

Zhejiang NHU Company Ltd.

Q1 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 officer in charge of accounting, and the head of accounting department hereby declare and warrant that the financial information in this report is authentic, accurate and complete.
3. Whether the First 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 First Quarterly Report may be obtained at www.cninfo.com.cn.

Section I 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

Changes in accounting policies and other reasons

Items	Q1 2022	Q1 2021		Increase/decrease of the current reporting period compared with the same period of the previous year
		Before adjustment	After adjustment[Note2]	After adjustment
Operating revenue (yuan)	4,307,991,748.95	3,743,831,818.61	3,790,255,566.08	13.66%
Net profit attributable to shareholders of listed company (yuan)	1,203,327,294.72	1,136,774,983.04	1,144,090,085.76	5.18%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss (yuan)	1,142,767,059.69	1,090,734,420.46	1,098,049,523.18	4.07%
Net cash flows from operating activities (yuan)	422,441,679.66	1,076,704,398.64	1,084,019,501.36	-61.03%
Basic EPS (yuan/share)	0.47	0.44[Note1]	0.44	6.82%
Diluted EPS (yuan/share)	0.47	0.44[Note1]	0.44	6.82%
Weighted average ROE	5.36%	5.71%	5.75%	Decreased by 0.39 percentage points
Items	Mar. 31, 2022	Dec. 31, 2021		Increase/decrease of the current reporting period compared with the end of the previous year
		Before adjustment	After adjustment[Note2]	After adjustment
Total assets (yuan)	36,866,945,527.18	34,692,165,111.88	34,724,025,476.79	6.17%
Net assets attributable to shareholders of listed company (yuan)	22,923,397,133.57	21,799,977,645.94	21,831,838,010.85	5.00%

[Note1] After the implementation of the Company's 2020 profit distribution plan, its share capital was increased from 2,148,662,300 shares to 2,578,394,760 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 Profit or Loss for this Period

Applicable Not applicable

Unit: RMB yuan

Items	Q1 2022	Remarks
Gains or losses on disposal of non-current assets, including write-off of provision for impairment	4,679,172.59	
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)	33,227,394.33	
Gains or losses on assets consigned to the third party for investment or management	8,305,996.39	
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	16,998,294.74	
Other non-operating revenue or expenditures	1,012,255.32	
Less: Enterprise income tax affected	3,636,037.36	
Non-controlling interest affected (after tax)	26,840.98	
Total	60,560,235.03	--

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

Applicable Not applicable

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

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

Applicable Not applicable

The Company does not define the non-recurring profit and loss items listed in *the No. 1 Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to Public-Non-recurring Profit and loss* as recurring profit and loss items.

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 advances paid increased by 38.54% compared to the closing balance at the beginning of the year. It was mainly due to the increase of prepayment in raw materials and fuel power in the current reporting period.
- (2) The closing balance of other current assets increased by 54.60% compared to the closing balance at the beginning of the year. It was mainly due to the increase in expenditure on purchasing financial products in the current reporting period.
- (3) The closing balance of other non-current assets increased by 31.28% compared to the closing balance at the beginning of the year. It was mainly due to the increase of prepayment in equipment in the current reporting period.
- (4) The closing balance of employee benefits payable decreased by 42.77% compared to the closing balance at the beginning of the year. It was mainly due to the payments on year-end bonuses in the current reporting period.
- (5) The closing balance of other current liabilities decreased by 40.15% compared to the closing balance at the beginning of the year. It was mainly due to the decrease of advance payments on sales in the current reporting period.
- (6) The closing balance of treasury shares increased by 35.00% compared to the closing balance at the beginning of the year. It was mainly due to the repurchase of part of companies' social public shares.
- (7) The closing balance of other comprehensive income decreased by 118.69% compared to the closing balance at the beginning of the year. It was mainly due to the difference of translating foreign currency financial statement.

