

# Zhejiang Hangke Technology Incorporated Company 2023 Q3 Report

The Board of Directors and all directors of the company guarantee that there are no false records or misleading statements or major omissions in this announcement and they are legally responsible for the authenticity, accuracy and completeness of its content.

## Important content reminder

The company's Board of Directors, Board of Supervisors, directors, supervisors, and senior managers guarantee that the content of the quarterly report is true, accurate and complete, and that there are no false records, misleading statements or major omissions, and assume individual and joint legal responsibilities.

The person in charge of the company, the person in charge of accounting and the person in charge of the accounting department (accounting officer) guarantee the authenticity, accuracy and completeness of the financial information in the quarterly report.

Are the third quarter financial statements audited?

Yes No

Matters that the auditor issues non-standard opinion

Applicable Not applicable

## I. Main financial data

(I) Main accounting data and financial indicators

Unit: Yuan Currency: RMB

Item	The current reporting period	Changes in the current reporting period compared with the same period of the previous year (%)	From beginning of the year to the end of the current reporting period	Changes from beginning of the year to the end of the current reporting period with the same period of the previous year (%)
Operating income	1,187,699,923.42	46.07	3,308,614,306.00	19.52
Net profit attributable to shareholders of listed companies	238,115,267.89	71.98	713,747,206.67	87.96
Net profit attributable to shareholders of listed companies after deduction of non-recurring gains and losses	231,894,234.06	70.74	696,348,584.39	93.67
Net cash flow from operating activities	Not Applicable	Not Applicable	476,580,199.68	-32.70
Basic earnings per share (yuan/share)	0.39	14.71	1.19	26.60
Diluted earnings per share (yuan/share)	0.38	11.76	1.19	27.96
Weighted average return on net assets (%)	4.76	Increase by 0.43%	15.66	Increase by 3.52%
Total R&D investment	58,222,594.44	18.82	182,543,584.61	17.25
The ratio of R&D investment to operating income (%)	4.90	Decrease by 1.13%	5.52	Decrease by 0.1%
	At the end of the current reporting period	At the end of last year		Increase/decrease (%) at the end of the current

			reporting period compared with the end of the previous year
Total assets	10,401,548,270.97	7,966,087,105.80	30.57
Ownership equity attributable to shareholders of listed companies	5,118,298,605.75	3,347,538,154.36	52.90

Note: "Current reporting period" refers to the three-month period from the beginning of the current quarter to the end of the current quarter, the same below.

(II) Non-recurring profit or loss and amount

Unit: Yuan Currency: RMB

Item	Amount in the current reporting period	Amount from the beginning of the year to the end of the current reporting period	Note
Gains and losses on disposal of non-current assets	3,489.90	-62,940.38	
Unauthorized approval, or no formal approval documents, or occasional tax refunds, reductions and exemptions			
Government subsidies included in the current profit and loss, except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, and are continuously enjoyed in accordance with	6,360,456.64	23,011,206.19	

certain standards or quantities			
Fund occupancy fees charged to non-financial enterprises included in current profit and loss			
Gains between the investment cost of the enterprise to obtain subsidiaries, associates and joint ventures and the income generated by the fair value of the identifiable net assets of the invested unit that should be enjoyed when the investment is obtained			
Non-monetary asset exchange gains and losses			
Profit and loss from entrusting others to invest or manage assets			
Provisions for asset impairment due to force majeure factors, such as natural disasters			
Profit and loss from debt restructuring			
Enterprise reorganization expenses, such as expenses for relocating employees, integration expenses, etc.			
Profit and loss exceeding the fair value of a transaction whose transaction price is obviously unfair			

Net profit and loss for the current period from the beginning of the period to the date of combination of subsidiaries arising from a business combination under common control			
Profit and loss arising from contingencies unrelated to the normal business operations of the company			
In addition to the effective hedging business related to the company's normal business operations, gains and losses from changes in fair value arising from holding transactional financial assets, derivative financial assets, transactional financial liabilities, and derivative financial liabilities, as well as gains from disposal of transactional financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other debt investments	2,001,726.74	-1,142,689.51	
Transfer back of accounts receivable and contract asset impairment provision that have been individually tested for impairment			

Profit and loss from externally entrusted loans			
Profit and loss arising from changes in the fair value of investment real estate that adopts the fair value model for subsequent measurement			
The impact of one-time adjustment to the current profit and loss in accordance with the requirements of taxation, accounting and other laws and regulations on the current profit and loss			
Custody fee income from entrusted operations			
Other non-operating income and expenses other than those listed above	-1,220,190.81	-1,546,019.84	
Other profit and loss items that meet the definition of non-recurring profit and loss			
Less: income tax impact amount	-924,448.64	-2,860,934.18	
Amount affected by minority shareholders' equity (after tax)			
Total	6,221,033.83	17,398,622.28	

Explanation on the definition of non-recurring profit and loss items listed in the *Interpretive Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-Recurring Profit and Loss* as recurring profit and loss items.

