

Lepu Medical Technology (Beijing) Co., Ltd.

The Third Quarter Report in 2023

The Company and all members of the Board of Directors guarantee that the information disclosed is authentic, accurate and complete, and contains no false records, misleading statements or material omissions.
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Hint of Important Contents:

1. The Board of Directors, the Board of Supervisors, directors, supervisors, and senior executives of the Company shall guarantee the truthfulness, accuracy and completeness of the content of the quarterly report, without any false records, misleading statements or material omissions, and also assume several and joint legal liabilities.
2. The head of the Company, person in charge of accounting and person in charge of accounting department (accounting supervisor) hereby declare that: the financial information disclosed in the quarterly report is true, accurate and complete.
3. Whether the Third Quarter Report has been audited
☐Yes ☒No

I. Major Financial Data

(I) Major accounting data and financial indexes

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

☐Yes ☒No

	Current reporting period	Increase or decrease in the current reporting period compared to the same period last year	From the beginning of the year to the end of the reporting period	Increase or decrease from the beginning of the year to the end of the reporting period compared to the same period last year
Operating revenue (RMB)	1, 957, 770, 143. 63	-19. 38%	6, 259, 227, 849. 28	-19. 36%
Net profits attributable to shareholders of the listed companies (RMB)	392, 113, 517. 73	-27. 66%	1, 353, 600, 791. 72	-25. 22%
Net profits attributable to shareholders of the listed companies after deducting non-recurring profits and losses (RMB)	381, 055, 371. 61	-29. 60%	1, 285, 930, 081. 17	-28. 75%
Net amount of cash flows from operating activities (RMB)	--	--	603, 782, 179. 67	-66. 86%
Basic earnings per share (RMB/share)	0. 2105	-30. 76%	0. 7268	-28. 45%
Diluted earnings per share (RMB/share)	0. 2105	-30. 21%	0. 7257	-27. 80%
Weighted average return on equity	2. 46%	-1. 93%	8. 84%	-6. 20%
	End of the current reporting period	At the end of last year	Increase or decrease at the end of the current reporting period compared to the end of last year	
Total assets (RMB)	25, 007, 876, 313. 73	24, 484, 033, 145. 01	2. 14%	
Owners' equities attributable to shareholders of the Company (RMB)	16, 177, 404, 418. 69	15, 146, 202, 761. 30	6. 81%	

Note: The expenses related to equity incentives implemented by the Company were excluded, the net profit attributable to shareholders of listed companies from the beginning of the year to the end of the reporting period after non-recurring gains and losses were deducted was RMB 139, 767. 87 , compared with RMB 185, 284. 78 in the same period of last year, with a year-on-year decrease of 24. 57%.

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

☒Yes ☐No

	Current reporting period	From the beginning of the year to the end of the reporting period
Paid preferred stock dividend (RMB)	0. 00	0. 00
Paid interest of perpetual bonds (RMB)	0. 00	0. 00
Diluted earnings per share calculated in accordance with the latest capital stock	0. 2085	0. 7198

(RMB/share)

(II) Items and amounts of non-recurring profits or losses☒Applicable ☐ Not applicable

Unit: RMB

Items	Amount in the current reporting period	Amount from the beginning of the year to the end of the reporting period	Description
Profits and losses on disposal of non-current assets (including the write-off of provision for asset impairment)	-3,774,280.53	-3,367,780.14	
Government subsidies included in the current profits and losses (except those that were closely related to the Company's normal business operations, comply with national policies and regulations and were continuously available in accordance with certain standard quota or quantity)	21,976,392.26	86,101,113.29	
Except effective hedging business related to the Company's normal business operations, profits and losses from fair value changes caused by the held trading financial assets and trading financial liabilities, and investment incomes acquired from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets.	-1,507,860.38	7,845,629.21	
Non-operating revenues and expenditures other than those mentioned above	-592,059.80	-603,868.61	
Other items of profits and losses that meet the definition of non-recurring profits and losses	-1,058,556.47	-18,723.25	
Minus: Influenced amount of income tax	1,436,985.43	15,015,210.01	
Influenced amount of minority shareholders' equities (after-tax)	2,548,503.53	7,270,449.94	
Total	11,058,146.12	67,670,710.55	--

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

☐ Applicable ☒ Not Applicable

There were no specific situations of other profit or loss items complying with the definition of non-recurring profits or losses in the

Company:

Description on situations for defining non-recurring profit and loss 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 were no situations for defining non-recurring profit and loss 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 in the Company.