2. Income Statement Position

- (1) R&D expenses in the current Q1 period increased by 42.50% compared to the same period of last year. It was mainly due to the increase of material inputs and salary in the current Q1 period.
- (2) Investment income in the current Q1 period increased by 447.44% compared to the same period of last year. It was mainly due to the increase of investment income in associated enterprises and the increase of delivery income of forward foreign exchange settlement and sales products in the current Q1 period.
- (3) Gains on changes in fair value in the current Q1 period increased by 47.08% compared to the same period of last year. It was mainly due to the fluctuation in exchange rate of undelivered forward foreign exchange settlement and sales products in the current Q1 period.
- (4) Assets impairment loss in the current Q1 period increased by 156.48% compared to the same period of last year. It was mainly due to the increase of provision for inventory declines in the current Q1 period.
- (5) Gains on asset disposal in the current Q1 period increased by 154.10% compared to the same period of last year. It was mainly due to the increase of gain on disposal of non-current assets in the current Q1 period.

3. Cash Flow Statement Position

- (1) Net cash flow generated by operating activities in the current Q1 period decreased by 61.03% compared to the same period of last year. It was mainly due to the increase in payment for raw materials in the current Q1 period.
- (2) Net cash flow generated by investment activities in the current Q1 period decreased by 46.30% compared to the same period of last year. It was mainly due to the increase in expenditure on purchasing financial products and purchasing and constructing fixed assets in the current Q1 period.

Section II 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	64,016	Total number of preferred shareholders whose voting rights have been recovered at the end of the reporting period(if any).	0			
Information about top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Quantity of shares	Quantity of restricted shares	Shares pledged, marked or frozen	
					Status	Quantity
NHU Holding Group Co., Ltd.	Domestic non-state-owned legal person	48.55%	1,251,903,644	0		
Hong Kong Securities Clearing Company Limited	Overseas legal person	2.77%	71,338,496	0		
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund	Others	1.75%	45,060,167	0		
JPMORGAN CHASE BANK,NATIONAL ASSOCIATION	Overseas legal person	1.13%	29,024,075	0		
National Social Security Fund No.503 Portfolio	Others	0.80%	20,499,940	0		
National Social Security Fund No.112 Portfolio	Others	0.74%	19,186,092	0		
Guangdong Fuyeshengde Asset Management Co., Ltd - Fuyeshengde No 1 Private Security Investment Fund	Others	0.54%	13,810,354	0		
Hu Baishan	Domestic natural person	0.47%	12,163,274	9,122,455		
Beijing Yuanfeng Private Equity Fund Management Partnership (LP) — Yuanfeng Value Private Equity Investment Fund	Others	0.46%	11,977,187	0		
Kuwait Investment Authority	Overseas legal person	0.46%	11,733,502	0		
Information about top 10 shareholders without trading restrictions						
Name of shareholder	Quantity of non-restricted shares	Type of shares				
		Type	Quantity			

NHU Holding Group Co., Ltd.	1,251,903,644	RMB ordinary shares	1,251,903,644
Hong Kong Securities Clearing Company Limited	71,338,496	RMB ordinary shares	71,338,496
Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Huizhi Fund	45,060,167	RMB ordinary shares	45,060,167
JPMORGAN CHASE BANK,NATIONAL ASSOCIATION	29,024,075	RMB ordinary shares	29,024,075
National Social Security Fund No.503 Portfolio	20,499,940	RMB ordinary shares	20,499,940
National Social Security Fund No.112 Portfolio	19,186,092	RMB ordinary shares	19,186,092
Guangdong Fuyeshengde Asset Management Co., Ltd - Fuyeshengde No 1 Private Security Investment Fund	13,810,354	RMB ordinary shares	13,810,354
Beijing Yuanfeng Private Equity Fund Management Partnership (LP) — Yuanfeng Value Private Equity Investment Fund	11,977,187	RMB ordinary shares	11,977,187
Kuwait Investment Authority	11,733,502	RMB ordinary shares	11,733,502
Chongyang Group Co., Ltd.	11,635,159	RMB ordinary shares	11,635,159
Explanation on associated relationship or concerted actions among above shareholders	The above shareholder Hu Baishan is the director of NHU Holding Group Co., Ltd. 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 (if any)	Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Huizhi Fund holds 45,060,106 shares through client account of collateral securities for margin trading of Guotai Junan Securities Co., Ltd.; Guangdong Fuyeshengde Asset Management Co., Ltd - Fuyeshengde No 1 Private Security Investment Fund holds 13,810,354 shares through client account of collateral securities for margin trading of Huatai Securities Co., Ltd.; Beijing Yuanfeng Private Equity Fund Management Partnership (LP) — Yuanfeng Value Private Equity Investment Fund holds 5,988,587 shares through client account of collateral securities for margin trading of Huatai Securities Co., Ltd.; Chongyang Group Co., Ltd. holds 11,634,955 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 the Share Repurchase Plan

