

Company Code: 688006

Company Abbreviation: Hangke Technology

Zhejiang Hangke Technology Incorporated Company

Annual Report 2023

Important Notes

I. The Board of Directors, Board of Supervisors and the directors, supervisors, senior managers ensure the authenticity, accuracy and completeness of the contents of the annual report and that there are no false records, misleading statements or major omissions, and assume individual and joint legal responsibilities.

II. The company is not profitable at the time of listing and has not yet achieved profitability.

☐Yes ☒No

III. Material Risk Warning

The company has detailed in this report the various risks and response measures that may be faced in the course of its operations, please refer to Section III “Management Discussion and Analysis” of this report for details.

IV. All directors of the Company attended the board meeting.

V. Pan-China Certified Public Accountants has issued a standard unqualified audit report on the Company

VI. Yu Pingguang, the person in charge of the company, Fu Fenghua, the person in charge of accounting work, and Yang Zhaodi, head of the accounting institution (accounting officer in charge), declare that the financial report in the annual report is true, accurate and complete.

VII. Resolution of the Board of Directors on the proposed distribution of profits or the proposed conversion to share capitals with provident funds for the current reporting period

After consideration by the Board of Directors, the Company proposes to distribute profits for the year 2023 based on the total share capital registered on the date of share registration for the implementation of the equity distribution. The profit distribution plan is as follows:

The Company proposes to distribute a cash dividend of RMB3.4 per 10 shares (tax inclusive) to all shareholders. As at the date of the Board of Directors' meeting to consider the profit distribution and capitalization of capital reserve plan, the total share capital of the Company was 603,672,152 shares, and the total cash dividend to be distributed on this basis amounted to RMB205,248,531.68 (inclusive of tax). The amount of cash dividend accounted for 25.37% of the net profit attributable to shareholders of the listed company in the consolidated financial statements of the Company for the year 2023, and the total dividend paid by the Company for the equity distribution in the first three quarters of 2023 amounted to RMB48,293,772.16, which was implemented and completed on December 6, 2023. The total amount of cash dividends paid by the Company for the year was RMB253,542,303.84, accounting

for 31.34% of the net profit attributable to shareholders of listed companies in the Company's consolidated financial statements for the year 2023.

The Company will not carry out any capitalization of Capital reserve or distribution of bonus shares for the current year. If the total share capital of the Company changes as a result of convertible bonds conversion/share repurchase/share repurchase and cancellation of shares granted under equity incentive scheme/share repurchase and cancellation of shares under major asset reorganization during the period from the date of adoption of this announcement to the date of registration of shareholders' rights to implement the equity distribution, it is proposed to keep the distribution ratio per share unchanged and adjust the total amount of distribution accordingly, and the details of such adjustments will be announced separately.

The profit distribution proposal has yet to be submitted to the shareholders' meeting for consideration.

VIII. Whether there are important matters such as special arrangements for corporate governance

☐Applicable ☒Not Applicable

IX. Risk Statements for Forward-looking Statements

☒Applicable ☐Not Applicable

The forward-looking statements on the Company's future plans and development strategies covered in this report do not constitute material commitments by the Company to investors and investors are advised to be aware of the investment risks.

X. Whether there is non-operating appropriation of funds by controlling shareholders and other related parties

No

XI. Whether there is a violation of the required decision-making procedures to provide external guarantees

No

XII. Whether there is a situation where more than half of the directors cannot ensure the authenticity, accuracy and completeness of the annual report disclosed by the Company

No

XIII. Others

☐Applicable ☒Not Applicable

Contents

Section I Definitions	5
Section II Company Profile and Key Financial Indicators.....	6
Section III Management Discussion and Analysis	12
Section IV Corporate Governance	63
Section V Environment, Social Responsibility and Other Corporate Governance	85
Section VI Important Matters.....	91
Section VII Changes in shares and shareholders.....	116
Section VIII Preferred stock related information	127
Section IX Bond-related information	128
Section X Financial Report.....	129

Bibliography of documents available for review	Financial statements containing the signatures and seals of the person in charge of the company, the person in charge of accounting, and the person in charge of the accounting organization (accounting supervisor)
	The originals of all company documents and announcements that have been publicly disclosed on the websites designated by the CSRC during the reporting period.
	Original Audit Report containing the seal of the accounting firm and the signature and seal of the certified public accountant

