

Zhejiang NHU Company Ltd.

Q3 2021 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.

Section I Key Accounting Data

I Key Accounting Data and Financial Indicators

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

√ Yes □ No

Retroactive adjustment or restatement of reasons

Consolidated under the Same Control

Item	Q3 2021	Q3 2020		YoY Change(%)	Q1-Q3 2021	Q1-Q3 2020		YoY Change(%)
		Before Adjustment	After Adjustment	After Adjustment		Before Adjustment	After Adjustment	After Adjustment
Operating Revenue (RMB)	3,262,074,936.89	2,170,163,165.68	2,170,163,165.68	50.31%	10,516,296,574.90	7,473,328,667.93	7,473,328,667.93	40.72%
Net Profit Attributable to Shareholders of the Listed Company (RMB)	957,591,164.57	728,173,287.72	726,592,641.58	31.79%	3,366,090,298.07	2,937,403,053.23	2,935,522,918.78	14.67%
Net Profit Attributable to Shareholders of the Listed Company after Deducting Non-recurring Gains and Losses (RMB)	922,007,774.31	686,225,513.80	686,225,513.80	34.36%	3,201,462,429.94	2,801,062,619.03	2,801,062,619.03	14.29%
Net Cash Flow Generated by Operational Activities (RMB)	—	—	—	—	3,830,824,490.52	2,136,658,649.79	2,044,681,185.86	87.36%
Basic Earnings per Share (RMB/Share)	0.37	0.28[Note]	0.28[Note]	32.14%	1.31	1.14[Note]	1.14[Note]	14.91%
Diluted Earnings per Share (RMB/Share)	0.37	0.28[Note]	0.28[Note]	32.14%	1.31	1.14[Note]	1.14[Note]	14.91%
Weighted Average ROE	4.53%	4.04%	4.01%	Increase 0.52 percentage point	16.55%	16.45%	16.32%	Increase 0.23 percentage point
Item	At the End of the Current Reporting Period	At the End of Last Year		Change(%)				
		Before Adjustment	After Adjustment	After Adjustment				
Total Assets (RMB)	33,553,242,598.08	30,897,007,799.54	30,897,007,799.54	8.60%				
Net Assets Attributable to Shareholders of the Listed Company (RMB)	20,870,228,922.98	19,336,254,922.95	19,336,254,922.95	7.93%				

Note: Weifang Jinghe Real Estate Co., Ltd was included in the scope of the Company's consolidation on November 1, 2020, and the Company made retroactive adjustments to the relevant financial statement data.

[Note] After the implementation of the Company's profit distribution plan for 2020, the Company's share capital increased from 2,148,662,300.00 shares to 2,578,394,760.00 shares, and the above earnings per share for the same period of the previous year was recalculated based on the adjusted share capital.

II Breakdown of non-recurring gains and losses for this period

Applicable Not applicable

Unit: RMB

Item	Q3 2021	Q1-Q3 2021	Note
Profit and Loss from Disposal of Non-current Assets	-783,508.00	282,056.79	
The government subsidies included in the current profits and losses (excluding the government subsidies closely related to regular businesses of the Company and issued in the quota or quantity based on the national standards)	26,651,861.18	103,032,538.14	
Gains or losses from investment or asset management entrusted to others	3,218,622.39	32,836,592.17	
Profits and losses resulting from the changes in fair value for holding trading financial assets, derivative financial assets and trading financial liabilities, derivative financial liabilities and investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and other obligatory right investment, excluding the effective hedging businesses related to the regular business operation of the Company	8,142,423.95	31,443,452.98	
Non-operating revenue and expenses other than the above	-1,158,572.44	8,407,953.47	
Less: Impact of income tax	487,436.82	11,374,725.42	
Total	35,583,390.26	164,627,868.13	--

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

Applicable Not applicable

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

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

Applicable Not applicable

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

III Major Changes of Main Items in Financial Statements and Financial Indicators within the Reporting Period, as well as the Reasons for the Changes

Applicable Not applicable

1、 Balance Sheet Position

(1) The closing balance of trading financial assets increased by 47.54% compared to the closing balance in the previous year, mainly due to the increase of the purchase of principal-protected floating-income financial products in the current reporting period.

(2) The closing balance of notes receivable increased by 37.62% compared to the closing balance in the previous year. It was mainly due to that the qualified notes receivable were reclassified into financial assets measured at fair value and recorded into other comprehensive income in the previous year.