(III) Details and reasons of changes of major accounting data and financial indexes

☒ Applicable ☐ Not applicable

In the third quarter, the Company realized an operating income of RMB 1957.7701 million. A net profit of RMB 392.1135 million attributable to the shareholders in listed companies. The net profit attributable to shareholders of listed companies after the non-recurring gains and losses were deducted was RMB 381.0554 million; The expenses related to equity incentives implemented by the Company were excluded, the net profit attributable to shareholders of listed companies after the non-recurring gains and losses were deducted was RMB 422.5170 million. In the third quarter, the Company realized a net operating cash flow of RMB 462.0806 million. The specific financial data were as follows:

1. During the reporting period, the Company's accumulated operating income was RMB 6259.2278 million, decreased by RMB 1502.5713 million compared with the same period of last year, with a decrease of 19.36%. The main reason was the high base of emergency business in the same period last year due to COVID-19.

1) As the sector with the largest proportion of the Company's operating income, medical devices realized an operating income of RMB 2863.4159 million during the reporting period. The Company's innovative product portfolios of intervention still achieved growth. During the reporting period, the operating income of innovative product portfolio has a year-on-year increase of 6.08%. Benefiting from the domestic substitution brought by the policy of volume-based procurement, the Company's surgical anesthesia business maintained a good growth trend, and the operating income of surgical anesthesia business increased by 6.91% year-on-year during the reporting period.

2) In the pharmaceutical sector, the operating income was basically steady in the third quarter, with an accumulated decrease of 5.92% during the reporting period.

3) The medical service and health management sectors were new business sectors actively cultivated by the Company. This business is an innovative business of the Company, with constantly increasing investment. In the future, the business will rely on the advantages of data and technology to continuously expand its sales channels. In the reporting period, the medical service and health management sector realized an operating income of RMB 979.5734 million.

2. During the reporting period, the Company realized a net profit of RMB 1403.2264 million. A net profit of RMB 1353.6008 million attributable to shareholders of listed companies was achieved; The net profit attributable to shareholders of listed companies after the non-recurring gains and losses were deducted was RMB 1285.9301 million. After the share-based payment is restored, the net profit attributable to shareholders of listed companies after deducting non-recurring gains and losses is RMB 1397.6787 million.

During the reporting period, the non-recurring income attributable to shareholders of listed companies was RMB 67.6707 million, the non-recurring income was RMB 5.3277 million in the same period of last year, the main reason was the increase in government subsidies received by the Company during the reporting period.

3. During the reporting period, the net cash flow generated by the Company's operating activities was RMB 603.8722 million, decreased by 66.86% compared with the same period of last year, the main reason was the fact that the advance payment of emergency products received by the Company in the fourth quarter of 2022 during the reporting period due to the weakening of customer demand in the current period, and the extra labor costs required for emergency product production at the end of last year and the money for purchasing raw materials were equal to the centralized payment in the current period, which also had a certain impact. In the third quarter, the net operating cash flow was RMB 462.0806 million, basically eliminating the impact of emergency products last year.

4. During the reporting period, the Company's financial expenses were RMB 43.6537 million, decreased by RMB 38.8136million or with a crease of 47.07% compared with the same period of last year, the main reason was the increase in the weighted average fund balance of RMB 1532.9966 million raised by GDR in the second half of 2022 compared with the same period, and the decrease in the overall interest rate due to the company's adjustment of financing structure.

5. Other incomes during the reporting period was RMB 65.2886 million, with a growth of RMB 29.8369 million in the same period of last year, with a growth of 84.16%, the main reason was the

increase in government subsidies related to daily activities received by the Company during the reporting period.

6. During the reporting period, the investment loss was RMB 40.9335 million, decreased by of RMB 22.4602 million compared with the same period of last year, with a decrease of 35.43%, the main reason was the decrease in investment losses of the shareholding companies confirmed according to the shareholding ratio during the reporting period.

