

Stock Code: 002236

Stock Abbreviation: Dahua

Notification No.: 2023-101

## **Zhejiang Dahua Technology Co., Ltd.**

### **2023 Q3 Report**

The Company and all members of the Board of Directors hereby guarantee that the information disclosed herein is authentic, accurate and complete and free of any false records, misleading statements, or material omissions.

#### **Important Notice:**

1. The Board of Directors, Board of Supervisors, directors, supervisors and senior management members of the Company hereby guarantee that the information presented in this quarterly report is authentic, accurate, complete and free of any false records, misleading statements or material omissions, and they will bear joint and several liability for such information.
2. The Company's legal representative, chief accountant, and person in charge of accounting institution (Accounting Officer) hereby declare and warrant that the financial statements in the quarterly report are authentic, accurate, and complete.
3. Whether the Q3 Report has been audited.  
☐ Yes ☒ No

This document is a translated version of the Chinese version 2023 Q3 report ("2023 年第三季度报告"), and the published Q3 Report in the Chinese version shall prevail.

## I. Key Financial Data

### (I) Key Accounting Data and Financial Indicators

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

☐ Yes ☒ No

	Current Reporting Period	Increase/Decrease of the Current Reporting Period Compared with the Same Period of the Previous Year	From the Beginning of the Year to the End of the Current Reporting Period	Increase/Decrease of the Period from the Beginning of the Year to the End of the Current Reporting Period Compared with the Same Period of the Previous Year
Operating revenue (RMB)	7,644,936,763.40	7.91%	22,278,484,044.04	5.23%
Net profit attributable to shareholders of the listed Company (RMB)	614,113,966.50	254.46%	2,590,132,339.63	52.98%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	647,597,255.16	97.31%	2,402,367,085.12	51.68%
Net cash flow generated by operational activities (RMB)	—	—	1,325,252,238.48	250.02%
Basic earnings per share (RMB/share)	0.19	216.67%	0.82	43.86%
Diluted earnings per share (RMB/share)	0.19	216.67%	0.82	43.86%
Weighted average ROE	1.88%	1.17%	8.52%	1.55%
	At the End of the Current Reporting Period	At the End of the Previous Year	Increase/Decrease at the End of the Current Reporting Period Compared with the End of the Previous Year	
Total assets (RMB)	48,741,707,945.91	46,252,893,804.54	5.38%	
Owners' equity attributable to shareholders of the listed company (RMB)	32,765,862,720.81	25,836,798,918.61	26.82%	

### (II) Non-recurring Gains or Losses and Their Amounts

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount in the Current Reporting Period	Amount from the Beginning of the Year to the End of the Reporting Period	Note
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Profits or losses from disposal of non-current assets (including the write-off for the accrued impairment provision of assets)	886,195.97	175,572,225.10	
The government subsidies included in the current profits and losses (excluding the government subsidies closely related to regular businesses of the Company, in line with national policies, and consecutively received by a standard quota or quantity)	28,230,031.47	97,391,859.17	
Gains or losses from investment or asset management entrusted to others	-25,246,219.94	18,053,075.23	
Gains or losses from debt restructuring	-31,196.84	-31,196.84	
Profits and losses resulting from the changes in fair value for holding trading financial assets and trading financial liabilities, and investment income from disposal of trading financial assets, trading financial liabilities, and financial assets available for trading, excluding the effective hedging businesses related to the regular business operation of the Company	-37,015,955.06	22,868,289.08	
Reversal of the receivables impairment provision for separate impairment test		4,513.91	
Non-Operating Revenue and expenses other than the above	-447,826.02	3,065,574.77	
Other gains and losses items that fit the definition of non-recurring gains and losses	9,663,729.60	-45,338,804.18	
Less: Impact of income tax	-1,256,151.27	71,627,012.27	
Impact of minority equity (after tax)	10,778,199.11	12,193,269.46	
Total	-33,483,288.66	187,765,254.51	--

Other gains or losses that fit the definition of non-recurring gains or losses:

☐ Applicable ☒ Not applicable

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

Note for the definition of non-recurring gains and losses listed in the No. 1 Explanatory Announcement on Information

*Disclosure for Companies Issuance Their Securities to the Public - Non-recurring gains and losses, as recurring gains and losses.*

☐ Applicable ☒ Not applicable

The Company did not define any non-recurring gains and losses listed in the *No. 1 Explanatory Announcement on Information Disclosure for Companies Issuance Their Securities to the Public - Non-recurring gains and losses* as recurring gains and losses.