(3) The closing balance of receivables financing decreased by 79.72% compared to the closing balance in the previous year. It was

mainly due to that the qualified notes receivable were reclassified into financial assets measured at fair value and recorded into other comprehensive income in the previous year.

(4) The closing balance of prepayments increased by 52.64% compared to the closing balance in the previous year. It was mainly due to the increase of prepayment in raw materials in the current reporting period.

(5) The closing balance of other current assets decreased by 73.65% compared to the closing balance in the previous year. It was mainly due to the repurchase of the expired bank financial products in the current reporting period.

(6) The closing balance of construction in progress increased by 91.98% compared to the closing balance in the previous year. It was mainly due to the increase of the investment in project TMB, project Hongweisu and other new projects in the current reporting period.

(7) The closing balance of long-term deferred expenses increased by 51.55% compared to the closing balance in the previous year. It was mainly due to the increase of input in deferred material in the current reporting period.

(8) The closing balance of other non-current assets increased by 74.36% compared to the closing balance in the previous year. It was mainly due to the increase of prepayment in equipment in the current reporting period.

(9) The closing balance of contract liabilities increased by 36.98% compared to the closing balance in the previous year. It was mainly due to the increase of advance payments on sales in the current reporting period.

(10) The closing balance of other payables decreased by 48.43% compared to the closing balance in the previous year. It was mainly due to paying the balance of projects.

(11) The closing balance of long-term borrowings increased by 30.01% compared to the closing balance in the previous year. It was mainly due to the increase of long-term bank borrowings required for projects investment.

(12) The closing balance of deferred income tax liabilities increased by 38.78% compared to the closing balance in the previous year. It was mainly due to the increase of taxable temporary differences, which was brought by the deducting amount of part of fixed assets when calculating the taxable income amount.

(13) The closing balance of treasury share increased by 100.00% compared to the closing balance in the previous year. It was mainly due to the repurchase of part of companies' social public shares.

(14) The closing balance of other comprehensive incomes decreased by 37.44% compared to the closing balance in the previous year. It was mainly due to the difference of translating foreign currency financial statement.

2. Income Statement Position

(1) Operating income in the current Q1-Q3 period increased by 40.72% compared to the same period of last year. It was mainly due to the increase of nutritional products on sales volume in the current Q1-Q3 period.

(2) Operating cost in the current Q1-Q3 period increased by 80.12% compared to the same period of last year. It was mainly due to the increase of nutritional products on sales volume, and adjusting freight and transportation premium into operating costs for implementing the new income standard in the current Q1-Q3 period.

(3) Sales expenses in the current Q1-Q3 period decreased by 56.12% compared to the same period of last year. It was mainly due to adjusting freight and transportation premium into operating costs for implementing the new income standard in the current Q1-Q3 period.

(4) Research and development expenses in the current Q1-Q3 period increased by 48.96% compared to the same period of last year. It was mainly due to the increase of material inputs and salary in the current Q1-Q3 period.

(5) Investment income in the current Q1-Q3 period decreased by 30.94% compared to the same period of last year. It was mainly due to the decrease in purchase of structured deposits in the current Q1-Q3 period..

(6) Incomes from changes in fair in the current Q1-Q3 period increased by 160.45% compared to the same period of last year. It was mainly due to the fluctuation in exchange rate of forward settlement and sale in the current Q1-Q3 period.

(7) Credit impairment losses in the current Q1-Q3 period decreased by 36.46% compared to the same period of last year. It was mainly due to the decrease of bad debt provision caused by changes in the age of accounts receivable in the current Q1-Q3 period..

(8) Asset impairment losses in the current Q1-Q3 period increased by 220.62% compared to the same period of last year. It was mainly due to the increase of provision for inventory declines in the current Q1-Q3 period.

(9) Asset disposal income in the current Q1-Q3 period decreased by 90.78% compared to the same period of last year. It was mainly due to the loss on disposal of non-current assets in the current Q1-Q3 period.

(10) Non-operating revenues in the current Q1-Q3 period increased by 710.82% compared to the same period of last year. It was mainly due to receive compensation in the current Q1-Q3 period.

(11) Non-operating expenses in the current Q1-Q3 period decreased by 73.87% compared to the same period of last year. It was mainly due to donations made to the epidemic last year.

3. Cash Flow Statement Position

(1) Net cash flow generated by operating activities in the current Q1-Q3 period increased by 87.36% compared to the same period of last year. It was mainly due to the increase in sales revenue and corresponding increase in payment for goods in the current Q1-Q3 period.

