

Lepu Medical Technology(Beijing) Co., Ltd.

The Third Quarter Report 2022

The Company and all members of the Board of Directors guarantee that the content announced is authentic, accurate and complete without false records, misleading statements or major omissions.

Hint of Important Contents:

1. The Board of Directors, the Board of Supervisors, directors, supervisors and senior executives guarantee the authenticity, accuracy and completeness of the content of the quarterly report without any false records, misleading statements or major omissions, and also assume several and joint legal liabilities.
2. The head of the Company, principal in charge of accounting work and principal in charge of accounting organization (accountant in charge) hereby declare that: the financial statement enclosed in the quarterly report is authentic, accurate and complete.
3. Whether the Third Quarter Report has been audited
 Yes No

I. Major Financial Results

(I) Major Accounting Data and Financial Indicators

Whether the Company needs to retrospectively adjust or restate previous annual accounting data

Yes No

| | Three Months Ended September 30, 2022 | % Change | Nine Months Ended September 30, 2022 | % Change |
|--|--|---------------------------------|---|----------|
| Operating revenue(RMB) | 2,428,292,257.91 | 14.87% | 7,761,799,196.45 | -10.11% |
| Net profit attributable to shareholders of the Company (RMB) | 542,075,039.22 | 177.49% | 1,810,102,684.93 | -5.78% |
| Net profit attributable to shareholders of the Company after deducting non-recurring profit and loss (RMB) | 541,264,649.98 | 47.32% | 1,804,775,009.94 | -13.44% |
| Net cash flows from operating activities (RMB) | 643,377,663.85 | 236.06% | 1,821,670,641.59 | -21.66% |
| Basic earnings per share (RMB /share) | 0.3041 | 178.98% | 1.0158 | -5.24% |
| Diluted earnings per share (RMB /share) | 0.3017 | 176.77% | 1.0051 | -4.66% |
| Return on weighted average net assets | 4.39% | 2.72% | 15.04% | -2.66% |
| | Nine Months Ended September 30, 2022 | Year ended December 31, 2021 | % Change | |
| Total assets (RMB) | 23,566,707,157.53 | 20,698,662,317.96 | 13.86% | |
| Total equity attributable to shareholders of the Company(RMB) | 13,990,971,328.75 | 11,473,861,050.60 | 21.94% | |

From the end of the reporting period to the disclosure date of the quarterly report, whether the share capital has changed and affected the amount of shareholders' equity due to the issuance of new shares, seasoned equity offerings, allotment of shares, equity incentive exercise, repurchase and other reasons

Yes No

| | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2022 |
|---|--|---|
| Preferred share dividends paid (RMB) | 0.00 | 0.00 |
| Interest paid on perpetual bonds (RMB) | 0.00 | 0.00 |
| Fully diluted earnings per share calculated with the latest share capital (RMB/share) | 0.2864 | 0.9562 |

(II) Items and Amounts of Non-recurring Profits or Losses

Applicable Not applicable

Unit: RMB

| Item | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2022 | Description |
|--|--|---|-------------|
| Profits and losses on disposal of non-current assets (including the write-off of provision for asset impairment) | -71,048.11 | 296,376.78 | |
| Government subsidies included in the current profits and losses (except those that are closely related to the Company's normal business operations, comply with national policies and regulations and are continuously available according to certain standard quota or quantity) | 21,719,209.53 | 43,398,494.51 | |
| Except effective hedging business related to the Company's normal business operations, profits and losses from fair value changes caused by financial assets and liabilities held-for-trading, and investment income acquired from disposal of financial assets and liabilities held-for-trading and available-for-sale financial assets | -9,674,955.44 | -6,276,294.49 | |
| Non-operating revenues and expenses other than those mentioned above | -5,980,080.25 | -12,253,207.02 | |
| Other items of profits and losses conforming to the definition of non-recurring profits and losses | -3,352,918.49 | -10,958,209.18 | |
| Less: Income tax expense | 640,794.96 | 6,321,255.98 | |
| Influenced amount of non-controlling interests (after-tax) | 1,189,023.04 | 2,558,229.63 | |
| Total | 810,389.24 | 5,327,674.99 | -- |

Details of other profit and loss items complying with the definition of non-recurring profits or losses:

Applicable Not Applicable

There are no details of other profit and loss items complying with the definition of non-recurring profits or losses.

Explanations for defining non-recurring profits and losses items listed in the *Explanatory Announcement No.1 on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profits and Losses* as recurring profits and losses

Applicable Not Applicable

There are no explanations for defining non-recurring profits and losses items listed in the *Explanatory Announcement No.1 on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profits and Losses* as recurring profits and losses.

