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Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 6826)

2022 THIRD QUARTERLY REPORT

This announcement is made by Shanghai Haohai Biological Technology Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Part XIVA of The Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) to provide shareholders of the Company and the public with the updated financial information of the Company. This announcement is also published on the website of the Shanghai Stock Exchange simultaneously.

The unaudited results (the “**Third Quarterly Report**”) of the Group for the three and nine months ended 30 September 2022 are provided. The financial information contained in the Third Quarterly Report has been prepared in accordance with the Chinese Accounting Standards for Business Enterprises, and contains accounting data which has not been audited. Potential investors and shareholders of the Company are advised to pay attention to the underlying investment risks.

The Third Quarterly Report is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the Third Quarterly Report shall prevail.

By order of the Board
Shanghai Haohai Biological Technology Co., Ltd.*
Chairman
Hou Yongtai

Shanghai, the PRC, 28 October 2022

As at the date of this announcement, the executive directors of the Company are Dr. Hou Yongtai, Mr. Wu Jianying, Ms. Chen Yiyi and Mr. Tang Minjie; the non-executive directors of the Company are Ms. You Jie and Mr. Huang Ming; and the independent non-executive directors of the Company are Mr. Guo Yongqing, Mr. Jiang Zhihong, Mr. Su Zhi, Mr. Yang Yushe and Mr. Zhao Lei.

* *For identification purpose only*

IMPORTANT NOTICE:

- The board of directors (the “**Board**”), the supervisory committee, the directors, supervisors and senior management of the Company hereby warrant the truthfulness, accuracy and completeness of the contents of the Third Quarterly Report, guarantee that there are no false representations, misleading statements or material omissions contained in the Third Quarterly Report, and are jointly and severally responsible for the liabilities of the Company.
- The legal representative of the Company, the person in charge of accounting affairs of the Company and the person in charge of the accounting department of the Company, warrant the truthfulness, accuracy and completeness of the financial information contained in the Third Quarterly Report.
- The Third Quarterly Report is audited
 - Yes No

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: Yuan; Currency: RMB

| Items | The Reporting Period | Increase/ decrease for the Reporting Period as compared to the corresponding period of last year (%) | From the beginning of the year to the end of the Reporting Period | Increase/ decrease for the period from the beginning of the year to the end of the Reporting Period as compared to the corresponding period of last year (%) |
|---|----------------------|---|--|---|
| | | | | |
| Revenue | 614,770,042.44 | 45.14 | 1,582,558,810.68 | 24.14 |
| Net profit attributable to shareholders of the Company | 90,719,542.87 | 14.15 | 161,749,504.38 | -47.91 |
| Net profit after deducting non-recurring profit or loss attributable to shareholders of the Company | 87,258,795.92 | 21.64 | 140,449,394.19 | -52.02 |
| Net cash flows from operating activities | Not applicable | Not applicable | 180,968,132.36 | 0.18 |
| Basic earnings per share (RMB/share) | 0.52 | 15.56 | 0.93 | -47.16 |
| Diluted earnings per share (RMB/share) | 0.52 | 15.56 | 0.93 | -47.16 |
| Weighted average return on net assets (%) | 1.63 | Increased by 0.23 percentage points | 2.86 | Decreased by 2.67 percentage points |
| Total research and development (“R&D”) expenses | 44,510,177.26 | 10.54 | 121,221,455.33 | 6.57 |
| R&D expenses as a percentage of revenue (%) | 7.24 | Decreased by 2.27 percentage points | 7.66 | Decreased by 1.26 percentage points |
| | | As at the end of the Reporting Period | As at the end of last year | Increase/ decrease as at the end of the Reporting Period over the end of last year (%) |
| Total assets | 6,880,856,158.25 | | 6,950,355,416.19 | -1.00 |
| Equity attributable to shareholders of the Company | 5,555,011,259.21 | | 5,713,459,639.49 | -2.77 |

Note: “Reporting Period” refers to the three-month period from the beginning of this quarter to the end of this quarter and the same meaning applies to the contents below.

