,387.08
Intangible assets	846,085,109.33	866,627,549.85
Development expenditure		

Goodwill	99,867,720.38	99,867,720.38
Long-term prepaid expenses	307,526,754.86	380,191,006.38
Deferred tax assets	565,864,148.34	424,027,271.38
Other non-current assets	1,655,613,910.90	1,652,164,395.78
Total non-current assets	7,504,268,376.57	7,689,822,247.42
Total assets	8,225,666,651.05	10,305,183,525.70
Current liabilities:		
Short-term loan	200,202,500.00	3,152,945,812.59
Borrowing from the central bank		
Borrowings from banks and other financial institutions		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	212,850,046.65	282,032,916.52
Deposit received		
Contract liabilities	4,735,981,166.46	3,063,721,290.28
Financial assets sold for repurchase		
Absorbing deposits and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Payroll payable	566,492,240.39	422,886,856.60
Taxes payable	30,560,896.71	12,566,751.84
Other payable	94,621,502.69	129,043,599.22
Including: interest payable	0.00	0.00
Dividend payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held-for-sale		
Non-current liabilities due within one year	547,313,044.67	531,876,007.31
Other current liabilities	142,079,434.99	91,925,853.39
Total current liabilities	6,530,100,832.56	7,686,999,087.75
Non-current liabilities:		
Insurance contract reserve		

Long-term loan		
Bonds payable		
Bonds payable_preferred stock		
Bonds payable_perpetual bond		
Lease liability	538,212,185.38	635,691,184.87
Long-term payables		
Long-term salary payable		
Estimated liabilities		
Deferred income		
Deferred tax liability	91,268,127.95	93,712,172.62
Other non-current liabilities		
Total non-current liabilities	629,480,313.33	729,403,357.49
Total Liabilities	7,159,581,145.89	8,416,402,445.24
Owners' equity:		
Share capital	103,807,623.00	103,807,623.00
Other equity instruments		
Other equity instruments_preferred stock		
Other equity instruments_perpetual bond		
Capital reserve	1,225,481,049.50	1,225,481,049.50
Less: Treasury stock		
Other comprehensive income	13,200,000.00	13,200,000.00
Special reserve		
Surplus reserves	45,000,000.00	45,000,000.00
General risk preparation		
Undistributed profits	-321,361,574.32	501,330,081.70
Total owner's equity attributable to the parent company	1,066,127,098.18	1,888,818,754.20
Minority shareholders' equity	-41,593.02	-37,673.74
Owners' equity	1,066,085,505.16	1,888,781,080.46
Liabilities and owner's equity	8,225,666,651.05	10,305,183,525.70

Legal representative: Wang Zhendong Person in charge of accounting: Shi Lei Head of accounting department: Luo Xue

(2) Consolidated income statement from beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount in the current period	Amount in the prior period
I. Total operating income	3,893,882,283.64	6,301,194,119.42
Including: operating income	3,893,882,283.64	6,301,194,119.42
Interest income		
Premium earned		
Fee and commission income		
II. Total operating costs	4,889,172,465.44	7,342,893,996.86
Including: operating cost	2,420,963,306.46	3,588,626,072.16
Interest expense		
Fee and commission expenses		
Surrender money		
Net reimbursement expenditure		
Withdrawal of net insurance liability reserves		
Policyholder dividend expenses		
Reinsurance expenses		
Taxes and surcharges	22,432,387.42	23,049,626.16
Sales expenses	1,074,477,624.74	1,475,923,658.93
Management expenses	687,206,762.68	1,036,022,099.40
R&D expenses	482,232,337.63	835,716,194.57
Financial expenses	201,860,046.51	383,556,345.64
Including: interest expenses	76,716,263.41	176,536,740.21
Interest income	6,914,684.21	35,487,207.53
Add: other income	41,968,144.89	67,843,227.07
Investment income (Loss is listed with “-”)	302,234.51	74,689,765.65
Including: investment income from associates and joint ventures		
Derecognition income of financial assets measured at amortized cost		
Exchange earnings (Loss is listed with “-”)		
Net exposure hedge income (Loss is listed with “-”)		
Income from changes in fair value (Loss is listed with “-”)	-3,445,201.84	11,041,967.01
Expected credit loss (Loss is	-8,956,614.08	-2,013,158.79

