

## Zhejiang NHU Company Ltd.

### Q3 2023 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](http://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

Items	Q3 2023	Q3 2022		YoY Change(%)	Q1-Q3 2023	Q1-Q3 2022		YoY Change(%)
		Before Adjustment	After Adjustment [Note]	After Adjustment		Before Adjustment	After Adjustment [Note]	After Adjustment
Operating revenue (yuan)	3,593,667,828.40	3,694,978,856.40	3,694,978,856.40	-2.74%	11,012,182,404.49	11,910,018,133.43	11,910,018,133.43	-7.54%
Net profit attributable to shareholders of listed company (yuan)	617,979,827.61	797,168,419.00	797,170,816.89	-22.48%	2,101,209,064.57	3,011,045,838.25	3,011,053,031.91	-30.22%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss (yuan)	575,353,203.63	833,476,722.26	833,479,120.15	-30.97%	1,950,572,089.45	2,927,532,671.88	2,927,539,865.54	-33.37%
Net cash flows from operating activities (yuan)	-	-	-	-	2,625,355,777.70	2,527,486,364.07	2,527,486,364.07	3.87%
Basic EPS (yuan/share)	0.20	0.26	0.26	-23.08%	0.68	0.98	0.98	-30.61%
Diluted EPS (yuan/share)	0.20	0.26	0.26	-23.08%	0.68	0.98	0.98	-30.61%
Weighted average ROE	2.43%	2.95%	2.95%	Decrease 0.52 percentage points	8.52%	12.50%	12.50%	Decrease 3.98 percentage points
Items	September 30, 2023	December 31, 2022		Change(%)				
		Before Adjustment	After Adjustment [Note]	After Adjustment				
Total assets (yuan)	38,774,279,496.58	38,267,625,155.83		38,268,063,792.50		1.32%		
Net assets attributable to shareholders of listed company (yuan)	24,199,557,897.77	23,574,859,468.61		23,574,879,326.24		2.65%		

[Note] On November 30, 2022, the Ministry of Finance ("MOF") issued and implemented ASBE Interpretation No. 16, "Accounting for Deferred Taxes on Assets and Liabilities Arising from Individual Transactions that are not Subject to the Initial Recognition Exemption," which became effective on January 1, 2023. If taxable temporary differences and deductible temporary differences arise from lease liabilities and right-of-use assets recognized as a result of a single transaction to which this provision applies, as well as projected liabilities related to abandonment obligations and related assets recognized at the beginning of the earliest period in which the financial statements of the first-time implementation of this provision are presented, the Company will recognize taxable temporary differences and deductible temporary differences in accordance with the provisions of this provision and Accounting Standard No. 18 - "Income Taxes". -Income Taxes, the Company adjusts the cumulative effect to opening retained earnings and other related financial statement items in the earliest period for which the financial statements are presented.

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

Unit: RMB

Item	Q3 2023	Q1-Q3 2023
Gains or losses on disposal of non-current assets, including write-off of provision for impairment	2,096,589.04	15,642,367.20
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)	39,923,774.00	141,245,452.10
Gains or losses on assets consigned to the third party for investment or management	678,988.22	9,573,040.95
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	1,032,492.96	-10,235,976.74
Other non-operating revenue or expenditures	133,140.36	3,616,526.90
Less: Enterprise income tax affected	1,153,860.09	8,945,815.73
Non-controlling interest affected (after tax)	84,500.51	258,619.56
Total	42,626,623.98	150,636,975.12

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 74.94% compared to the opening balance in this year. It was mainly due to the maturity of wealth management products by idle raised funds during the reporting period of structured deposits of financial products.

(2) The closing balance of Notes receivable decreased by 46.93% compared to the opening balance in this year. It was mainly due to the increase in bankers' acceptance endorsements and due collections during the reporting period.

(3) The closing balance of Other receivables decreased by 55.32% compared to the opening balance in this year. It was mainly due to the recovery of land deposits during the reporting period.

(4) The closing balance of other current assets decreased by 79.39% compared to the opening balance in this year. It was mainly due to

the decrease in value-added tax credits during the reporting period.

(5) The closing balance of Long-term equity investments increased by 59.75% compared to the opening balance in this year. It was mainly due to the investment in the joint venture during the reporting period.

(6) The closing balance of Right-of-use assets increased by 148.62% compared to the opening balance in this year. It was mainly due to the addition of new housing leases during the reporting period.