Section I Definitions

I. Definitions

In this report, unless the context otherwise requires, the following terms have the meanings set forth below:

Definition of commonly used words		
The Company, the Company, the Joint Stock Company, Hangke Technology, the Issuer	Refer to	Zhejiang Hangke Technology Incorporated Company
CHR Japan Company Limited	Refer to	CHR Japan Corporation - a wholly owned subsidiary of the Company, formerly known as HONRECK Electronics Trading Japan Co.,Ltd.
Hangke Korea	Refer to	Hangke Electronics Corporation (Korea) - a wholly owned subsidiary of the Company and a wholly owned subsidiary of CHR Japan Co.,Ltd.
HangkeHong Kong	Refer to	Hangke Electronics Trading Hong Kong Limited - a wholly owned subsidiary of the Company
HONRECK (Malaysia)	Refer to	HONRECK EQUIPMENT TECHNOLOGY SUPPORT COMPANY SDN.BHD (Malaysia)- a wholly-owned sub-subsidiary of the Company and a subsidiary of the Company's wholly-owned subsidiary, CHR Japan Co.,Ltd.
HONRECK (Poland)	Refer to	HONRECKE ELECTRONICS TRADING SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA(Poland) - a wholly-owned sub-subsidiary of the Company and a subsidiary of the Company's wholly-owned subsidiary, Hangke Hong Kong
Hangke Group	Refer to	Hangzhou Hangke Intelligent Equipment Group Co.,Ltd.(formerly known as Hangzhou Hangke Investment Co.,Ltd., "Hangke Investment" for short) - Shareholders of the Company
Hangzhou Reliability Instrument	Refer to	Hangzhou Reliability Instrument Factory – an affiliated party of the Company
General Electric Measurement	Refer to	Hangzhou General Electric Measurement Co.,Ltd.Ltd. – an affiliated party of the Company
Nanping Precision	Refer to	Hangzhou Nanping Precision Instrument Co.,Ltd.- an affiliated party of the Company
Tongce Communication	Refer to	Hangzhou Tongce Communication Electronics Co.,Ltd.- an affiliated party of the Company
Tongce Microelectronics	Refer to	Hangzhou Tongce Microelectronics Co.,Ltd.- an affiliated party of the Company
Lithium ion	Refer to	The substance that generates electric current in lithium-ion batteries. When charging, the active material from the positive lithium is released into the negative electrode, and when discharging, it is precipitated from the negative electrode and recombined with the compound at the positive electrode, and the movement of lithium ions generates current
Electric Core	Refer to	Lithium battery consists of an electric cell and a protection circuit board, the electric cell is the storage part of the rechargeable battery
New Energy Vehicle	Refer to	New energy vehicles refer to all other energy vehicles rather than gasoline and diesel engines,

		including fuel cell vehicles, hybrid vehicles, hydrogen-powered vehicles and solar vehicles, etc.
Power Battery	Refer to	A chemical power source that provides electrical energy for devices such as power tools, electric bicycles and electric vehicles. Commonly used power batteries include lead-acid batteries, nickel-hydrogen batteries, lithium batteries, etc.
Lithium battery back-end equipment, lithium battery reprocessing equipment	Refer to	Equipment used in the production process of lithium batteries for cell activation and formation, capacity classification and testing, and assembly into battery packs
LG	Refer to	LG Energy Solution. Ltd. and its subsidiaries
SK	Refer to	SK innovation Co.,Ltd.Ltd. and its subsidiaries
CATL	Refer to	CATL New Energy Technology Co.,Ltd.and its subsidiaries
Ningde New Energy	Refer to	Ningde New Energy Technology Co.,Ltd.and its subsidiaries
EVE Energy	Refer to	Huizhou EVE Energy Co.,Ltd.and its subsidiaries
Gotion High-tech	Refer to	Hefei Gotion High-tech Power Energy Co.,Ltd.and its subsidiaries
Sunwoda	Refer to	BYD Sunwoda and its subsidiaries
BYD	Refer to	BYD and its subsidiaries
AESC	Refer to	AESC and its subsidiaries
BAK BATTERY	Refer to	Shenzhen BAK Battery Co.,Ltd.
Tianjin Lixin	Refer to	Tianjin Lishen Battery Co.,Ltd.and its subsidiaries
Murata, Japan	Refer to	Tohoku Murata Manufacturing Co.,Ltd.and its subsidiaries
Companies Act	Refer to	The current Company Law of the People's Republic of China
Securities Act	Refer to	The current Securities Law of the People's Republic of China
China Securities Regulatory Commission (CSRC)	Refer to	China Securities Regulatory Commission
Shanghai Stock Exchange (SSE)	Refer to	Shanghai Stock Exchange
Swiss Stock Exchange	Refer to	Swiss Stock Exchange
GDR	Refer to	Global Depositary Receipt
Guosen Securities	Refer to	Guosen Securities Co.,Ltd.
Current Reporting Period, Current Period	Refer to	January 1, 2023 to December 31, 2023

