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(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2402)

2023 THIRD QUARTERLY REPORT

The board (the “**Board**”) of directors (the “**Directors**”) and all Directors of Beijing SinoHytec Co., Ltd. (the “**Company**”) warrant that there are no false representations, misleading statements, or material omissions in the contents of this report, and accept legal responsibility for the truthfulness, accuracy and completeness of its contents.

IMPORTANT NOTICE

The Board, the supervisory committee together with the Directors, the supervisors and senior management of the Company confirm that the information contained in the quarterly report is true, accurate, complete and without any false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.

Zhang Guoqiang, the Person-in-charge of the Company, Song Haiying, the Chief Financial Officer and Zhang Hongli, the Head of the Finance Department (the Person-in-charge of Accounting), warrant the truthfulness, accuracy and completeness of the financial information prepared in accordance with the PRC Accounting Standards for Business Enterprises in the quarterly report.

The third quarterly financial statements have not been audited.

I. KEY FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: RMB

Item	For the reporting period	For the same period last year		Percentage of changes as compared with the same period last year (%)	For the period from the beginning of the year to the end of the reporting period	For the same period last year		Percentage of changes as compared with the same period last year (%)
		Pre-adjustment	Post-adjustment			Pre-adjustment	Post-adjustment	
Operating income	139,837,465.60	121,464,550.69	121,464,550.69	15.13	293,356,721.02	390,607,382.30	390,607,382.30	-24.90
Net profit attributable to shareholders of the listed company (“-” for net loss)	-116,537,382.19	-34,572,559.67	-34,599,579.93	N/A	-193,048,512.35	-94,611,106.05	-94,604,209.98	N/A
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss (“-” for net loss)	-109,320,853.22	-39,246,557.12	-39,273,577.38	N/A	-233,405,793.16	-100,995,683.12	-100,988,787.05	N/A
Net cash flows from operating activities (“-” for net outflow)	N/A	N/A	N/A	N/A	-403,486,173.16	-215,384,571.17	-215,384,571.17	N/A
Basic earnings per share (RMB/share)	-0.51	-0.35	-0.08	N/A	-1.18	-0.95	-0.68	N/A
Diluted earnings per share (RMB/share)	-0.51	-0.35	-0.08	N/A	-1.18	-0.95	-0.68	N/A
Weighted average return on net assets (%)	-3.81	-1.40	-1.41	N/A	-6.30	-3.84	-3.84	N/A
Total research and development investments	41,608,488.63	51,690,431.03	51,690,431.03	-19.50	118,205,789.51	130,283,180.64	130,283,180.64	-9.27
Proportion of research and development investment in operating income (%)	29.75	42.56	42.56	Decrease of 12.81 percentage points	40.29	33.35	33.35	Increase of 6.94 percentage points

	As of the end of the reporting period	As of the end of last year		Percentage of changes as compared with the end of last year (%)
		Pre-adjustment	Post-adjustment	Post-adjustment
Total assets	4,713,710,153.60	3,778,976,563.77	3,783,956,307.25	24.57
Owner's equity attributable to shareholders of the listed company	3,074,814,900.62	2,342,621,962.46	2,342,103,146.24	31.28

Note: The “reporting period” refers to the three-month period from the beginning to the end of this quarter. The same applies hereinafter.

Reasons for retrospective adjustment or restatement

- (1) On December 13, 2022, the Ministry of Finance of the PRC issued the Notice on Issuing the Interpretation of Accounting Standards for Business Enterprises No. 16 (Cai Kuai [2022] No. 31), which provides a standard description of the accounting policy of “the accounting treatment for the deferred income taxes that are related to assets and liabilities arising from a single transaction and are not applicable for the initial recognition exemption”. The interpretation also requires an entity to, based on the cumulative effect of the notice, adjust the retained earnings and other relevant financial statement items for the earliest period presented in the financial statements in accordance with the provisions of the interpretation.
- (2) The Company implemented equity distribution by converting capital reserves into equity in July 2023, and the earnings per share indicator for the same period last year has been adjusted based on the latest equity.

