

Zhejiang Dahua Technology Co., Ltd.

2022 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, the 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

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

| | The Current Reporting Period | Increase/Decrease of the Current Reporting Period Compared with the Same Period of the Previous Year | From Beginning of the Year to the End of the 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) | 7,084,782,632.05 | -11.22% | 21,171,868,473.02 | -1.46% |
| Net Profit Attributable to Shareholders of the Listed Company (RMB) | 173,252,223.18 | -77.08% | 1,693,101,190.89 | -29.43% |
| Net Profit Attributable to Shareholders of the Listed Company After Deducting Non-Recurring Gains and Losses (RMB) | 328,220,836.46 | -52.99% | 1,583,860,680.57 | -25.91% |
| Net Cash Flow Generated by Operational Activities (RMB) | — | — | -883,377,679.16 | 27.19% |
| Basic Earnings per Share (RMB/Share) | 0.06 | -76.92% | 0.57 | -29.63% |
| Diluted Earnings per Share (RMB/Share) | 0.06 | -76.92% | 0.57 | -29.63% |
| Weighted Average ROE | 0.71% | -2.74% | 6.97% | -4.39% |
| | 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) | 44,215,285,968.38 | 44,055,872,021.97 | 0.36% | |
| Owners' Equity Attributable to Shareholders of the Listed Company (Unit: RMB) | 25,120,289,450.26 | 23,617,602,513.55 | 6.36% | |

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

Applicable Not applicable

Unit: RMB

| Item | Amount of the Current Reporting Period | Amount of the Period from Beginning of the Year to the End of the Reporting Period | Note |
|------------------------------------|--|--|------|
| Profits or losses from disposal of | 1,401,905.65 | 3,690,331.24 | |

| | | | |
|---|-----------------|----------------|----|
| non-current assets (including the write-off for the accrued impairment of assets) | | | |
| 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) | 40,946,086.04 | 203,758,149.11 | |
| Gains or losses from investment or asset management entrusted to others | -53,792,892.77 | -63,897,818.92 | |
| Gains or losses from debt restructuring | -3,684.00 | -414,996.80 | |
| 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 | -169,945,503.31 | 727,042.73 | |
| Non-Operating Revenue and expenses other than the above | 3,515,427.96 | 4,126,239.27 | |
| Other gains and losses items that fit the definition of non-recurring gains and losses | -95,789.60 | -395,487.50 | |
| Less: Impact of income tax | -24,370,099.74 | 21,996,566.99 | |
| Impact of minority equity (after tax) | 1,364,262.99 | 16,356,381.82 | |
| Total | -154,968,613.28 | 109,240,510.32 | -- |

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 set out in the No. 1 Explanatory Announcement on Information Disclosure for Companies Offering 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 set out in the No. 1 Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Gains and Losses as recurring gains and losses.

(III) Changes and Reasons for the Change of Key Accounting Data and Financial Indicators

Applicable Not applicable

(I) Changes in assets and liabilities and their reasons

1. Trading financial assets decreased 43.51% over the beginning of the year, mainly due to the change in fair value of foreign exchange contracts;
2. Other receivables decreased 32.33% over the beginning of the year, mainly due to RMB 228 million recovered in the period for previous equity transfer payments;
3. Other current assets decreased 40.59% over the beginning of the year, mainly due to the decrease in balance of national debt reverse repurchase of the period over the beginning of the year;
4. Fixed assets increased 96.34% over the beginning of the year, mainly due to the transition of several construction projects under construction to fixed assets;
5. Projects under construction decreased 69.16% over the beginning of the year, mainly due to the transition of several construction projects under construction to fixed assets;
6. Long-term deferred expenses increased 92.70% over the beginning of the year, mainly due to the increase in decoration costs of production base;
7. Other non-current assets increased 45.02% over the beginning of the year, mainly due to the increase in equipment purchase advance payment;
8. Short-term borrowings increased 100.85% over the beginning of the year, mainly due to the increase in bank loans;
9. Payroll payable decreased 62.06% over the beginning of the year, mainly due to the payment of year-end bonus in the period;
10. Tax payable decreased 30.09% over the beginning of the year, mainly due to the decrease in VAT payable and enterprise income tax payable over the beginning of the year;
11. Other payables increased 41.46% over the beginning of the year, mainly due to the grant of restricted stocks in the period and the increase in purchase obligations;
12. Non-current liabilities due within one year increased 175.85% over the beginning of the year, mainly due to the increase in long-term loans due within one year;
13. Long-term loans decreased 32.09% over the beginning of the year, mainly due to the transition into non-current liabilities due within one year;
14. Capital reserves increased 31.33% over the beginning of the year, mainly due to the increase in capital premium as a result of restricted stocks and the increase in capital reserves confirmed for changes in other equity of participants;
15. Other comprehensive income decreased 45.32% over the beginning of the year, mainly due to changes in foreign currency translation of statements.