Section II Company Profile and Key Financial Indicators

I. Basic information of the company

Company Name in Chinese	浙江杭可科技股份有限公司
Abbreviation of Company Name	Hangke Technology
Company Name in English	Zhejiang HangKe Technology Incorporated Company
Abbreviation of Company Name in English	HangKe Technology
Legal Representative of the Company	Yu Pingguang
Registered Address of the Company	No.77, Gaoxin 11 Road, Qiaonan Block, Xiaoshan Economic and Technological Development Zone, Hangzhou, Zhejiang, China

Office Address of the Company	No.77, Gaoxin 11 Road, Qiaonan Block, Xiaoshan Economic and Technological Development Zone, Hangzhou, Zhejiang, China / No.298, Gaoxin 6 Road, Xiaoshan Economic Development Zone, Hangzhou, Zhejiang, China
Postal Code of the Company's Office Address	311231
Company Website	http://www.chr-group.net
Email	hq@chr-group.net

II. Contact Person and Contact Information

	Secretary of the Board of Directors (Domestic Representative of information disclosure)	Securities Representative
Name	Fu Fenghua	Wu Cun
Address	No.298 Gaoxin 6 Road, Xiaoshan Economic Development Zone, Hangzhou, Zhejiang Province	No.298 Gaoxin 6 Road, Xiaoshan Economic Development Zone, Hangzhou, Zhejiang Province
Tel	0571-82210886	0571-82210886
Fax	Not Applicable	Not Applicable
Email	hq@chr-group.net	hq@chr-group.net

III. Place of Information Disclosure and Filing

Name and website of the media in which the company discloses its annual report	Shanghai Securities News, Securities Daily
Website of the stock exchange where the company discloses its annual report	www.sse.com.cn
The place where the company's annual report is filed	Corporate Securities Department

IV. Brief Description of the Company's Shares/Depository Receipts

(I) Brief description of the company's stock

√Applicable □Not Applicable

Company Stock Overview				
Stock Classes	Stock Exchange and Board	Stock Abbreviation	Stock Code	Stock Abbreviation before Change
A-share	Shanghai Stock Exchange Science and Technology Board	Hangke Technology	688006	Not Applicable

(II) Brief description of the company's Depository Receipts

√Applicable □Not Applicable

Company Depository Receipts in Brief					
Type of securities	Conversion ratio of depository receipts to underlying shares	Depository Receipt Listing Exchanges and Sectors	Depository Receipt Abbreviation	Depository Receipt Code	Short name of the Depository Receipt before the change
GDR	1:2	Swiss Stock Exchange (SIX)	Not applicable	ZHT	Not applicable

		Swiss Exchange)			
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Depository Institution	Name	Citibank
	Business Address	388 Greenwich Avenue, New York, NY 10013, USA
	Agent	Keith Galfo
hosting organization	Name	Bank of China (BoC)
	Business Address	No.1 Fuxingmennei Street, Beijing
	Agent	Wang Peng

V. Other Relevant Information

Accounting firms engaged by the company (domestic)	Name	Pan-China Certified Public Accountants (Special General Partnership)
	Business Address	Block B, China Resources Building, No. 1366 Qianjiang Road, Jianggan District, Hangzhou, Zhejiang Province, China
	Name of Signatory Accountant	Zhao Li, Zhu Yunwen