(II) Non-recurring profit or loss items and amount*Unit: Yuan; Currency: RMB*

| Items | Amount for the Reporting Period | Amount from the beginning of the year to the end of the Reporting Period | Note |
|--|---------------------------------------|---|------|
| Gain or loss on disposal of non-current assets | -127,151.53 | -113,678.48 | |
| Government grant included in profit or loss for the current period, except for the government grant closely related to the Company's normal operation, and entitled in fixed amounts or quantities on a continuous basis according to national policies | 7,516,285.62 | 28,029,330.02 | |
| Gain or loss arising from change in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, other than effective hedging business conducted in the course of normal business of the Company | -2,010,846.35 | -709,222.33 | |
| Other non-operating income and expenses other than abovementioned items | -693,607.84 | -549,113.25 | |
| Less: Effect of income tax | 1,035,990.31 | 4,064,852.41 | |
| Effect of non-controlling interests (after tax) | 187,942.64 | 1,292,353.36 | |
| Total | <u>3,460,746.95</u> | <u>21,300,110.19</u> | |

Description of non-recurring profit or loss items listed in the Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items (《公開發行證券的公司信息披露解釋性公告第 1 號 – 非經常性損益》) being defined as recurring profit or loss items

Applicable Not applicable

(III) Changes in major accounting data and financial indicators and reasons for changes

√ Applicable □ Not applicable

| Items | Percentage change (%) | Key reasons |
|-------------------------------------|-----------------------------|--|
| Revenue for the Reporting Period | 45.14 | Revenue for the Reporting Period increased by 45.14% as compared to the corresponding period of last year. The increase was mainly due to the combined effect of the following factors: (1) Due to the impact of the COVID-19 pandemic (“ Pandemic ”) in Shanghai from March to May 2022, some orders of the Company and its 3 major production subsidiaries in Shanghai were postponed to the third quarter. And after the Pandemic eased, the Group actively carried out marketing activities to make up for the impact of the Pandemic. During the Reporting Period, revenue from orthopedic, medical aesthetic and surgical products increased as compared to the corresponding period of last year, especially the third-generation HA dermal filler “Hyalumatrix” and human epidermal growth factor for external use products in the medical aesthetics product line; (2) the Group’s ophthalmology product line is actively deployed in the fields of myopia prevention and control and refractive correction. In particular, with the inclusion of Xiamen Nanpeng Optics Co., Ltd. in the consolidated financial statements of the Company since January 2022, the revenue from orthokeratology lens and its ancillary products during the Reporting Period increased significantly as compared to the corresponding period of last year; (3) OHMK (TianJin) Medical Technology Co. Ltd. (歐華美科(天津)醫學科技有限公司, “ Juva Medical ”) was included in the consolidated financial statements of the Company since September 2021, and the inclusion of the 3-month revenue of Juva Medical into the Reporting Period also contributed into the increase as compared to the corresponding period of last year. |

| Items | Percentage change (%) | Key reasons |
|--|-----------------------------|--|
| Net profit attributable to shareholders of the Company from the beginning of the year to the end of the Reporting Period | -47.91 | <p>From the beginning of the year to the end of the Reporting Period, the net profit attributable to shareholders of the Company decreased by 47.91% as compared to the corresponding period of last year. This was mainly due to the Pandemic in Shanghai from March to May 2022, which had a significant impact on the production of the Company and its three major production subsidiaries in Shanghai were significantly affected, resulting in a loss of approximately RMB40.00 million due to the shutdown of the city. Secondly, as the distribution agreement between Aaren Scientific Inc. (“Aaren”), a subsidiary of the Company, and its original exclusive distributor in Mainland China was terminated, before the reintegration of domestic sales channels, Aaren initiated a phased production shutdown and cost reduction plan, resulting in an operating loss of approximately RMB11.57 million. Due to signs of impairment, the Group made an impairment loss of approximately RMB25.00 million after conducting an impairment test on some of Aaren's assets. In addition, the Company and its subsidiary, Juva Medical, incurred a total share-based payment expense of approximately RMB22.05 million due to the implementation of certain equity incentive schemes and, during the corresponding period of last year, the Group received dividends in the amount of approximately RMB41.18 million from Shenwu No. 1 Investment Product, while the Group did not receive such dividends during the Reporting Period. As a result of the above factors, the net profit attributable to shareholders of the Company from the beginning of the year to the end of the Reporting Period decreased considerably as compared to the corresponding period of last year.</p> |