listed with “-”)		
Asset impairment loss (Loss is listed with “-”)		
Asset disposal income (Loss is listed with “-”)	289,728.74	-168,828.03
III. Operating profit (Loss is listed with “-”)	-965,131,889.58	-890,306,904.53
Add: non-operating income		41,198.84
Less: non-operating expenses	4,786,252.04	886,108.68
IV. Total profit (The total loss is listed with “-”)	-969,918,141.62	-891,151,814.37
Less: income tax expenses	-147,222,566.32	-249,727.99
V. Net profit (Net loss is listed with “-”)	-822,695,575.30	-890,902,086.38
i. Classified by business continuity		
1.Net profit from continuing operations (Net loss is listed with “-”)	-822,695,575.30	-890,902,086.38
2.Net profit from discontinued operations (Net loss is listed with “-”)		
ii. Classification by ownership		
1. Net profit attributable to the shareholders of the parent company(Net loss is listed with “-”)	-822,691,656.02	-890,898,144.05
2. Minority shareholders' gains and losses (Net loss is listed with “-”)	-3,919.28	-3,942.33
VI. Net other comprehensive income		
Net other comprehensive income attributable to the parent company owner		
i. Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes from the remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instruments		
4. Changes in fair value of the Company's own credit risk		
5. Other		
ii. Other comprehensive income that will be reclassified into profit or loss		

1. Other comprehensive income of convertible profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provisions of other debt investment		
5. Cash flow hedge reserve		
6. Foreign currency financial statement translation difference		
7. Other		
Net other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	-822,695,575.30	-890,902,086.38
i. Total comprehensive income attributable to owners of the parent company	-822,691,656.02	-890,898,144.05
ii. Total comprehensive income attributable to minority shareholders	-3,919.28	-3,942.33
VIII. Earnings per share:		
i. Basic earnings per share	-0.13	-0.14
ii. Diluted earnings per share	-0.13	-0.14

If a business combination under the same control occurs in the current period, the net profit realized by the combined party before the combination is: RMB 0.00. The net profit realized by the combined party in the previous period was: RMB 0.00.

Legal representative: Wang Zhendong Person in charge of accounting: Shi Lei Head of accounting department: Luo Xue

(3) Consolidated cash flow statement from beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount in the current period	Amount in the prior period
I. Cash flow from operating activities:		
Cash received from the sale of goods and services	5,730,000,312.04	3,764,009,075.38
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from central bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance business		

Net increase in policyholders' deposits and investment funds		
Cash charged with interest, handling fees and commissions		
Net increase in funds borrowed in		
Net increase in repurchase funds		
Net cash received from agent buying and selling of securities		
Tax refund		
Other cash received related to other business activities	50,093,501.17	82,925,359.00
Subtotal of cash inflow from operating activities	5,780,093,813.21	3,846,934,434.38
Cash paid for the purchase of goods and services	605,787,718.06	1,272,319,232.44
Net increase in customer loans and advances		
Net increase in deposit of central bank and interbank		
Cash paid for the original insurance contract		
Net increase in borrowed funds		
Cash paid for interest, handling fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	2,994,758,849.49	4,999,319,418.01
Various taxes paid	102,676,276.00	257,440,759.41
Other cash paid for business activities	487,232,102.77	963,675,208.24
Subtotal of cash outflows from business activities	4,190,454,946.32	7,492,754,618.10
Net cash flow from operating activities	1,589,638,866.89	-3,645,820,183.72
II. Cash flows from investing activities:		
Cash received from investment recovery	473,468,673.81	9,118,641,205.92
Cash received from investment income	9,809,931.29	234,974,156.04
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Other cash received related to investing activities		

Subtotal of cash inflows from investment activities	483,278,605.10	9,353,615,361.96
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	107,941,393.57	2,826,593,982.87
Cash paid for investment	124,141,028.16	7,014,720,000.00
Net increase in pledge loans		
Net cash paid for acquiring subsidiaries and other business units		
Other cash paid related to investing activities		168,828.03
Subtotal of cash outflows from investment activities	232,082,421.73	9,841,482,810.90
Net cash flows from investing activities	251,196,183.37	-487,867,448.94
III. Cash flow from financing activities:		
Cash received from investment absorption		
Including:cash received from subsidiaries in absorbing minority shareholders' investment		
Cash received from the loan		4,369,000,000.00
Other cash received related to fundraising activities		
Subtotal of cash inflows from financing activities		4,369,000,000.00
Cash paid for debt repayment	2,949,000,000.00	3,499,000,000.00
Cash paid for dividends, profits or interest payments	50,716,278.78	152,324,944.37
Including:dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	353,781,444.16	559,203,347.89
Subtotal of cash outflows from financing activities	3,353,497,722.94	4,210,528,292.26
Net cash flow from financing activities	-3,353,497,722.94	158,471,707.74
IV. Effect of the changes of the exchange rate on cash and the equivalents		
V. Net increase in cash and cash equivalents	-1,512,662,672.68	-3,975,215,924.92
Add: balance of cash and cash equivalents at the beginning of the period	1,969,806,009.56	5,950,036,489.12
VI. Balance of cash and cash equivalents at the end of the period	457,143,336.88	1,974,820,564.20

2. Auditor's report

Whether this Third Quarter 2022 Report has been audited

Yes No

The Company's Third Quarter 2022 Report has not been audited.

Board of Directors of Offen Education Technology Co., Ltd.

October 28, 2022