VI. Main accounting data and financial indicators for the last three years

(I) Main accounting data

Unit: Yuan Currency: RMB

Main accounting data	2023	2022	Increase/decrease in the current period over the same period of the previous year (%)	2021
Proceeds of business	3,931,719,031.47	3,454,133,088.43	13.83	2,483,313,053.45
Net profit attributable to shareholders of the listed company	809,090,505.69	490,594,411.85	64.92	235,117,881.75
Net profit after extraordinary gain or loss attributable to shareholders of the listed company	790,576,616.11	473,014,461.86	67.14	165,667,066.05
Net cash flows from operating activities	214,965,877.63	695,722,817.92	-69.10	481,661,447.27
	End of 2023	late 2022	Increase/decrease at the end of the period over the end of the same period last year (%)	End of 2021
Net assets attributable to shareholders of the listed company	5,119,064,450.08	3,347,538,154.36	52.92	2,824,618,471.14
Total assets	10,224,758,500.85	7,966,087,105.80	28.35	5,766,406,983.91

(II) Main financial indicators

Main financial indicators	2023	2022	Increase/decrease in the current period over the same period of the previous year (%)	2021
Basic earnings per share (Yuan/share)	1.35	0.87	55.17	0.42
Diluted earnings per share (Yuan/share)	1.35	0.87	55.17	0.41
Basic earnings per share after non-recurring gains and losses (Yuan/share)	1.32	0.84	57.14	0.29
Weighted average return on net assets(%)	17.51	15.90	Increase by 1.61	8.80
Weighted average return on net assets after non-recurring gains and losses(%)	17.11	15.33	Increase by 1.78	6.20
Ratio of R&D investment to operating revenue(%)	6.19	6.00	Increase by 0.19	5.29

Description of the main accounting data and financial indicators of the Company for the previous three years at the end of the reporting period

☐Applicable ☒Not Applicable

VII. Differences in accounting data under domestic and foreign accounting standards

(I) Differences in net profit and net assets attributable to shareholders of the listed Company in the financial report disclosed simultaneously in accordance with International Accounting Standards and in accordance with PRC GAAP

☐Applicable ☒Not Applicable

(II) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed simultaneously in accordance with overseas accounting standards and in accordance with PRC GAAP

☐Applicable ☒Not Applicable

(III) Explanation of differences between domestic and foreign accounting standards

☐Applicable ☒Not Applicable

VIII. 2023 Quarterly Key Financial Data

Unit: Yuan Currency: RMB

	Q1 (Jan. – Mar.)	Q2 (Apr. – Jun.)	Q3 (Jul. – Sept.)	Q4 (Oct. – Dec.)
Proceeds of Business	950,517,680.93	1,170,396,701.65	1,187,699,923.42	623,104,725.47
Net profit attributable to shareholders of the listed company	210,285,985.30	265,345,953.48	238,115,267.89	95,343,299.02
Net profit attributable to shareholders of the listed company after non-recurring gains and losses	208,731,058.76	255,723,291.57	231,894,234.06	94,228,031.72
Net cash flows from operating activities	-196,871,783.19	346,176,328.15	327,275,654.72	-261,614,322.05

Explanation of differences between quarterly data and disclosed periodic report data

☐Applicable ☒Applicable

IX. Non-recurring gain or loss items and amounts

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount in 2023	Notes (if applicable)	Amount in 2022	Amount in 2021
Gains and losses on disposal of non-current assets, including elimination of provision for impairment of assets	680,184.65		-344,350.15	-785,947.96
Government grants recognized in profit or loss for the current period, except for those government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	25,499,222.51		17,513,581.56	15,879,488.66
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	-5,419,069.85		5,558,219.26	8,162,597.69
Occupancy fees charged to non-financial corporations included in profit or loss for the period				
Gains and losses on entrusted investments or management of assets				
Gains and losses on external entrusted loans				
Losses of assets due to force majeure factors such as natural disasters				
Reversal of provision for impairment of receivables individually tested for impairment			8,098,790.60	54,774,787.28
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the gain arising from the fair value of the investee's identifiable net assets at the time of investment acquisition				
Net profit or loss of subsidiaries for the period from the Beginning of the period to the date of consolidation arising from a business combination under the same control				
Gains and losses on exchange of non-				