Applicable Not Applicable

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

√Applicable □Not Applicable

Item	Change ratio (%)	Main reason
Operating income- during the current reporting period	46.07	Mainly due to the rapid development of the lithium industry, the company's business also increased, the corresponding sales revenue grew steadily.
Net profit attributable to shareholders of listed companies- during the current reporting period	71.98	Mainly due to the rapid development of lithium industry, the operating income also increased rapidly
Net profit attributable to shareholders of listed companies- from the beginning of the period to the end of the current reporting period	87.96	Mainly due to the rapid development of the lithium industry, the company's operating income grew rapidly, while the share-based payment expenses and finance costs decreased significantly during the period
Net profit attributable to shareholders of listed companies after deduction of non-recurring gains and losses- during the current reporting period	70.74	Mainly due to the rapid development of lithium industry, the operating income also increased rapidly
Net profit attributable to shareholders of listed companies after deduction of non-recurring gains and losses- from the beginning of the period to the end of the current reporting period	93.67	Mainly due to the rapid development of the lithium industry, the company's operating income grew rapidly, while the share-based payment expenses and finance costs decreased significantly during the period
Net cash flow from operating activities- from the beginning of the period to the end of the current reporting period	-32.70	Mainly due to the expansion of the company's business scale, and cash from procurement of goods, labor services paid in cash increased year-on-year
Total assets	30.57	Mainly due to the increase in profit during the period, while the company's capacity expanded

		and long-term assets increased significantly during the period
Ownership equity attributable to shareholders of listed companies	52.90	Mainly due to increase in profit for the period

## II. Shareholder Information

(I) Table of the total number of ordinary shareholders, the number of preferred shareholders whose voting rights have been restored, and the shareholdings of the top ten shareholders

Unit: share

Total number of ordinary shareholders at the end of the current reporting period	11,553			Total number of preferred shareholders with voting rights restored at the end of the current reporting period (if any)	0		
Top 10 shareholders							
Shareholder name	Nature of shareholders	Number of shares	Shareholding ratio (%)	Restricted shares held	Number of restricted shares including shares lent for refinancing	Pledge, mark or freeze situation	
						Share status	Number of shares
Cao Ji	Domestic natural person	262,663,234	43.51	0	0	N.A.	0
Hangzhou Hangke Intelligent Equipment Group Co., Ltd.	Domestic non-state-owned legal person	134,975,968	22.36	0	0	N.A.	0
HKSCC	Foreign legal person	17,778,235	2.95	0	0	N.A.	0

Bank of Communications Co., Ltd. - HSBC Jintrust Low Carbon Pioneer Stock Securities Investment Fund	Other	11,211,460	1.86	0	0	N.A.	0
Bank of Communications - HSBC Jintrust Dynamic Strategy Hybrid Securities Investment Fund	Other	7,840,052	1.30	0	0	N.A.	0
Bank of Communications - HSBC Jintrust Core Growth Hybrid Securities Investment Fund	Other	4,068,996	0.67	0	0	N.A.	0
Cao Guanqun	Domes tic natural person	3,509,376	0.58	0	0	N.A.	0
Sang Hongyu	Domes tic natural person	3,340,656	0.55	0	0	N.A.	0
Yu Pingguang	Domes tic natural person	3,340,656	0.55	0	0	N.A.	0
Bank of Communications - HSBC Jintrust Research Select Hybrid Securities Investment Fund	Other	3,255,691	0.54	0	0	N.A.	0
Shareholdings of the top 10 shareholders not subject to sales restrictions							
Shareholder name	Tradable shares held	Type and number of shares					
		Type of shares	Number of shares				
Cao Ji	262,663,234	RMB common stock	262,663,234				
Hangzhou Hangke Intelligent Equipment Group Co., Ltd.	134,975,968	RMB common stock	134,975,968				
HKSCC	17,778,235	RMB common stock	17,778,235				
Bank of Communications Co., Ltd. - HSBC Jintrust Low Carbon Pioneer Stock Securities Investment Fund	11,211,460	RMB common stock	11,211,460				