7. During the reporting period, the Company's non-operating income was RMB 48.0468 million, increased by RMB 32.4187 million compared with the same period of last year, with a growth of 207.44%, the main reason was the increase in government incentives and other subsidies received by the Company during the reporting period.

8. During the reporting period, the net outflow of cash flow generated by the Company's financing activities was RMB 231.3600 million, decreased by RMB 513.5618 million compared with the net inflow of RMB 744.9219 million in the same period of last year, with a decrease of 145.05%, the main reason was the fact that the Company successfully issued GDR and received RMB 1532.9966 in cash in the same period of last year.

9. At the end of the reporting period, the Company's receivables financing was RMB 85.4688 million, decreased by RMB 48.8232 million compared with that at the beginning of the year, with a decrease of 36.36%, the main reason was the decrease in acceptance bills received by the Company during the reporting period.

10. At the end of the reporting period, the Company's other current assets were RMB 139.3839 million, increased by RMB 53.8667 million compared with that at the beginning of the year, with a growth of 62.99%, the main reason was the increase in taxes to be deducted by the Company during the reporting period.

11. At the end of the reporting period, the Company's other non-current financial assets were RMB 27.8198 million, decreased by RMB 130.7902 compared with that at the beginning of the year, with a decrease of 82.46%, the main reason was the disposal of some shares held by the Company during the reporting period.

12. At the end of the reporting period, the Company's right-of-use assets were RMB 320.7169 million, increased by RMB 98.8008 million compared with that at the beginning of the year, with a

growth of 44.52%, the main reason was the newly increased lease of the Company during the reporting period.

13. At the end of the reporting period, the Company's other non-current assets were RMB 687.1390 million, increased by RMB 241.0086 million compared with the beginning of the year, with a growth of 54.02%, the main reason was the fact that the Company set up overseas production bases, the prepaid land funds or the prepaid investment funds had not yet completed the change procedures during the reporting period.

14. At the end of the reporting period, the Company's short-term loans were RMB 1077.2169 million, increased by RMB 696.4495million compared with the beginning of the year, with a growth of 182.91%, the main reason was the Company's adjustment of financing structure, return of maturing bonds and increase of bank loans during the reporting period.

15. At the end of the reporting period, the contractual liabilities of the Company were RMB 263.9804 million, with a decrease of RMB 467.1356 million compared with those at the beginning of the year, with a decrease of 63.89%, the main reason was the fact that a large number of advances received of sales at the end of last year have been delivered or refunded in this period.

16. At the end of the reporting period, the Company's employee remunerations were RMB 58.5204 million, decreased by RMB 148.1810 million compared with that at the beginning of the year, with a decrease of 71.69%, the main reason was the Company's payment of the bonus accrued in the previous year during the reporting period.

17. At the end of the reporting period, the Company's non-current liabilities due within one year were RMB 511.9315 million, decreased by RMB 1048.1457 million compared with the beginning of the year, with a decrease of 67.19%, the main reason was the Company's repayment of 1.2 billion medium-term notes during the reporting period.

18. At the end of the reporting period, the Company's other current liabilities were RMB 45.3165 million, decreased by RMB 64.5046 million compared with that at the beginning of the year, with a decrease of 58.74%, the main reason was the decrease in taxes and fees corresponding to the decrease in contractual liabilities during the reporting period.

19. At the end of the reporting period, the Company's long-term loans were RMB 1440.3056 million, increased by RMB 708.7572 million compared with the beginning of the year, with a growth

of 96.88%, the main reason was the Company's adjustment of financing structure, return of maturing bonds and increase of bank loans during the reporting period.

20. At the end of the reporting period, the Company's lease liabilities were RMB 275.7418 million, increased by RMB 113.0165 million compared with that at the beginning of the year, with a growth of 69.45%, the main reason was the Company's new lease during the reporting period.

