

OFFCN EDUCATION TECHNOLOGY CO., LTD.

Third Quarter 2021 Report

The Company and all the members of its Board of Directors hereby guarantee that the contents disclosed are true, accurate, and complete, and that there are no misrepresentations, misleading statements, or material omissions. The Company's Third Quarter 2021 Report is prepared and published in Chinese version, and the English version is for reference only. Should there be any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

Important notes:

1. The Company's Board of Directors, Supervisory Committee, directors, supervisors, and senior management hereby guarantee that the contents of the quarterly report are true, accurate, and complete, and that there are no misrepresentations, misleading statements, or material omissions, and shall assume individual and joint legal liabilities.

2. The Company's legal representative, the head in charge of accounting and the head of the accounting department (Accounting supervisor), declare that they warrant the truthfulness, accuracy and completeness of the financial report in the quarterly report.

3. Whether audit has been performed on this Third Quarter Report.

Yes No

Section I. Key financial data

1. Key accounting information and financial indicators

Does the Company need to adjust its financial information retrospectively or restate its accounting information of previous year?

Yes No

	Current reporting period	Increase/decrease in current reporting period over same period of the previous year	From beginning of the year to the end of this reporting period	Increase/decrease from beginning of the year to the end of this reporting period over same period of the previous year
Operating income (RMB)	1,445,195,855.92	-68.79%	6,301,194,119.4 2	-15.29%

Net profit attributable to shareholders of the listed Company (RMB)	-793,735,635.02	-151.08%	-890,898,144.05	-167.45%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains or losses (RMB)	-798,108,362.10	-155.20%	-968,013,385.87	-189.77%
Net cash flow from operating activities (RMB)	—	—	-3,645,820,183.72	-154.27%
Basic earnings per share (RMB/share)	-0.12	-148.00%	-0.14	-166.67%
Diluted earnings per share (RMB/share)	-0.12	-148.00%	-0.14	-166.67%
Weighted average return on assets	-20.96%	-72.31%	-23.26%	-65.61%
	End of current reporting period	End of the previous year	Increase/decrease at the end of current reporting period over end of the previous year	
Total assets (RMB)	12,213,130,982.14	14,418,850,027.27	-15.30%	
Owner's equity attributable to shareholders of the listed Company (RMB)	3,384,229,649.15	4,275,127,793.20	-20.84%	

2. Items and amount of non-recurring gains and losses

√ Applicable □ Not applicable

Unit: RMB

Items	Amount of current reporting period	Amount from beginning of the year to end of the reporting period	Note
Disposal gains or losses of non-current assets (including the offset part of the provision for asset impairment)		-168,828.03	
Government subsidies included in the current gains and losses (closely related to the normal business of the enterprise, except for government subsidies enjoyed fixedly, quantitatively and continuously in accordance with national policies and certain standards)	1,985,280.70	3,415,309.40	

Gains or losses from entrusting others to invest or manage assets	1,463,134.23	30,374,103.00	
Gains or losses on changes in fair value arising from the possession of transactional financial assets and transactional financial liabilities; and the investment income from the disposal of transactional financial assets, transactional financial liabilities, and available-for-sale financial assets, except the effective hedging business related to the Company's normal business operations	1,973,101.86	11,041,967.01	
Other non-operating income and expenses except for the items above	-533,554.43	-844,909.84	
Other gains or losses items that meet the definition of non-recurring gains and losses		45,101,048.40	
Less: Impact on income tax	515,235.29	11,803,448.12	
Total	4,372,727.07	77,115,241.82	--

Details of other gains or losses items that meet the definition of non-recurring gains and losses:

Applicable Not applicable

The Company has no other gains or losses items that meet the definition of non-recurring profits and losses.

Provide explanations for classifying items of non-recurring gains and losses defined or listed in the Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Gains and Losses as items of recurring gains and losses.

Applicable Not applicable

There is no such case where the Company classifies non-recurring gains and losses items that are listed in the Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Gains and Losses as items of recurring gains and losses.