monetary assets				
Debt restructuring gains and losses			-3,330,905.47	
One-time costs incurred by the enterprise due to the fact that the relevant business activities are no longer continuing, such as expenses for relocating employees				
One-time effect on current period's profit or loss due to adjustments in tax, accounting and other laws and regulations				
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans				
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercise of the option				
Gains and losses arising from changes in the fair value of investment properties subsequently measured using the fair value model				
Gains arising from transactions at significantly unfair prices				
Gains and losses arising from contingencies unrelated to the Company's normal business operations				
Custodial fee income earned on trusteeship				
Non-operating revenue and expenses other than those listed above	1,306,650.62		-6,843,421.61	3,642,390.28
Other items of profit or loss that meet the definition of non-recurring profit or loss				
Less: Income tax effect	3,553,098.35		3,071,964.20	12,222,500.25
Impact of minority interests (after tax)				
Total	18,513,889.58		17,579,949.99	69,450,815.70

For non-recurring profit and loss items that the Company has recognized as non-recurring profit and loss items not listed in *Interpretative Announcement for Information Disclosure of Companies Issuing Securities No. 1 - Non-recurring Profit and Loss* and the amount of which is material, as well as items defined as non-recurring profit and loss in *Interpretative Announcement for Information Disclosure of Companies Issuing Securities No. 1 - Non-recurring Profit and Loss*, the reasons shall be explained.

☐Applicable ☒Not Applicable

X. Items Measured Using Fair Value

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Current period changes	Amount of impact on current profit
Financial assets held for trading	8,470,694.76	5,925,509.48	-2,545,185.28	-2,545,185.28
Total	8,470,694.76	5,925,509.48	-2,545,185.28	-2,545,185.28

XI. Description of Non-Corporate Accounting Standards Performance Indicators

□Applicable √Not Applicable

XII. Description of information withheld or exempted for reasons of state secrets, commercial secrets, etc.

□Applicable √Not Applicable

Section III Management Discussion and Analysis**I. Discussion and Analysis of Business**

Hangke Technology is a world-class system integrator of sales, R&D, manufacturing and service of complete sets of production equipment for new energy lithium-ion batteries. The company's main products include all kinds of battery charging and discharging equipment, testing equipment, logistics equipment and corresponding supporting software systems. The Company supplies all kinds of lithium-ion battery production line post-processing system equipment for well-known lithium-ion battery manufacturers at home and abroad, such as SK (Korea), Samsung (Korea), LG (Korea), Sony (now Murata Japan), EVE Battery, BYD, Gotion High-Tech, SUNWODR, Envision AESC, Tianjin Lishen, CATL, etc. The Company is one of the very few post-processing equipment manufacturers in China who can export complete sets of equipment and work closely with major lithium-ion battery manufacturers in Japan and Korea.

Looking to the future, Hangke Technology takes "Made in China 2025" as the stage goal, Industry 4.0 as the strategic opportunity, focuses on promoting intelligent manufacturing, improving the "customer-oriented + talent training + intelligent innovation" functional structure system, building the lithium intelligent equipment industry Top 1 brand, aiming to become "the world's first-class lithium smart factory overall solutions provider".

i. Market analysis

In 2021-2022, the domestic lithium battery industry showed a high-speed development trend, the demand for lithium battery production equipment surge, such as power lithium battery plate. In 2022, the domestic new energy vehicle market maintain explosive growth; the annual completion of the production and sales reaches 7,058,000 and 6,887,000, respectively, a year-on-year growth of 96.9% and 93.4%, respectively. Driven by this growth trend, the company's orders for domestic lithium battery equipment in the past two years grew greatly. However, in FY2023, China's new energy production and sales were 9,587,000 and 9,495,000 units, up 35.8% and 37.9% year-on-year; the growth rate slowed down significantly. Domestic lithium battery plant began to gradually release production capacity in the past two years from 2023, domestic lithium battery supply began to exceed demand in the second half of 2023, and the demand for the new plant fell rapidly. This led to increased competition in the domestic lithium battery equipment industry in the second half of 2023, and the industry entered a reshuffle period.