II. Information of Shareholders

(I) Table of Total Number of Common Shareholders and Preferred Shareholders Recovering Voting Rights and Shareholdings of Top Ten Shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period		91,258	Sum of preferred shareholders recovering voting rights at the end of reporting period (if any)		0	
Shareholding of the top 10 shareholders						
Name of Shareholders	Nature of shareholders	Shareholding ratio	Number of shares held	Number of shares held with restricted conditions	Pledge, marking or freezing information	
					Share status	Quantity
725th Research Institute of China State Shipbuilding Corporation Limited	State-owned legal person	12.98%	244,063,788	0		
PU Zhongjie	Domestic natural person	12.13%	228,074,749	171,056,062	Pledge	176,449,998
WP MEDICAL TECHNOLOGIES, INC	Overseas legal person	6.59%	123,968,600	92,976,450		
Hong Kong Securities Clearing Company Limited	Overseas legal person	4.60%	86,440,587	0		
Houde Yimin (Beijing) Investment Management Co., Ltd.	Domestic non-state-owned legal person	3.60%	67,750,000	0	Pledge	26,830,000
Bank of China Limited - Huabao CSI medical trading open-end index securities investment fund	Others	2.16%	40,582,925	0		
Houde Yimin (Ningbo)	Domestic non-state-owned	1.91%	35,850,000	0		

Investment Management Co., Ltd.	legal person					
China Construction Bank Corporation - mixed securities investment fund for China-Europe pension industry	Others	1.61%	30,257,709	0		
Industrial and Commercial Bank of China Limited - ETF trading open-end index securities investment fund	Others	0.93%	17,550,749	0		
China CITIC Bank Co., Ltd. - China-Europe Ruijian mixed securities investment fund	Others	0.89%	16,734,882	0		
Shareholding of the top 10 shareholders with non-restricted conditions						
Name of Shareholders	Number of shares held without restricted conditions	Type and quantity of shares				
		Type of share	Quantity			
725th Research Institute of China State Shipbuilding Corporation Limited	244,063,788	RMB common share	244,063,788			
Hong Kong Securities Clearing Company Limited	86,440,587	RMB common share	86,440,587			
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			
Bank of China Limited - Huabao CSI medical trading open-end index securities investment fund	40,582,925	RMB common share	40,582,925			
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			
China Construction Bank Corporation - mixed securities investment fund for China-Europe pension industry	30,257,709	RMB common share	30,257,709			
Industrial and Commercial Bank of China Limited - ETF trading open-end index securities investment fund	17,550,749	RMB common share	17,550,749			
China CITIC Bank Co., Ltd. -	16,734,882	RMB common	16,734,882			

China-Europe Ruijian mixed securities investment fund		share	
Description of associated relationships or concerted actions of the above shareholders	Mr. PU Zhongjie, WP Medical Technologies, Inc., Houde Yimin (Beijing) Investment Management Co., Ltd. and Houde Yimin (Ningbo) Investment Management Co., Ltd. were persons acting in concert within the meaning of PRC law. There was no relationship between other shareholders of the Company or concerted action as stipulated in <i>Measures for the Administration of Acquisition of Listed Companies</i> (Order No.35 of China Securities Regulatory Commission).		

(II) Table of Total Number of the Preferred Shareholders and Shareholdings of Top 10 Preferred Shareholders of the Company

☐ Applicable ☒ Not Applicable

(III) Statement of restricted share change

☒ Applicable ☐ Not applicable

Unit: Share

Name of Shareholders	Quantity of restricted stocks at the beginning of the period	Quantity of stocks removed with restrictions on sales in current period	Quantity of stocks increased 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	During Mr. PU Zhongjie's employment in the Company, the annual transfer of shares does not exceed 25% of the total shares of the Company, and he will not transfer the shares of the Company within half a year after his resignation.	None
WP MEDICAL TECHNOLOGIES, INC	92,976,450			92,976,450	During Mr. PU Zhongjie's employment in the Company, the annual transfer of shares does not exceed 25% of the total shares of the Company, and he will not	None

					transfer the shares of the Company within half a year after his resignation.	
GUO Tongjun	1,101,000	1,101,000		0	During Mr. GUO Tongjun's employment in the Company, the annual transfer of shares does not exceed 25% of the total shares of the Company, and he will not transfer the shares of the Company within half a year after his resignation.	Released restricted conditions
ZHANG Zhibin	163,125			163,125	During Mr. ZHANG Zhibin's employment in the Company, the annual transfer of shares does not exceed 25% of the total shares of the Company, and he will not transfer the shares of the Company within half a year after his resignation.	None
WEI Zhanjiang	145,200			145,200	During Mr. WEI Zhanjiang's employment in the Company, the annual transfer of shares does not exceed 25% of the total shares of the Company, and he will not transfer the shares of the	None