3. Cases and reasons for fluctuation of key accounting information and financial indicators

Applicable Not applicable

Unit: RMB

Items of balance sheet	September 30, 2021	December 31, 2020	Growth	Note
Monetary fund	1,974,991,164.20	5,950,395,089.12	-66.81%	Main reasons: 1) increased cost resulted from purchasing intangible assets in the

				reporting period; 2) the ahead-of-schedule multi-provincial joint examination of the civil servant recruitment shortened the peak period of collecting training fees; 3) changes took place in recruitment policies in the teachers and the comprehensive sections, and the number of trainees decreased, which resulted in the decrease of collected training fees.
Transactional financial assets	357,426,934.35	983,205,858.25	-63.65%	Mainly due to the structural adjustment of asset allocation in the current period.
Accounts receivable	38,087,488.62	21,493,637.66	77.20%	Mainly due to the increase in rent receivable.
Non-current assets due within one year	20,027,866.70	1,985,873,462.75	-98.99%	Mainly due to the maturity of fixed deposits purchased by the Company.
Other current assets	705,367,767.08	175,179,650.61	302.65%	Mainly due to the increase of fixed deposits due within one year purchased by the Company.
Right-of-use assets	1,230,395,388.53	0.00	100.00%	Mainly due to the increase of right-of-use assets under the implementation of the new lease standards since January 1, 2021.
Construction in progress	287,707,506.80	214,248,125.04	34.29%	Mainly due to the advancement and addition of engineering projects.
Other non-current assets	3,801,600,937.14	1,151,091,703.31	230.26%	Mainly due to the purchase and construction of fixed assets and intangible assets.
Other non-current financial assets	38,050,000.00	208,450,315.01	-81.75%	Mainly due to the conversion of financial products due within one year into transactional financial assets.
Contract liabilities	2,312,641,632.72	4,925,428,309.33	-53.05%	Main reasons: 1) the ahead-of-schedule multi-provincial joint examination of the civil servant recruitment shortened the peak period of collecting training fees; 2) changes took place in recruitment policies in the teachers and the comprehensive sections, and the examinations are delayed.

Payroll payable	315,864,427.36	637,448,433.99	-50.45%	Mainly due to the distribution of employees' salary and bonuses in the previous year.
Taxes payable	22,613,212.98	131,111,770.78	-82.75%	Mainly due to the Company's temporary performance loss during the reporting period, and the corporate income tax of major subsidiaries were not accrued.
Other payable	65,535,767.05	9,479,383.03	591.35%	Mainly due to the increase of third-party handling fees pending for payments during the reporting period.
Non-current liabilities due within one year	484,524,249.51	0.00	100.00%	Mainly due to the increase of non-current liabilities due within one year under the implementation of the new lease standards since January 1, 2021.
Other current liabilities	69,379,248.98	147,765,156.66	-53.05%	Mainly due to the decrease in the amount of contract liabilities and the corresponding decrease in the output VAT to be transferred.
Lease liabilities	444,442,525.66	0.00	100.00%	Mainly due to the increase of lease liabilities under the implementation of the new lease standards since January 1, 2021.
Undistributed profits	1,979,940,976.65	2,870,839,120.70	-31.03%	Mainly due to the Company's temporary performance loss during the reporting period.
Items of income statement	January - September 2021	January - September 2020	Growth	Note
Taxes and surcharges	23,049,626.16	9,832,926.10	134.41%	Mainly due to the decrease of preferential taxation enjoyed by the Company.
Other income	67,843,227.07	221,416,613.84	-69.36%	Mainly due to the decrease of preferential taxation enjoyed by the Company.
Investment income	74,689,765.65	187,595,273.90	-60.19%	Mainly due to the structural adjustment of asset allocation in the current period and the decreased yield rate of financial products.
Income from changes in fair value	11,041,967.01	0.00	100.00%	Mainly due to the accrual of income from changes in fair value of financial products during the reporting period.
Expected credit loss	-2,013,158.79	-1,382,976.76	45.57%	Mainly due to the increase in the provision for bad debts during the