At the 7th Meeting of the 8th Board of Directors held on August 18, 2021, Zhejiang NHU Co., Ltd. (hereinafter referred to as “the company”) deliberated and adopted *The Proposal on Share Repurchase Plan of the Company*, agreed that the company would use its own funds to repurchase part of the public shares of the company in the form of centralized bidding transaction. And the shares repurchased would be used for implementing equity incentive plan or employee stock ownership plan. The total amount of repurchase would be RMB300-600mn, and the repurchase price would be no more than RMB41/share. The specific amount of shares repurchased and its proportion in the total share capital shall be subject to the actual amount of shares repurchased at the expiration of the repurchase period. The implementation period of the share repurchase plan shall not exceed 12 months from the date when the board of directors of the company deliberates and adopts *The Proposal on Share Repurchase Plan of the Company*. By March 31, 2022, the company has repurchased 14,552,236 shares in the form of centralized bidding trading through Zhejiang NHU Co., Ltd. Repurchase Securities Account, accounting for 0.5644% of the company's total share capital. The maximum transaction price is RMB 31.88/ share, the minimum transaction price is RMB 26.15/ share, and the cumulative transaction amount is RMB 432,464,683.56 (excluding transaction costs). The share repurchase plan complies with the requirements of relevant laws and regulations and the company's established repurchase plan. For more details, please refer to *The Announcement on the Progress of Share Repurchase of the Company* (2022-008) published on <http://www.cninfo.com.cn>

II Progress of the Third Employee Stock Ownership Plan

The third employee stock ownership plan of the Company was deliberated and adopted by the second extraordinary shareholders' meeting of 2020 held on November 11, 2020, the current employee stock ownership plan is managed by the Company itself, and the Company's shares are acquired and held by stock purchase through secondary market, the duration shall not exceed 24 months. On February 26, 2022, the number of shares held by the third employee stock ownership plan of the Company was 10,131,522, accounting for 0.39% of the company's total existing share capital, and the lock-up period expired. For more details, please refer to *The Suggestive Announcement on the Expiration of Lock-up period of the Third Employee Stock Ownership plan* (2022-004) published on <http://www.cninfo.com.cn>

III 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 March 31, 2022, the actual use of the raised funds was RMB 232.68 million, and the accumulated investment of the raised funds project was RMB 2,320.12million. By March 31, 2022, the balance of raised funds was RMB 3,187.45million (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.

Mar 31, 2022

Unit: RMB Yuan

Items	Mar 31, 2022	Jan 1, 2022
Current assets:		
Cash and bank balances	6,108,319,777.72	5,952,909,626.94
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	908,276,322.92	1,250,736,359.24
Derivative financial assets		
Notes receivable	329,579,552.94	349,145,316.03
Accounts receivable	3,258,816,632.85	2,755,168,573.14
Receivables financing	159,025,346.82	182,891,179.65
Advances paid	109,407,357.31	78,969,960.60
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	309,137,517.45	254,497,248.13
Including: Interest receivable		
Dividend receivable		7,159,278.00
Financial assets under reverse repo		
Inventories	3,653,314,879.66	3,193,657,367.16
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,384,916,114.26	895,782,268.87