(2) Net cash flow generated by investment activities in the current Q1-Q3 period decreased by 541.92% compared to the same period of last year. It was mainly due to the decrease of financial products recovered and the increase of fixed asset construction expenses in the current Q1-Q3 period.

(3) Net cash flow generated by financing activities in the current Q1-Q3 period increased by 39.06% compared to the same period of last year. It was mainly due to the increase of new bank borrowings in the current Q1-Q3 period.

Section II Shareholders Information

I Total Number of Common Shareholders and Preferred Shareholders Whose Voting Rights Have Been Recovered, Shareholding List of Top 10 Shareholders

Unit: share

Total Number of Common Shareholders at the End of the Reporting Period		99,655	Total Number of Preferred Shareholders (If Any) Whose Voting Rights Have Been Recovered at the End of the Reporting Period	0		
Shareholding List of Top 10 Shareholders						
Shareholder Name	Shareholder Nature	Shareholding Percentage	Shareholding Amount	The Number of Shares Held with Trading Restrictions	Pledged, Marked or Frozen	
					Status	Number
NHU Holding Group Co., Ltd.	Domestic Non-state-owned Legal Person	48.55%	1,251,903,644			
Hong Kong Securities Clearing Co., Ltd.	Overseas Legal Person	2.94%	75,876,286			
Shanghai Chongyang Strategic Investment Co., Ltd. - Chongyang Strategic Huizhi Fund	Others	1.75%	45,060,167			
National Social Security Fund 112	Others	1.01%	26,086,092			
National Social Security Fund 503	Others	0.95%	24,500,000			
Kuwait Investment Authority	Overseas Legal Person	0.59%	15,318,702			
Shanghai Chongyang Strategic Investment Co., Ltd. - Chongyang Strategic Qizhou Fund	Others	0.51%	13,164,209			
Hu Baishan	Domestic Natural Person	0.47%	12,163,274	9,122,455		
Beijing Yuanfeng Private Equity Fund Management Partnership (Limited Partnership) - Yuanfeng Value Private Equity Investment Fund	Others	0.46%	11,977,187			
Chongyang Group Co., Ltd.	Domestic Non-state-owned Legal Person	0.45%	11,635,159			
Shareholding List of Top 10 Shareholders without Trading Restrictions						
Shareholder Name	Shareholding Amount without Trading Restrictions	Type of Shares				
		Type	Amount			
NHU Holding Group Co., Ltd.	1,251,903,644	RMB common stock	1,251,903,644			
Hong Kong Securities Clearing Co., Ltd.	75,876,286	RMB common stock	75,876,286			
Shanghai Chongyang Strategic Investment Co., Ltd. - Chongyang Strategic Huizhi Fund	45,060,167	RMB common stock	45,060,167			
National Social Security Fund 112	26,086,092	RMB common stock	26,086,092			

National Social Security Fund 503	24,500,000	RMB common stock	24,500,000
Kuwait Investment Authority	15,318,702	RMB common stock	15,318,702
Shanghai Chongyang Strategic Investment Co., Ltd. - Chongyang Strategic Qizhou Fund	13,164,209	RMB common stock	13,164,209
Beijing Yuanfeng Private Equity Fund Management Partnership (Limited Partnership) - Yuanfeng Value Private Equity Investment Fund	11,977,187	RMB common stock	11,977,187
Chongyang Group Co., Ltd.	11,635,159	RMB common stock	11,635,159
Zhejiang NHU Co., Ltd.- the Third Employee Stock Ownership Plan	10,131,522	RMB common stock	10,131,522
Explanation of the Association Relationship or Concerted Action of Above-mentioned Shareholders	Among the above shareholders, Hu Baishan is a director of NHU Holding Group Co., Ltd.. The Company is unaware whether there is any related relationships among other shareholders and whether they are persons acting in concert as stipulated in the "Administrative Measures for the Acquisition of Listed Companies".		
Explanation of Top 10 Shareholders' Participation in Securities Margin Trading (If Any)	Shanghai Chongyang Strategic Investment Co., Ltd. - Chongyang Strategic Huizhi Fund holds 45,060,106 shares through the customer credit transaction guarantee securities account of Guotai Junan Securities Co., Ltd.; Shanghai Chongyang Strategic Investment Co., Ltd. - Chongyang Strategic Qizhou Fund holds 13,164,133 shares through the customer credit transaction guarantee securities account of Guojin Securities Co., Ltd.; Beijing Yuanfeng Private Equity Fund Management Partnership (Limited Partnership) - Yuanfeng Value Private Equity Investment Fund holds 5,988,587 shares through the customer credit transaction guarantee securities account of Huatai Securities Co., Ltd.; Chongyang Group Co., Ltd. holds 11,634,955 shares through the customer credit transaction guarantee securities account of China Merchants Securities Co., Ltd..		