(III) Details and Reasons of Changes of Major Accounting Data and Financial Indicators

Applicable Not applicable

The Company's operating performance improved significantly in the third quarter. For the third quarter of 2022, the operating revenue reached RMB 2428.2923 million, with an increase of 14.87% compared to the same period of last year ; after deducting the income of COVID-19 antigen rapid test kits, the routine business increased by 20.22%. The net profits attributable to shareholders of the Company was RMB 542.0750 million with 177.49% compared to the same period of last year . The net profits attributable to shareholders of the Company after deducting non-recurring profit and loss was RMB 541.2646 with 47.32% compared to the same period of last year . The specific financial data are as follows:

1. During the first nine months of 2022, the operating revenue decreased by 10.11%, or RMB 872.8061 million, to RMB 7761.7992 million compared to the same period of last year. The decrease in operating revenue was mainly due to the high sales of COVID-19 antigen rapid test kits in 2021. During the reporting period, the total operating revenue of COVID-19 antigen rapid test kits accounted for 7.5%, and the operating revenue of this business dropped 77% compared to the same period of last year. After deducting the revenue of COVID-19 antigen rapid test kits, the revenue of routine business increased by 18.45% compared to the same period of last year. For the third quarter of 2022, the operating revenue was RMB 2428.2923 million, with an increase of 14.87% over the same period of last year. The proportion of the revenue of COVID-19 antigen rapid test kits dropped to 4.1%. After deducting the revenue of COVID-19 antigen rapid test kits, the revenue of routine business increased by 20.22%.

1) As the largest sector of the Company's operating revenue, medical device sector achieved an operating revenue of RMB 4324.0771 million during the first nine months of 2022, with a decline of 15.73% over the same period of last year. In the same period of last year, COVID-19 antigen rapid test kits accounted for a large proportion of the Company's operating revenue in the medical device sector. After deducting the revenue of this part, the operating revenue of the Company's routine business in the medical device sector increased by 42.76%.

Coronary artery implantation and intervention are the core businesses of the Company in cardiovascular medical devices. Under the dual influence of COVID-19 and the volume-based procurement of drug coated balloon at last year, innovative coronary product portfolio still achieved

a relatively high growth rate, accounting for 67.17% of the operating revenue in the coronary business sector. In addition to drug coated balloon, there is a good competition pattern of innovative cardiovascular medical devices in China, with fewer than 3 manufacturers involved, and the risk of volume-based procurement is low immediately. On this occasion, the cardiovascular medical device business of the Company has gotten rid of the influence of volume-based procurement. The future growth will be driven by the existing innovative product portfolio and the innovative products that will be launched year by year in the future. The core business of the Company will return to the sustainable relatively high-speed growth driven by R&D innovation.

2) In terms of the pharmaceutical sector, the operating revenue was basically equal during the reporting period.

3) The medical care solutions sector is a new business sector developed by the Company, which is an innovative business of the Company. During the reporting period, the routine business income of medical care solutions sector, excluding COVID-19 related products, increased by 1.24%.

2. During the reporting period, the Company realized a net profit of RMB 1836.0580 million with a decline of 8.79% over the same period of last year; The net profits attributable to shareholders of the Company was RMB 1810.1027 million with a decline of 5.78% over the same period of last year. The net profit attributable to shareholders of the Company after deducting non-recurring profit and loss was RMB 1804.7750 million with a decline of 13.44% over the same period of last year; the net profits attributable to shareholders of the Company decreased due to the significant decrease in antigen testing related business compared with the same period in 2021.

In the third quarter, the net profits attributable to shareholders of the Companies was RMB 542.0750 million with an increase of 177.49% over the same period of last year; The net profits attributable to shareholders of the Company after deducting non-recurring profit and loss was RMB 541.2646 million with an increase of 47.32% over the same period of last year. The profit in the third quarter increased significantly, mainly due to the high growth rate (20.22%) of the operating revenue of routine business and the improvement of operating efficiency. Moreover, the disturbance of COVID-19 related business has also been basically eliminated.

During the reporting period, the non-recurring income attributable to shareholders of the Company was RMB 5.3277 million and the non-recurring loss in the same period of last year was

RMB 163.8894 million. The income increased significantly, mainly due to the fluctuations in the share price of Junshi Biosciences held by the Company in the same period of last year.

3. During the reporting period, the net cash flow from operating activities of the Company was RMB 1821.6706 million with a decline of 21.66% over the same period of last year, which due to the impact of the decrease in sales of COVID-19 antigen rapid test kits. Among them, the net cash flow from operating activities in the third quarter was RMB 643.3777 million with an increase of 236.06% over the same period of last year, indicating that the Company has made remarkable achievements in improving operating efficiency and controlling inventory procurement.

4. During the reporting period, the financial expenses were RMB 82.4673 million, a decline of RMB 58.2922 million over the same period of last year, with a decline of 41.41%, which was mainly due to the decrease in overall interest rate caused by the Company's repayment of bank loads and the adjustment of financing structure; in addition, exchange gain was also increased due to the fluctuation of the USD exchange rate.