| Items | Percentage change (%) | Key reasons |
|---|-----------------------------|--|
| Net profit after deducting non-recurring profit or loss attributable to shareholders of the Company from the beginning of the year to the end of the Reporting Period | -52.02 | Mainly due to the decrease in net profit attributable to shareholders of the Company from the beginning of the year to the end of the Reporting Period mentioned above as compared to the corresponding period of last year, and the increase of the government grant included in the non-recurring profit or loss from the beginning of the year to the end of the Reporting Period as compared to the corresponding period of last year. |
| Basic earnings per share from the beginning of the year to the end of the Reporting Period | -47.16 | Mainly due to the decrease in net profit attributable to shareholders of the Company from the beginning of the year to the end of the Reporting Period as compared to the corresponding period of last year. |
| Diluted earnings per share from the beginning of the year to the end of the Reporting Period | -47.16 | Same as above. |

II. SHAREHOLDERS

(I) Total number of ordinary shareholders and preferred shareholders with voting rights resumed and shareholding of the top ten shareholders of the Company

Unit: share

| | | | |
|---|--------|--|----------------|
| Total number of ordinary shareholders at the end of the Reporting Period | 10,252 | Total number of preferred shareholders with voting rights resumed at the end of the Reporting Period (if any) | Not applicable |
|---|--------|--|----------------|

Shareholding of the top ten shareholders

| Name of shareholders | Nature of shareholders | Number of shares held | Proportion of shareholding (%) | Number of shares subject to selling restrictions | Number of restricted shares including lending shares for securities financing | Status of shares (pledged, marked or frozen) | |
|---|---------------------------------------|-----------------------|--------------------------------|--|---|--|--------|
| | | | | | | Status | Number |
| Jiang Wei | Domestic natural person | 44,449,000 | 25.53 | 44,449,000 | 44,449,000 | None | 0 |
| HKSCC NOMINEES LIMITED | Other | 36,256,389 | 20.82 | 0 | 0 | Unknown | - |
| You Jie | Domestic natural person | 28,800,000 | 16.54 | 28,800,000 | 28,800,000 | None | 0 |
| Lou Guoliang | Domestic natural person | 7,125,075 | 4.09 | 0 | 0 | None | 0 |
| Shanghai Zhanze Corporate Management Partnership Enterprise (Limited Partnership) | Domestic non-state-owned legal person | 6,471,000 | 3.72 | 6,471,000 | 6,471,000 | None | 0 |
| Wu Jianying | Domestic natural person | 6,000,000 | 3.45 | 0 | 0 | None | 0 |
| Hou Yongtai | Domestic natural person | 5,982,000 | 3.44 | 0 | 0 | None | 0 |
| Liu Yuanzhong | Domestic natural person | 2,000,000 | 1.15 | 0 | 0 | None | 0 |
| Huang Ming | Domestic natural person | 2,000,000 | 1.15 | 0 | 0 | None | 0 |
| Wang Wenbin | Domestic natural person | 1,700,000 | 0.98 | 0 | 0 | None | 0 |