(7) The closing balance of Intangible assets increased by 36.16% compared to the opening balance in this year. It was mainly due to the acquisition of land during the reporting period.

(8) The closing balance of Notes payable decreased by 44.82% compared to the opening balance in this year. It was mainly due to the settlement of bank acceptances at maturity during the reporting period.

(9) The closing balance of Accounts payable decreased by 32.43% compared to the opening balance in this year. It was mainly due to the expiration of payments for projects under construction during the reporting period.

(10) The closing balance of Lease liabilities increased by 153.58% compared to the opening balance in this year. It was mainly due to the addition of new housing leases during the reporting period.

(11) The closing balance of Other comprehensive income increased by 31.26% compared to the opening balance in this year. It was mainly due to the exchange differences in foreign currency financial statements during the reporting period.

(12) The closing balance of Special reserve increased by 138.34% compared to the opening balance in this year. It was mainly due to the increase in the provision for production safety expenses during the reporting period.

## **2. Income Statement Position**

(1) Taxes and surcharges in the current Q1-Q3 period increased by 30.10% compared to the same period of last year. It was mainly due to the increase in urban maintenance and construction tax and land use tax in the current Q1-Q3 period.

(2) Financial expenses in the current Q1-Q3 period increased by 89.15% compared to the same period of last year. It was mainly due to decrease in foreign exchange earnings in the current Q1-Q3 period.

(3) Investment income in the current Q1-Q3 period decreased by 40.57% compared to the same period of last year. It was mainly due to the decrease in investment income from associates and financial management in the current Q1-Q3 period.

(4) Gains on changes in fair value in the current Q1-Q3 period decreased by 79.79% compared to the same period of last year. It was mainly due to decrease in the fair value provision based on exchange rate fluctuations in the current Q1-Q3 period.

(5) Credit impairment loss in the current Q1-Q3 period decreased by 50.78% compared to the same period of last year. It was mainly due to a decrease in credit impairment losses based on changes in accounts receivable in the current Q1-Q3 period.

(6) Assets impairment loss in the current Q1-Q3 period increased by 729.26% compared to the same period of last year. It was mainly due to an increase in impairment losses on assets based on fluctuations in product market prices in the current Q1-Q3 period.

(7) Gains on asset disposal in the current Q1-Q3 period increased by 1,174.42% compared to the same period of last year. It was mainly due to the increase in revenue from the recovery of land by the government in the current Q1-Q3 period.

## **3. Cash Flow Statement Position**

(1) Net cash flows from investing activities in the current Q1-Q3 period decreased by 74.84% compared to the same period of last year. It was mainly due to the decrease in fund-raising for financial management and the increase in expenditure on purchasing and constructing fixed assets in the current Q1-Q3 period.

(2) Net cash flows from financing activities in the current Q1-Q3 period decreased by 185.32% compared to the same period of last year. It was mainly due to the repayment of loans 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		116,509	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	49.22%	1,521,362,525	0		
Hong Kong Securities Clearing Company Limited	Overseas legal person	2.07%	63,909,072	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	1.16%	36,000,000	0		
The Company – Employee stock ownership plan phase IV	Others	0.96%	29,528,181	0		
China Construction Bank Co., Ltd.- E Fund CSI 300 Medicine Health Trading Open Index Securities Investment Fund	Others	0.94%	29,039,233	0		
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Yingzhi Fund	Others	0.53%	16,248,559	0		
Hu Baishan	Domestic natural person	0.47%	14,595,929	10,946,947		
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		
Information about top 10 shareholders without trading restrictions						
Shareholders	Quantity of non-restricted shares	Category of shares				
		Category	Quantity			
NHU Holding Group Co., Ltd.	1,521,362,525	RMB ordinary shares	1,521,362,525			
Hong Kong Securities Clearing Company Limited	63,909,072	RMB ordinary shares	63,909,072			
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	36,000,000	RMB ordinary shares	36,000,000			

The Company — Employee stock ownership plan phase IV	29,528,181	RMB ordinary shares	29,528,181
China Construction Bank Co., Ltd.- E Fund CSI 300 Medicine Health Trading Open Index Securities Investment Fund	29,039,233	RMB ordinary shares	29,039,233
Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Yingzhi Fund	16,248,559	RMB ordinary shares	16,248,559
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
The Company — Employee stock ownership plan phase III	12,157,826	RMB ordinary shares	12,157,826
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, forming a concerted action relationship. Due to participating in Employee stock ownership plan phase IV, Hu Baifan and Hu Baishan formed an association relationship with The Company — Employee stock ownership plan phase IV, Due to participating in Employee stock ownership plan phase III, Hu Baishan formed an association relationship with The Company — Employee stock ownership plan phase III. 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 16,248,559 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 the Forth Employee Stock Ownership Plan