5. During the reporting period, the investment loss was RMB 63.3936 million, a decrease of RMB 65.8936 over the same period of last year, with a decline of 50.97%, which was mainly due to the decrease in investment losses of the joint stock companies recognized according to the shareholding ratio.

6. During the reporting period, the loss from fair value change was RMB 9.9368 million, a decrease of RMB 178.0617 million over the same period of last year, with a decline of 94.71%, which was mainly due to changes in the market price of the shares held by the Company.

7. During the reporting period, the non-operating expense was RMB 15.7320 million, a decrease of RMB 12.0436 million over the same period of last year, with a decline of 43.36%, which was mainly due to the decrease of the Company's external donations.

8. During the reporting period, the net profit attributable to non-controlling interests was RMB 25.9554 million, a decrease of RMB 65.9258 million over the same period of last year, with a decline of 71.75%, which was mainly due to the performance disturbance of the non wholly owned subsidiaries caused by the COVID-19 related business.

9. During the reporting period, the net cash flows from financing activities was RMB 513.5618 million, an increase of RMB 757.9401 million compared with the net outflow of RMB 244.3783

million in the same period of last year, which was mainly due to the RMB 1532.9966 million received from the Company's GDR issuance.

10. At the end of the reporting period, the cash at bank and on hand was RMB 5412.7401 million, an increase of RMB 1615.1933 million over the beginning of the year, with a growth rate of 42.53%, which was mainly due to the Company's GDR issuance and net cash flow from operating activities during the reporting period.

11. At the end of the reporting period, the notes receivable amounted to RMB 127.9300 million, an increase of RMB 74.1586 million over the beginning of the year, with a growth rate of 137.91%, which was mainly due to the increase in acceptance bills received by the Company during the reporting period.

12. At the end of the reporting period, the prepayment was RMB 395.0789 million, an increase of RMB 111.9446 million over the beginning of the year, with a growth rate of 39.54%, which was mainly due to the increase in the Company's stock based on supply chain management during the reporting period.

13. At the end of the reporting period, the non-current assets due within one year were RMB 6.2695 million, a decrease of RMB 25.5840 million over the beginning of the year, with a decline of 80.32%, which was mainly due to the successive payments collected as agreed during the reporting period.

14. At the end of the reporting period, the other non-current financial assets were RMB 133.9800 million over the beginning of the year, an increase of RMB 40.1400 million, with a growth rate of 42.77%, which was mainly due to the Company's increase in SHINING 3D shares during the reporting period.

15. At the end of the reporting period, the notes payable amounted to RMB 150.3175 million, a decrease of RMB 78.2150 million over the beginning of the year, with a decline of 34.22%, which was mainly due to the decrease in the unexpired balance settled by acceptance bills during the reporting period.

16. At the end of the reporting period, the employee benefits payable was RMB 68.6293 million, a decrease of RMB 130.9187 million over the beginning of the year, with a decline of 65.61%, which was mainly due to the Company's payment of the bonus accrued in the previous year.

17. At the end of the reporting period, the tax payable by the Company was RMB 338.3643 million, an increase of RMB 127.6027 million over the beginning of the year, with a growth rate of 60.54%, which was mainly caused by the increase in value-added tax and corporate income tax due to the increase in business and the relevant policies of the state to delay the payment of taxes during the reporting period.

18. At the end of the reporting period, the capital reserves were RMB 2551.2053 million, an increase of RMB 1567.4994 million over the beginning of the year, with a growth rate of 159.35%, which was mainly due to the increase of capital reserves of RMB 1427.5192 million from GDR issued by the Company during the reporting period.

19. At the end of the reporting period, the treasury shares were RMB 610.1025 million, an increase of RMB 245.9106 million over the beginning of the year, with a growth rate of 67.52%, which was mainly due to the Company's share repurchase during the reporting period.

20. At the end of the reporting period, the other comprehensive losses were RMB 86.3921 million, a decrease of RMB 215.2951 million compared with the other comprehensive income of RMB 128.9029 million at the beginning of the year, with a decline of 167.02%, which was mainly due to the decrease in the fair value of other equity instrument investments during the reporting period.