Bank of Communications - HSBC Jintrust Dynamic Strategy Hybrid Securities Investment Fund	7,840,052	RMB common stock	7,840,052
Bank of Communications - HSBC Jintrust Core Growth Hybrid Securities Investment Fund	4,068,996	RMB common stock	4,068,996
Cao Guanqun	3,509,376	RMB common stock	3,509,376
Sang Hongyu	3,340,656	RMB common stock	3,340,656
Yu Pingguang	3,340,656	RMB common stock	3,340,656
Bank of Communications - HSBC Jintrust Dynamic Research Select Securities Investment Fund	3,255,691	RMB common stock	3,255,691
Explanation on the related relationship or concerted action of the above-mentioned shareholders	Among the above-mentioned shareholders, Cao Ji is the controlling shareholder and actual controller of the company. Hangke Group is an employee shareholding platform controlled by Cao Ji. Cao Ji、Cao Guanqun、Sang Hongyu and Yu Pingguang are shareholders of Hangke Group. Cao Ji and Cao Guanqun are brothers. Except for the above-mentioned relationship, the company does not know whether the other shareholders mentioned above have any associated relationship or are persons acting in concert.		
Description of the participation of the top 10 shareholders and the top 10 shareholders with unlimited sales in the financing and securities financing and transfer business (if any)	The number of shares of the Company held in the credit securities accounts of the top 10 shareholders and the top 10 unrestricted shareholders is 0. The Company is not aware of whether the above shareholders participate in the transfer and financing business.		

### III. Other reminders

Other important information about the company's operating conditions during the current reporting period that investors need to be reminded of.

Applicable Not applicable

**IV. Quarterly financial statement**

## (I) Type of Audit Opinion

Applicable Not applicable

## (II) Financial Statements

**Consolidated Balance Sheet**

September 30, 2023 \_

Prepared by: Zhejiang Hangke Technology Incorporated Company

Unit: Yuan Currency: RMB Audit Type: Un-audited

Item	September 30, 2023	December 31, 2022
<b>Current assets:</b>		
Monetary funds	3,494,105,206.61	2,204,980,109.77
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	6,561,805.80	8,470,694.76
Derivative financial assets		
Notes receivable	87,330,061.84	58,049,060.67
Accounts receivable	1,959,614,470.67	1,673,164,923.92
Receivables financing	74,023,700.00	17,904,210.81
Advances paid	88,575,035.69	18,078,982.30
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	27,720,967.57	20,752,014.90
Including: Interest receivable		
Dividend receivable		
Financial assets purchased under agreements to resell		
Inventory	2,639,489,879.70	2,380,677,299.30
Contract assets	382,297,519.67	307,678,177.15
Assets held for sale		
Non-current assets due within one year		
Other current assets	90,186,600.51	22,209,690.01
Total current assets	8,849,905,248.06	6,711,965,163.59
<b>Non-current assets:</b>		
Loans and advances		
Debt investment		
Other debt investment		
Long-term receivables		

Long-term equity investment		
Other equity instrument investments		
Other non-current financial assets		
Investment property		
Fixed assets	1,024,096,920.89	954,337,911.33
Construction in progress	167,529,477.24	35,503,214.70
Productive biological assets		
Oil and gas assets		
Right-of-use asset	3,162,990.86	6,009,682.76
Intangible assets	176,393,230.43	175,501,531.02
Development expenditure		
Goodwill		
Long-term prepayments	5,950,897.90	7,003,767.94
Deferred tax assets	72,887,492.21	36,536,452.57
Other non-current assets	101,622,013.38	39,229,381.89
Total non-current assets	1,551,643,022.91	1,254,121,942.21
Total assets	10,401,548,270.97	7,966,087,105.80
<b>Current liabilities:</b>		
Short-term borrowings		
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,219,431,010.61	1,316,903,913.74
Accounts payable	1,580,572,077.48	1,596,641,156.33
Advances received		560,000.00
Contract liabilities	2,076,617,750.69	1,501,881,384.48
Financial liabilities under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	42,430,623.37	25,250,952.24
Taxes and rates payable	92,365,087.89	14,341,081.96
Other payables	14,091,176.07	3,002,923.42
Including: Interest payable		
Dividends payable		