				reporting period.
Income tax expenses	-249,727.99	261,121,317.06	-100.10%	Mainly due to the Company's temporary performance loss during the reporting period, and the corporate income tax of major subsidiaries were not accrued .
Items of cash flow statement	January - September 2021	January - September 2020	Growth	Note
Cash received from the sale of goods and the rendering of services	3,764,009,075.38	12,630,977,793.14	-70.20%	Main reasons: 1) the ahead-of-schedule multi-provincial joint examination of the civil servant recruitment shortened the peak period of collecting training fees; 2) changes took place in recruitment policies in the teachers, public institutions and the comprehensive sections, and the examinations are delayed. Number of trainees decreased.
Other cash receipts related to operating activities	82,925,359.00	246,310,360.72	-66.33%	Mainly due to the resumption of land auction deposits in the same period of last year.
Cash paid to and for employees	4,999,319,418.01	3,833,750,101.55	30.40%	Mainly due to the increase of employee compensation paid in the current period.
Cash received from recovery of investments	9,118,641,205.92	25,895,487,090.00	-64.79%	Mainly due to the structural adjustment of asset allocation in the current period.
Cash received from investment income	234,974,156.04	132,306,688.95	77.60%	Mainly due to the maturity of fixed deposits purchased by the Company.
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	2,826,593,982.87	897,559,659.37	214.92%	Mainly due to the purchase and construction of fixed assets and intangible assets.
Cash paid for investments	7,014,720,000.00	28,265,198,090.00	-75.18%	Mainly due to the structural adjustment of asset allocation in the current period.
Cash received from the loan	4,369,000,000.00	3,002,000,000.00	45.54%	Mainly due to the increased borrowings from the bank in the current period.
Cash paid for debt repayment	3,499,000,000.00	2,641,000,000.00	32.49%	Mainly due to the repayment for short-term loans due in the current period.
Cash paid for dividends, profits or interest	152,324,944.37	1,598,605,965.46	-90.47%	Mainly due to the payment of cash

payments				dividends in 2020.
Other cash paid related to financing activities	559,203,347.89	333,478.85	167587.80%	Mainly due to the implementation of the new lease standards since January 1, 2021, the rent paid during the reporting period is adjusted from listing under the item of other cash paid for business activities to under the item of other cash paid related to financing activities.

Section II. Shareholders

1. Table on the total number of common shareholders and preferred shareholders with restored voting rights and shares held by the top 10 shareholders

Unit: share(s)

Total number of common shareholders at the end of reporting period		132,029	Total number of preferred shareholders with restored voting rights at end of the reporting period (if any)		0	
Particulars about shares held by the top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares	Number of shares held with sales restrictions	Pledged, marked or frozen	
					Status of shares	Number of shares
Lu Zhongfang	Domestic natural person	41.36%	2,550,549,260	2,550,549,260	Pledged	620,000,000
Li Yongxin	Domestic natural person	18.35%	1,131,415,121	1,105,070,121	Pledged	387,150,000
Wang Zhendong	Domestic natural person	15.03%	927,229,418	721,853,563	Pledged	393,239,966
Beijing Aerospace Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	4.24%	261,280,477	0		
Beijing Kerui Technology Innovation Investment Center (Limited Partnership)	Domestic non-state-owned legal person	1.44%	89,117,723	89,117,723		
Beijing Offcn Future Information	Domestic non-state-owned	1.30%	80,000,000	0		

Consulting Center (Limited Partnership)	legal person					
Zhou Xiayun	Domestic natural person	1.28%	78,848,640	0	Pledged	58,000,000
Zhou Hui	Domestic natural person	1.17%	72,277,920	0	Pledged	16,650,000
Beijing Guangyin Venture Capital Center (Limited Partnership)	Domestic non-state-owned legal person	1.04%	64,355,896	0		
Hong Kong Securities Clearing Co.,Ltd.	Overseas legal person	0.86%	53,084,181	0		

Particulars about shares held by the top 10 shareholders without sales restrictions

Name of shareholder	Number of shares held without sales restrictions	Type of shares	
		Type of shares	Number of shares
Beijing Aerospace Industry Investment Fund (Limited Partnership)	261,280,477	RMB common shares	261,280,477
Wang Zhendong	205,375,855	RMB common shares	205,375,855
Beijing Offcn Future Information Consulting Center (Limited Partnership)	80,000,000	RMB common shares	80,000,000
Zhou Xiayun	78,848,640	RMB common shares	78,848,640
Zhou Hui	72,277,920	RMB common shares	72,277,920
Beijing Guangyin Venture Capital Center (Limited Partnership)	64,355,896	RMB common shares	64,355,896
Hong Kong Securities Clearing Co.,Ltd.	53,084,181	RMB common shares	53,084,181
Zhou Li	48,185,280	RMB common shares	48,185,280
Li Yongxin	26,345,000	RMB common shares	26,345,000
Yang Shaofeng	24,062,680	RMB common shares	24,062,680
Description of the relationship or concerted	The Company's controlling shareholder and actual controller Lu Zhongfang and		