(II) Changes to items of income statement and reasons

1. Financial expenses decreased 673.16% compared with the same period of last year, mainly due to the substantial increase in exchange earnings of the period compared with the same period of last year;
2. Investment gains decreased 88.85% compared with the same period of last year, mainly due to the increase in investment loss recognized by equity method compared with the same period of last year;
3. Income from changes in fair value decreased 168.67% compared with the same period of last year, mainly due to the changes in fair value of commissioned investments in the period;
4. Credit impairment loss decreased 43.72% compared with the same period of last year, mainly due to the decreases in the provision for bad debts in the period compared with the same period of last year;
5. Asset impairment loss increased 114.50% compared with the same period of last year, mainly due to the increases in the reserve for stock depreciation in the period compared with the same period of last year;
6. Income from asset disposal decreased 93.05% compared with the same period of last year, mainly due to the increase in the income from disposal of long-term assets in the same period last year compared with the year;

7. Non-operating expenses decreased 53.05% compared with the same period of last year, mainly due to the decrease in donation expenses compared with the same period of last year;

8. Income tax expense increased 701.95% compared with the same period of last year, mainly due to the increase in taxable income for income tax compared with the same period of last year and the decrease in tax refund for key software enterprises compared with the same period of last year.

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

1. Net cash flow from investment was increased by 78.10% compared with the same period of last year, mainly due to the increase in net revenue and expenditure of national debt reverse repurchase and the decrease in commissioned financial investments compared with the same period of last year;

2. Net cash flow generated by financing activities was decreased by 37.71% compared with the same period of the previous year, mainly due to the decrease in the net inflow of borrowings in the current period compared with the same period of the previous year.

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 | 177,704 | Total Number of Preferred Shareholders (If Any) Whose Voting Rights have been Recovered at the End of the Reporting Period | 0 | | | |
|--|---------------------------------------|--|-----------------------|---|----------------------------------|-------------|
| Shareholding List of Top10 Shareholders | | | | | | |
| Name of Shareholder | Nature of Shareholder | Shareholding Percentage | Number of Shares Held | Number of Shares Held with Limited Sales Conditions | Pledged, Marked or Frozen Shares | |
| | | | | | State of Shares | Number |
| Fu Liquan | Domestic Natural Person | 33.76% | 1,023,868,980 | 767,901,735 | Pledge | 182,427,942 |
| Zhu Jiangming | Domestic Natural Person | 5.29% | 160,577,490 | 120,433,117 | Pledge | 11,700,000 |
| Hong Kong Securities Clearing Co., Ltd. | Overseas Legal Person | 4.83% | 146,530,310 | | | |
| Chen Ailing | Domestic Natural Person | 2.35% | 71,262,813 | 53,447,110 | Pledge | 21,100,000 |
| Wu Jun | Domestic Natural Person | 2.28% | 69,172,886 | 51,860,164 | | |
| China Securities Finance Co., Ltd. | Domestic Non-state-owned Legal Person | 1.31% | 39,611,241 | | | |
| China Galaxy Securities Co., Ltd. | State-owned Legal Person | 1.19% | 35,954,160 | | | |
| Shanghai Greenwoods Asset Management | Others | 0.69% | 20,803,816 | | | |