In the international market, the market demand in the United States and Europe began to grow in 2023; the global expansion of production led by Japan and South Korea battery manufacturers has brought more demand for equipment orders. In 2023, the company's new orders from overseas customers increased compared to 2022. In the medium and long term, there is still a broad and long-term market demand in the overseas market. On one hand, Japan and South Korea as the dominant lithium battery companies will continue to increase the capacity expansion in the United States, Europe and Southeast Asia, and overseas local battery manufacturers have also continued to emerge, with Volkswagen, Toyota, Tesla and other OEMs as the dominant player, to join the local lithium battery expansion. In addition, China's lithium-ion enterprises going-overseas tide has become a general trend, BYD, CATL, Hive Energy, CALB, EVE, SUNWODA, Farasis Energy, Gotion Hi-tech and a number of other high-quality domestic manufacturers begin to develop overseas markets. For example, BYD released new models in Australia, Japan and France one after another in 2022, and set up a local factory jointly with the Brazilian government; Gotion Hi-tech put its Argentina factory into production smoothly in 2022, and signed a strategic cooperation agreement with VinFast of Vietnam, Nuovo of Thailand and a famous listed company of vehicle manufacturers in the US. YWL has also started construction of large-scale battery manufacturing plants in Malaysia and Hungary. Therefore, the center of gravity of the

future demand for lithium battery equipment will continue to move out, and the overseas market will become the industry's new driving force.

ii. Operations

In FY2023, based on the economic situation and market conditions, the Company firmly adhered to the strategy of "going out", and adhered to the concept of prioritizing the promotion of international business and expanding and boosting the domestic business. In recent years, the overseas business has been gradually expanding, and the orders from overseas customers have increased significantly compared with those in FY2022. The company continues to consolidate the advantageous position as a strategic supplier for Korean customers, maintains good cooperative relations with SK, LG and Samsung in South Korea, and continues to help Korean customers expand their production layout globally; it continues to actively develop cooperation with Japanese customers, and cooperates with Japanese customers such as Panasonic, Toyota and AESC, etc.; meanwhile, the company is making more efforts to develop Europe and other emerging markets, and there are projects in Europe, India, etc., in 2023. In the domestic market, the company continues to strengthen cooperation with first and second-tier domestic battery enterprises such as YWL, BYD, GXG, SUNWODA, etc., to serve the domestic high-quality customers, and to strive for more high-quality orders with leading technical strength and services in the fierce market competition. However, as the domestic market gradually cooled down from the second half of 2023, the expansion of production by major battery enterprises rapidly decreased and the market competition became intense, meanwhile, the management of the Company assessed that under the current market environment, some of the domestic battery enterprises might be facing a higher risk of fulfillment, and the Company preferred to enhance the share of orders from the overseas market. Therefore, the Company's domestic orders in 2023 decreased as compared with that in 2022.

iii. Financial Situation

In FY2023, the Company realized operating revenue of RMB3,931,719,031.47, representing an increase of 13.83% over the previous year, and net profit attributable to owners of parent company of RMB809,090,505.69, representing an increase of 64.92% over the previous year. As there is a 9-month to 12-month cycle for the company to recognize revenue, most of the orders for which revenue was recognized in FY2023 were signed in FY2022, and the quality of the orders was better than that in FY2021, thus the gross profit margin of the company in FY2023 was improved as compared with that in FY2022. In terms of revenue, in FY2023, the company's main business revenue amounted to RMB3,891,013,361.75, accounting for 98.96% of the operating revenue, which was mainly charging and discharging equipments, accounting for 81.24% of the operating revenue. Other equipments accounted for 16.90% of the operating revenue, which was mainly automated logistics equipments, stand-alone testing equipments and so on.

iv. Progress in R&D

Adhering to the concept of technological innovation as the core competitiveness, the company has been committed to the accumulation and development of lithium-ion battery post-processing technology since its establishment, and currently we have core technical capabilities and a global service team in the R&D, production and delivery of core equipment for post-processing systems, such as negative voltage series formation equipment, integrated charger/discharger, BOX-type fixture formation and capacitor system, DC/AC voltage and internal resistance testers, high-temperature and pressurised formation equipment, battery cycling test equipment, and battery pack test system. And combined with the company's self-developed MES system, logistics scheduling system, intelligent warehouse management system, chemical composition management system, 3D digital management system, machine vision and AI deep learning technology, we have become a lithium-ion battery production line post-processing system as a whole solution provider.