(II) Non-recurring profit or loss items and amounts

Unit: RMB

Item	Amount for the reporting period	Amount from the beginning of the year to the end of the reporting period
Gain or loss from disposal of non-current assets	14,479.98	14,479.98
Government grants included in profit or loss for the period, except for those closely related to the normal operation of the Company and continuously conferred on in compliance with national policies and regulations and the standard quota or quantity basis	4,163,644.30	14,685,029.36
Profit or loss from changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, except for effective hedging business related to the Company's normal operations	-1,858,484.95	47,212,157.93
Other non-operating income and expenses other than the above items	-9,934,261.91	-13,051,067.64
Less: Impact on income tax	-1,144,245.05	7,217,891.80
Impact on minority interests (after tax)	<u>746,151.44</u>	<u>1,285,427.02</u>
Total	<u>-7,216,528.97</u>	<u>40,357,280.81</u>

Description for the non-recurring profit or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Profit or Loss defined as its recurring profit or loss items

Not Applicable

(III) Changes in major accounting data and financial indicators and the reasons thereof

Item	Percentage of change (%)	Main reason
Net profit attributable to shareholders of the listed company for the reporting period	N/A	(1) In order to fully grab the favorable opportunity of the scale development of the fuel cell market, the Company has increased its investment in talent reserve and market expansion and, as the scale of operation of the Company continued to expand, the expansion of long-term assets in production and operation resulted in an increase in depreciation and amortization of the underlying assets which led to a year-on-year increase of RMB65.2471 million in selling, administrative and R&D expenses during the reporting period; and
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss for the reporting period	N/A	
Basic earnings per share for the reporting period	N/A	
Diluted earnings per share for the reporting period	N/A	(2) the Company made provision for related bad debts losses on receivables from customers based on the method of expected credit risk loss, resulting in a year-on-year increase of RMB56.408 million on credit impairment losses during the reporting period.

Item	Percentage of change (%)	Main reason
Net profit attributable to shareholders of the listed company from the beginning of the year to the end of the reporting period	N/A	(1) The fuel cell industry in which the Company operates is still at an early stage of commercialization and the operating results are subject to certain fluctuation, the operating income of the Company for the first three quarters decreased by RMB97.2507 million year-on-year;
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss from the beginning of the year to the end of the reporting period	N/A	(2) in order to fully grab the favorable opportunity of the scale development of the fuel cell market, the Company has increased its investment in talent reserve and market expansion and, as the scale of operation of the Company continued to expand, the expansion of long-term assets in production and operation resulted
Basic earnings per share from the beginning of the year to the end of the reporting period	N/A	in an increase in depreciation and amortization of the underlying assets which led to a year-on-year increase of RMB65.2471 million in selling, administrative and R&D expenses during the reporting period; and
Diluted earnings per share from the beginning of the year to the end of the reporting period	N/A	(3) the Company made provision for related bad debts losses on receivables from customers based on the method of expected credit risk loss, resulting in a year-on-year increase of RMB56.408 million on credit impairment losses during the reporting period.

Item	Percentage of change (%)	Main reason
Net cash flows from operating activities from the beginning of the year to the end of the reporting period	N/A	<p>(1) Given that the fuel cell industry is still at an early stage of commercialization and the vehicle customers are in a relatively strong position, resulting in the relatively slow payment collection from the Company's customers, the Company's cash received from sales of goods and rendering of services in the first three quarters decreased by RMB219.5308 million year-on-year; and</p> <p>(2) with the expansion of Company's business scale and in order to seize the opportunities in the large-scale development of the fuel cell market, the Company increased its investment in building and reserving talent team, and the cash paid to and for employees during the first three quarters increased by RMB43.315 million year-on-year.</p>
Equity attributable to shareholders of the listed company at the end of the reporting period	31.28	The Company received approximately HKD1.022 billion of net equity raised funds upon listing on the Main Board of The Stock Exchange of Hong Kong Limited.