| Co., Ltd. - Greenwoods Global Fund | | | | | |
|---|---|------------------|-------------|--|--|
| Fidelity Investments Management (Hong Kong) Limited - funds of customers | Overseas Legal Person | 0.50% | 15,033,980 | | |
| Shenwan & Hongyuan Securities Co., Ltd. | State-owned Legal Person | 0.44% | 13,224,454 | | |
| Shareholding List of Top10 Shareholders Without Limited Sales Condition | | | | | |
| Name of Shareholder | Number of Shares Held Without Unlimited Sales Condition | Type of shares | | | |
| | | Type of shares | Number | | |
| Fu Liqian | 255,967,245 | RMB common stock | 255,967,245 | | |
| Hong Kong Securities Clearing Co. Ltd. | 146,530,310 | RMB common stock | 146,530,310 | | |
| Zhu Jiangming | 40,144,373 | RMB common stock | 40,144,373 | | |
| China Securities Finance Co., Ltd. | 39,611,241 | RMB common stock | 39,611,241 | | |
| China Galaxy Securities Co., Ltd. | 35,954,160 | RMB common stock | 35,954,160 | | |
| Shanghai Greenwoods Assets Management Co., Ltd. - Greenwoods Global Fund | 20,803,816 | RMB common stock | 20,803,816 | | |
| Chen Ailing | 17,815,703 | RMB common stock | 17,815,703 | | |
| Wu Jun | 17,312,722 | RMB common stock | 17,312,722 | | |
| Fidelity Investments Management (Hong Kong) Limited - funds of customers | 15,033,980 | RMB common stock | 15,033,980 | | |
| Shenwan & Hongyuan Securities Co., Ltd. | 13,224,454 | RMB common stock | 13,224,454 | | |
| Description of the association relationship or concerted action of above-mentioned shareholders | Mr. Fu Liqian 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 top ten shareholders' participation in securities margin trading (if any) | N/A | | | | |

(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. On July 12, 2022, the Company disclosed the "Announcement on the Completion of the Registration of Granted Restricted Stock under the 2022 Stock Option and Restricted Stock Incentive Plan" and the "Announcement on the Completion of the Registration of Granted Stock Options under the 2022 Stock Option and Restricted Stock Incentive Plan". According to CSRC Measures for the Administration of Equity Incentive of Listed Companies and relevant rules of Shenzhen Stock Exchange and CSDC Shenzhen, the Company has completed the registration for grant of stock options and restricted stock incentive plans in 2022. At this time, 74,737,700 Restricted Shares and 74,735,300 Stock

Options are granted to 4,249 participants. The grant price for these Restricted Shares is RMB 8.16, with grant date June 27, 2022 and listing date July 15, 2022. The exercise price for these Stock Options is RMB 16.59 per option, with grant date June 27, 2022, completion date for registration of Stock Options July 11, 2022 and effective period of Stock Options 48 months.

2. In July 2020, with the consent from Board and General Meeting of the Company, the Company transferred and sold 100% equity of its subsidiary Zhejiang Huatu Microchip Technology Co., Ltd. for RMB 1.2 billion. In August 2022, the Company received the last equity transfer payment of RMB 228 million from the counterparty (accounting for 19% of the equity transfer payment). So far, this equity transfer has been closed.

IV. Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by: Zhejiang Dahua Technology Co., Ltd.

| Item | Unit: RMB | |
|---|--------------------|-------------------|
| | September 30, 2022 | January 1, 2022 |
| Current Assets: | | |
| Cash and Bank Balances | 7,306,959,163.02 | 7,731,002,784.77 |
| Deposit Reservation for Balance | | |
| Loans to Banks and Other Financial Institutions | | |
| Trading Financial Assets | 1,470,000.00 | 2,602,173.53 |
| Derivative Financial Assets | | |
| Notes receivable | 847,330,597.03 | 839,861,562.35 |
| Accounts receivable | 15,113,977,709.78 | 14,654,490,643.49 |
| Receivables Financing | 682,635,599.68 | 792,709,781.57 |
| Prepayments | 190,677,638.70 | 171,034,046.65 |
| Premium Receivable | | |
| Reinsurance Accounts Receivable | | |
| Reinsurance Contract Reserves Receivable | | |
| Other Receivables | 369,823,047.83 | 546,477,779.16 |
| Including: interest receivable | | |
| Dividends Receivable | | |
| Buying Back the Sale of Financial Assets | | |
| Inventory | 6,844,639,401.79 | 6,810,041,288.82 |
| Contract Assets | 129,961,620.64 | 163,432,100.37 |
| Holding for-sale assets | | |
| Non-current Assets Due within 1 Year | 523,523,587.20 | 602,567,293.78 |
| Other Current Assets | 707,294,218.69 | 1,190,585,874.34 |
| Subtotal of Current Assets | 32,718,292,584.36 | 33,504,805,328.83 |
| Non-current Assets: | | |
| Granting of loans and advances | | |
| Investment in Creditor's Rights | | |
| Investment in Other Creditor's Rights | | |
| Long-term Receivables | 1,649,907,697.44 | 1,891,368,121.39 |