					Company within half a year after his resignation.	
WANG Yong	143,775			143,775	During Ms. WANG Yong's employment in the Company, the annual transfer of shares does not exceed 25% of the total shares of the Company, and he will not transfer the shares of the Company within half a year after her resignation.	None
ZHENG Guorui	22,500			22,500	During Mr. ZHENG Guorui's employment in the Company, the annual transfer of shares does not exceed 25% of the total shares of the Company, and he will not transfer the shares of the Company within half a year after his resignation.	None
CHEN Juan	8,700	8,700		0	Within six months after the original term expires, Ms. CHEN Juan will transfer no more than 25% of the total shares of the Company each year.	Released restricted conditions
FENG Xiaoying	5,550			5,550	During Ms. FENG Xiaoying's employment in the Company,	None

					the annual transfer of shares does not exceed 25% of the total shares of the Company, and he will not transfer the shares of the Company within half a year after her resignation.	
Total	265,622,362	1,109,700	0	264,512,662	--	--

III. Other Major Events

☒Applicable ☐ Not applicable

1. The Company intends to spin off its holding subsidiary of Changzhou Bingkun Medical Technology Co., Ltd. to the GEM of Shenzhen Stock Exchange for listing. On Jul. 21, 2023, the Company held the second meeting of the Sixth Board of Directors and the second meeting of the sixth Board of Supervisors, and reviewed and approved the *Proposal of Lepu Medical Technology (Beijing) Co., Ltd. for Spinning off its Subsidiary of Changzhou Bingkun Medical Technology Co., Ltd. to the GEM of Shenzhen Stock Exchange for Listing* and other proposals related to this split. (Announcement number: 2023-045).

2. MemoSorb® biodegradable patent foramen ovale occluder independently developed by Shanghai Shape Memory Alloy Co., Ltd., a subsidiary of the Company, was officially registered and approved by National Medical Products Administration (NMPA), with the medical device registration certificate number: GXZZ 20233131307. (Announcement number: 2023-060).

IV. Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

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

Sept. 30, 2023

Unit: RMB

	Sept. 30, 2023	Jan. 31, 2023
Current assets:		
Monetary funds	4,860,967,288.53	5,467,278,785.39
Deposit reservation for balance		

Lending funds		
Trading financial assets	268,857,066.89	277,214,058.48
Derivative financial assets		
Notes receivable	70,397,863.15	98,366,738.81
Accounts receivable	1,750,111,610.40	1,908,630,201.32
Receivable financing	85,468,774.61	134,291,997.64
Advance payment	468,728,832.60	381,572,138.38
Premium receivable		
Reinsurance accounts receivable		
Reserves for reinsurance contract receivable		
Other receivables	160,619,491.53	124,645,400.43
Wherein: Interests receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventories	2,457,524,828.84	2,266,591,888.06
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	3,441,904.88	4,844,368.53
Other current assets	139,383,925.41	85,517,197.42
Total current assets	10,265,501,586.84	10,748,952,774.46
Non-current assets:		
Loan and advance payment issuance		
Creditors' investments		
Other creditors' investments		
Long-term receivables	4,419,775.78	8,259,759.08
Long-term equity investments	1,275,327,778.85	1,229,469,446.74
Other equity instrument investments	1,120,769,730.08	1,168,919,655.06
Other non-current financial assets	27,819,760.00	158,610,000.00
Investment real estate	305,439,176.43	330,246,655.45
Fixed assets	2,823,148,543.88	2,604,619,204.30
Construction in progress	1,627,551,711.43	1,513,606,170.30
Productive biological assets		
Oil-gas assets		
Right-of-use assets	320,716,892.66	221,916,109.85
Intangible assets	1,402,648,357.35	1,369,652,469.86
Development expenditures	1,191,709,663.36	988,319,738.44
Goodwill	3,539,932,030.62	3,330,976,810.89
Long-term unamortized expenses	246,667,411.67	232,882,532.36
Deferred income tax assets	169,084,928.55	131,471,432.98
Other non-current assets	687,138,966.23	446,130,385.24
Total non-current assets	14,742,374,726.89	13,735,080,370.55
Total assets	25,007,876,313.73	24,484,033,145.01
Current liabilities:		
Short-term borrowings	1,077,216,891.38	380,767,436.73
Borrowings from the central bank		
Borrowing funds		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	158,898,080.01	182,573,344.20
Accounts payable	937,796,140.74	1,337,648,654.76
Advance receipt		
Contractual liabilities	263,980,381.01	731,115,959.06
Financial assets sold for repurchase		
Deposits from customers and interbank		