Notes: Zhejiang NHU Co., Ltd. Repurchase Securities Account is among top 10 shareholders without trading restrictions 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, Shareholding List of Top 10 Preferred Shareholders

Applicable Not applicable

Section III Other Significant Events

√Applicable Not applicable

I Progress of the Share Repurchase Plan

At the 7th Meeting of the 8th Board of Directors held on August 18, 2021, Zhejiang NHU Co., Ltd. (hereinafter referred to as “the company”) deliberated and adopted *The Proposal on Share Repurchase Plan of the Company*, agreed that the company would use its own funds to repurchase part of the public shares of the company in the form of centralized bidding transaction. And the shares repurchased would be used for implementing equity incentive plan or employee stock ownership plan. The total amount of repurchase would be RMB300-600mn, and the repurchase price would be no more than RMB41/share. The specific amount of shares repurchased and its proportion in the total share capital shall be subject to the actual amount of shares repurchased at the expiration of the repurchase period. The implementation period of the share repurchase plan shall not exceed 12 months from the date when the board of directors of the company deliberates and adopts *The Proposal on Share Repurchase Plan of the Company*. By September 30, 2021, the company has repurchased 10,988,369 shares in the form of centralized bidding trading through Zhejiang NHU Co., Ltd. Repurchase Securities Account, accounting for 0.4262% of the company's total share capital. The maximum transaction price is RMB 30.03/ share, the minimum transaction price is RMB 26.15/ share, and the cumulative transaction amount is RMB 320,335,151.32 (excluding transaction costs). The share repurchase plan complies with the requirements of relevant laws and regulations and the company's established repurchase plan. For more details, please refer to *The Announcement on the Progress of Share Repurchase of the Company* (2021-031) published on <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, 2021, the actual use of the raised funds was RMB 202.17 million, and the accumulated investment of the raised funds project was RMB 1,852.40 million. By September 30, 2021, the balance of raised funds was RMB 3,590.11million.

Section IV Financial Statements

I Explanation of adjustment of financial statements

1.Consolidated Balance Sheet

Prepared by: Zhejiang NHU Co., Ltd.

September 30, 2021

Unit: RMB

Item	September 30, 2021	December 31, 2020
Current Assets:		
Cash and Bank Balances	6,340,440,223.98	4,927,657,236.24
Deposit Reservation for Balance		
Loans to Banks and Other Financial Institutions		
Trading Financial Assets	1,257,416,104.40	852,227,964.70
Derivative Financial Assets		
Notes Receivable	456,999,661.80	332,064,366.59
Accounts Receivable	2,350,185,056.20	1,930,930,930.01
Receivables Financing	59,908,897.23	295,393,346.17
Prepayments	177,160,408.09	116,063,557.59
Premium Receivable		
Reinsurance Accounts Receivable		
Reinsurance Contract Reserves Receivable		
Other Receivables	177,126,619.17	178,610,951.64
Including: Interest Receivable		
Dividends Receivable		
Buying Back the Sale of Financial Assets		
Inventories	3,062,556,213.00	3,117,042,558.78
Contract Assets		
Holding for-sale Assets		
Non-current Assets Due within 1 Year		
Other Current Assets	468,380,215.65	1,777,569,473.96
Subtotal of Current Assets	14,350,173,399.52	13,527,560,385.68
Non-current Assets:		
Granting of Loans and Advances		
Investment in Creditor's Rights		
Investment in Other Creditor's Rights		
Long-term Receivables		
Long-term Equity Investment	371,718,824.16	343,378,891.18
Investment in Other Equity Instruments	22,998,147.55	22,998,147.55
Other Non-current Financial Assets		