The forth employee stock ownership plan of the Company was deliberated and adopted by the first extraordinary shareholders' meeting of 2023 held on June 26, 2023, 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. The Forth Employee Stock Ownership Plan completed the stock purchase on September 25, 2023. The company purchased a total of 29,528,181 shares of the company's stock through secondary market bidding trading, accounting for 0.9553% of the company's total share capital. The total transaction amount is RMB 479,442,157.08 Yuan, the average price is approximately 16.2368 yuan per share. The lock-in period for

the underlying stocks obtained under the Forth Employee Stock Ownership Plan is 12 months, calculating from the date of the company's announcement of the last transfer of the underlying stocks to the account of the Forth Employee Stock Ownership Plan, which is from September 26, 2023 to September 25, 2024.

For more details, please refer to *Announcement on the Progress of the Implementation of the Fourth Employee Stock Ownership Plan and the Completion of Stock Purchase* (2023-060) published on the company's designated information disclosure media and cninfo (<http://www.cninfo.com.cn>).

## **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, 2023, the actual use of the raised funds was RMB 1,236.83mn, and the accumulated investment of the raised funds project was RMB 5,015.03mn. By September 30, 2023, the balance of raised funds was RMB 597.70mn (including bank financial products and structured deposits, the net amount of interest on cash in bank less handling charges and bank financial products income).

## **III The BOD and Board of Supervisory Completed Election and Appointed Senior Management Personnel, Securities Affairs Representative, and Internal Audit Leader**

The company held second extraordinary general meeting of 2023 on September 19, 2023, and elected non-independent directors Hu Baifan, Hu Baishan, Shi Guanqun, Wang Xuwen, Wang Zhengjiang, Zhou Guiyang, Yu Hongwei, and independent directors Ji Jianyang, Shen Yuping, Wan Feng, WangYang, forming the Ninth Board of Directors of the Company. The meeting also elected non-employee representative supervisors Lv Guofeng, Zhao Jia, Wang Xiaobi, along with employee representative supervisors Yan Hongyue, Li Huafeng, elected by the company's employee congress, forming the Ninth Board of Supervisors of the Company.

On the same day, the company held the first meeting of the Ninth Board of Directors, elected Hu Baifan as Chairman of the board, Hu Baishan as Vice Chairman of the board, and elected members of the specialized committees of the Ninth Board of Directors. The Ninth Board of Directors appointed Hu Baishan as the company's CEO, Shi Guanqun as the secretary of the BOD, Zeng Shuying as the securities affairs representative, Shi Guanqun, Wang Xuwen, Zhang Liying as the company's vice president, Shi Guanqun as the company's CFO, and Chen Boxiang as the company's internal audit leader. On the same day, the company held the first meeting of the Ninth Board of Supervisors, elected Lv Guofeng as Chairman of the Board of Supervisors.

For more details, please refer to *Announcement on the Completion of BOD and Board of Supervisory Election and Appointment of Senior Management Personnel, Securities Affairs Representatives, and Internal Audit Leaders* (2023-059) published on the company's designated information disclosure media and cninfo (<http://www.cninfo.com.cn>).

## Section IV Quarterly Financial Statements

### I Financial statements

#### 1. Consolidated balance sheet

Prepared by Zhejiang NHU Co., Ltd.

September 30, 2023

Unit: RMB Yuan

Items	September 30, 2023	January 1, 2022
Current assets:		
Cash and bank balances	4,772,559,191.06	5,343,851,967.72
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	180,505,849.15	720,314,576.43
Derivative financial assets		
Notes receivable	197,749,312.65	372,641,835.79
Accounts receivable	2,253,227,568.08	2,476,269,041.23
Receivables financing	452,988,341.93	379,217,582.25
Advances paid	183,636,005.77	222,336,776.26
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	120,444,665.36	269,567,592.73
Including: Interest receivable		
Dividend receivable		20,735,987.73
Financial assets under reverse repo		
Inventories	4,162,474,301.26	4,144,557,702.39
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	37,606,330.67	182,442,976.79
Total current assets	12,361,191,565.93	14,111,200,051.59
Non-current assets:		
Loans and advances		
Debt investments		