Acting trading securities		
Acting underwriting securities		
Payroll payable	58,520,417.69	206,701,431.48
Taxes and dues payable	236,616,709.94	332,693,089.65
Other payables	483,765,550.00	481,937,974.61
Wherein: Interests payable		
Dividends payable	3,353,503.56	3,353,503.56
Fees and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	511,931,460.42	1,560,077,144.38
Other current liabilities	45,316,512.31	109,821,099.32
Total current liabilities	3,774,042,143.50	5,323,336,134.19
Non-current liabilities:		
Reserves for insurance contract		
Long-term borrowings	1,440,305,600.97	731,548,392.02
Bonds payables	1,553,349,609.49	1,506,513,884.78
Wherein: Preferred shares		
Perpetual bonds		
Lease liabilities	275,741,755.19	162,725,224.80
Long-term payables		
Long-term employee remuneration payable		
Estimated liabilities		
Deferred incomes	189,089,045.48	183,747,808.29
Deferred income tax liabilities	174,800,278.48	205,678,436.74
Other non-current liabilities		
Total non-current liabilities	3,633,286,289.61	2,790,213,746.63
Total liabilities	7,407,328,433.11	8,113,549,880.82
Owners' equities:		
Share capital	1,880,610,317.00	1,880,609,691.00
Other equity instruments	214,751,179.64	214,753,553.08
Wherein: Preferred shares		
Perpetual bonds		
Capital reserves	3,475,582,442.53	3,243,079,193.31
Minus: Treasury shares	355,820,438.37	355,820,438.37
Other comprehensive incomes	-81,199,760.52	-90,764,197.71
Special reserves		
Surplus reserves	664,046,161.45	664,046,161.45
General risk reserves		
Undistributed profits	10,379,434,516.96	9,590,298,798.54
Total owners' equities attributable to the parent company	16,177,404,418.69	15,146,202,761.30
Minority shareholders' equities	1,423,143,461.93	1,224,280,502.89
Total owners' equities	17,600,547,880.62	16,370,483,264.19
Total liabilities and owners' equities	25,007,876,313.73	24,484,033,145.01

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

Items	Accrual in the current period	Accrual in the previous period
I. Total Operating Revenues	6,259,227,849.28	7,761,799,196.45
Wherein: Operating income	6,259,227,849.28	7,761,799,196.45
Interest revenues		