II. INFORMATION ON SHAREHOLDERS

(I) Total number of ordinary shareholders and number of preference shareholders with restored voting rights and shareholdings of the top ten shareholders

Unit: share

Total number of ordinary shareholders as of the end of the reporting period	14,846	Total number of preference shareholders with restored voting rights as at the end of the reporting period (if any)	0
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Shareholdings of the top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of restricted shares held	Number of restricted shares including lending securities for financing	Status of shares	Shares pledged, marked or frozen Number
Zhang Guoqiang	PRC natural person	26,031,764	15.73%	25,998,283	25,998,283	Nil	0
HKSCC Nominees Limited <i>(Note)</i>	Unknown	25,613,966	15.48%	0	0	Unknown	0
Yutong Bus Co., Ltd.	PRC non-state-owned legal person	5,486,781	3.32%	0	0	Nil	0
Tunghsu Optoelectronic Technology Co., Ltd.	PRC non-state-owned legal person	5,025,644	3.04%	0	0	Frozen	5,025,644
Zhang He	PRC natural person	3,920,000	2.37%	0	0	Nil	0
Beijing Shuimu Changfeng Equity Investment Center (L.P.)	Others	2,380,994	1.44%	0	0	Nil	0
Beijing Shuimu Sail Venture Capital Investment Center (L.P.)	Others	2,075,000	1.25%	0	0	Nil	0
Bai Wei	PRC natural person	2,006,668	1.21%	0	0	Nil	0
Zhou Pengfei	PRC natural person	1,960,000	1.18%	0	0	Pledged	700,000
Song Haiying	PRC natural person	1,864,831	1.13%	0	0	Nil	0

Shareholdings of the top ten shareholders of non-restricted shares

Name of shareholder	Number of tradable non-restricted shares	Type and number of shares	
		Type	Number
HKSCC Nominees Limited <i>(Note)</i>	25,613,966	Overseas listed foreign shares	25,613,966
Yutong Bus Co., Ltd.	5,486,781	RMB-denominated ordinary shares	5,486,781
Tungshu Optoelectronic Technology Co., Ltd.	5,025,644	RMB-denominated ordinary shares	5,025,644
Zhang He	3,920,000	RMB-denominated ordinary shares	3,920,000
Beijing Shuimu Changfeng Equity Investment Center (L.P.)	2,380,994	RMB-denominated ordinary shares	2,380,994
Beijing Shuimu Sail Venture Capital Investment Center (L.P.)	2,075,000	RMB-denominated ordinary shares	2,075,000
Bai Wei	2,006,668	RMB-denominated ordinary shares	2,006,668
Zhou Pengfei	1,960,000	RMB-denominated ordinary shares	1,960,000
Song Haiying	1,864,831	RMB-denominated ordinary shares	1,864,831
Beijing Shuimu Guoding Investment Management Co., Ltd. – Nanning Shuimu Yuanjing Venture Capital Investment Center (L.P.)	1,831,627	RMB-denominated ordinary shares	1,831,627
Explanation of affiliate relationship or acting in concert among the above shareholders		The general partner of the Company's shareholders, Beijing Shuimu Sail Venture Capital Investment Center (L.P.), Beijing Shuimu Changfeng Equity Investment Center (L.P.) and Beijing Shuimu Guoding Investment Management Co., Ltd. – Nanning Shuimu Yuanjing Venture Capital Investment Center (L.P.), is Beijing Shuimu Chuangxin Investment Management Center (G.P.).	
Explanation of the participation by the top ten shareholders and the top ten shareholders of non-restricted shares in the margin financing and securities lending and margin refinancing business (if any)		N/A	

As of the end of the reporting period, the total number of ordinary shareholders of the Company was 14,846, including 14,834 A shareholders and 12 H shareholders.