Handling fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,957,621.03	3,840,678.51
Other current liabilities	230,777,055.01	125,660,270.00
Total current liabilities	5,258,242,402.15	4,588,082,360.68
<b>Non-current liabilities:</b>		
Insurance policy reserve		
Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liability		2,028,013.79
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	25,007,263.07	28,438,576.97
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	25,007,263.07	30,466,590.76
Total Liabilities	5,283,249,665.22	4,618,548,951.44
<b>Equity (or Shareholders' Equity):</b>		
Share capital	603,672,152.00	405,133,000.00
Other Equity Instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	2,418,007,697.00	1,401,737,825.15
Less: Treasury shares		
Other comprehensive income	-4,410,142.71	2,419,348.00
Special reserves		
Surplus reserve	191,755,852.88	191,755,852.88
General risk preparation		
Undistributed profit	1,909,273,046.58	1,346,492,128.33
Total equity attributable to the parent company	5,118,298,605.75	3,347,538,154.36
Non-controlling interest		
Total Equity (or Shareholders' Equity)	5,118,298,605.75	3,347,538,154.36

Total Liabilities and Equity (or Shareholders' Equity)	10,401,548,270.97	7,966,087,105.80
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The person in charge of the company :Yu Pingguang Person in charge of accounting work :Fu Fenghua  
Person in charge of the accounting agency :Yang Zhaodi

### Consolidated Income Statement

January to September 2023

Compilation unit: Zhejiang Hangke Technology Incorporated Company

Unit: Yuan Currency: RMB Audit Type: un-audited

Item	Q1 to Q3 of 2023 (January-September)	Q1 to Q3 of 2022 (January-September)
I. Total operating revenue	3,308,614,306.00	2,768,351,109.34
Including: Operating revenue	3,308,614,306.00	2,768,351,109.34
Interest income		
Premium earned		
Revenue from handling charges and commission		
II. Total operating cost	2,376,907,830.74	2,292,886,543.96
Including: Operating cost	2,004,148,200.16	1,849,585,607.84
Interest expense		
Handling charges and commission expenditures		
Surrender value		
Net payment of insurance claims		
Net provision of insurance policy reserve		
Premium bonus expenditures		
Reinsurance costs		
Taxes and surcharges	25,094,164.87	9,210,420.84
Selling expense	90,142,726.36	75,906,994.44
Administrative expenses	186,844,188.56	269,821,197.71
R & D costs	182,543,584.61	155,681,346.69
Financial expenses	-111,865,033.82	-67,319,023.56
Including: Interest expense	292,095.20	
Interest income	61,959,442.88	17,134,111.25
Plus: Other income	86,091,033.04	44,479,490.23

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Investment income (indicate loss with “-”)	766,199.45	5,086,694.60
Including: Investment income from associates and joint ventures		
Gains from derecognition of financial assets at amortized cost		
Gains on foreign exchange (indicate loss with “-”)		
Gains on net exposure to hedging risk (indicate loss with “-”)		
Gains on changes in fair value (indicate loss with “-”)	-1,908,888.96	-696,885.12
Credit impairment losses (indicate loss with “-”)	-170,936,296.42	-54,046,013.82
Asset impairment losses (indicate loss with “-”)	-42,839,247.22	-43,884,348.92
Gains from asset disposal (indicate loss with “-”)	-62,940.38	
III. Operating profit (indicate loss with “-”)	802,816,334.77	426,403,502.35
Add: non-operating income	1,243,303.47	2,301,430.51
Less: Non-operating expenses	2,789,323.31	4,527,733.35
IV. Total profit (indicate total loss with “-”)	801,270,314.93	424,177,199.51
Less: income tax expense	87,523,108.26	44,445,729.10
V. Net profit (indicate net loss with “-”)	713,747,206.67	379,731,470.41
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations (indicate net loss with “-”)	713,747,206.67	379,731,470.41
2. Net profit from discontinued operations (indicate net loss with “-”)		
(II) Classification by Ownership		

1. Net profit attributable to owners of parent company (indicate net loss with “-”)	713,747,206.67	379,731,470.41
2. Net profit attributable to non-controlling shareholders (indicate net loss with “-”)		
VI. Other comprehensive income after tax	-6,829,490.71	253,958.06
(I) After-tax net amount of other comprehensive income attributable to owners of the parent company	-6,829,490.71	253,958.06
1. Not to be reclassified subsequently to profit or loss		
(1) Remeasurements of the net defined benefit plan		
(2) Items under equity method that will not be reclassified to profit or loss		
(3) Changes in fair value of other equity instrument investments		
(4) Changes in fair value of own credit risk		
2. To be reclassified subsequently to profit or loss	-6,829,490.71	253,958.06
(1) Items under equity method that may be reclassified to profit or loss		
(2) Changes in fair value of other debt investments		
(3) Profit or loss from reclassification of financial assets into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserve		
(6) Translation reserve	-6,829,490.71	253,958.06
(7) Others		