Earned premiums		
Revenues from fees and commissions		
II. Total Operating Costs	4,727,014,426.22	5,543,517,223.94
Wherein: Operating cost	2,184,268,805.05	2,926,710,536.58
Interest expenditure		
Expenditures from fees and commissions		
Surrender value		
Net payment for insurance claims		
Net amount of reserve fund for insurance liabilities		
Policy dividend payment		
Reinsurance costs		
Taxes and surcharges	66,174,243.53	80,301,430.58
Sales expenses	1,193,544,744.18	1,249,583,005.40
Management expenses	564,543,747.14	532,710,854.64
R&D expenses	674,829,181.31	671,744,088.25
Financial expenses	43,653,705.01	82,467,308.49
Wherein: Interest expenses	124,508,597.81	157,799,875.04
Interest revenues	88,974,288.07	63,408,841.23
Plus: Other incomes	65,288,597.24	35,451,662.75
Investment incomes (the loss is expressed with "-")	-40,933,488.02	-63,393,643.21
Wherein: Investment income of joint-venture and partnership	-44,413,677.84	-67,048,549.14
Income from derecognition of financial assets measured by amortized cost		
Exchange gains (the loss is expressed with "-")		
Income from net exposure hedging (the loss is expressed with "-")		
Income from changes in fair value (the loss is expressed with "-")	4,017,391.60	-9,936,836.63
Credit impairment losses (the loss is expressed with "-")	-21,516,916.12	-22,848,764.55
Assets impairment losses (the loss is expressed with "-")	-6,097,593.05	-2,409,594.46
Income from asset disposal (the loss is expressed with "-")	-1,488,369.54	296,376.78
III. Operating Profits (the loss is expressed with "-")	1,531,483,045.17	2,155,441,173.19
Plus: Non-operating income	48,046,821.07	15,628,084.47
Minus: Non-operating expenditure	6,639,797.09	15,731,960.28
IV. Total Profits (the total loss is expressed with "-")	1,572,890,069.15	2,155,337,297.38
Minus: Income tax expenses	169,663,705.13	319,279,255.36
V. Net Profits (the loss is expressed with	1,403,226,364.02	1,836,058,042.02

"-")		
(I) Classification by operation continuity		
1. Net profits from continuing operation (the net loss is expressed with "-")	1, 403, 226, 364. 02	1, 836, 058, 042. 02
2. Net profits from discontinuing operation (the net loss is expressed with "-")		
(II) Classification by ownership		
1. Net profit attributable to the shareholders of parent company (the net loss is expressed with "-")	1, 353, 600, 791. 72	1, 810, 102, 684. 93
2. Minority shareholders' profit and loss (the net loss is expressed with "-")	49, 625, 572. 30	25, 955, 357. 09
VI. Net After-tax Amount of Other Comprehensive Incomes	66, 172, 162. 22	-220, 969, 467. 37
After-tax net amount of other comprehensive incomes attributable to the owners of the parent company	80, 156, 115. 00	-215, 008, 972. 62
(I) Other comprehensive incomes that cannot be reclassified into profits and losses	71, 080, 109. 59	-280, 713, 758. 59
1. Re-measurement of changed amount in the defined benefit plan		
2. Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method		
3. Changes in fair value of other equity instrument investments	71, 080, 109. 59	-280, 713, 758. 59
4. Changes in fair value of enterprise credit risk		
5. Others		
(II) Other comprehensive incomes that can be reclassified into profits and losses	9, 076, 005. 41	65, 704, 785. 97
1. Other comprehensive incomes that can be transferred into the profits and losses under the equity method	97, 631. 32	5, 074. 65
2. Changes in fair value of other creditor's investments		
3. Amounts of financial assets reclassified into other comprehensive incomes		
4. Credit impairment provision of other debt investments		
5. Cash flow hedging reserves		
6. Converted difference in foreign currency financial statement	8, 978, 374. 09	65, 699, 711. 32
7. Others		
Net after-tax amount of other comprehensive revenues attributable to the minority shareholders	-13, 983, 952. 78	-5, 960, 494. 75
VII. Total Comprehensive Incomes	1, 469, 398, 526. 24	1, 615, 088, 574. 65
(I) Total comprehensive incomes attributable to the owners of the parent company	1, 433, 756, 906. 72	1, 595, 093, 712. 31

(II) Total comprehensive incomes attributable to minority shareholders	35,641,619.52	19,994,862.34
VIII. Earnings per Share:		
(I) Basic earnings per share	0.7268	1.0158
(II) Diluted earnings per share	0.7257	1.0051

※ During the reporting period, the expenses for confirming the equity incentive implemented by the Company were included in the operating costs, sales expenses, management expenses and R&D expenses of RMB 5,535,200, RMB 30,248,700, RMB 62,970,400 and RMB 31,252,300, respectively, compared with the sales expenses, management expenses and R&D expenses of RMB 8,961,400 and RMB 27,454,500, respectively, in the same period of last year.