Shareholdings of the top ten shareholders not subject to selling restrictions

| Name of shareholders | Number of shares not subject to selling restrictions | Class and number of shares | |
|------------------------|--|--------------------------------|------------|
| | | Class | Number |
| HKSCC NOMINEES LIMITED | 36,256,389 | Overseas listed foreign shares | 36,256,389 |
| Lou Guoliang | 7,125,075 | RMB ordinary shares | 7,125,075 |
| Wu Jianying | 6,000,000 | RMB ordinary shares | 6,000,000 |
| Hou Yongtai | 5,982,000 | RMB ordinary shares | 5,982,000 |
| Liu Yuanzhong | 2,000,000 | RMB ordinary shares | 2,000,000 |
| Huang Ming | 2,000,000 | RMB ordinary shares | 2,000,000 |
| Wang Wenbin | 1,700,000 | RMB ordinary shares | 1,700,000 |
| Tao Weidong | 1,627,000 | RMB ordinary shares | 1,627,000 |
| Peng Jinhua | 1,100,000 | RMB ordinary shares | 1,100,000 |
| Ling Ting | 881,435 | RMB ordinary shares | 881,435 |

Description of the above shareholders' related party relationship or party acting in concert

Among the above top ten shareholders, Jiang Wei and You Jie are in spousal relationship, and they are the controlling shareholders and de facto controllers of the Company. Shanghai Zhanze Corporate Management Partnership Enterprise (Limited Partnership) is a company controlled by Jiang Wei.

Apart from the above, the Company is not aware of any related party relationship between the other shareholders or whether they are parties acting in concert as defined under the rules.

Description of the top ten shareholders and top ten shareholders not subject to selling restrictions participating in securities margin trading and refinancing business (if any)

Not applicable

Note: HKSCC NOMINEES LIMITED holds shares on behalf of various customers.

III. OTHER REMINDERS

The investors should be reminded of other important information about the Company's operation during the Reporting Period

Applicable Not applicable

IV. THE THIRD QUARTERLY FINANCIAL STATEMENTS

(I) The category of audit opinion

Applicable Not applicable

(II) Financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2022

Prepared by: Shanghai Haohai Biological Technology Co., Ltd.*

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

| Items | 30 September 2022 | 31 December 2021 |
|---|--------------------------------|--------------------------------|
| Current assets: | | |
| Cash and bank balance | 2,585,704,681.30 | 2,901,402,136.28 |
| Financial assets held for trading | 18,458,395.13 | 11,077,958.84 |
| Accounts receivable | 403,611,586.63 | 370,503,253.97 |
| Prepayments | 70,499,291.63 | 55,656,408.66 |
| Other receivables | 24,589,745.64 | 19,180,554.14 |
| Including: Interest receivable | – | – |
| Dividends receivable | – | – |
| Inventories | 454,092,846.33 | 354,765,098.16 |
| Total current assets | <u>3,556,956,546.66</u> | <u>3,712,585,410.05</u> |
| Non-current assets: | | |
| Long-term equity investments | 3,297,543.56 | 51,412,381.64 |
| Other investments in equity instruments | 738,128,206.32 | 573,935,074.46 |
| Fixed assets | 744,309,192.32 | 819,509,191.39 |
| Construction in progress | 410,388,271.05 | 369,565,359.29 |
| Right-of-use assets | 37,420,735.52 | 45,053,607.35 |
| Intangible assets | 805,358,462.55 | 783,143,298.65 |
| Goodwill | 409,835,851.75 | 406,900,959.24 |
| Long-term prepayments | 8,680,228.81 | 7,962,163.06 |
| Deferred tax assets | 61,672,679.06 | 49,356,134.15 |
| Other non-current assets | 104,808,440.65 | 130,931,836.91 |
| Total non-current assets | <u>3,323,899,611.59</u> | <u>3,237,770,006.14</u> |
| TOTAL ASSETS | <u><u>6,880,856,158.25</u></u> | <u><u>6,950,355,416.19</u></u> |