II. Shareholder Information

(I) Total Number of Common Shareholders and Preferred Shareholders Recovering Voting Rights and the Shareholding of the Top 10 Shareholders

Unit: Share

| Total number of common shareholders at the end of the reporting period | | 101,080 | Total number of preferred shareholders recovering voting rights at the end of the reporting period (if any) | | 0 | |
|--|--------------------------|-------------------------|---|--|-----------------------------|-------------|
| Shareholding of the top 10 shareholders | | | | | | |
| Name of shareholder | Nature of shareholder | Shareholding proportion | Number of shares held | Number of shares held with restricted conditions | Pledge, marking or freezing | |
| | | | | | Stock status | Quantity |
| 725th Research Institute of China State Shipbuilding Corporation Limited | State-owned legal person | 12.89% | 244,063,788 | | | |
| PU Zhongjie | Domestic natural person | 12.05% | 228,074,749 | 171,056,062 | Pledge | 167,230,000 |
| WP MEDICAL TECHNOLOGI | Foreign legal entity | 6.55% | 123,968,600 | 92,976,450 | | |

| ES, INC | | | | | | |
|---|---|------------------|-------------|--|--------|------------|
| Bankers Trust Company | Foreign legal entity | 4.67% | 88,421,980 | | | |
| Hong Kong Securities Clearing Company Ltd. | Foreign legal entity | 3.86% | 73,140,586 | | | |
| Houde Yimin (Beijing) Investment Management Co., Ltd. | Domestic non-state-owned legal person | 3.58% | 67,750,000 | | Pledge | 23,634,454 |
| Houde Yimin (Ningbo) Investment Management Co., Ltd. | Domestic non-state-owned legal person | 1.89% | 35,850,000 | | | |
| Bank of China Limited - Huabao CSI medical trading open-end Index | Others | 0.91% | 17,309,935 | | | |
| XIONG Qingchuan | Domestic natural person | 0.75% | 14,120,400 | | | |
| Monetary Authority of Macao - Proprietary funds | Foreign legal entity | 0.75% | 14,117,761 | | | |
| Shareholding of the top 10 shareholders with non-restricted conditions | | | | | | |
| Name of shareholder | Number of shares held with non-restricted conditions | Type of share | | | | |
| | | Type of share | Quantity | | | |
| 725th Research Institute of China State Shipbuilding Corporation Limited | 244,063,788 | RMB common share | 244,063,788 | | | |
| Bankers Trust Company | 88,421,980 | RMB common share | 88,421,980 | | | |
| Hong Kong Securities Clearing Company Ltd. | 73,140,586 | RMB common share | 73,140,586 | | | |
| Houde Yimin (Beijing) Investment Management Co., Ltd. | 67,750,000 | RMB common share | 67,750,000 | | | |
| PU Zhongjie | 57,018,687 | RMB common share | 57,018,687 | | | |
| Houde Yimin (Ningbo) Investment Management Co., Ltd. | 35,850,000 | RMB common share | 35,850,000 | | | |
| WP MEDICAL TECHNOLOGIES, INC | 30,992,150 | RMB common share | 30,992,150 | | | |
| Bank of China Limited - Huabao China CSI medical trading open-end index | 17,309,935 | RMB common share | 17,309,935 | | | |
| XIONG Qingchuan | 14,120,400 | RMB common share | 14,120,400 | | | |
| Monetary Authority of Macao - Proprietary funds | 14,117,761 | RMB common share | 14,117,761 | | | |
| Description of associated relationships or concerted action of the above shareholders | Mr. PU Zhongjie, the shareholder of the Company, and WP MEDICAL TECHNOLOGIES,INC, Houde Yimin (Beijing) Investment Management Co., Ltd. and Houde Yimin (Ningbo) Investment | | | | | |

| | |
|--|--|
| | Management Co., Ltd. have acted in concert. It is not found that other shareholders of the Company are associated with each other or are persons acting in concert under the <i>Measures for the Administration of Acquisition of Listed Companies</i> (Order No. 35 of the China Securities Regulatory Commission). |
|--|--|

(II) Total Number of the Company's Preferred Shareholders and Shareholding of the Top 10 Preferred Shareholders

Applicable Not Applicable

(III) Statement of Restricted Share Change

Applicable Not applicable

Unit: Share

| Name of shareholder | Quantity of restricted stocks at the beginning of the period | Quantity of stocks removed with restrictions on sales in current period | Quantity of stocks added with restrictions on sales in current period | Quantity of restricted stocks at the end of the period | Reason for restriction on sales | Date of cancellation of the restriction |
|------------------------------|--|---|---|--|--|---|
| PU Zhongjie | 171,056,062 | | | 171,056,062 | Restricted circulation stock held by senior executives | During his tenure in the Company, Mr. Pu Zhongjie can transfer no more than 25% of the total shares of the Company each year, and cannot transfer the shares of the Company within half a year after his resignation. |
| WP MEDICAL TECHNOLOGIES, INC | 92,976,450 | | | 92,976,450 | Pre-sale restricted shares | During his tenure in the Company, Mr. Pu Zhongjie can transfer no more than 25% of the total shares of the Company each year, and cannot transfer the shares of the Company within half a year after his resignation. |
| GUO Tongjun | 1,950,535 | | | 1,950,535 | Restricted circulation | Mr. Guo Tongjun cannot |