| | | |
|--|-------------------|-------------------|
| Long-term Equity Investment | 1,430,610,200.47 | 1,243,872,752.91 |
| Investment in Other Equity Instruments | | |
| Other Non-current Financial Assets | 914,978,527.32 | 945,619,965.97 |
| Investment Property | 305,533,969.84 | 311,065,023.43 |
| Fixed Assets | 4,294,747,000.97 | 2,187,435,714.17 |
| Projects under Construction | 614,609,217.80 | 1,992,834,055.03 |
| Productive Biological Assets | | |
| Oil and gas assets | | |
| Right-of-use Assets | 271,840,763.75 | 248,577,371.97 |
| Intangible Assets | 574,469,184.28 | 584,129,741.43 |
| Development Expenditure | | |
| Goodwill | 42,685,490.30 | 42,685,490.30 |
| Long-term Deferred Expenses | 88,405,615.87 | 45,876,764.73 |
| Deferred Income Tax Assets | 1,168,203,378.10 | 960,374,829.82 |
| Other Non-current Assets | 141,002,337.88 | 97,226,861.99 |
| Subtotal of Non-current Assets | 11,496,993,384.02 | 10,551,066,693.14 |
| Total Assets | 44,215,285,968.38 | 44,055,872,021.97 |
| Current Liabilities: | | |
| Short-term loan | 654,069,267.03 | 325,648,230.98 |
| Borrowings from the Central Bank | | |
| Borrowings from Banks and Other Financial Institutions | | |
| Transactional financial liabilities | 61,048,981.40 | |
| Derivative Financial Liabilities | | |
| Notes Payable | 3,743,153,991.12 | 4,472,998,965.03 |
| Accounts Payable | 6,324,277,312.90 | 7,329,740,650.71 |
| Received Prepayments | | |
| Contract liabilities | 1,118,367,326.03 | 864,989,993.78 |
| Financial Assets Sold for Repurchase | | |
| Deposit Taking and Interbank Deposit | | |
| Receiving from Vicariously Traded Securities | | |
| Receiving from Vicariously Sold Securities | | |
| Payroll payable | 745,273,227.91 | 1,964,503,166.13 |
| Tax Payable | 473,341,154.71 | 677,076,594.01 |
| Other Payables | 958,732,849.71 | 677,752,701.47 |
| Including: interest payable | | |
| Dividends Payable | | 16,060,762.89 |
| Service Charge and Commission Payable | | |
| Reinsurance Accounts Payable | | |
| Holding for-sale liabilities | | |
| Non-current Liabilities Due within 1 Year | 2,457,417,627.79 | 890,848,742.47 |
| Other Current Liabilities | 176,892,730.43 | 208,631,381.45 |
| Subtotal of Current Liabilities | 16,712,574,469.03 | 17,412,190,426.03 |
| Non-current Liabilities: | | |
| Insurance Contract Reserves | | |
| Long-term loan | 1,054,325,000.00 | 1,552,500,000.00 |
| Bonds Payable | | |
| Including: Preferred Stocks | | |
| Perpetual Bonds | | |
| Lease Liabilities | 137,105,603.28 | 140,606,139.33 |

| | | |
|--|-------------------|-------------------|
| Long-term Payables | | |
| Long-term payroll payable | | |
| Expected Liabilities | 259,693,869.82 | 297,851,786.62 |
| Deferred Income | 106,358,970.63 | 103,218,676.13 |
| Deferred Income Tax Liabilities | 52,210,026.88 | 61,778,504.44 |
| Other Non-current Liabilities | 249,032,679.40 | 317,381,981.28 |
| Subtotal of Non-current Liabilities | 1,858,726,150.01 | 2,473,337,087.80 |
| Total Liabilities | 18,571,300,619.04 | 19,885,527,513.83 |
| Shareholders' Equity: | | |
| Share Capital | 3,033,161,170.00 | 2,994,550,730.00 |
| Other Equity Instruments | | |
| Including: Preferred Stocks | | |
| Perpetual Bonds | | |
| Capital Reserves | 3,860,336,216.12 | 2,939,512,235.75 |
| Less: Treasury Share | 609,859,632.00 | 277,169,524.09 |
| Other Comprehensive Incomes | 41,560,799.86 | 76,005,792.49 |
| Special Reserves | | |
| Surplus Reserves | 1,553,691,005.92 | 1,553,691,005.92 |
| General Risk Reserves | | |
| Undistributed Profits | 17,241,399,890.36 | 16,331,012,273.48 |
| Total Shareholders' Equity Attributable to the Parent Company | 25,120,289,450.26 | 23,617,602,513.55 |
| Minority Shareholders' Equity | 523,695,899.08 | 552,741,994.59 |
| Total Shareholders' Equity | 25,643,985,349.34 | 24,170,344,508.14 |
| Total Liabilities and Shareholders' Equity | 44,215,285,968.38 | 44,055,872,021.97 |