Note: HKSCC Nominees Limited holds shares on behalf of clients. As the relevant rules of The Stock Exchange of Hong Kong Limited do not require clients to declare whether their shares are pledged or frozen, HKSCC Nominees Limited is unable to calculate or provide the number of shares pledged or frozen.

III. OTHER REMINDERS

Other important information concerning the operation of the Company during the reporting period that needs to be brought to the attention of investors

Not Applicable

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

Not Applicable

(II) Financial statements

Consolidated Statements of Balance Sheets

September 30, 2023

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB Type of audit: Unaudited

Item	September 30, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	646,652,446.88	649,887,994.07
Balance with clearing companies	–	–
Placements with other financial institutions	–	–
Financial assets held-for-trading	704,120,615.73	25,165,123.28
Derivative financial assets	–	–
Note receivables	7,430,400.00	31,170,000.00
Account receivables	1,220,282,656.21	1,083,033,929.46
Receivables financing	19,715,490.05	21,990,000.00
Prepayments	27,225,937.95	19,554,147.32
Premium receivables	–	–
Reinsurance accounts receivable	–	–
Provision for reinsurance contract receivable	–	–
Other receivables	16,412,450.33	26,271,763.46
Including: Interest receivable	–	–
Dividend receivable	–	–

Item	September 30, 2023	December 31, 2022
Purchases of resold financial assets	–	–
Inventories	349,084,079.14	302,903,534.87
Contract assets	37,442,961.71	33,719,757.81
Held-for-sale assets	–	–
Non-current assets due within one year	–	–
Other current assets	<u>81,868,367.07</u>	<u>67,337,509.57</u>
Total current assets	<u>3,110,235,405.07</u>	<u>2,261,033,759.84</u>
Non-current assets:		
Loans and advances to customers	–	–
Debt investments	–	–
Other debt investments	–	–
Long-term receivables	–	–
Long-term equity investments	349,565,258.48	333,849,340.97
Other equity instrument investments	173,500,000.00	173,500,000.00
Other non-current financial assets	2,800,000.00	2,800,000.00
Investment properties	–	–
Fixed assets	465,745,727.96	478,969,668.22
Construction in progress	14,848,592.12	14,446,330.11
Productive biological assets	–	–
Oil and gas assets	–	–
Right-of-use assets	34,556,504.45	25,669,719.66
Intangible assets	227,471,925.79	204,985,879.25
Development expenses	54,844,126.41	72,941,726.28
Goodwill	–	–
Long-term deferred expenditures	37,046,648.69	27,933,004.82
Deferred income tax assets	177,473,555.21	135,525,491.45
Other non-current assets	65,622,409.42	52,301,386.65
Total non-current assets	<u>1,603,474,748.53</u>	<u>1,522,922,547.41</u>
Total assets	<u>4,713,710,153.60</u>	<u>3,783,956,307.25</u>

Item	September 30, 2023	December 31, 2022
Current liabilities:		
Short-term borrowings	462,915,438.52	229,872,186.96
Borrowings from central bank	—	—
Loans from other financial institutions	—	—
Financial liabilities held-for-trading	—	—
Derivative financial liabilities	—	—
Note payables	99,426,698.22	114,143,006.75
Accounts payable	409,106,289.61	399,794,860.24
Advances from customers	—	27,522.93
Contract liabilities	15,651,373.99	5,532,261.91
Proceeds from disposal of repurchased financial assets	—	—
Absorption of deposits and interbank deposits	—	—
Acting sale of securities	—	—
Acting underwriting of securities	—	—
Accrued payroll	42,922,561.88	49,339,486.30
Taxes payable	2,223,011.78	7,929,205.25
Other payables	1,219,200.18	1,612,717.10
Including: Interest payable	—	—
Dividend payable	—	—
Handling fee and commission payable	—	—
Reinsurance accounts payable	—	—
Held-for-sale liabilities	—	—
Non-current liabilities due within one year	31,454,955.37	9,113,362.44
Other current liabilities	17,497,481.47	11,614,079.94
Total current liabilities	<u>1,082,417,011.02</u>	<u>828,978,689.82</u>
Non-current liabilities:		
Reserve fund for insurance contracts	—	—
Long-term borrowings	—	19,417,783.33
Bonds payable	—	—
Including: Preferred shares	—	—
Perpetual bonds	—	—