### **(III) Changes in Key Accounting Data and Financial Indicators and the Reasons**

☒ Applicable ☐ Not applicable

#### **(I) The changes of assets and liabilities and the reasons**

1. The cash and bank balances are increased by 43.54% compared with the beginning of the year, mainly due to the receipt of the raised funds for private placement in the current period;
2. The trading financial assets are increased by 2,097.31% compared with the beginning of the year, mainly due to the increase of the foreign exchange contracts;
3. The prepayments are increased by 66.52% compared with the beginning of the year, mainly due to the increase of prepayments for raw materials;
4. The contract assets are increased by 42.58% compared with the beginning of the year, mainly due to the increase of the completed but unsettled assets of the construction contracts in the current period;
5. Other non-current financial assets are increased by 59.57% compared with the beginning of the year, mainly due to the increase of the investment in the new asset management plans in the current period;
6. The constructions in progress are increased by 70.14% compared with the beginning of the year, mainly due to the increase of investments in the infrastructural projects in Chengdu, Zhengzhou and Fuyang in the current period;
7. The short-term loans are increased by 291.94% compared with the beginning of the year, mainly due to the increase of notes discounted and bank loans;
8. The trading financial liabilities are decreased by 94.29% compared with beginning of the year, mainly due to changes in fair value of the foreign exchange contracts;
9. The salaries payable to employees are decreased by 32.38% compared with the beginning of the year, mainly due to the issuance of previous year-end bonus in the current period;
10. Other payables are decreased by 31.54% compared with the beginning of the year, mainly due to the reduction of the obligations to repurchase restricted stocks;
11. The non-current liabilities due within one year are decreased by 55.01% compared with the beginning of the year, mainly due to the repayment of bank loans due within one year;
12. The deferred income is increased by 64.49% compared with the beginning of the year, mainly due to the increase of government subsidies;
13. The deferred income tax liabilities are increased by 91.44% compared with the beginning of the year, mainly due to increase of the taxable temporary differences;
14. The capital reserves are increased by 126.38% compared with the beginning of the year, mainly due to the receipt of the raised funds for private placement;
15. The minority shareholders' equities are increased by 95.10% compared with the beginning of the year, mainly due to the increase of the investments absorbed from and the profits and losses of the minority shareholders in the current period.

#### **(II) The changes of items in the income statement and the reasons**

1. The taxes and surcharges are increased by 44.80% compared with the same period of the previous year, mainly due to the increase of house property taxes payable in the current period compared with the same period of the previous year;
2. The financial expenses are increased by 41.97% compared with the same period of the previous year, mainly due to the decrease of exchange gains in the current period compared with the same period of the previous year;
3. The investment income is increased by 67.02% compared with the same period of the previous year, mainly due to the increase of equity transfer income in the current period compared with the same period of the previous year;
4. The income from changes in fair value is increased by 187.60% compared with same period of the previous year, mainly due to the increase of changes in the fair value of other non-current financial assets and foreign exchange contracts compared with the same period of the previous year;
5. The income tax expenses are increased by 198.81% compared with the same period of the previous year, mainly due to the increase of taxable income in the current period compared with the same period of the previous year.

(III) The changes of items in the cash flow statement and the reasons

1. The net cash flow from operating activities is increased by 250.02% compared with the same period of the previous year, mainly due to the decrease of purchase expenses in the current period compared with the same period of the previous year.
2. The net cash flow from investment activities is decreased by 260.61% compared with the same period of the previous year, mainly due to the decrease of the net inflow of investment and wealth management and the net cash from disposal of subsidiaries in the current period;
3. The net cash flow from financing activities is increased by 427.50% compared with the same period of the previous year, mainly due to the increase of the cash received from absorbing investments and the decrease of the net inflow of bank loan funds in the current period.