| | | | | | | |
|---------------|---------|--|--|---------|--|---|
| | | | | | stock held by senior executives | transfer the shares of the Company held by him within six months after his resignation. |
| ZHANG Zhibin | 163,125 | | | 163,125 | Restricted circulation stock held by senior executives | During his tenure in the Company, Mr. Zhang Zhibin can transfer no more than 25% of the total shares of the Company each year, and cannot transfer the shares of the Company within half a year after his resignation. |
| WEI Zhanjiang | 145,200 | | | 145,200 | Restricted circulation stock held by senior executives | During his tenure in the Company, Mr. Wei Zhanjiang can transfer no more than 25% of the total shares of the Company each year, and cannot transfer the shares of the Company within half a year after his resignation. |
| WANG Yong | 143,775 | | | 143,775 | Restricted circulation stock held by senior executives | During her tenure in the Company, Ms. Wang Yong can transfer no more than 25% of the total shares of the Company each year, and cannot transfer the shares of the Company within half a year after her resignation. |
| ZHANG Guorui | 22,500 | | | 22,500 | Restricted circulation stock held by | During his tenure in the Company, Mr. |

| | | | | | | |
|---------------|-------------|---|---|-------------|--|---|
| | | | | | senior executives | Zheng Guorui can transfer no more than 25% of the total shares of the Company each year, and cannot transfer the shares of the Company within half a year after his resignation. |
| CHEN Juan | 8,700 | | | 8,700 | Restricted circulation stock held by senior executives | Within six months after the expiration of the original term of office, Ms. Chen Juan can transfer no more than 25% of the total shares of the Company held by her each year. |
| FENG Xiaoying | 5,550 | | | 5,550 | Restricted circulation stock held by senior executives | During her tenure in the Company, Ms. Feng Xiaoying can transfer no more than 25% of the total shares of the Company each year, and cannot transfer the shares of the Company within half a year after her resignation. |
| Total | 266,471,897 | 0 | 0 | 266,471,897 | | |

III. Other Major Matters

Applicable Not applicable

During the reporting period, with the approval of the China Securities Regulatory Commission and the Swiss Exchange Regulatory Authority, the global depository receipts issued by the Company were listed on the Swiss Stock Exchange on September 21, 2022 (Swiss time). Full name of GDR securities: Lepu Medical Technology (Beijing) Co., Ltd.; GDR code: LEPU.

The issue price of GDRs is USD 12.68 per share, and a total of 17,684,396 GDRs are issued. The corresponding underlying securities are 88,421,980 A-shares of the capital company. Total amount of funds raised is USD 224 million.

IV. Quarterly Financial Statement

(I) Financial Statement

1. Consolidated Balance Sheet

Prepared by: Lepu Medical Technology (Beijing) Co., Ltd

September 30, 2022

Unit: RMB

| Item | 2022.9.30 | 2022.1.1 |
|---|--------------------------|-------------------------|
| Current assets: | | |
| Cash at bank and on hand | 5,412,740,140.88 | 3,797,546,828.75 |
| Settlement reserve | | |
| Lending funds | | |
| Financial assets held-for-trading | | |
| Derivative financial assets | | |
| Notes receivable | 127,930,000.77 | 53,771,351.46 |
| Accounts receivable | 1,654,100,197.37 | 1,661,121,687.38 |
| Receivable financing | 100,508,436.59 | 81,021,515.38 |
| Prepayments | 395,078,934.34 | 283,134,355.78 |
| Insurance premium receivable | | |
| Reinsurance premium receivable | | |
| Reserves for reinsurance contracts receivable | | |
| Other receivables | 212,165,693.15 | 178,277,572.38 |
| Including: Interests receivable | | |
| Dividends receivable | | |
| Financial assets purchased under agreements to resell | | |
| Inventories | 2,239,477,225.20 | 1,938,933,788.59 |
| Contract assets | | |
| Assets held for sale | | |
| Non-current assets due within one year | 6,269,457.16 | 31,853,472.12 |
| Other current assets | 95,687,056.48 | 121,667,039.96 |
| Total current assets | 10,243,957,141.94 | 8,147,327,611.80 |
| Non-current assets: | | |
| Loans and advances granted | | |
| Debt investments | | |
| Other debt investments | | |
| Long-term receivables | 8,796,070.13 | 11,129,273.70 |
| Long-term equity investments | 1,222,447,595.61 | 1,071,749,553.79 |
| Investments in other equity instruments | 1,205,411,588.97 | 1,509,640,296.41 |
| Other non-current financial assets | 133,980,000.00 | 93,840,000.00 |
| Investment properties | 300,322,868.28 | 317,595,880.00 |
| Fixed assets | 2,420,648,089.98 | 2,182,280,171.68 |
| Construction in progress | 1,464,240,058.01 | 1,158,461,800.35 |
| Productive biological assets | | |