Item	September 30, 2023	December 31, 2022
Lease liabilities	20,379,802.65	14,299,147.15
Long-term payables	8,445,029.83	–
Long-term accrued payroll	–	–
Accrued liabilities	40,328,755.64	37,428,122.52
Deferred income	103,950,498.39	109,666,422.97
Deferred income tax liabilities	31,755,830.98	30,248,893.97
Other non-current liabilities	–	–
Total non-current liabilities	<u>204,859,917.49</u>	<u>211,060,369.94</u>
Total liabilities	<u>1,287,276,928.51</u>	<u>1,040,039,059.76</u>
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	165,465,772.00	99,891,387.00
Other equity instruments	–	–
Including: Preferred shares	–	–
Perpetual bonds	–	–
Capital reserve	3,236,158,052.86	2,378,146,637.90
Less: Treasury shares	–	–
Other comprehensive income	94,682,771.34	94,682,771.34
Special reserve	6,993,811.31	4,819,344.54
Surplus reserve	9,216,035.02	9,216,035.02
Provision for general risk	–	–
Undistributed profit	<u>-437,701,541.91</u>	<u>-244,653,029.56</u>
Total equity attributable to owners of the parent company (or shareholders' equity)	<u>3,074,814,900.62</u>	2,342,103,146.24
Minority interests	<u>351,618,324.47</u>	<u>401,814,101.25</u>
Total owners' equity (or shareholders' equity)	<u>3,426,433,225.09</u>	<u>2,743,917,247.49</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>4,713,710,153.60</u>	<u>3,783,956,307.25</u>

Person-in-charge of the Company:
Zhang Guoqiang

Chief Financial Officer:
Song Haiying

Head of the Finance Department:
Zhang Hongli

Consolidated Income Statement

January to September 2023

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB Type of audit: Unaudited

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
I. Total operating income	293,356,721.02	390,607,382.30
Including: Operating income	293,356,721.02	390,607,382.30
Interest income	–	–
Premiums earned	–	–
Handling fee and commission income	–	–
II. Total operation costs	504,234,884.72	502,513,197.43
Including: Operation costs	182,133,327.13	229,664,102.87
Interest expense	–	–
Handling fee and commission expenses	–	–
Surrenders value	–	–
Net expenditure for insurance claims settlement	–	–
Net drawing on provision for insurance contracts	–	–
Expenditures for policy dividend	–	–
Reinsurance expenditures	–	–
Tax and surcharges	2,406,089.14	1,937,863.37
Selling expenses	56,619,505.64	46,968,124.46
Administrative expenses	177,828,691.27	142,025,388.95
Research and development expenses	105,716,539.49	85,924,159.00
Financial expenses	-20,469,267.95	-4,006,441.22
Including: Interest expense	8,997,092.65	5,190,719.36
Interest income	14,481,625.34	9,816,981.07

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
Add: Other income	18,704,899.51	21,546,002.04
Investment income (“-” for losses)	-29,832,877.01	-16,848,666.62
Including: Investment income from associates and joint ventures	-29,784,082.49	-18,062,677.88
Gains from derecognition of financial assets at amortized cost	-	-
Exchange gains (“-” for losses)	-	-
Gains on net exposure hedges (“-” for losses)	-	-
Gains on change in fair value (“-” for losses)	46,840,952.45	1,158,244.55
Losses on credit impairment (“-” for losses)	-55,523,709.90	884,288.36
Impairment losses on assets (“-” for losses)	-39,465,851.30	-37,347,008.84
Gains from asset disposal (“-” for losses)	44,136.58	-118,623.91
III. Operating profits (“-” for losses)	-270,110,613.37	-142,631,579.55
Add: Non-operating income	679,751.91	232,045.02
Less: Non-operating expenses	13,760,476.15	4,214,687.46
IV. Total profits (“-” for total losses)	-283,191,337.61	-146,614,221.99
Less: Income tax expenses	-39,687,047.92	-21,998,973.18