## II. Information on Shareholders

### (I) The total number of common shareholders, the number of preferred shareholders with restored voting rights and shareholding status of the top 10 shareholders

Unit: share

Total Number of Common Shareholders at the End of the Reporting Period		134,126	Total Number of Preferred Shareholders (if Any) Whose Voting Rights have been Recovered at the End of the Reporting Period		0	
Shareholding of the Top 10 Shareholders						
Name of Shareholder	Nature of Shareholder	Shareholding Percentage	Number of Shares Held	Number of Shares Held with Limited Sales Conditions	Pledges, Markings or Freezings	
					State of Shares	Quantity
Fu Liquan	Domestic natural person	31.08%	1,023,868,980	767,901,735	Pledge	201,000,000
China Mobile Communications Group Co., Ltd.	State-owned legal person	8.90%	293,103,400	293,103,400		0
Zhu Jiangming	Domestic natural person	4.86%	160,175,490	120,131,617		0
Chen Ailing	Domestic	2.16%	71,262,813	53,447,110	Pledge	31,800,000

	natural person					
Hong Kong Securities Clearing Co. Ltd.	Overseas legal person	2.15%	70,786,260	0		0
Wu Jun	Domestic natural person	2.10%	69,172,886	51,879,664		0
National Social Security Fund 103	Others	1.37%	45,000,000	0		0
China Securities Finance Co., Ltd.	State-owned legal person	1.20%	39,611,241	0		0
New China Life Insurance Company Ltd. - traditional - general insurance products-018L-CT001 S.	Others	0.80%	26,321,736	0		0
CCB - Utilities Industry Stock Type Security Investment Fund of First Seafront Fund	Others	0.71%	23,298,603	0		0

## Shareholding of the Top 10 Shareholders without Limited Sales Conditions

Name of Shareholder	Number of Shares Held Without Limited Sales Conditions	Type and Number of Shares	
		Type of Shares	Quantity
Fu Liquan	255,967,245	RMB common stock	255,967,245
Hong Kong Securities Clearing Co. Ltd.	70,786,260	RMB common stock	70,786,260
National Social Security Fund 103	45,000,000	RMB common stock	45,000,000
Zhu Jiangming	40,043,873	RMB common stock	40,043,873
China Securities Finance Co., Ltd.	39,611,241	RMB common stock	39,611,241
New China Life Insurance Company Ltd. - traditional - general insurance products-018L-CT001 S.	26,321,736	RMB common stock	26,321,736
CCB - Utilities Industry Stock Type Security Investment Fund of First Seafront Fund	23,298,603	RMB common stock	23,298,603
Agricultural Bank of China Co., Ltd.- China International Fund Management Emerging Power Hybrid Securities Investment Fund	21,590,209	RMB common stock	21,590,209
China Galaxy Securities Co., Ltd.	20,860,962	RMB common stock	20,860,962
Chen Ailing	17,815,703	RMB common stock	17,815,703

Description of the association relationship or concerted action of above-mentioned shareholders	Mr. Fu Liquan and Ms. Chen Ailing are husband and wife. The Company is unaware of whether other shareholders have associated relationship or are persons acting in concert.
Explanation on the Top 10 Shareholders' Participation in Securities Margin Trading (if Any)	N/A
Special note on the existence of repurchase special accounts among the top 10 shareholders without limited sales conditions	It is hereby stated that as at September 30, 2023, the Company has repurchased 18,358,401 ordinary shares (A shares) held by the special securities account in the Company with a shareholding ratio of 0.56% and is not listed among the top 10 shareholders of the Company without limited sales conditions, as required.

## (II) The total number of preferred shareholders and the shareholdings of the top 10 preferred shareholders

☐ Applicable ☒ Not applicable

## III. Other Significant Events

☒ Applicable ☐ Not applicable

### 1. Share repurchase of the Company

On August 25, 2023, the Company held 46th meeting of the 7th Board of Directors, at which the Company reviewed and approved the "Proposal on Repurchase of Shares", and on August 31, 2023, the Company published the "Report on Repurchase of Shares" on the Securities Times and Juchao Information Network. The Company plans to repurchase the shares of the Company in an amount that is no less than RMB 400 million (inclusive) and no more than RMB 600 million (inclusive). The repurchase price is no more than RMB 31.71 per share (inclusive). The period for the implementation of repurchase shall be 12 months from the day the Board of Directors of the Company reviews and approves this repurchase scheme. As of the end of the current reporting period, the Company has repurchased 18,358,401 shares with its special securities account for repurchase through centralized competitive bidding, accounting for 0.56% of the Company's present total share capital. The highest transaction price was RMB 21.70 per share and the lowest transaction price was RMB 19.70 per share. The total amount of funds used was RMB 390,623,667.27 (excluding transaction expenses). The present share repurchase scheme is under implementation.