action among the above mentioned shareholders	Li Yongxin are in a parent-child relationship. Lu Zhongfang, Li Yongxin, and Beijing Offcn Future Information Consulting Center (Limited Partnership) constitute persons acting in concert. Zhou Xiayun and Zhou Hui have a father-son relationship. Zhou Xiayun and Zhou Li have a father-daughter relationship. It is unknown whether there is an associated relationship among the above-mentioned other shareholders, nor whether the above-mentioned shareholders belong to the parties acting in concert as stipulated in the Administrative Measures on Information Disclosure of Shareholding Changes in Listed Companies.
Description of the top 10 shareholders participating in the margin trading (if any)	None

2. Table on the total number of preferred shareholders and shares held by the top 10 preferred shareholders

Applicable Not Applicable

Section III. Other significant events

Applicable Not applicable

1. The progress of the Company's non-public issuance:

The Company held the meetings of board of directors and board of supervisors on November 23 and the third extraordinary general meeting of shareholders on December 9 in the year of 2020, reviewed and approved the Proposal on the Company's Compliance with the Conditions for Non-public Issuance of A Shares, Proposal on the Company's Plan of Non-Public Issuance of A Shares, and Proposal on the Company's Proposal of Non-Public Issuance of A Shares and other proposals related to this non-public issuance.

On December 30, 2020, the Company announced the Announcement on the Acceptance of Applications for Non-public Issuance of Shares by the China Securities Regulatory Commission (Announcement No.: 2020-052).

On January 8, 2021, the Company announced the Notice on Receiving the First Feedback from the China Securities Regulatory Commission's Administrative Licensing Project Review (Announcement Number: 2021-002).

On January 27, 2021, the Company announced the Report on the Reply to the First Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review and other documents. On the same day, the Company also announced the adjustments to the non-public issuance plan including the Revised Proposal for Non-public Issuance of A Shares reviewed and approved at the 17th meeting of the Fifth Board of Directors and the 14th Meeting of the Fifth Supervisory Committee.

On May 18, 2021, the Company issued the Announcement on the Revised Reply to the First Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review and the Announcement on Receiving the Second Feedback from the China Securities Regulatory Commission's Administrative Licensing Project Review.

On May 29, 2021, the Company announced the Report on the Reply to the Second Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review and other documents. On the same day, the Company also announced the adjustments to the non-public issuance plan including the Second Revised Proposal for Non-public Issuance of A Shares reviewed and approved at the 19th meeting of the Fifth

Board of Directors and the 16th Meeting of the Fifth Supervisory Committee.

On June 5, 2021, the Company issued the Announcement on the Revised Reply to the Second Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review and other documents.

On June 16, 2021, the Company's non-public matters were reviewed and approved by the Issuance Review Committee of the China Securities Regulatory Commission.

On August 24, 2021, the Company issued the Announcement on Notice of the Suspension of the China Securities Regulatory Commission Administrative Licensing Application Review. Because the law firm hired for this issuance was filed and put under investigation by the China Securities Regulatory Commission for its services for other companies, the China Securities Regulatory Commission suspended the review of the Company's application for administrative license for this non-public issuance of shares.

Regarding the follow-up progress of the Company's non-public issuance of shares, the Company will perform its information disclosure obligations in a timely manner in accordance with the requirements of relevant laws and regulations.

2. The case of the transfer of part of the wholly-owned subsidiary's equity and cooperative development

On December 2, 2020, the wholly-owned subsidiary of the Company, Beijing Offcn Future Education Technology Co., Ltd. (hereinafter referred to as the target company), won the bid for the first-level development project — CP00-1804-0002 residential land and CP00-1804-0012 public construction land in Qiliqu Nanbei Village, Shahe Town, Changping District, Beijing, and the Company provided a loan of RMB 3.098 billion yuan to the target company to pay for the above land price, deed tax and other expenses.