Item	September 30, 2021	December 31, 2020
Investment Property		
Fixed Assets	14,168,850,627.38	13,914,151,215.54
Construction in Progress	2,544,735,203.45	1,325,545,420.56
Productive Biological Assets		
Oil and Gas Assets		
Right-of-use Assets	4,703,662.43	
Intangible Assets	1,529,049,971.25	1,407,067,129.87
Development Expenditure		
Goodwill		
Long-term Deferred Expenses	20,260,935.60	13,369,412.48
Deferred Income Tax Assets	56,388,768.87	65,143,706.00
Other Non-current Assets	484,363,057.87	277,793,490.68
Subtotal of Non-current Assets	19,203,069,198.56	17,369,447,413.86
Total Assets	33,553,242,598.08	30,897,007,799.54
Current Liabilities:		
Short-term Borrowings	1,878,796,276.48	2,363,525,192.53
Loan from the Central Bank		
Loan from Banks and Other Financial Institutions		
Transactional Financial Liabilities		
Derivative Financial Liabilities		
Notes Payable	611,362,478.19	497,644,517.23
Accounts Payable	1,370,662,402.82	1,463,728,316.04
Received Prepayments		
Contract Liabilities	77,122,452.03	56,302,537.11
Financial Assets Sold for Repurchase		
Deposit Taking and Interbank Deposit		
Receiving from Vicariously Traded Securities		
Receiving from Vicariously Sold Securities		
Payroll payable	256,340,698.11	322,646,061.45
Tax Payable	288,065,311.71	268,864,472.38
Other Payables	66,963,842.09	129,839,228.89
Including: Interest Payable		
Dividends Payable		
Service Charge and Commission Payable		
Reinsurance Accounts Payable		
Holding for-sale Liabilities		
Non-current Liabilities Due within 1 Year	1,629,380,596.53	1,275,888,293.32
Other Current Liabilities	5,754,587.37	4,956,463.49
Subtotal of Current Liabilities	6,184,448,645.33	6,383,395,082.44
Non-current Liabilities:		
Insurance Contract Reserves		

Item	September 30, 2021	December 31, 2020
Long-term Borrowings	5,378,451,096.83	4,136,875,354.33
Bonds Payable		
Including: Preferred Stocks		
Perpetual Bonds		
Lease Liabilities	5,363,434.35	
Long-term Payables		
Long-term Payroll Payable		
Expected Liabilities		
Deferred Income	911,741,268.80	873,066,181.34
Deferred Income Tax Liabilities	138,560,546.48	99,839,731.45
Other Non-current Liabilities		
Subtotal of Non-current Liabilities	6,434,116,346.46	5,109,781,267.12
Total Liabilities	12,618,564,991.79	11,493,176,349.56
Shareholders' Equity:		
Share Capital	2,578,394,760.00	2,148,662,300.00
Other Equity Instruments		
Including: Preferred Stocks		
Perpetual Bonds		
Capital Reserves	4,130,790,096.84	4,560,522,556.84
Less: Treasury Share	320,360,784.48	
Other Comprehensive Incomes	17,394,706.91	27,803,829.31
Special Reserves	12,267,565.69	9,550,346.85
Surplus Reserves	1,074,331,150.00	1,074,331,150.00
General Risk Reserves		
Undistributed Profits	13,377,411,428.02	11,515,384,739.95
Total Shareholders' Equity Attributable to the Parent Company	20,870,228,922.98	19,336,254,922.95
Minority Shareholders' Equity	64,448,683.31	67,576,527.03
Total Shareholders' Equity	20,934,677,606.29	19,403,831,449.98
Total Liabilities and Shareholders' Equity	33,553,242,598.08	30,897,007,799.54