### 2. Matters Concerning election of new members for the Board of Directors and Board of Supervisors

On August 25, 2023, the Company held the 46th meeting of the 7th Board of Directors and the 33rd meeting of the 7th Board of Supervisors, at which the Company reviewed and approved the "Proposal on Amendment of the Articles of Association", the "Proposal on Nomination of the Non-independent Director Candidates for the 8th Board of Directors", the "Proposal on Nomination of the Independent Director Candidates for the 8th Board of Directors" and the "Proposal on Nomination of the Non-employee Supervisor Candidates for the 8th Board of Supervisors". On September 11, 2023, the Company held the 2nd extraordinary general meeting of shareholders in 2023, the 1st meeting of the 8th Board of Directors, the 1st meeting of the 8th Board of Supervisors, and the 1st employee representative meeting in 2023, at which the Company elected new members for the Board of Directors and Board of Supervisors and engaged the senior management members, head of the Internal Audit Department and representative of the securities affairs. The announcements above

have been disclosed on Securities Times and Juchao Information Network (<http://www.cninfo.com.cn>), as designated by the Company.

## IV. Quarterly Financial Statements

### (I) Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by: Zhejiang Dahua Technology Co., Ltd.

September 30, 2023

Unit: RMB

Item	September 30, 2023	January 1, 2023
<b>Current Assets:</b>		
Cash and Bank Balances	11,526,005,451.30	8,029,878,650.77
Deposit Reservation for Balance		
Loans to Banks and Other Financial Institutions		
Trading Financial Assets	32,300,511.78	1,470,000.00
Derivative Financial Assets		
Notes receivable	657,657,287.18	872,302,071.18
Accounts receivable	15,983,230,318.92	15,411,908,561.50
Receivables Financing	624,396,701.80	679,441,917.62
Prepayments	202,644,376.32	121,691,239.14
Premium Receivable		
Reinsurance Accounts Receivable		
Reinsurance Contract Reserves Receivable		
Other Receivables	347,054,643.83	401,849,246.88
Including: interest receivable		
Dividends Receivable		8,519,063.17
Buying Back the Sale of Financial Assets		
Inventory	6,055,715,234.26	7,315,372,440.02
Contract Assets	151,616,055.06	106,335,405.35
Holding for-sale assets		
Non-current Assets Due within 1 Year	444,125,763.32	476,871,949.75
Other Current Assets	952,930,282.05	1,352,406,151.72
Subtotal of Current Assets	36,977,676,625.82	34,769,527,633.93
<b>Non-current Assets:</b>		
Granting of loans and advances		
Investment in Creditor's Rights		
Investment in Other Creditor's Rights		
Long-term Receivables	1,244,185,976.59	1,436,256,651.54
Long-term Equity Investment	1,131,411,277.38	1,461,099,644.55
Investment in Other Equity Instruments		
Other Non-current Financial Assets	1,485,704,445.48	931,043,130.33
Investment Property	422,842,366.64	423,035,823.82
Fixed Assets	4,534,488,944.83	4,643,617,574.85
Projects under Construction	720,594,069.59	423,535,552.03
Productive Biological Assets		
Oil and gas assets		