Items	Mar 31, 2022	Jan 1, 2022
Total current assets	16,220,793,501.93	14,913,757,899.76
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	373,450,458.22	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	14,273,343,958.04	14,350,779,852.73
Construction in progress	3,723,538,139.82	2,984,835,072.82
Productive biological assets		
Oil & gas assets		
Right-of-use assets	3,046,634.36	3,123,637.11
Intangible assets	1,512,226,751.57	1,521,729,757.66
Development expenditures		
Goodwill	4,410,005.35	
Long-term prepayments	16,944,948.96	18,591,707.06
Deferred tax assets	58,398,503.90	55,805,191.95
Other non-current assets	657,794,477.48	501,076,584.40
Total non-current assets	20,646,152,025.25	19,810,267,577.03
Total assets	36,866,945,527.18	34,724,025,476.79
Current liabilities:		
Short-term borrowings	1,812,995,465.03	1,403,332,827.92
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	849,710,293.39	694,124,946.73
Accounts payable	1,498,941,098.30	1,435,966,427.76
Advances received		
Contract liabilities	46,962,512.57	61,135,258.36
Financial liabilities under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	212,116,998.81	370,609,333.07

Items	Mar 31, 2022	Jan 1, 2022
Taxes and rates payable	389,193,518.77	420,743,262.69
Other payables	48,183,738.37	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	2,318,122,207.38	2,029,499,509.43
Other current liabilities	3,072,497.33	5,133,310.10
Total current liabilities	7,179,298,329.95	6,477,256,979.42
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	5,484,579,401.22	5,148,811,786.49
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	3,057,390.60	2,936,868.15
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	1,062,207,483.24	1,063,699,676.16
Deferred tax liabilities	145,314,508.82	135,751,304.31
Other non-current liabilities		
Total non-current liabilities	6,695,158,783.88	6,351,199,635.11
Total liabilities	13,874,457,113.83	12,828,456,614.53
Equity:		
Share capital	2,578,394,760.00	2,578,394,760.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,121,063,080.96	4,121,063,080.96
Less: Treasury shares	432,499,287.04	320,360,784.48
Other comprehensive income	-3,529,997.46	-1,614,172.31
Special reserve	14,978,374.22	12,692,218.51
Surplus reserve	1,289,197,380.00	1,289,197,380.00
General risk reserve		
Undistributed profit	15,355,792,822.89	14,152,465,528.17
Total equity attributable to the parent company	22,923,397,133.57	21,831,838,010.85

Items	Mar 31, 2022	Jan 1, 2022
Non-controlling interest	69,091,279.78	63,730,851.41
Total equity	22,992,488,413.35	21,895,568,862.26
Total liabilities & equity	36,866,945,527.18	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

Unit: RMB Yuan

Items	Q1 2022	Q1 2021
I. Total operating revenue	4,307,991,748.95	3,790,255,566.08
Including: Operating revenue	4,307,991,748.95	3,790,255,566.08
Interest income		
Premiums earned		
Revenue from handling charges and commission		
II. Total operating cost	2,975,781,501.41	2,456,151,541.23
Including: Operating cost	2,518,094,547.27	2,066,876,964.92
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	29,871,875.59	29,624,782.86
Selling expenses	22,790,060.34	25,596,901.14
Administrative expenses	108,673,875.32	98,545,580.34
R&D expenses	227,817,615.86	159,873,277.76
Financial expenses	68,533,527.03	75,634,034.21
Including: Interest expenses	73,602,297.89	72,761,812.52
Interest income	23,573,114.81	7,951,345.12
Add: Other income	34,331,441.69	38,215,703.79
Investment income (or less: losses)	34,767,170.90	6,350,902.16
Including: Investment income from associates and joint ventures	22,194,461.68	6,208,006.98
Gains from derecognition of financial assets at amortized cost		
Gains on foreign exchange (or less: losses)		
Gains on net exposure to hedging risk (or		