Legal representative: Hu Baifan

Chief accountant: Shi Guanqun

Accounting officer: Wang Xiaobi

2. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1-Q3 2021	Q1-Q3 2020
I. Total Operating Revenue	10,516,296,574.90	7,473,328,667.93
Including: Operating Revenue	10,516,296,574.90	7,473,328,667.93
Interest Income		
Earned Premiums		
Service Charge and Commission Income		
II. Total Operating Cost	6,768,859,660.10	4,192,761,471.86
Including: Operating Cost	5,593,507,476.30	3,105,496,979.08
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	88,269,874.64	78,651,633.12
Sales Expenses	88,864,094.38	202,501,589.66
Administration Expenses	291,525,770.12	285,890,945.67
Research and Development Expenses	520,062,056.43	349,125,641.83
Financial Expenses	186,630,388.23	171,094,682.50
Including: Interest Expenses	246,262,466.47	168,194,178.47
Interest Income	116,114,608.98	30,876,044.12
Add: Other Income	100,525,022.26	77,498,524.71
Investment Income (Mark "-" for Loss)	59,117,130.85	85,605,026.08
Including: Investment Income from Affiliates and Joint Ventures	28,674,263.48	9,221,649.84
Profits from Recognition Termination of Financial Assets at Amortized Cost		
Exchange Gains (Mark "-" for Losses)		
Profit of Net Exposure Hedging (Mark "-" for Loss)		
Incomes from Changes in Fair Value (losses marked with "-")	33,837,177.78	12,991,781.93
Credit Impairment Losses (Mark "-" for Loss)	-24,034,277.06	-37,826,152.74
Asset Impairment Losses (Mark "-" for Loss)	-10,877,539.41	-3,392,646.29
Asset Disposal Income (Mark "-" for Loss)	282,056.79	3,060,150.86

Item	Q1-Q3 2021	Q1-Q3 2020
III. Operating Profit (Mark "-" for Loss)	3,906,286,486.01	3,418,503,880.62
Add: Non-operating Revenues	11,062,337.09	1,364,340.95
Less: Non-operating Expenses	3,786,996.91	14,494,924.83
IV. Total Profit (Mark "-" for Total Loss)	3,913,561,826.19	3,405,373,296.74
Less: Income Tax Expense	533,069,053.25	460,864,439.19
V. Net Profit (Mark "-" for Net Loss)	3,380,492,772.94	2,944,508,857.55
(I) Classified by Operation Continuity		
1. Net Profit as a Going Concern (Mark "-" for Net Loss)	3,380,492,772.94	2,944,508,857.55
2. Net Profit of Discontinued Operation (Mark "-" for Net Loss)		
(II) Classified by the Attribution of Ownership		
1. Net Profit Attributable to the Parent Company's Owner	3,366,090,298.07	2,935,522,918.78
2. Minority Shareholders' Profit and Loss	14,402,474.87	8,985,938.77
VI. Net Amount of Other Comprehensive Incomes after Tax	-15,034,580.49	-9,714,908.71
Net Amount of Other Comprehensive Incomes after Tax Attributable to the Parent Company's Owner	-10,409,122.40	-11,027,716.49
(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	-10,409,122.40	-11,027,716.49
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	-10,409,122.40	-11,027,716.49
7. Others		

Item	Q1-Q3 2021	Q1-Q3 2020
Net Amount of Other Comprehensive Incomes After Tax Attributable to Minority Shareholders	-4,625,458.09	1,312,807.78
VII. Total Comprehensive Income	3,365,458,192.45	2,934,793,948.84
Total Comprehensive Income Attributable to the Parent Company's Owner	3,355,681,175.67	2,924,495,202.29
Total Comprehensive Income Attributable to Minority Shareholders	9,777,016.78	10,298,746.55
VIII. Earnings per Share:		
(I) Basic Earnings per Share	1.31	1.14
(II) Diluted Earnings per Share	1.31	1.14

In the case of enterprise consolidation under the same control in the current period, the net profit realized by the consolidated party before consolidation was RMB 0.00 and the net profit realized by the consolidated party in the previous period was RMB -1,880,134.45.

Legal representative: Hu Baifan

Chief accountant: Shi Guanqun

Accounting officer: Wang Xiaobi

3.Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2021	Q1~Q3 2020
I. Cash Flow Generated by Operational Activities:		
Cash from Sales of Merchandise and Provision of Services	10,346,764,132.29	7,767,181,131.74
Net Increase in Customer's Bank Deposits and Interbank Deposits		
Net Increase in Loan from the Central Bank		
Net Increase in Loan 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 Loan from Banks and Other Financial Institutions		
Net Increase in Repurchase Business Funds		
Net Amount of Cash Received from the Vicariously Traded Securities		
Tax Refund	663,717,474.82	520,378,134.92
Other Cash Receipts Relating to Operating Activities	262,072,642.42	98,073,756.23
Subtotal of Cash Inflow from Operational Activities	11,272,554,249.53	8,385,633,022.89
Cash Paid for Merchandise and Services	5,554,579,782.28	4,254,308,544.33
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	1,119,035,556.90	919,294,780.21
Cash Paid for Taxes and Surcharges	683,137,156.56	815,505,846.76
Other Cash Payments Relating to Operating Activities	84,977,263.27	351,842,665.73
Subtotal of Cash Outflow from	7,441,729,759.01	6,340,951,837.03