Right-of-use Assets	292,594,932.87	314,700,977.50
Intangible Assets	581,476,230.42	557,183,251.12
Development Expenditure		
Goodwill	6,615,294.18	6,615,294.18
Long-term Deferred Expenses	141,447,707.72	130,626,422.97
Deferred Income Tax Assets	1,072,290,892.37	1,014,419,944.15
Other Non-current Assets	130,379,182.02	141,231,903.57
Subtotal of Non-current Assets	11,764,031,320.09	11,483,366,170.61
Total assets	48,741,707,945.91	46,252,893,804.54
Current Liabilities:		
Short-term loan	1,010,975,250.06	257,943,618.51
Borrowings from the Central Bank		
Borrowings from Banks and Other Financial Institutions		
Transactional financial liabilities	1,521,381.34	26,652,319.25
Derivative Financial Liabilities		
Notes Payable	3,327,988,147.36	4,364,097,761.17
Accounts Payable	5,186,843,665.02	7,340,277,388.29
Received Prepayments		
Contract liabilities	1,088,556,025.95	1,219,548,011.88
Financial Assets Sold for Repurchase		
Deposit Taking and Interbank Deposit		
Receiving from Vicariously Traded Securities		
Receiving from Vicariously Sold Securities		
Payroll payable	1,070,520,359.59	1,583,203,165.43
Tax Payable	378,657,247.76	326,881,747.78
Other Payables	687,411,322.48	1,004,056,999.91
Including: interest payable		
Dividends Payable	10,349,050.92	
Service Charge and Commission Payable		
Reinsurance Accounts Payable		
Holding for-sale liabilities		
Non-current Liabilities Due within 1 Year	1,150,797,607.75	2,558,010,785.73
Other Current Liabilities	154,299,419.59	166,004,612.27
Subtotal of Current Liabilities	14,057,570,426.90	18,846,676,410.22
Non-current Liabilities:		
Insurance Contract Reserves		
Long-term loan	452,000,000.00	453,825,000.00
Bonds Payable		
Including: Preferred Stocks		
Perpetual Bonds		
Lease Liabilities	169,355,769.09	196,340,654.27
Long-term Payables		
Long-term payroll payable		
Expected Liabilities	226,038,360.08	227,764,387.93
Deferred Income	172,157,947.40	104,663,047.38
Deferred Income Tax Liabilities	2,236,888.14	1,168,473.33
Other Non-current Liabilities	152,019,212.22	204,084,072.08
Subtotal of Non-current Liabilities	1,173,808,176.93	1,187,845,634.99
Total Liabilities	15,231,378,603.83	20,034,522,045.21
Shareholders' Equity:		

Share Capital	3,294,468,990.00	3,033,161,170.00
Other Equity Instruments		
Including: Preferred Stocks		
Perpetual Bonds		
Capital Reserves	8,942,679,467.06	3,950,209,243.25
Less: Treasury Share	730,682,315.58	609,859,632.00
Other Comprehensive Incomes	36,885,468.70	36,942,339.77
Special Reserves		
Surplus Reserves	1,553,691,005.92	1,553,691,005.92
General Risk Reserves		
Undistributed Profits	19,668,820,104.71	17,872,654,791.67
Total Shareholders' Equity Attributable to the Parent Company	32,765,862,720.81	25,836,798,918.61
Minority Shareholders' Equity	744,466,621.27	381,572,840.72
Total Shareholders' Equity	33,510,329,342.08	26,218,371,759.33
Total Liabilities and Shareholders' Equity	48,741,707,945.91	46,252,893,804.54

Legal representative: Fu Liquan    Person in charge of accounting: Xu Qiaofen    Person in charge of the accounting institution: Zhu Zhuling

## 2. Consolidated Income Statement for the Period from the Beginning of the Year to the End of the Reporting Period

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
I. Total Operating Revenue	22,278,484,044.04	21,171,868,473.02
Including: Operating Revenue	22,278,484,044.04	21,171,868,473.02
Interest Income		
Earned Premiums		
Service Charge and Commission Income		
II. Total Operating Cost	19,682,357,352.26	19,424,258,152.56
Including: Operating Cost	12,777,077,332.38	13,226,510,613.09
Interest Expenditures		
Service Charge and Commission Expenses		
Surrender Value		
Net Claims Paid		
Net Amount Withdrawn for Insurance Liability Reserves		
Policyholder Dividend Expense		
Reinsurance Cost		
Taxes and Surcharges	177,294,208.00	122,439,797.00
Sales Expenses	3,425,427,717.75	3,311,667,760.71
Administration expenses	864,955,493.63	711,270,493.55
Research and development expense	2,747,587,038.30	2,586,591,892.17
Financial Expenses	-309,984,437.80	-534,222,403.96
Including: interest expenses	77,474,478.95	97,848,538.91