| | | |
|--|-------------------|-------------------|
| Oil and gas assets | | |
| Right-of-use assets | 220,015,096.33 | 189,321,935.56 |
| Intangible assets | 1,383,601,211.53 | 1,398,639,683.60 |
| Development costs | 882,634,267.44 | 711,493,159.25 |
| Goodwill | 3,326,724,785.48 | 3,273,478,338.67 |
| Long-term deferred expenses | 233,897,576.00 | 197,778,637.70 |
| Deferred income tax assets | 145,279,664.25 | 137,554,855.18 |
| Other non-current assets | 374,751,143.58 | 298,371,120.27 |
| Total non-current assets | 13,322,750,015.59 | 12,551,334,706.16 |
| Total assets | 23,566,707,157.53 | 20,698,662,317.96 |
| Current liabilities: | | |
| Short-term borrowings | 696,719,055.57 | 583,919,755.30 |
| Loans from central bank | | |
| Placements from banks and other financial institutions | | |
| Financial liabilities held-for-trading | | |
| Derivative financial liabilities | | |
| Notes payable | 150,317,501.12 | 228,532,548.74 |
| Accounts payable | 1,196,534,895.45 | 1,134,629,803.32 |
| Advances from customers | | |
| Contract liabilities | 316,253,440.65 | 353,961,526.94 |
| Securities sold under agreements to repurchase | | |
| Deposits from customers and inter banks | | |
| Receiving from vicariously traded securities | | |
| Receiving from vicariously sold securities | | |
| Employee benefits payable | 68,629,262.68 | 199,547,939.45 |
| Taxes payable | 338,364,307.95 | 210,761,655.01 |
| Other payables | 387,089,014.54 | 327,402,746.63 |
| Including: Interests payable | | |
| Dividends payable | 2,355,943.56 | 4,293,781.40 |
| Fee and commission payable | | |
| Reinsurance accounts payable | | |
| Liabilities held-for-sale | | |
| Non-current liabilities due within one year | 285,127,784.92 | 249,739,598.07 |
| Other current liabilities | 48,168,223.75 | 43,833,317.73 |
| Total current liabilities | 3,487,203,486.63 | 3,332,328,891.19 |
| Non-current liabilities: | | |
| Reserve fund for insurance contracts | | |
| Long-term borrowings | 1,166,845,037.40 | 1,209,505,484.75 |
| Bonds payable | 2,702,731,210.47 | 2,673,396,874.29 |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 160,509,083.01 | 125,111,500.56 |
| Long-term payables | | |
| Long-term employee benefits payable | | |
| Estimated liabilities | | |
| Deferred incomes | 174,585,579.40 | 140,026,782.82 |
| Deferred income tax liabilities | 217,122,369.05 | 264,770,701.75 |
| Other non-current liabilities | 761,972,718.64 | 679,985,509.35 |

| | | |
|--|-------------------|-------------------|
| Total non-current liabilities | 5,183,765,997.97 | 5,092,796,853.52 |
| Total liabilities | 8,670,969,484.60 | 8,425,125,744.71 |
| Shareholders' equity: | | |
| Share capital | 1,893,012,280.00 | 1,804,587,310.00 |
| Other equity instruments | 214,754,821.77 | 214,766,365.30 |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserve | 2,551,205,335.84 | 983,705,934.14 |
| Less: Treasury shares | 610,102,528.32 | 364,191,936.22 |
| Other comprehensive income | -86,392,143.85 | 128,902,935.45 |
| Special reserve | | |
| Surplus reserve | 585,170,176.55 | 585,170,176.55 |
| Provision for general risks | | |
| Retained earnings | 9,443,323,386.76 | 8,120,920,265.38 |
| Total equity attributable to shareholders of the Company | 13,990,971,328.75 | 11,473,861,050.60 |
| Non-controlling interests | 904,766,344.18 | 799,675,522.65 |
| Total equity | 14,895,737,672.93 | 12,273,536,573.25 |
| Total liabilities and equity | 23,566,707,157.53 | 20,698,662,317.96 |

Legal representative: Pu Zhongjie Chief Financial Officer: Wang Yong Accounting Manager: Li Yun

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

Unit: RMB

| Item | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 |
|--|--------------------------------------|--------------------------------------|
| I. Total operating revenue | 7,761,799,196.45 | 8,634,605,321.07 |
| Including: Operating revenue | 7,761,799,196.45 | 8,634,605,321.07 |
| Interest income | | |
| Premium earned | | |
| Income for handling charges and commissions | | |
| II. Total operating costs | 5,543,517,223.94 | 5,954,607,123.75 |
| Including: Operating cost | 2,926,710,536.58 | 3,234,226,483.18 |
| Interest expense | | |
| Handling charges and commissions | | |
| Refunded premiums | | |
| Net amount of compensation payout | | |
| Net amount withdrawn for insurance contract reserves | | |
| Policy dividend expense | | |
| Reinsurance expenses | | |
| Taxes and surcharges | 80,301,430.58 | 94,073,888.05 |
| Selling expenses | 1,249,583,005.40 | 1,349,190,361.83 |
| Administrative expenses | 532,710,854.64 | 531,963,374.61 |
| Research and development expenses | 671,744,088.25 | 604,393,473.16 |
| Financial expenses | 82,467,308.49 | 140,759,542.92 |
| Including: Interest expenses | 157,799,875.04 | 173,038,884.77 |

