

# 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).
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## (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
<b>Current assets:</b>		
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
<b>Total current assets</b>	<b>10,243,957,141.94</b>	<b>8,147,327,611.80</b>
<b>Non-current assets:</b>		
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