Interest Income	195,636,440.39	155,448,560.74
Add: Other income	620,883,016.92	716,789,799.42
Investment Income (Mark "-" for Loss)	-88,930,817.84	-269,681,876.75
Including: Investment Income from Affiliates and Joint Ventures	-220,706,198.89	-301,885,837.51
Profits from derecognition of Financial Assets at Amortized Cost	-315,687.54	-557,754.22
Exchange Gains (Mark "-" for Losses)		
Profit of Net Exposure Hedging (Mark "-" for Loss)		
Incomes from changes in fair value (losses marked with "-")	83,022,903.98	-94,777,053.97
Credit Impairment Losses (Mark "-" for Loss)	-202,741,060.32	-248,781,379.24
Asset Impairment Losses (Mark "-" for Loss)	-80,391,199.99	-76,837,195.24
Asset Disposal Income (Mark "-" for Loss)	1,560,039.61	2,297,493.53
III. Operating Profit (Mark "-" for Loss)	2,929,529,574.14	1,776,620,108.21
Add: Non-operating Revenues	7,471,604.33	9,811,752.49
Less: Non-operating Expenses	5,181,888.81	5,678,668.55
IV. Total Profit (Mark "-" for Total Loss)	2,931,819,289.66	1,780,753,192.15
Less: Income Tax Expense	225,322,486.28	75,406,912.79
V. Net Profit (Mark "-" for Net Loss)	2,706,496,803.38	1,705,346,279.36
(I) Classified by operation continuity		
1. Net Profit as a Going Concern (Mark "-" for Net Loss)	2,706,496,803.38	1,705,346,279.36
2. Net Profit of Discontinued Operation (Mark "-" for Net Loss)		
(II) Classified by the attribution of ownership		
1. Net Profit Attributable to Shareholders of Parent Company (Mark "-" for Net Loss)	2,590,132,339.63	1,693,101,190.89
2. Minority Shareholders' Profit and Loss (Mark "-" for Net Loss)	116,364,463.75	12,245,088.47
VI. Net Amount of Other Comprehensive Incomes after Tax	-199,810.57	-34,710,886.19
Net Amount of Other Comprehensive Incomes after Tax Attributable to the Parent Company's Owner	-56,871.07	-34,444,992.63
(I) Other comprehensive income that cannot be reclassified into profit or loss	941,710.18	
1. Re-measure the variation of the defined benefit plan		

2. Other comprehensive income that cannot be transferred to P/L under the equity method	941,710.18	
3. Changes in the fair value of investment in other equity instruments		
4. Changes in the fair value of the credit risk of the enterprise		
5. Others		
(II) Other comprehensive income that will be reclassified as P/L	-998,581.25	-34,444,992.63
1. Other comprehensive income that can be transferred to P/L under the equity method		
2. Changes in the fair value of investment in other creditor's rights		
3. Financial assets reclassified into other comprehensive income		
4. Provisions for the credit impairment of investment in other creditor's rights		
5. Cash flow hedge reserves		
6. Currency translation difference	-998,581.25	-34,444,992.63
7. Others		
Net Amount of Other Comprehensive Incomes After Tax Attributable to Minority Shareholders	-142,939.50	-265,893.56
VII. Total Comprehensive Income	2,706,296,992.81	1,670,635,393.17
(I) Total Comprehensive Income Attributable to the Parent Company's Owner	2,590,075,468.56	1,658,656,198.26
(II) Total Comprehensive Income Attributable to Minority Shareholders	116,221,524.25	11,979,194.91
VIII. Earnings per Share:		
(I) Basic Earnings per Share	0.82	0.57
(II) Diluted Earnings per Share	0.82	0.57

Legal representative: Fu Liquan    Person in charge of accounting: Xu Qiaofen    Person in charge of the accounting institution: Zhu Zhuling

### 3. Consolidated Cash Flow Statement for the Period from the Beginning of the Year to the End of the Reporting Period

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
I. Cash Flow Generated by Operational Activities:		
Cash from Sales of Merchandise and Provision of Services	23,883,101,840.08	23,543,613,200.85
Net Increase in Customer's Bank Deposits and Interbank Deposits		
Net Increase in Borrowings from the Central Bank		
Net Increase in Borrowings from Other Financial Institutions		