| Items | 30 September 2022 | 31 December 2021 |
|--|------------------------------------|------------------------------------|
| Current liabilities: | | |
| Short-term borrowings | 30,856,797.57 | 25,184,398.63 |
| Accounts payable | 73,696,908.71 | 46,264,074.55 |
| Contract liabilities | 47,543,757.64 | 46,508,997.82 |
| Employee benefits payable | 68,374,996.28 | 78,697,949.25 |
| Tax payable | 51,721,216.65 | 17,778,797.45 |
| Other payables | 252,333,200.42 | 255,600,868.12 |
| Including: Interest payable | – | – |
| Dividends payable | 1,200,000.00 | – |
| Non-current liabilities due within one year | <u>17,122,351.34</u> | <u>17,237,425.93</u> |
| Total current liabilities | <u>541,649,228.61</u> | <u>487,272,511.75</u> |
| Non-current liabilities: | | |
| Long-term borrowings | 9,374,015.81 | 9,884,797.36 |
| Lease liabilities | 24,900,648.27 | 29,608,246.87 |
| Long-term payables | 4,500,000.00 | 8,109,850.00 |
| Provision | 1,861,806.81 | 1,764,906.65 |
| Deferred income | 5,023,932.72 | 9,402,298.82 |
| Deferred tax liabilities | 166,083,529.81 | 157,910,096.64 |
| Other non-current liabilities | <u>225,862,750.00</u> | <u>186,117,750.00</u> |
| Total non-current liabilities | <u>437,606,683.42</u> | <u>402,797,946.34</u> |
| TOTAL LIABILITIES | <u><u>979,255,912.03</u></u> | <u><u>890,070,458.09</u></u> |
| Equity attributable to equity holders (or shareholders): | | |
| Paid-up capital (or issued capital) | 174,130,000.00 | 175,822,100.00 |
| Capital reserve | 3,020,711,082.24 | 3,090,857,666.76 |
| Less: Treasury shares | 73,066,205.64 | – |
| Other comprehensive income | -5,915,747.41 | 48,132,247.09 |
| Surplus reserve | 88,922,650.00 | 88,922,650.00 |
| Retained earnings | <u>2,350,229,480.02</u> | <u>2,309,724,975.64</u> |
| Total equity attributable to equity holders (or shareholders) of the parent company | <u>5,555,011,259.21</u> | <u>5,713,459,639.49</u> |
| Non-controlling interests | <u>346,588,987.01</u> | <u>346,825,318.61</u> |
| TOTAL EQUITY | <u>5,901,600,246.22</u> | <u>6,060,284,958.10</u> |
| TOTAL LIABILITIES AND EQUITY | <u><u>6,880,856,158.25</u></u> | <u><u>6,950,355,416.19</u></u> |

Legal representative:
Hou Yongtai

Person in charge of
accounting affairs:
Tang Minjie

Person in charge of the
accounting department:
Bian Yiping

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

January to September 2022

Prepared by: Shanghai Haohai Biological Technology Co., Ltd.*

Unit: Yuan Currency: RMB Type of audit: Unaudited

| Items | First three quarters of 2022 (January to September) | First three quarters of 2021 (January to September) |
|--|--|--|
| I. Total revenue | 1,582,558,810.68 | 1,274,803,623.23 |
| Including: Operating revenue | 1,582,558,810.68 | 1,274,803,623.23 |
| II. Total operating costs | 1,368,176,550.14 | 982,116,844.27 |
| Including: Cost of sales | 473,851,372.45 | 328,369,194.07 |
| Taxes and surcharges | 9,297,431.70 | 8,051,178.14 |
| Selling expenses | 497,717,415.93 | 416,855,678.56 |
| Administrative expenses | 324,258,465.99 | 182,546,125.29 |
| R&D expenses | 121,221,455.33 | 113,753,193.63 |
| Financial expenses | -58,169,591.26 | -67,458,525.42 |
| Including: Interest expenses | 2,945,145.23 | 2,734,750.34 |
| Interest income | 62,272,758.70 | 73,535,481.92 |
| Add: Other income | 28,029,330.02 | 20,011,125.66 |
| Investment income (Loss denoted in “-”) | 5,945,912.51 | 41,577,512.03 |
| Including: Gains from investment in associates and joint ventures | 3,733,263.92 | -2,660,939.68 |
| Gains from changes in fair value (Loss denoted in “-”) | -2,328,958.69 | — |
| Credit impairment losses (Loss denoted in “-”) | -10,556,569.49 | 1,647,243.62 |
| Assets impairment losses (Loss denoted in “-”) | -25,387,624.31 | 280,805.03 |
| Gains on disposal of assets (Loss denoted in “-”) | -23,770.49 | 72,602.73 |
| III. Operating profit (Loss denoted in “-”) | 210,060,580.09 | 356,276,068.03 |
| Add: Non-operating income | 376,316.96 | 206,089.82 |
| Less: Non-operating expenses | 925,430.21 | 854,376.04 |
| IV. Total profit (Total loss denoted in “-”) | 209,511,466.84 | 355,627,781.81 |
| Less: Income tax expenses | 43,252,040.77 | 41,398,608.79 |