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
V. Net profits (“-” for net losses)	-243,504,289.69	-124,615,248.81
(I) Classified by continuity of operations		
1. Net profit from continuing operations (“-” for net loss)	-243,504,289.69	-124,615,248.81
2. Net profit from discontinued operations (“-” for net loss)	-	-
(II) Classified by ownership		
1. Net profit attributable to equity shareholders of the listed company (“-” for net loss)	-193,048,512.35	-94,604,209.98
2. Minority interests (“-” for net losses)	-50,455,777.34	-30,011,038.84
VI. Net amount of other comprehensive income after tax	-	2,210,000.00
(I) Net amount of other comprehensive income after tax attributable to the owner of the listed company	-	2,210,000.00
1. Other comprehensive income that cannot be reclassified to profit or loss	-	2,210,000.00
(1) Re-measurement of changes under defined benefit plan	-	-
(2) Other comprehensive income which cannot be reclassified to profit or loss under equity method	-	-
(3) Change in fair value of other equity instrument investments	-	2,210,000.00
(4) Changes in fair value of the enterprise’s own credit risk	-	-

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
2. Other comprehensive income that will be reclassified to profit or loss	-	-
(1) Other comprehensive income that can be reclassified to profit or loss under equity method	-	-
(2) Changes in fair value of other debt investments	-	-
(3) Amount included in other comprehensive income on reclassification of financial assets	-	-
(4) Credit impairment provision for other debt investments	-	-
(5) Cash flow hedging reserve	-	-
(6) Differences on translation of foreign currency statements	-	-
(7) Others	-	-
(II) Net amount of other comprehensive income after tax attributable to minority shareholders	-	-

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
VII. Total comprehensive income	-243,504,289.69	-122,405,248.81
(I) Total comprehensive income attributable to the owner of the listed company	-193,048,512.35	-92,394,209.98
(II) Total comprehensive income attributable to minority shareholders	-50,455,777.34	-30,011,038.84
VIII. Earnings per share:		
(I) Basic earnings per share (<i>RMB/share</i>)	-1.18	-0.68
(II) Diluted earnings per share (<i>RMB/share</i>)	-1.18	-0.68

For the business combination under common control in the current period, the net profit realized by the merged party before the combination was RMB0, and the net profit realized by the merged party in the previous period was RMB0.

Person-in-charge of the Company:
Zhang Guoqiang

Chief Financial Officer:
Song Haiying

Head of the Finance Department:
Zhang Hongli

Consolidated Statement of Cash Flows

January to September 2023

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB Type of audit: Unaudited

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	152,631,720.23	372,162,546.82
Net increase in customer deposits and interbank deposits	—	—
Net increase in borrowings from central bank	—	—
Net increase in placements from other financial institutions	—	—
Cash received from premiums under original insurance contracts	—	—
Net cash received from reinsurance business	—	—
Net increase in deposits from policyholder and investment funds	—	—
Cash received from interests, handling fees and commissions	—	—
Net increase in capital borrowed	—	—
Net increase in capital from repurchase business	—	—
Net cash received from acting sale of securities	—	—
Refund of taxes and levies	6,058,942.38	8,877,999.72
Cash received relating to other operating activities	<u>25,957,959.28</u>	<u>29,760,112.14</u>
Sub-total of cash inflows from operating activities	<u>184,648,621.89</u>	<u>410,800,658.68</u>