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 | 21,171,868,473.02 | 21,485,105,535.26 |
| Including: Operating Revenue | 21,171,868,473.02 | 21,485,105,535.26 |
| Interest Income | | |
| Earned Premiums | | |
| Service Charge and Commission Income | | |
| II. Total Operating Cost | 19,424,258,152.56 | 19,336,098,032.94 |
| Including: Operating Cost | 13,226,510,613.09 | 12,768,127,643.67 |
| Interest Expenditures | | |
| Service Charge and Commission Expenses | | |
| Surrender Value | | |
| Net Claims Paid | | |
| The Net Amount Withdrawn for Insurance Liability Reserves | | |
| Policyholder Dividend Expense | | |
| Reinsurance Cost | | |
| Taxes and Surcharges | 122,439,797.00 | 129,966,366.70 |

| | | |
|--|------------------|------------------|
| Sales Expenses | 3,311,667,760.71 | 3,336,109,794.23 |
| Administration expenses | 711,270,493.55 | 644,478,415.71 |
| Research and development expense | 2,586,591,892.17 | 2,364,208,725.24 |
| Financial Expenses | -534,222,403.96 | 93,207,087.39 |
| Including: interest expenses | 97,848,538.91 | 69,224,790.43 |
| Interest Income | 155,448,560.74 | 165,190,467.12 |
| Add: Other income | 716,789,799.42 | 701,607,327.67 |
| Investment Income (Mark "-" for Loss) | -269,681,876.75 | -142,801,874.09 |
| Including: Investment Income from Affiliates and Joint Ventures | -301,885,837.51 | -207,504,221.59 |
| Profits from recognition Termination of Financial Assets at Amortized Cost | -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 "-") | -94,777,053.97 | 138,013,394.47 |
| Credit Impairment Losses (Mark "-" for Loss) | -248,781,379.24 | -442,062,567.25 |
| Asset Impairment Losses (Mark "-" for Loss) | -76,837,195.24 | -35,822,007.91 |
| Asset Disposal Income (Mark "-" for Loss) | 2,297,493.53 | 33,064,078.63 |
| III. Operating Profit (Mark "-" for Loss) | 1,776,620,108.21 | 2,401,005,853.84 |
| Add: Non-operating Revenues | 9,811,752.49 | 9,559,210.80 |
| Less: Non-operating Expenses | 5,678,668.55 | 12,094,457.42 |
| IV. Total Profit (Mark "-" for Total Loss) | 1,780,753,192.15 | 2,398,470,607.22 |
| Less: Income Tax Expense | 75,406,912.79 | -12,527,132.44 |
| V. Net Profit (Mark "-" for Net Loss) | 1,705,346,279.36 | 2,410,997,739.66 |
| (I) Classified by operation continuity | | |
| 1. Net Profit as a Going Concern (Mark "-" for Net Loss) | 1,705,346,279.36 | 2,410,997,739.66 |
| 2. Net Profit of Discontinued Operation (Mark "-" for Net Loss) | | |
| (II) Classified by the attribution of ownership | | |
| 1. Net profits attributable to shareholders of the parent company ("-" for net loss) | 1,693,101,190.89 | 2,399,047,215.98 |
| 2. Minority gain and loss ("-" for net loss) | 12,245,088.47 | 11,950,523.68 |
| VI. Net Amount of Other Comprehensive Incomes after Tax | -34,710,886.19 | 27,658,548.27 |
| Net Amount of Other | -34,444,992.63 | 27,729,535.60 |

| | | |
|---|------------------|------------------|
| Comprehensive Incomes after Tax Attributable to the Parent Company's Owner | | |
| (I) Other comprehensive income that cannot be reclassified as P/L | | |
| 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 | | |
| 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 | -34,444,992.63 | 27,729,535.60 |
| 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 | -34,444,992.63 | 34,171,086.70 |
| 7. Others | | -6,441,551.10 |
| Net Amount of Other Comprehensive Incomes After Tax Attributable to Minority Shareholders | -265,893.56 | -70,987.33 |
| VII. Total Comprehensive Income | 1,670,635,393.17 | 2,438,656,287.93 |
| (I) Total comprehensive income attributable to the parent company's owner | 1,658,656,198.26 | 2,426,776,751.58 |
| (II) Total comprehensive income attributable to minority shareholders | 11,979,194.91 | 11,879,536.35 |
| VIII. Earnings per Share: | | |
| (I) Basic Earnings per Share | 0.57 | 0.81 |
| (II) Diluted Earnings per Share | 0.57 | 0.81 |