| Items | First three quarters of 2022 (January to September) | First three quarters of 2021 (January to September) |
|--|--|--|
| V. Net profit (Net loss denoted in “-”) | <u>166,259,426.07</u> | <u>314,229,173.02</u> |
| (I) According to operating continuity | | |
| 1. Net profit from continuing operations (Net loss denoted in “-”) | 166,259,426.07 | 314,229,173.02 |
| 2. Net profit from discontinued operations (Net loss denoted in “-”) | <u>—</u> | <u>—</u> |
| (II) According to ownership | | |
| 1. Net profit attributable to shareholders of parent company (Net loss denoted in “-”) | 161,749,504.38 | 310,495,002.97 |
| 2. Non-controlling interests (Net loss denoted in “-”) | <u>4,509,921.69</u> | <u>3,734,170.05</u> |
| VI. Other comprehensive income, net of tax | -53,103,567.30 | 50,828,739.87 |
| (I) Other comprehensive income attributable to equity holders of the parent company, net of tax | -53,401,994.50 | 52,335,271.83 |
| 1. Other comprehensive income that cannot be reclassified to profit or loss | -58,520,816.47 | 46,020,895.41 |
| (3) Changes in fair value of other equity instrument investments | -58,520,816.47 | 46,020,895.41 |
| 2. Other comprehensive income to be reclassified to profit or loss | 5,118,821.97 | 6,314,376.42 |
| (6) Exchange differences on foreign currency translations | 5,118,821.97 | 6,314,376.42 |
| (II) Other comprehensive income attributable to non-controlling interests, net of tax | 298,427.20 | -1,506,531.96 |
| VII. Total comprehensive income | 113,155,858.77 | 365,057,912.89 |
| (I) Total comprehensive income attributable to equity holders of the parent company | 108,347,509.88 | 362,830,274.80 |
| (II) Total comprehensive income attributable to non- controlling interests | 4,808,348.89 | 2,227,638.09 |
| VIII. Earnings per share: | | |
| (I) Basic earnings per share (<i>RMB/share</i>) | 0.93 | 1.76 |
| (II) Diluted earnings per share (<i>RMB/share</i>) | 0.93 | 1.76 |

For business combination under common control conducted during the first three quarters of 2022, the acquiree achieved a net profit of RMB0 before the combination; the acquiree achieved a net profit of RMB0 during the same period of last year.