| | | |
|--|------------------|------------------|
| Interest income | 63,408,841.23 | 47,611,598.12 |
| Add: Other income | 35,451,662.75 | 35,103,491.84 |
| Investment income ("-" for loss) | -63,393,643.21 | -129,287,220.37 |
| Including: Income from investments in associates and joint ventures | -67,048,549.14 | -108,010,949.85 |
| Gains from derecognition of financial assets measured at amortised cost | | |
| Exchange gain ("-" for loss) | | |
| Net exposure hedging benefits ("-" for loss) | | |
| Gains from change in fair value ("-" for loss) | -9,936,836.63 | -187,998,553.88 |
| Loss on impairment of credit ("-" for loss) | -22,848,764.55 | -26,558,445.99 |
| Loss on impairment of assets ("-" for loss) | -2,409,594.46 | -2,610,438.87 |
| Gains from disposal of asset ("-" for loss) | 296,376.78 | 20,144,138.79 |
| III. Operating profit ("-" for loss) | 2,155,441,173.19 | 2,388,791,168.84 |
| Add: Non-operating revenue | 15,628,084.47 | 18,786,750.00 |
| Less: Non-operating expenses | 15,731,960.28 | 27,775,566.74 |
| IV. Total profit before tax (total loss is filled by "-") | 2,155,337,297.38 | 2,379,802,352.10 |
| Less: Income tax expens | 319,279,255.36 | 366,753,969.03 |
| V. Net profit ("-" for net loss) | 1,836,058,042.02 | 2,013,048,383.07 |
| (I) Classification by continuity of operations | | |
| 1. Net profit from continuing operations ("-" for net loss) | 1,836,058,042.02 | 2,013,048,383.07 |
| 2. Net profit from discontinued operations ("-" for net loss) | | |
| (II) Classification by ownership | | |
| 1. Net profit attributable to shareholders of the Company ("-" for net loss) | 1,810,102,684.93 | 1,921,167,226.63 |
| 2. Net profit attributable to non-controlling interests ("-" for net loss) | 25,955,357.09 | 91,881,156.44 |
| VI. Net other comprehensive income after tax | -220,969,467.37 | 85,109,345.79 |
| Net other comprehensive income after tax attributable to shareholders of the Company | -215,008,972.62 | 89,612,367.77 |
| (I) Other comprehensive income that will not be subsequently reclassified to profit or loss | -280,713,758.59 | 97,375,156.14 |
| 1. Change in remeasurement of defined benefit plans | | |
| 2. Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss | | |
| 3. Changes in fair value of | -280,713,758.59 | 97,375,156.14 |

| | | |
|--|------------------|------------------|
| investments in other equity instruments | | |
| 4. Changes in fair value of other equity instrument investments | | |
| 5. Others | | |
| (II) Other comprehensive incomes that will be subsequently reclassified to profit or loss | 65,704,785.97 | -7,762,788.37 |
| 1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss | 5,074.65 | -2,596.13 |
| 2. Change in fair value of other debt investments | | |
| 3. Amount of financial assets reclassified into other comprehensive income | | |
| 4. Provision for credit impairment of other debt investments | | |
| 5. Cash flow hedging reserve | | |
| 6. Exchange differences arising from translation of foreign currency financial statements | 65,699,711.32 | -7,760,192.24 |
| 7. Others | | |
| Net other comprehensive income attributable to non-controlling interests after tax | -5,960,494.75 | -4,503,021.98 |
| VII. Total comprehensive income | 1,615,088,574.65 | 2,098,157,728.86 |
| (I) Total comprehensive income attributable to shareholders of the the Company | 1,595,093,712.31 | 2,010,779,594.40 |
| (II) Total comprehensive income attributable to non-controlling interests | 19,994,862.34 | 87,378,134.46 |
| VIII. Earnings per share: | | |
| (I) Basic earnings per share | 1.0158 | 1.0720 |
| (II) Diluted earnings per share | 1.0051 | 1.0542 |

As for the enterprise combination under the same control in the current period, net profits achieved by the combined party before the combination is RMB 0.00, and the net profit achieved by the combined party for the prior period is RMB 0.00.