Items	September 30, 2023	January 1, 2022
Other debt investments		
Long-term receivables		
Long-term equity investments	690,908,249.13	432,503,568.48
Other equity instrument investments	22,998,147.55	22,998,147.55
Other non-current financial assets		
Investment property		
Fixed assets	17,582,315,503.30	16,523,867,858.53
Construction in progress	5,410,077,305.30	5,089,233,908.22
Productive biological assets		
Oil & gas assets		
Right-of-use assets	7,036,275.93	2,830,136.37
Intangible assets	2,367,220,474.32	1,738,506,246.32
Development expenditures		
Goodwill	3,622,704.97	3,622,704.97
Long-term prepayments	12,858,513.08	13,179,878.45
Deferred tax assets	57,124,316.43	50,250,809.38
Other non-current assets	258,926,440.64	279,870,482.64
Total non-current assets	26,413,087,930.65	24,156,863,740.91
Total assets	38,774,279,496.58	38,268,063,792.50
Current liabilities:		
Short-term borrowings	1,844,733,700.55	1,846,373,441.01
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	346,197,907.23	627,438,689.79
Accounts payable	1,469,893,812.61	2,175,458,436.49
Advances received		
Contract liabilities	56,856,387.72	60,660,929.75
Financial liabilities under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		

Items	September 30, 2023	January 1, 2022
Employee benefits payable	304,950,182.67	386,391,911.86
Taxes and rates payable	247,912,052.32	208,198,951.94
Other payables	51,078,181.71	67,351,740.34
Including: Interest payable		
Dividend payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,990,471,423.29	2,591,687,706.22
Other current liabilities	4,357,112.78	4,978,299.99
Total current liabilities	6,316,450,760.88	7,968,540,107.39
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	6,772,092,279.53	5,273,637,508.87
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	7,157,166.35	2,822,404.07
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	1,088,884,668.22	1,083,159,222.41
Deferred tax liabilities	282,096,957.02	277,735,456.67
Other non-current liabilities		
Total non-current liabilities	8,150,231,071.12	6,637,354,592.02
Total liabilities	14,466,681,832.00	14,605,894,699.41
Equity:		
Share capital	3,090,907,356.00	3,090,907,356.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	3,613,097,510.81	3,613,097,510.81
Less: Treasury shares	500,059,711.25	500,059,711.25

Items	September 30, 2023	January 1, 2022
Other comprehensive income	100,516,824.50	76,577,564.17
Special reserve	62,437,981.18	26,196,894.55
Surplus reserve	1,444,413,940.89	1,444,413,940.89
General risk reserve		
Undistributed profit	16,388,243,995.64	15,823,745,771.07
Total equity attributable to the parent company	24,199,557,897.77	23,574,879,326.24
Non-controlling interest	108,039,766.81	87,289,766.85
Total equity	24,307,597,664.58	23,662,169,093.09
Total liabilities & equity	38,774,279,496.58	38,268,063,792.50

Legal representative: Hu Baifan      Officer in charge of accounting: Shi Guanqun      Head of accounting department: Zhang Lijin

## 2. Consolidated income statement for Q1-Q3

Unit: RMB Yuan

Items	Q1~Q3 2023	Q1~Q3 2022
I. Total operating revenue	11,012,182,404.49	11,910,018,133.43
Including: Operating revenue	11,012,182,404.49	11,910,018,133.43
Interest income		
Premiums earned		
Revenue from handling charges and commission		
II. Total operating cost	8,613,037,482.05	8,534,027,513.81
Including: Operating cost	7,317,660,311.35	7,397,206,010.54
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	104,426,959.89	80,266,088.04
Selling expenses	112,299,932.75	88,982,628.60
Administrative expenses	404,120,702.31	344,402,783.49
R&D expenses	630,879,477.56	600,093,376.48
Financial expenses	43,650,098.19	23,076,626.66
Including: Interest expenses	238,838,965.10	236,654,223.33