Item	Q1~Q3 2021	Q1~Q3 2020
Operational Activities		
Net Cash Flow Generated by Operating Activities	3,830,824,490.52	2,044,681,185.86
II. Cash Flow from Investment Activities:		
Cash Arising from Disposal of Investments		2,276,074.28
Cash Arising from Investment Incomes	41,295,727.22	77,229,529.45
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets	12,356,503.13	3,645,923.49
Net Cash Arising from Disposal of Subsidiaries and Other Business Units		
Other Cash Receipts Relating to Investing Activities	1,800,000,000.00	3,928,094,561.00
Subtotal of Cash Inflow from Investment Activities	1,853,652,230.35	4,011,246,088.22
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets	2,165,507,011.52	1,595,414,508.77
Cash Paid for Investments		20,886,127.90
Net Increase in Pledge Loans		
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units	83,904,479.79	38,433,508.94
Other Cash Payments Relating to Investing Activities	1,600,000,000.00	1,904,898,740.00
Subtotal of Cash Outflows from Investment Activities	3,849,411,491.31	3,559,632,885.61
Net Cash Flow Generated by Investment Activities	-1,995,759,260.96	451,613,202.61
III. Cash Flow from Financing Activities:		
Cash Arising from Absorbing Investments		
Including: Cash Arising from Subsidiaries Absorbing Investments by Minority Shareholders		
Cash Arising from Loan	4,848,268,656.73	4,181,948,571.45
Other Cash Receipts Relating to Financing Activities		50,000,000.00
Subtotal of Cash Inflow from Financing Activities	4,848,268,656.73	4,231,948,571.45
Cash Paid for Borrowings Repayment	3,411,549,400.71	3,519,896,904.97
Cash Paid for Distribution of Dividends and Profits or Payment of Interests	1,771,907,984.48	1,251,029,735.30
Including: Dividends and Profits Paid to Minority Shareholders by Subsidiaries		
Other Cash Payments Relating to Financing Activities	7,086,761.24	22,646,296.92
Subtotal of Cash Outflow from	5,190,544,146.43	4,793,572,937.19

Item	Q1~Q3 2021	Q1~Q3 2020
Financing Activities		
Net Cash Flow Generated by Financing Activities	-342,275,489.70	-561,624,365.74
IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents	-41,320,150.82	-7,423,210.11
V. Net Increase in Cash and Cash Equivalents	1,451,469,589.04	1,927,246,812.62
Add: Cash and Cash Equivalents at the Commencement of the Period	4,669,306,776.09	3,213,557,815.42
VI. Cash and Cash Equivalents at the End of the Period	6,120,776,365.13	5,140,804,628.04

II Explanation of adjustment of financial statements

1.The first implementation of new lease criteria from 2021 to adjust the relevant items of the financial statements implemented at the beginning of the year for the first time

√Applicable. □Not applicable

Whether the accounts of the balance sheet at the beginning of the year shall be adjusted

√ Yes □ No

Consolidated Balance Sheet

Unit: RMB

Item	December 31, 2020	January 1, 2021	Adjusted Amount
Current Assets:			
Cash and Bank Balances	4,927,657,236.24	4,927,657,236.24	
Deposit Reservation for Balance			
Loans to Banks and Other Financial Institutions			
Trading Financial Assets	852,227,964.70	852,227,964.70	
Derivative Financial Assets			
Notes Receivable	332,064,366.59	332,064,366.59	
Accounts Receivable	1,930,930,930.01	1,930,930,930.01	
Receivables Financing	295,393,346.17	295,393,346.17	
Prepayments	116,063,557.59	116,063,557.59	
Premium Receivable			
Reinsurance Accounts Receivable			
Reinsurance Contract Reserves Receivable			
Other Receivables	178,610,951.64	178,610,951.64	
Including: Interest Receivable			
Dividends Receivable			
Buying Back the Sale of Financial Assets			
Inventories	3,117,042,558.78	3,117,042,558.78	
Contract Assets			
Holding for-sale Assets			
Non-current Assets Due within 1 Year			
Other Current Assets	1,777,569,473.96	1,777,569,473.96	
Subtotal of Current Assets	13,527,560,385.68	13,527,560,385.68	
Non-current Assets:			
Granting of Loans and Advances			
Investment in Creditor's Rights			