(II) Net after-tax amount of other comprehensive income attributable to non-controlling shareholders		
VII. Total comprehensive income	706,917,715.96	379,985,428.47
(I) Items attributable to the owners of the parent company	706,917,715.96	379,985,428.47
(II) Items attributable to non-controlling shareholders		
VIII. Earnings per share:		
(I) Basic EPS (yuan/share)	1.19	0.94
(II) Diluted EPS (yuan/share)	1.19	0.93

If a business merger under the same control occurs in the current period, the net profit realized by the merged party before the merger is: 0yuan, and the net profit realized by the merged party in the previous period is: 0yuan.

The person in charge of the company: Yu Pingguang                      Person in charge of accounting work:  
Fu Fenghua                      Person in charge of the accounting department: Yang Zhaodi

### Consolidated Statement of Cash Flows

January to September 2023

Prepared by: Zhejiang Hangke Technology Incorporated Company

Unit: Yuan Currency: RMB Audit Type: Un-audited

Item	Q1-Q3 of 2023 (January-September)	Q1-Q3 of 2022 (January-September)
<b>I. Cash flow from operating activities:</b>		
Cash received from sales of goods and rendering of services	3,513,748,202.03	2,734,149,741.09
Net increase of client deposit and interbank deposit		
Net increase in central bank borrowing		
Net increase of loans from other financial institutions		
Cash receipts from original insurance contract premium		
Net cash received from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling charges and commission		

Net increase of loans from others		
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	116,155,475.60	82,158,318.03
Other cash receipts related to operating activities	307,133,314.44	270,429,165.53
Subtotal of cash inflows from operating activities	3,937,036,992.07	3,086,737,224.65
Cash payments for goods purchased and services received	2,434,588,281.07	1,498,042,828.43
Net increase of loans and advances to clients		
Net increase of central bank deposit and interbank deposit		
Cash payments for insurance indemnities of original insurance contracts		
Net increase of loans to others		
Cash payments for interest, handling charges and commission		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	440,195,333.29	374,985,546.67
Cash payments for taxes and rates	164,854,570.13	104,893,234.07
Other cash payments related to operating activities	420,818,607.90	400,637,718.09
Subtotal of cash outflows from operating activities	3,460,456,792.39	2,378,559,327.26
Net cash flows from operating activities	476,580,199.68	708,177,897.39
Cash receipts from withdrawal of investments	272,439,369.87	1,014,941,694.60
Cash receipts from investment income		145,000.00
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	329,073.80	
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities		
Subtotal of cash inflows from investing activities	272,768,443.67	1,015,086,694.60

Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	369,006,104.10	307,763,385.69
Cash payments for investments	270,000,000.00	1,315,000,000.00
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities		
Subtotal of cash outflows from investing activities	639,006,104.10	1,622,763,385.69
Net cash flows from investing activities	-366,237,660.43	-607,676,691.09
Cash receipts from absorbing investments	1,195,315,292.39	19,316,500.00
Including: Cash received by subsidiaries from non-controlling shareholders as investments		
Cash receipts from borrowings		
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	1,195,315,292.39	19,316,500.00
Cash payments for the repayment of borrowings		
Cash payments for distribution of dividends or profits and for interest expenses	150,918,037.90	93,667,481.39
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		
Other cash payments related to financing activities	13,383,794.44	4,500,000.00
Subtotal of cash outflows from financing activities	164,301,832.34	98,167,481.39
Net cash flow from financing activities	1,031,013,460.05	-78,850,981.39
<b>IV. Effect of foreign exchange rate changes on cash &amp; cash equivalents</b>	57,752,853.05	60,041,074.16
<b>V. Net increase in cash and cash equivalents</b>	1,199,108,852.35	81,691,299.07

Add: Opening balance of cash and cash equivalents	1,994,021,393.52	1,714,758,111.87
<b>VI. Closing balance of cash and cash equivalents</b>	3,193,130,245.87	1,796,449,410.94

The person in charge of the company: Yu Pingguang                      Person in charge of accounting work:  
Fu Fenghua                      Person in charge of the accounting department: Yang Zhaodi

The new accounting standards will be implemented for the first time since 2023; or in case of the standard involves in adjustment, implement the financial statements at the beginning of the year.

Applicable  Not applicable

Hereby announced!

Board of Directors of Zhejiang Hangke Technology Incorporated Company  
October 31,2023