On September 26, 2021, the Company held the 22nd Meeting of the Fifth Board of Directors which reviewed and approved the Proposal on the Transfer of Part of the Wholly-owned Subsidiary's Equity and Cooperative Development. The Board of Directors agreed to transfer 51% equity of the Company's wholly-owned subsidiary, namely Beijing Offcn Future Education Technology Co., Ltd., to Beijing Shangheng Jirui Commercial Operation and Management Co., Ltd. (hereinafter referred to as Longhu Party). After friendly negotiation between the two parties, based on the target company's paid-in registered capital, the Company priced the transfer of the target company's 51% equity at RMB 51 million yuan. At the same time, Longhu Party invested RMB1.379 billion yuan in the target company as shareholder loans, all of which were used to repay the target company's borrowing from the Company. For specific information of this matter, please refer to the Company's Announcement on the Transfer of Part of the Wholly-owned Subsidiary's Equity and Cooperative Development (Announcement No.: 2021-061) released on www.cninfo.com, September 27, 2021.

According to the customized development agreement and supplementary agreement signed between the target company and the Company, the Company's RMB1.618 billion yuan's worth of loan to the target company has been converted into the advance payment for the construction of CP00-1804-0012 public construction land. The target company will construct an online technology R&D center, an Online-Merge-Offline education demonstration center, an integrated training center for R&D and teaching personnel, a vertical integrated fast-response command center for nationwide market, and an innovative education headquarter in accordance with the Company's design and planning. At present, the target company has paid off all its loans to the Company.

Section IV. Financial statements of the first three quarters

1. Financial statements

(1) Consolidated balance sheet

Company: Offcn Education Technology Co., Ltd.

September 30, 2021

Unit: RMB

Item	September 30, 2021	December 31, 2020
Current assets:		
Monetary funds	1,974,991,164.20	5,950,395,089.12
Settlement reserve		
Lendings		
Transactional financial assets	357,426,934.35	983,205,858.25
Derivative financial assets		
Notes receivable		
Accounts receivable	38,087,488.62	21,493,637.66
Receivables financing		
Prepayments	2,321,049.00	2,204,120.00
Premium receivable		
Accounts receivable reinsurance		
Reserve for reinsurance receivable contracts		
Other receivables	375,968,765.53	304,318,966.20
Including: interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventory		
Contract assets		
Assets held-for-sale		
Non-current assets due within one year	20,027,866.70	1,985,873,462.75
Other current assets	705,367,767.08	175,179,650.61
Total current assets	3,474,191,035.48	9,422,670,784.59
Non-current assets:		
Loans and advances		

Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment		
Other equity investment	152,800,000.00	152,800,000.00
Other non-current financial assets	38,050,000.00	208,450,315.01
Investment property	653,958,125.31	668,014,515.82
Fixed assets	1,557,911,008.74	1,612,792,592.67
Construction in progress	287,707,506.80	214,248,125.04
Productive biological assets		
Oil and gas assets		
Right-of-use asset	1,230,395,388.53	
Intangible assets	511,346,418.46	426,352,455.75
Development expenditure		
Goodwill	99,867,720.38	99,867,720.38
Long-term prepaid expenses	383,323,987.14	440,955,377.93
Deferred tax assets	21,978,854.16	21,606,436.77
Other non-current assets	3,801,600,937.14	1,151,091,703.31
Total non-current assets	8,738,939,946.66	4,996,179,242.68
Total assets	12,213,130,982.14	14,418,850,027.27
Current liabilities:		
Short-term loan	4,844,231,125.06	3,976,019,329.22
Borrowing from the central bank		
Borrowings from banks and other financial institutions		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	165,281,669.57	211,824,402.86
Deposit received		
Contract liabilities	2,312,641,632.72	4,925,428,309.33
Financial assets sold for repurchase		
Absorbing deposits and		

interbank deposits		
Acting trading securities		
Acting underwriting securities		
Payroll payable	315,864,427.36	637,448,433.99
Taxes payable	22,613,212.98	131,111,770.78
Other payable	65,535,767.05	9,479,383.03
Including:interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held-for-sale		
Non-current liabilities due within one year	484,524,249.51	
Other current liabilities	69,379,248.98	147,765,156.66
Total current liabilities	8,280,071,333.23	10,039,076,785.87
Non-current liabilities:		
Insurance contract reserve		
Long-term loan		
Bonds payable		
Bonds payable_preferred stock		
Bonds payable_perpetual bond		
Lease liability	444,442,525.66	
Long-term payables		
Long-term salary payable		
Estimated liabilities		
Deferred income		
Deferred tax liability	104,423,412.82	104,677,444.59
Other non-current liabilities		
Total non-current liabilities	548,865,938.48	104,677,444.59
Total Liabilities	8,828,937,271.71	10,143,754,230.46
Owners' equity:		
Share capital	103,807,623.00	103,807,623.00
Other equity instruments		