Items	Q1~Q3 2023	Q1~Q3 2022
Interest income	108,442,251.78	109,571,188.41
Add: Other income	142,770,997.45	130,273,543.85
Investment income (or less: losses)	47,120,519.14	79,284,084.27
Including: Investment income from associates and joint ventures	36,739,427.92	61,815,175.50
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)	-10,812,005.69	-53,501,499.68
Credit impairment loss (or less: losses)	14,776,432.74	30,020,718.39
Assets impairment loss (or less: losses)	-100,765,005.00	-12,151,215.72
Gains on asset disposal (or less: losses)	15,642,367.20	1,227,407.46
III. Operating profit (or less: losses)	2,507,878,228.28	3,551,143,658.19
Add: Non-operating revenue	4,743,937.00	4,711,191.13
Less: Non-operating expenditures	2,652,955.45	2,750,908.34
IV. Profit before tax (or less: total loss)	2,509,969,209.83	3,553,103,940.98
Less: Income tax	390,773,634.12	529,201,120.85
V. Net profit (or less: net loss)	2,119,195,575.71	3,023,902,820.13
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations (or less: net loss)	2,119,195,575.71	3,023,902,820.13
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	2,101,209,064.57	3,011,053,031.91
2. Net profit attributable to non-controlling shareholders	17,986,511.14	12,849,788.22
VI. Other comprehensive income after tax	26,702,749.15	32,490,269.90
Items attributable to the owners of the parent company	23,939,260.33	32,251,478.10
(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 2023	Q1~Q3 2022
(II) To be reclassified subsequently to profit or loss	23,939,260.33	32,251,478.10
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	23,939,260.33	32,251,478.10
7. Others		
Items attributable to non-controlling shareholders	2,763,488.82	238,791.80
VII. Total comprehensive income	2,145,898,324.86	3,056,393,090.03
(I) Items attributable to the owners of the parent company	2,125,148,324.90	3,043,304,510.01
(II) Items attributable to non-controlling shareholders	20,749,999.96	13,088,580.02
VIII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)	0.68	0.98
(II) Diluted EPS (yuan per share)	0.68	0.98

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: Zhang lijin

### 3. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB Yuan

Items	Q1~Q3 2023	Q1~Q3 2022
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	11,802,768,128.21	12,071,389,906.85
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 2023	Q1~Q3 2022
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	743,080,725.01	850,452,324.18
Other cash receipts related to operating activities	270,041,812.98	287,124,257.37
Subtotal of cash inflows from operating activities	12,815,890,666.20	13,208,966,488.40
Cash payments for goods purchased and services received	7,719,463,280.93	8,139,683,463.77
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	1,503,644,860.82	1,437,531,327.11
Cash payments for taxes and rates	683,715,624.20	831,112,937.34
Other cash payments related to operating activities	283,711,122.55	273,152,396.11
Subtotal of cash outflows from operating activities	10,190,534,888.50	10,681,480,124.33
Net cash flows from operating activities	2,625,355,777.70	2,527,486,364.07
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	46,685,586.31	40,762,530.88
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	151,506.85	6,903,703.28
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	826,629,111.67	1,827,620,203.77
Subtotal of cash inflows from investing activities	873,466,204.83	1,875,286,437.93
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	3,324,737,687.35	2,895,146,588.78
Cash payments for investments	239,046,899.46	
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units		5,589,983.30
Other cash payments related to investing activities	180,000,000.00	616,205,784.81
Subtotal of cash outflows from investing activities	3,743,784,586.81	3,516,942,356.89
Net cash flows from investing activities	-2,870,318,381.98	-1,641,655,918.96

Items	Q1~Q3 2023	Q1~Q3 2022
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	4,644,092,688.41	4,749,513,521.52
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	4,644,092,688.41	4,749,513,521.52
Cash payments for the repayment of borrowings	3,144,406,430.05	2,350,075,021.90
Cash payments for distribution of dividends or profits and for interest expenses	1,791,310,007.20	2,051,162,620.80
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		
Other cash payments related to financing activities	1,747,793.28	4,421,020.29
Subtotal of cash outflows from financing activities	4,937,464,230.53	4,405,658,662.99
Net cash flows from financing activities	-293,371,542.12	343,854,858.53
IV. Effect of foreign exchange rate changes on cash & cash equivalents	84,195,127.83	-13,554,069.00
V. Net increase in cash and cash equivalents	-454,139,018.57	1,216,131,234.64
Add: Opening balance of cash and cash equivalents	5,151,841,931.86	5,714,537,538.23
VI. Closing balance of cash and cash equivalents	4,697,702,913.29	6,930,668,772.87

Legal representative: Hu Baifan      Officer in charge of accounting: Shi Guanqun      Head of accounting department: Zhang Iijin

## 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 27, 2023