Items	Q1 2022	Q1 2021
less: losses)		
Gains on changes in fair value (or less: losses)	12,731,581.91	8,656,495.16
Credit impairment loss	-30,326,145.11	-27,121,854.75
Assets impairment loss	-7,946,770.68	-3,098,341.11
Gains on asset disposal (or less: losses)	4,679,172.59	1,841,479.97
III. Operating profit (or less: losses)	1,380,446,698.84	1,358,948,410.07
Add: Non-operating revenue	819,683.44	939,174.11
Less: Non-operating expenditures	911,475.48	1,240,793.29
IV. Profit before tax (or less: total loss)	1,380,354,906.80	1,358,646,790.89
Less: Income tax	172,502,286.13	210,357,643.86
V. Net profit (or less: net loss)	1,207,852,620.67	1,148,289,147.03
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations (or less: net loss)	1,207,852,620.67	1,148,289,147.03
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	1,203,327,294.72	1,144,090,085.76
2. Net profit attributable to non-controlling shareholders	4,525,325.95	4,199,061.27
VI. Other comprehensive income after tax	-1,080,722.73	-6,097,332.37
Items attributable to the owners of the parent company	-1,915,825.15	-3,306,897.50
(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		
(II) To be reclassified subsequently to profit or loss	-1,915,825.15	-3,306,897.50
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		

Items	Q1 2022	Q1 2021
5. Cash flow hedging reserve		
6. Translation reserve	-1,915,825.15	-3,306,897.50
7. Others		
Items attributable to non-controlling shareholders	835,102.42	-2,790,434.87
VII. Total comprehensive income	1,206,771,897.94	1,142,191,814.66
Items attributable to the owners of the parent company	1,201,411,469.57	1,140,783,188.26
Items attributable to non-controlling shareholders	5,360,428.37	1,408,626.40
VIII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)	0.47	0.44
(II) Diluted EPS (yuan per share)	0.47	0.44

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

Unit: RMB Yuan

Items	Q1 2022	Q1 2021
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	3,613,716,217.09	3,261,253,246.04
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		
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	241,904,618.87	139,658,300.25

Items	Q1 2022	Q1 2021
Other cash receipts related to operating activities	62,483,265.40	70,599,669.60
Subtotal of cash inflows from operating activities	3,918,104,101.36	3,471,511,215.89
Cash payments for goods purchased and services received	2,509,609,260.22	1,578,841,733.53
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	633,641,755.96	479,789,155.22
Cash payments for taxes and rates	278,742,445.74	153,186,283.38
Other cash payments related to operating activities	73,668,959.78	175,674,542.40
Subtotal of cash outflows from operating activities	3,495,662,421.70	2,387,491,714.53
Net cash flows from operating activities	422,441,679.66	1,084,019,501.36
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	16,343,604.40	9,308,194.25
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	1,561,444.66	2,206,000.00
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	1,064,294,950.48	400,000,000.00
Subtotal of cash inflows from investing activities	1,082,199,999.54	411,514,194.25
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	865,447,063.96	698,613,138.91
Cash payments for investments		
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units	5,380,193.64	40,000,000.00
Other cash payments related to investing activities	1,379,122,507.08	471,076,400.00
Subtotal of cash outflows from investing activities	2,249,949,764.68	1,209,689,538.91
Net cash flows from investing activities	-1,167,749,765.14	-798,175,344.66
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	1,637,682,567.39	2,392,073,940.87

Items	Q1 2022	Q1 2021
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	1,637,682,567.39	2,392,073,940.87
Cash payments for the repayment of borrowings	582,292,030.99	1,060,973,532.91
Cash payments for distribution of dividends or profits and for interest expenses	80,697,645.30	71,825,784.22
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		
Other cash payments related to financing activities	2,468,007.00	2,847,895.88
Subtotal of cash outflows from financing activities	665,457,683.29	1,135,647,213.01
Net cash flows from financing activities	972,224,884.10	1,256,426,727.86
IV. Effect of foreign exchange rate changes on cash & cash equivalents	-11,350,293.57	-26,160,428.88
V. Net increase in cash and cash equivalents	215,566,505.05	1,516,110,455.68
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	5,930,104,043.28	6,185,417,231.77

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

II Independent Auditor's Report

Whether the First Quarterly Report above have been audited.

Yes No

The First Quarterly Report has not been audited.

Board of Directors of Zhejiang NHU Company Ltd.
April 28,2022