As for the business merger under the same control in the current period, net profits achieved by the merged party before the merger was: RMB 0.00, and the net profit achieved by the acquiree 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

Items	Accrual in the current period	Accrual in the previous period
I. Cash Flows from Operating Activities:		
Cash received from the sales of goods or rendering of services	6,143,186,672.37	8,278,065,637.86
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in borrowing funds from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance premiums		
Net increase in policy holder deposits and investment funds		
Cash received from interests, fees and commissions		
Net increase in borrowing funds		
Net increase in repurchase business funds		
Net cash received from vicariously traded securities		
Refund of taxes and dues received	130,198,620.52	137,896,840.85
Other cash received related to operating activities	151,370,828.07	165,931,813.90
Subtotal of cash inflows from operating activities	6,424,756,120.96	8,581,894,292.61
Cash paid for purchasing commodities and receiving labor service	1,996,815,069.17	2,916,644,564.17
Net increase in customer loans and advances		
Net increase in deposit in the central bank and interbank payments		
Cash paid for the claim payment of the		

original insurance contract		
Net increase in lending funds		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	1,745,226,054.50	1,583,546,445.48
Various taxes and dues paid	841,197,288.35	817,648,278.25
Other cash paid related to operating activities	1,237,735,529.27	1,442,384,363.12
Subtotal of cash outflows from operating activities	5,820,973,941.29	6,760,223,651.02
Net amount of cash flows from operating activities	603,782,179.67	1,821,670,641.59
II. Cash Flows from Investing Activities:		
Cash received from withdrawing investment	445,036,872.14	70,517,094.02
Cash received from obtaining return on investment	159,232,489.89	12,654,222.59
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	6,435,678.29	1,329,065.51
Net cash received from disposal of subsidiaries and other business units		
Other cash received related to investing activities	6,153,094.04	66,683,516.50
Subtotal of cash inflows from investing activities	616,858,134.36	151,183,898.62
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	697,817,454.96	672,307,434.50
Cash paid for investment	528,671,461.10	232,562,479.04
Net increase in pledged loans		
Net cash paid for disposal of subsidiaries and other business entities	228,593,672.92	21,426,911.42
Other cash paid related to investing activities	239,774,416.28	153,493,005.46
Subtotal of cash outflows from investing activities	1,694,857,005.26	1,079,789,830.42
Net amount of cash flows from investing activities	-1,077,998,870.90	-928,605,931.80
III. Cash Flows from Financing Activities:		
Cash absorbed from withdrawing investment	225,824,124.80	1,533,146,583.46
Wherein: Cash received by subsidiaries from absorbing investments from minority shareholders	225,824,124.80	150,000.00
Cash received from obtaining loans	2,540,612,016.00	1,528,000,000.02
Other cash received related to financing activities	51,848,096.35	87,844,887.49
Subtotal of cash inflows from financing activities	2,818,284,237.15	3,148,991,470.97
Cash paid for repaying debts	2,110,825,000.00	1,518,245,360.00
Cash paid for distributing dividends and profits or paying interests	760,967,533.27	623,327,582.97

Wherein: Dividends and profits paid to minority shareholders by subsidiaries	11, 179, 110. 35	6, 837, 837. 84
Other cash paid related to financing activities	177, 851, 731. 49	493, 856, 702. 19
Subtotal of cash outflows from financing activities	3, 049, 644, 264. 76	2, 635, 429, 645. 16
Net amount of cash flows from financing activities	-231, 360, 027. 61	513, 561, 825. 81
IV. Effect of Changes in Exchange Rate on Cash and Cash Equivalents	-18, 931, 935. 07	67, 882, 854. 08
V. Net Increase in Cash and Cash Equivalents	-724, 508, 653. 91	1, 474, 509, 389. 68
Plus: Balance of cash and cash equivalents at the beginning of the period	5, 309, 297, 789. 78	3, 684, 043, 645. 03
VI. Balance of Cash and Cash Equivalents at the End of the Period	4, 584, 789, 135. 87	5, 158, 553, 034. 71

(II) Implementation of the adjustment of new accounting standards, and the financial statement related items at the beginning of the year for the first time from 2023

☐ Applicable ☒ Not Applicable

(III) Audit report

Whether the Third Quarter Report has been audited

☐ Yes ☒ No

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

Board of Directors of Lepu Medical Technology (Beijing) Co., Ltd.