Legal representative: Fu Liqian

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 | 23,543,613,200.85 | 23,072,421,222.54 |

| | | |
|---|-------------------|-------------------|
| 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 | 1,123,002,586.61 | 1,621,238,401.84 |
| Other Received Cashes Related to Operational Activities | 908,237,914.67 | 395,183,997.84 |
| Subtotal of cash inflow from operational activities | 25,574,853,702.13 | 25,088,843,622.22 |
| Cash Paid for Merchandise and Services | 17,516,686,825.14 | 17,442,233,566.18 |
| 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 on behalf of employees | 5,856,138,762.66 | 5,454,101,974.31 |
| Cash Paid for Taxes and Surcharges | 1,566,631,299.56 | 1,705,099,375.11 |
| Other Paid Cashes Related to Operational Activities | 1,518,774,493.93 | 1,700,704,772.12 |
| Subtotal of cash outflow from operational activities | 26,458,231,381.29 | 26,302,139,687.72 |
| Net cash flow generated by operating activities | -883,377,679.16 | -1,213,296,065.50 |
| II. Cash Flow from Investment Activities: | | |

| | | |
|---|------------------|-------------------|
| Cash Arising from Disposal of Investments | 2,038,864,008.78 | 913,324,136.74 |
| Cash Arising from Investment Incomes | 24,500,087.16 | 28,141,454.98 |
| Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets | 8,597,432.00 | 48,160,497.82 |
| Net Cash Arising from Disposal of Subsidiaries and Other Business Units | 229,078,062.03 | 360,000,000.00 |
| Other Received Cashes Related to Investment Activities | 25,121,289.66 | 40,401,379.14 |
| Subtotal of cash inflow from investment activities | 2,326,160,879.63 | 1,390,027,468.68 |
| Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets | 1,019,379,551.12 | 872,761,833.74 |
| Cash Paid for Investments | 1,584,782,317.98 | 1,777,000,000.00 |
| Net Increase in Pledge Loans | | |
| Net Cash Paid for Acquisition of Subsidiaries and Other Business Units | | |
| Other Paid Cashes Related to Investment Activities | 2,545,032.90 | 21,546,588.11 |
| Subtotal of cash outflows from investment activities | 2,606,706,902.00 | 2,671,308,421.85 |
| Net amount of cash flow generated by investment activities | -280,546,022.37 | -1,281,280,953.17 |
| III. Cash Flow from Financing Activities: | | |
| Cash Arising from Absorbing Investments | 626,079,632.00 | 55,770,784.31 |
| Including: Cash Arising from Subsidiaries Absorbing Investments by Minority Shareholders | 16,220,000.00 | 55,770,784.31 |
| Cash Arising from Borrowings | 5,013,321,909.81 | 3,775,310,686.97 |
| Other Received Cashes Related to Financing Activities | 453,263.81 | |
| Subtotal of cash inflow from financing activities | 5,639,854,805.62 | 3,831,081,471.28 |
| Cash Paid for Debts Repayment | 3,680,361,551.09 | 1,927,003,259.88 |
| Cash Paid for Distribution of Dividends and Profits or Payment of Interests | 885,752,222.88 | 854,086,449.21 |
| Including: Dividends and Profits Paid to Minority Shareholders by Subsidiaries | | |
| Other Paid Cashes Related to Financing Activities | 471,425,530.60 | 83,025,300.67 |
| Subtotal of cash outflow from financing activities | 5,037,539,304.57 | 2,864,115,009.76 |
| Net cash flow generated by financing activities | 602,315,501.05 | 966,966,461.52 |
| IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents | 145,882,804.58 | -43,649,597.19 |

| | | |
|--|------------------|-------------------|
| V. Net Increase in Cash and Cash Equivalents | -415,725,395.90 | -1,571,260,154.34 |
| Add: Cash and Cash Equivalents at the Commencement of the Period | 7,617,576,852.32 | 7,358,452,769.53 |
| VI. Cash and Cash Equivalents at the End of the Period | 7,201,851,456.42 | 5,787,192,615.19 |

(II) 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 29, 2022