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
Cash paid for the purchase of goods and the acceptance of services	263,629,872.45	354,676,641.03
Net increase in loans and advances to customers	-	-
Net increase in deposits with central bank and interbank deposits	-	-
Cash paid for compensation payments under original insurance contracts	-	-
Net increase in placements with other financial institutions	-	-
Cash paid for interests, handling fees and commissions	-	-
Cash paid for policyholder dividend	-	-
Cash paid to and for employees	238,344,865.33	195,029,863.77
Payments of all types of taxes	12,748,545.45	18,687,793.38
Cash payments relating to other operating activities	<u>73,411,511.82</u>	<u>57,790,931.67</u>
Sub-total of cash outflows from operating activities	<u>588,134,795.05</u>	<u>626,185,229.85</u>
Net cash flows from operating activities	<u>-403,486,173.16</u>	<u>-215,384,571.17</u>

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
II. Cash flows from investing activities:		
Cash received from disposal of investments	65,000,000.00	950,500,000.00
Cash received from investment income	486,938.81	6,508,813.90
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	–	3,310.00
Net cash received from disposal of subsidiaries and other operating units	–	–
Cash received relating to other investing activities	–	–
Sub-total of cash inflows from investing activities	<u>65,486,938.81</u>	<u>957,012,123.90</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	64,601,215.81	130,724,706.34
Cash paid for investments	742,614,540.00	817,000,000.00
Net increase in pledged loans	–	–
Net cash paid for acquisition of subsidiaries and other operating units	–	–
Cash paid relating to other investing activities	–	–
Sub-total of cash outflows from investing activities	<u>807,215,755.81</u>	<u>947,724,706.34</u>
Net cash flows from investing activities	<u><u>-741,728,817.00</u></u>	<u><u>9,287,417.56</u></u>

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
III. Cash flows from financing activities:		
Cash received from capital contributions	914,364,635.94	29,384,448.00
Including: Cash received by subsidiaries from investment of minority shareholders	–	29,384,448.00
Cash received from borrowings	410,961,331.06	178,353,537.20
Cash received from other financing activities	<u>47,625,026.59</u>	<u>68,533,189.18</u>
Sub-total of cash inflows from financing activities	<u>1,372,950,993.59</u>	<u>276,271,174.38</u>
Cash paid for repayment of debts	172,896,627.54	98,845,293.83
Cash payments for distribution of dividends, profits or interest expenses	8,136,098.42	4,283,596.55
Including: Dividends and profits paid to minority shareholders by subsidiaries	–	–
Cash paid relating to other financing activities	<u>50,255,877.31</u>	<u>63,201,002.45</u>
Sub-total of cash outflows from financing activities	<u>231,288,603.27</u>	<u>166,329,892.83</u>
Net cash flows from financing activities	<u><u>1,141,662,390.32</u></u>	<u><u>109,941,281.55</u></u>
IV. Effect of exchange rate changes on cash and cash equivalents	<u><u>17,632,788.79</u></u>	<u><u>–</u></u>

Item	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
V. Net increase in cash and cash equivalents	14,080,188.95	-96,155,872.06
Add: Balance of cash and cash equivalents at the beginning of the period	<u>616,790,436.73</u>	<u>804,966,776.35</u>
VI. Balance of cash and cash equivalents at the end of the period	<u>630,870,625.68</u>	<u>708,810,904.29</u>

Person-in-charge of the Company:
Zhang Guoqiang

Chief Financial Officer:
Song Haiying

Head of the Finance Department:
Zhang Hongli

Adjustments to the financial statements as at the beginning of the year relating to the initial application of the new accounting standards or interpretations of standards since 2023

Not Applicable

By order of the Board
Beijing SinoHytec Co., Ltd.
ZHANG Guoqiang
Chairman of the Board

Beijing, the PRC
October 30, 2023

As of the date of this announcement, the Board comprises Mr. Zhang Guoqiang, Ms. Song Haiying and Ms. Dai Dongzhe as executive Directors, Ms. Teng Renjie and Mr. Song Feng as non-executive Directors, Mr. Liu Xiaoshi, Mr. Ji Xuehong, Mr. Chan So Kuen and Mr. Li Zhijie as independent non-executive Directors.