Legal representative:
Hou Yongtai

Person in charge of
accounting affairs:
Tang Minjie

Person in charge of
the accounting department:
Bian Yiping

CONSOLIDATED STATEMENT OF CASH FLOWS

January to September 2022

Prepared by: Shanghai Haohai Biological Technology Co., Ltd.*

Unit: Yuan Currency: RMB Type of audit: Unaudited

| Items | First three quarters of 2022 (January to September) | First three quarters of 2021 (January to September) |
|---|--|--|
| I. Cash flows from operating activities: | | |
| Cash received from sales of goods or rendering of services | 1,688,544,097.45 | 1,329,553,071.35 |
| Refund of taxes and surcharges | 17,332,395.20 | 393,748.75 |
| Cash received relating to other operating activities | 24,128,787.87 | 20,912,522.02 |
| Sub-total of cash inflows from operating activities | <u>1,730,005,280.52</u> | <u>1,350,859,342.12</u> |
| Cash paid for goods and services | 480,993,764.17 | 276,562,206.42 |
| Cash paid to and on behalf of employees | 401,991,443.39 | 302,714,799.71 |
| Payments of taxes and surcharges | 128,915,939.83 | 124,493,075.29 |
| Cash paid relating to other operating activities | 537,136,000.77 | 466,440,699.78 |
| Sub-total of cash outflows from operating activities | <u>1,549,037,148.16</u> | <u>1,170,210,781.20</u> |
| Net cash flows from operating activities | <u>180,968,132.36</u> | <u>180,648,560.92</u> |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 931,367,288.35 | 1,295,220,276.44 |
| Cash received from returns on investments | 41,162,042.69 | 112,960,616.65 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 55,555.87 | 52,258.83 |
| Net cash received from disposal of subsidiaries and other business units | 17,585,868.31 | — |
| Cash received relating to other investing activities | — | 16,031.71 |
| Sub-total of cash inflows from investing activities | <u>990,170,755.22</u> | <u>1,408,249,183.63</u> |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | 172,323,334.66 | 158,309,614.89 |
| Cash paid for investments | 1,303,358,695.17 | 1,117,725,795.99 |
| Net cash paid for acquisition of subsidiaries and other business units | 2,935,760.42 | 50,728,061.82 |
| Sub-total of cash outflows from investing activities | <u>1,478,617,790.25</u> | <u>1,326,763,472.70</u> |
| Net cash flows from investing activities | <u>-488,447,035.03</u> | <u>81,485,710.93</u> |

| Items | First three quarters of 2022 (January to September) | First three quarters of 2021 (January to September) |
|---|--|--|
| III. Cash flows from financing activities: | | |
| Cash received from absorbing investment | 12,000,000.00 | 4,000,000.00 |
| Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries | 12,000,000.00 | 4,000,000.00 |
| Cash received from borrowings | 30,856,797.57 | 38,026,233.67 |
| Cash received relating to other financing activities | — | 50,000,000.00 |
| Sub-total of cash inflows from financing activities | <u>42,856,797.57</u> | <u>92,026,233.67</u> |
| Cash paid for repayment of borrowings | 30,667,020.05 | 94,140,211.07 |
| Cash paid for dividends or profits distribution or repayment of interests | 132,214,803.99 | 89,442,145.72 |
| Including: Dividends or profits paid to non-controlling shareholders of subsidiaries | 16,100,000.00 | 5,760,000.00 |
| Cash paid relating to other financing activities | <u>179,077,701.55</u> | <u>109,257,726.03</u> |
| Sub-total of cash outflows from financing activities | <u>341,959,525.59</u> | <u>292,840,082.82</u> |
| Net cash flows from financing activities | <u>-299,102,728.02</u> | <u>-200,813,849.15</u> |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | <u>5,578,342.39</u> | <u>-1,910,574.54</u> |
| V. Net increase in cash and cash equivalents | -601,003,288.30 | 59,409,848.16 |
| Add: Opening balance of cash and cash equivalents | <u>1,283,892,952.34</u> | <u>1,327,887,460.94</u> |
| VI. Closing balance of cash and cash equivalents | <u><u>682,889,664.04</u></u> | <u><u>1,387,297,309.10</u></u> |

Legal representative:
Hou Yongtai

Person in charge of
accounting affairs:
Tang Minjie

Person in charge of
the accounting department:
Bian Yiping

Adjustments to the financial statements at the beginning of the year due to initial adoption of new accounting standards or interpretations of standards since 2022

Applicable Not applicable