Cash Arising from Receiving Premiums for the Original Insurance Contract		
Net Amount Arising from Reinsurance Business		
Net Increase in Deposits and Investments from Policyholders		
Cash Arising from Interests, Service Charges and Commissions		
Net Increase in Borrowings from Banks and Other Financial Institutions		
Net Increase in Repurchase Business Funds		
Net Amount of Cash Received from the Vicariously Traded Securities		
Tax Refund	829,406,103.23	1,123,002,586.61
Other Received Cashes Related to Operational Activities	930,003,416.52	908,237,914.67
Subtotal of cash inflow from operational activities	25,642,511,359.83	25,574,853,702.13
Cash Paid for Merchandise and Services	15,829,648,766.62	17,516,686,825.14
Net Increase in Loans and Advances to Customers		
Net Increase in Deposits with Central Bank and Other Financial Institutions		
Cash Paid for Original Insurance Contract Claims		
Net increase of funds lent		
Cash Paid for Interests, Service Charges and Commissions		
Cash Paid for Policy Dividends		
Cash Paid to and for Employees	5,476,008,617.90	5,856,138,762.66
Cash Paid for Taxes and Surcharges	1,390,361,176.28	1,566,631,299.56
Other Paid Cashes Related to Operational Activities	1,621,240,560.55	1,518,774,493.93
Subtotal of cash outflow from operational activities	24,317,259,121.35	26,458,231,381.29
Net cash flow generated by operating activities	1,325,252,238.48	-883,377,679.16
II. Cash Flow from Investment Activities:		
Cash Arising from Disposal of Investments	1,275,269,172.84	2,038,864,008.78
Cash Arising from Investment Incomes	28,199,284.38	24,500,087.16
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets	3,985,726.76	8,597,432.00
Net Cash Arising from Disposal of		229,078,062.03

Subsidiaries and Other Business Units		
Other Received Cashes Related to Investment Activities	7,731,220.78	25,121,289.66
Subtotal of cash inflow from investment activities	1,315,185,404.76	2,326,160,879.63
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets	1,020,886,264.64	1,019,379,551.12
Cash Paid for Investments	1,223,451,286.75	1,584,782,317.98
Net Increase in Pledge Loans		
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units		
Other Paid Cashes Related to Investment Activities	82,528,381.07	2,545,032.90
Subtotal of cash outflows from investment activities	2,326,865,932.46	2,606,706,902.00
Net amount of cash flow generated by investment activities	-1,011,680,527.70	-280,546,022.37
III. Cash Flow from Financing Activities:		
Cash Arising from Absorbing Investments	5,505,773,563.01	626,079,632.00
Including: Cash Arising from Subsidiaries Absorbing Investments by Minority Shareholders	409,774,403.01	16,220,000.00
Cash Arising from Borrowings	2,373,225,673.47	5,013,321,909.81
Other Received Cashes Related to Financing Activities		453,263.81
Subtotal of cash inflow from financing activities	7,878,999,236.48	5,639,854,805.62
Cash Paid for Debts Repayment	3,067,680,609.51	3,680,361,551.09
Cash Paid for Distribution of Dividends and Profits or Payment of Interests	850,997,501.96	885,752,222.88
Including: Dividends and Profits Paid to Minority Shareholders by Subsidiaries	1,104,770.95	
Other Paid Cashes Related to Financing Activities	783,092,316.63	471,425,530.60
Subtotal of cash outflow from financing activities	4,701,770,428.10	5,037,539,304.57
Net cash flow generated by financing activities	3,177,228,808.38	602,315,501.05
IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents	18,635,906.58	145,882,804.58
V. Net Increase in Cash and Cash Equivalents	3,509,436,425.74	-415,725,395.90
Add: Cash and Cash Equivalents at the Commencement of the Period	7,878,465,052.63	7,617,576,852.32
VI. Cash and Cash Equivalents at the End of the Period	11,387,901,478.37	7,201,851,456.42

**(II) The first implementation of new accounting criteria from 2023 to adjust the relevant items of the financial statements implemented at the beginning of the year for the first time**

☐ Applicable ☒ Not applicable

**(III) Audit Report**

Whether the Q3 report has been audited.

☐ Yes ☒ No

The Q3 report of the Company has not been audited yet.

Board of Directors of Zhejiang Dahua Technology Co., Ltd.

October 21, 2023