Other equity instruments_preferred stock		
Other equity instruments_perpetual bond		
Capital reserve	1,225,481,049.50	1,225,481,049.50
Less: Treasury stock		
Other comprehensive income	30,000,000.00	30,000,000.00
Special reserve		
Surplus reserves	45,000,000.00	45,000,000.00
General risk preparation		
Undistributed profits	1,979,940,976.65	2,870,839,120.70
Total owner's equity attributable to the parent company	3,384,229,649.15	4,275,127,793.20
Minority shareholders' equity	-35,938.72	-31,996.39
Owners' equity	3,384,193,710.43	4,275,095,796.81
Liabilities and owner's equity	12,213,130,982.14	14,418,850,027.27

Legal representative: Wang Zhendong

Person in charge of accounting: Shi Lei

Head of accounting department: Luo Xue

(2) Consolidated income statement from beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount in the current period	Amount in the prior period
Total operating income	6,301,194,119.42	7,438,969,829.81
Including: operating income	6,301,194,119.42	7,438,969,829.81
Interest income		
Premium earned		
Fee and commission income		
Total operating costs	7,342,893,996.86	6,264,315,976.76
Including: operating cost	3,588,626,072.16	3,071,901,770.96
Interest expense		
Fee and commission expenses		
Surrender money		
Net reimbursement expenditure		
Withdrawal of net insurance liability reserves		
Policyholder dividend expenses		
Reinsurance expenses		

Taxes and surcharges	23,049,626.16	9,832,926.10
Sales expenses	1,475,923,658.93	1,278,110,818.48
Management expenses	1,036,022,099.40	902,149,682.94
R&D expenses	835,716,194.57	655,566,356.63
Financial expenses	383,556,345.64	346,754,421.65
Including: interest expenses	176,536,740.21	128,133,368.78
Interest income	35,487,207.53	11,898,982.50
Add: other income	67,843,227.07	221,416,613.84
Investment income (Loss is listed with “-”)	74,689,765.65	187,595,273.90
Including: investment income from associates and joint ventures		
Derecognition income of financial assets measured at amortized cost		
Exchange earnings (Loss is listed with “-”)		
Net exposure hedge income (Loss is listed with “-”)		
Income from changes in fair value (Loss is listed with “-”)	11,041,967.01	
Expected credit loss (Loss is listed with “-”)	-2,013,158.79	-1,382,976.76
Asset impairment loss (Loss is listed with “-”)		
Asset disposal income (Loss is listed with “-”)	-168,828.03	162,043.59
III. Operating profit (Loss is listed with “-”)	-890,306,904.53	1,582,444,807.62
Add: non-operating income	41,198.84	20,148.00
Less: non-operating expenses	886,108.68	457,348.58
IV. Total profit (The total loss is listed with “-”)	-891,151,814.37	1,582,007,607.04
Less: income tax expenses	-249,727.99	261,121,317.06
V. Net profit (Net loss is listed with “-”)	-890,902,086.38	1,320,886,289.98
i. Classified by business continuity		
1.Net profit from continuing operations (Net loss is listed with “-”)	-890,902,086.38	1,320,886,289.98
2.Net profit from discontinued operations (Net loss is listed with “-”)		
ii. Classification by ownership		
1. Net profit attributable to the owner of the parent company	-890,898,144.05	1,320,893,510.33

2. Minority shareholders' gains and losses	-3,942.33	-7,220.35
VI. Net other comprehensive income		
Net other comprehensive income attributable to the parent company owner		
Other comprehensive income that cannot be reclassified into profit or loss		
Changes from the remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instruments		
4. Changes in fair value of the company's own credit risk		
5. Other		
ii. Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income of convertible profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provisions of other debt investment		
5. Cash flow hedge reserve		
6. Foreign currency financial statement translation difference		
7. Other		
Net other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	-890,902,086.38	1,320,886,289.98
Total comprehensive income attributable to owners of the parent company	-890,898,144.05	1,320,893,510.33
Total comprehensive income attributable to minority shareholders	-3,942.33	-7,220.35
VIII. Earnings per share:		
i. Basic earnings per share	-0.14	0.21
ii. Diluted earnings per share	-0.14	0.21

If a business combination under the same control occurs in the current period, the net profit realized by the combined party before the combination is: RMB 0.00. The net profit realized by the combined party in the previous period was: RMB 0.00.