Legal representative: Pu Zhongjie Chief Financial Officer: Wang Yong Accounting Manager: Li Yun

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

Unit: RMB

| Item | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 |
|--|--------------------------------------|--------------------------------------|
| I. Cash flows from operating activities: | | |
| Cash received from sale of goods or rendering of services | 8,278,065,637.86 | 8,994,108,823.99 |
| Net increase in deposit from customer and due from bank and other financial institutions | | |
| Net increase in borrowings from central bank | | |
| Net increase in borrowings from other financial institutions | | |

| | | |
|---|------------------|------------------|
| Cash received from premium income from direct insurance contracts | | |
| Net cash received from reinsurance business | | |
| Net increase in policyholders' deposits and investments contract liabilities | | |
| Cash received from interests, handling charges and commissions | | |
| Net increase in loans from other banks and other financial institutions | | |
| Net increase in repurchase business | | |
| Net cash received from agency purchases and sales of securities | | |
| Cash received from tax refund | 137,896,840.85 | 165,897,201.47 |
| Cash received relating to other operating activities | 165,931,813.90 | 117,912,807.45 |
| Sub-total of cash inflows from operating activities | 8,581,894,292.61 | 9,277,918,832.91 |
| Cash paid for goods and services | 2,916,644,564.17 | 3,030,222,188.36 |
| Net increase in loans and advances to customers | | |
| Net increase in central bank and interbank deposits | | |
| Cash paid for claims of direct insurance contracts | | |
| Net increase in lending funds | | |
| Cash paid for interests, handling charges and commissions | | |
| Cash paid for the policy dividends | | |
| Cash paid to and on behalf of employees | 1,583,546,445.48 | 1,405,454,491.14 |
| Payments of taxes and surcharges | 817,648,278.25 | 801,751,387.18 |
| Cash paid relating to other operating activities | 1,442,384,363.12 | 1,715,237,562.11 |
| Sub-total of cash outflows from operating activities | 6,760,223,651.02 | 6,952,665,628.79 |
| Net cash flows from operating activities | 1,821,670,641.59 | 2,325,253,204.12 |
| II. Cash flow from investing activities: | | |
| Cash received from disposal of investments | 70,517,094.02 | 182,349,740.22 |
| Cash received from investment income | 12,654,222.59 | 97,950,528.91 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 1,329,065.51 | 2,081,763.02 |
| Net cash received from the disposal of subsidiaries and other business entities | | 152,601.60 |

| | | |
|---|------------------|-------------------|
| Cash received relating to other investing activities | 66,683,516.50 | 26,661,200.00 |
| Sub-total of cash inflows from investing activities | 151,183,898.62 | 309,195,833.75 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets. | 672,307,434.50 | 709,208,543.03 |
| Cash paid for investments | 232,562,479.04 | 345,086,707.11 |
| Net increase in pledge loans | | |
| Net cash paid for acquisition of subsidiaries and other business units | 21,426,911.42 | 202,409,954.13 |
| Cash paid relating to other investing activities | 153,493,005.46 | 120,000,000.00 |
| Sub-total of cash outflows from investing activities | 1,079,789,830.42 | 1,376,705,204.27 |
| Net cash flows from investing activities | -928,605,931.80 | -1,067,509,370.52 |
| III. Cash flow from financing activities: | | |
| Cash received from capital contributions | 1,533,146,583.46 | 51,584,210.16 |
| Including: Cash received by subsidiaries from receiving investments made by minority interest | 150,000.00 | 51,584,210.16 |
| Cash received from borrowings | 1,528,000,000.02 | 3,477,941,333.33 |
| Cash received relating to other financing activities | 87,844,887.49 | 619,740,000.00 |
| Sub-total of cash inflows from financing activities | 3,148,991,470.97 | 4,149,265,543.49 |
| Cash repayment of borrowings | 1,518,245,360.00 | 3,636,738,956.70 |
| Cash payments for distribution of dividends profits or interest expenses | 623,327,582.97 | 613,146,747.84 |
| Including: Dividends and profits paid by subsidiaries to non-controlling interests | 6,837,837.84 | 48,998,909.59 |
| Cash payments for other financing activities | 493,856,702.19 | 143,758,102.22 |
| Sub-total of cash outflows from financing activities | 2,635,429,645.16 | 4,393,643,806.76 |
| Net cash flows from financing activities | 513,561,825.81 | -244,378,263.27 |
| IV. Effect of change in foreign exchange rate on cash and cash equivalents | 67,882,854.08 | -4,023,118.34 |
| V. Net Increase in cash and cash equivalents | 1,474,509,389.68 | 1,009,342,451.99 |
| Add: Beginning balance of cash and cash equivalents | 3,684,043,645.03 | 2,391,237,259.98 |
| VI. Ending balance of cash and cash equivalents | 5,158,553,034.71 | 3,400,579,711.97 |

(II) Audit Report

Whether the Third Quarter Report has been audited

Yes No

The Company's Third Quarter Report has not been audited.

Lepu Medical Technology (Beijing) Co., Ltd.

Board of Directors

October 27, 2022