Item	December 31, 2020	January 1, 2021	Adjusted Amount
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	343,378,891.18	343,378,891.18	
Investment in Other Equity Instruments	22,998,147.55	22,998,147.55	
Other Non-current Financial Assets			
Investment Property			
Fixed Assets	13,914,151,215.54	13,914,151,215.54	
Construction in Progress	1,325,545,420.56	1,325,545,420.56	
Productive Biological Assets			
Oil and Gas Assets			
Right-of-use Assets		3,604,870.23	3,604,870.23
Intangible Assets	1,407,067,129.87	1,407,067,129.87	
Development Expenditure			
Goodwill			
Long-term Deferred Expenses	13,369,412.48	13,369,412.48	
Deferred Income Tax Assets	65,143,706.00	65,143,706.00	
Other Non-current Assets	277,793,490.68	277,793,490.68	
Subtotal of Non-current Assets	17,369,447,413.86	17,373,052,284.09	3,604,870.23
Total Assets	30,897,007,799.54	30,900,612,669.77	3,604,870.23
Current Liabilities:			
Short-term Borrowings	2,363,525,192.53	2,363,525,192.53	
Loan from the Central Bank			
Loan from Banks and Other Financial Institutions			
Transactional Financial Liabilities			
Derivative Financial Liabilities			
Notes Payable	497,644,517.23	497,644,517.23	
Accounts Payable	1,463,728,316.04	1,463,728,316.04	
Received Prepayments			
Contract Liabilities	56,302,537.11	56,302,537.11	
Financial Assets Sold for Repurchase			
Deposit Taking and Interbank Deposit			
Receiving from			

Item	December 31, 2020	January 1, 2021	Adjusted Amount
Vicariously Traded Securities			
Receiving from Vicariously Sold Securities			
Payroll payable	322,646,061.45	322,646,061.45	
Tax Payable	268,864,472.38	268,864,472.38	
Other Payables	129,839,228.89	129,839,228.89	
Including: Interest Payable			
Dividends Payable			
Service Charge and Commission Payable			
Reinsurance Accounts Payable			
Holding for-sale Liabilities			
Non-current Liabilities Due within 1 Year	1,275,888,293.32	1,275,888,293.32	
Other Current Liabilities	4,956,463.49	4,956,463.49	
Subtotal of Current Liabilities	6,383,395,082.44	6,383,395,082.44	
Non-current Liabilities:			
Insurance Contract Reserves			
Long-term Borrowings	4,136,875,354.33	4,136,875,354.33	
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities		3,604,870.23	3,604,870.23
Long-term Payables			
Long-term Payroll Payable			
Expected Liabilities			
Deferred Income	873,066,181.34	873,066,181.34	
Deferred Income Tax Liabilities	99,839,731.45	99,839,731.45	
Other Non-current Liabilities			
Subtotal of Non-current Liabilities	5,109,781,267.12	5,113,386,137.35	3,604,870.23
Total Liabilities	11,493,176,349.56	11,496,781,219.79	3,604,870.23
Shareholders' Equity:			
Share Capital	2,148,662,300.00	2,148,662,300.00	
Other Equity Instruments			
Including:			

Item	December 31, 2020	January 1, 2021	Adjusted Amount
Preferred Stocks			
Perpetual Bonds			
Capital Reserves	4,560,522,556.84	4,560,522,556.84	
Less: Treasury Share			
Other Comprehensive Incomes	27,803,829.31	27,803,829.31	
Special Reserves	9,550,346.85	9,550,346.85	
Surplus Reserves	1,074,331,150.00	1,074,331,150.00	
General Risk Reserves			
Undistributed Profits	11,515,384,739.95	11,515,384,739.95	
Total Shareholders' Equity Attributable to the Parent Company	19,336,254,922.95	19,336,254,922.95	
Minority Shareholders' Equity	67,576,527.03	67,576,527.03	
Total Shareholders' Equity	19,403,831,449.98	19,403,831,449.98	
Total Liabilities and Shareholders' Equity	30,897,007,799.54	30,900,612,669.77	3,604,870.23

Explanation of Adjustment:

According to *Accounting Standards for Enterprises No.21 – Lease* (CaiKuai [2018] No.35) issued by the Ministry of Finance in 2018, the Company has implemented the new lease criteria and made adjustment to the relevant items in the financial statements as of January 1, 2021.

2. Explanation of data comparison for early stage of retroactive adjustment due to first implementation of the new lease criteria from 2021

Applicable Not applicable

III 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 29, 2021