Legal representative: Wang Zhendong Person in charge of accounting: Shi Lei Head of accounting department: Luo Xue

(3) Consolidated cash flow statement from beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount in the current period	Amount in the prior period
I. Cash flow from operating activities:		
Cash received from the sale of goods and services	3,764,009,075.38	12,630,977,793.14
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from central bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance business		
Net increase in policyholders' deposits and investment funds		
Cash charged with interest, handling fees and commissions		
Net increase in funds borrowed in		
Net increase in repurchase funds		
Net cash received from agent buying and selling of securities		
Tax refund		
Other cash received related to other business activities	82,925,359.00	246,310,360.72
Subtotal of cash inflow from operating activities	3,846,934,434.38	12,877,288,153.86
Cash paid for the purchase of goods and services	1,272,319,232.44	1,241,258,102.15
Net increase in customer loans and advances		
Net increase in deposit of central bank and interbank		
Cash paid for the original insurance contract		
Net increase in borrowed funds		
Cash paid for interest, handling fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	4,999,319,418.01	3,833,750,101.55
Various taxes paid	257,440,759.41	200,151,843.84
Other cash paid for business activities	963,675,208.24	884,298,006.27

Subtotal of cash outflows from business activities	7,492,754,618.10	6,159,458,053.81
Net cash flow from operating activities	-3,645,820,183.72	6,717,830,100.05
II. Cash flows from investing activities:		
Cash received from investment recovery	9,118,641,205.92	25,895,487,090.00
Cash received from investment income	234,974,156.04	132,306,688.95
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		162,043.59
Net cash received from disposal of subsidiaries and other business units		
Other cash received related to investing activities		
Subtotal of cash inflows from investment activities	9,353,615,361.96	26,027,955,822.54
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	2,826,593,982.87	897,559,659.37
Cash paid for investment	7,014,720,000.00	28,265,198,090.00
Net increase in pledge loans		
Net cash paid for r acquiring subsidiaries and other business units		
Other cash paid related to investing activities	168,828.03	
Subtotal of cash outflows from investment activities	9,841,482,810.90	29,162,757,749.37
Net cash flows from investing activities	-487,867,448.94	-3,134,801,926.83
III. Cash flow from financing activities:		
Cash received from investment absorption		
Including:cash received from subsidiaries in absorbing minority shareholders' investment		
Cash received from the loan	4,369,000,000.00	3,002,000,000.00
Other cash received related to fundraising activities		
Subtotal of cash inflows from financing activities	4,369,000,000.00	3,002,000,000.00
Cash paid for debt repayment	3,499,000,000.00	2,641,000,000.00
Cash paid for dividends, profits or interest payments	152,324,944.37	1,598,605,965.46
Including:dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	559,203,347.89	333,478.85
Subtotal of cash outflows from financing activities	4,210,528,292.26	4,239,939,444.31
Net cash flow from financing activities	158,471,707.74	-1,237,939,444.31
IV. Effect of the changes of the exchange rate on cash and the equivalentents		

V. Net increase in cash and cash equivalents	-3,975,215,924.92	2,345,088,728.91
Add: balance of cash and cash equivalents at the beginning of the period	5,950,036,489.12	2,724,335,001.58
VI. Balance of cash and cash equivalents at the end of the period	1,974,820,564.20	5,069,423,730.49

2. Explanation on the adjustments to the financial statements

(1) Adjustments to the financial statements at the beginning of the first execution year of the new standards governing lease since 2021

Applicable Not applicable

Whether items listed in the balance sheet at beginning of the year need to be adjusted

Yes No

Consolidated balance sheet

Unit: RMB

Item	December 31, 2020	January 1, 2021	Adjustments
Current Assets:			
Monetary funds	5,950,395,089.12	5,950,395,089.12	
Settlement reserve			
Lendings			
Transactional financial assets	983,205,858.25	983,205,858.25	
Derivative financial assets			
Notes Receivable			
Accounts Receivable	21,493,637.66	21,493,637.66	
Receivables financing			
Prepayments	2,204,120.00	2,204,120.00	
Premium receivables			
Accounts receivable reinsurance			
Reserve for reinsurance receivable contracts			
Other receivables	304,318,966.20	304,318,966.20	
Inc: Interest receivables			
Dividends receivables			
Buying back the sale of financial assets			
Inventories			

Contract assets			
Assets held for sale			
Non-current assets due within one year	1,985,873,462.75	1,985,873,462.75	
Other current assets	175,179,650.61	44,858,022.80	-130,321,627.81
Total current assets	9,422,670,784.59	9,292,349,156.78	-130,321,627.81
Non-current assets:			
Loans and Advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investment			
Other equity investment	152,800,000.00	152,800,000.00	
Other non-current financial assets	208,450,315.01	208,450,315.01	
Investment properties	668,014,515.82	668,014,515.82	
Fixed assets	1,612,792,592.67	1,612,792,592.67	
Construction in progress	214,248,125.04	214,248,125.04	
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,491,006,998.14	1,491,006,998.14
Intangible assets	426,352,455.75	426,352,455.75	
Development expenditure			
Goodwill	99,867,720.38	99,867,720.38	
Long-term prepaid expense	440,955,377.93	412,508,666.20	-28,446,711.73
Deferred tax assets	21,606,436.77	21,606,436.77	
Other non-current assets	1,151,091,703.31	1,151,091,703.31	
Total non-current assets	4,996,179,242.68	6,458,739,529.09	1,462,560,286.41
Total assets	14,418,850,027.27	15,751,088,685.87	1,332,238,658.60
Current liabilities:			
Short-term borrowings	3,976,019,329.22	3,976,019,329.22	
Borrowing from the central bank			
Borrowings from banks and other financial institutions			
Transactional financial liabilities			
Derivative financial liabilities			

Notes payable			
Accounts payable	211,824,402.86	211,824,402.86	
Deposit received			
Contract liabilities	4,925,428,309.33	4,925,428,309.33	
Financial assets sold for repurchase			
Absorbing deposits and interbank deposits			
Acting trading securities			
Acting underwriting securities			
Payroll payable	637,448,433.99	637,448,433.99	
Taxes payable	131,111,770.78	131,111,770.78	
Other payable	9,479,383.03	9,479,383.03	
Including: interest payable			
Dividend payable			
Fees and commissions payable			
Reinsurance accounts payable			
Liabilities held-for-sale			
Non-current liabilities due within one year		699,372,590.26	699,372,590.26
Other current liabilities	147,765,156.66	147,765,156.66	
Total current liabilities	10,039,076,785.87	10,738,449,376.13	699,372,590.26
Non-current liabilities:			
Insurance contract reserve			
Long-term loan			
Bonds payable			
Bonds payable_preferred stock			
Bonds payable_perpetual bond			
Lease liabilities		632,866,068.34	632,866,068.34
Long-term payables			
Long-term salary payable			
Estimated liabilities			
Deferred income			
Deferred tax liability	104,677,444.59	104,677,444.59	

Other non-current liabilities			
Total non-current liabilities	104,677,444.59	737,543,512.93	632,866,068.34
Total Liabilities	10,143,754,230.46	11,475,992,889.06	1,332,238,658.60
Owners' equity:			
Share capital	103,807,623.00	103,807,623.00	
Other equity instruments			
Other equity instruments_preferred stock			
Other equity instruments_perpetual bond			
Capital reserve	1,225,481,049.50	1,225,481,049.50	
Less:Treasury stock			
Other comprehensive income	30,000,000.00	30,000,000.00	
Special reserve			
Surplus reserves	45,000,000.00	45,000,000.00	
General risk preparation			
Undistributed profits	2,870,839,120.70	2,870,839,120.70	
Total owner's equity attributable to the parent company	4,275,127,793.20	4,275,127,793.20	
Minority shareholders' equity	-31,996.39	-31,996.39	
Owners' equity	4,275,095,796.81	4,275,095,796.81	
Liabilities and owner's equity	14,418,850,027.27	15,751,088,685.87	1,332,238,658.60

Explanation on the adjustments

(2) Description of retroactive adjustment of comparative data in the early stage by the new lease standard initially implemented since 2021

Applicable Not applicable

3. Auditor's report

Whether this Third Quarter 2021 Report has been audited

Yes No

The Company's Third Quarter 2021 Report has not been audited.

Board of Directors of Offcn Education Technology Co., Ltd.

October 29, 2021