During the reporting period, the company's R&D personnel increased by 138 people, reaching 1,113, accounting for 26.92% of the company's total headcount. R&D expenses amounted to RMB 243,563,600, representing an increase of 17.49% over the previous year. In FY2023, the company obtained 26 patents for inventions and 44 patents for utility models. Cumulatively, it has obtained 330 patents, including 49 invention patents, 277 utility model patents, 4 design patents, and 18 software copyrights.

The R&D achievements obtained in 2023 are mainly reflected in the updating of chemical sub-capacitor equipment and power supply technology, and the successful development of equipment products such as 4680 charging and discharging system solution, new generation control system, 750V-5V high-voltage DC bus power supply module and DC bus square sub-capacitor all-in-one machine. The company has always been to achieve customer-first values, to solve customer demand as orientation,

closely follow the front-line customers, to meet customer demand for product and technology upgrades in a timely manner, and at the same time to strengthen the basic technology R & D investment for customers to solve the pain points, difficult points at the same time, to maintain the leading edge in the industry in terms of technology.

II. Description of the main business, business model, industry situation and R&D engaged in by the Company during the reporting period

(I) Main businesses, main products or services



1. Main businesses






Since its establishment, the Company has been committed to the design, development, production and sales of post-processing systems for all kinds of rechargeable batteries, especially lithium-ion batteries. At present, it has core technologies and capabilities in the development and production of core equipment for post-processing systems, such as charge/discharge machines and internal resistance testers, and can provide overall solutions for post-processing systems for lithium-ion battery production lines. The post-processing process is a necessary process for the production of lithium-ion batteries. After post-processing, lithium-ion batteries can reach a usable state and play a vital role in manufacturing lithium-ion cells and battery packs with high consistency, good stability and excellent performance. Relying on professional technology, fine management and personal service, the Company has been supplying all kinds of post-processing system equipment for lithium-ion battery production line for famous lithium-ion battery manufacturers at home and abroad, such as Samsung (Korea), LG (Korea), SK (Korea), Sony (now Murata Japan), CATL, Ningde New Energy (ATL), BYD, EVE Battery, Gotion High-Tech, SUNWODR, Envision AESC, and Tianjin Lishen.

2. Main Products

The Company's main products are charging and discharging equipment and other equipment such as internal resistance testers, of which charging and discharging equipment is divided into cylindrical battery charging and discharging equipment, flexible pack/polymer battery charging and discharging equipment (including conventional flexible pack/polymer battery charging and discharging equipment and high temperature pressurized charging and discharging equipment), and square battery charging and discharging equipment.

The Company's main products are shown in the table below:

Product Category	Main Product Name		Representative Product Example
Charging and discharging equipment	Cylindrical battery charging and discharging equipment		
	Flexible pack/polymer battery charging and discharging equipment	High Temperature Pressurized Jig Formation System	

		Flexible packages of powered components into a capacity all-in-one machine	
		Square battery charging and discharging equipment	
Other equipment		Automatic internal resistance and voltage testing equipment	
		Staging machine	
		Automatic loading and unloading machine	

(II) Main business models

1. R&D Model

The Company's product development mainly focuses on order product design and development and new product development.

(1) Order product design and development starts with technical requirements from customers, and then the Company arranges technical personnel to communicate with customers to understand their production process and equipment requirements, and the Company's management evaluates the feasibility of R&D projects, and the Company signs technical agreements with customers for projects that pass the evaluation, and carries out product design in accordance with customer requirements.

The development link is a key link in the Company's business process because: ① The product

delivery time determines the competitiveness of the product to a certain extent. Since the industry is all non-standardized production, higher R&D efficiency can enhance product competitiveness; ② Good design solutions can enhance product reliability and maintain a low failure rate, which are often decisive factors in the customer's purchase decision-making process.

(2) New product development includes new product development for sales contracts with customers and the development of strategic R&D products of the Company. New product development is carried out by the research institute and the sales department according to the annual strategic objectives or customer contract demand; they jointly analyze the direction of product development, identify new model R&D product requirements, and the research institute will set up a special project team. The R&D feasibility, R&D cycle and cost of the new project will be submitted to the relevant R & D institutions in charge in the form of project analysis report, and the general manager shall review and approve the R&D projects. The approved R&D projects are then developed as new products, in which the project team is composed of R&D, sales, production and financial personnel, etc., who work in parallel to effectively improve the success rate of R&D, shorten the development cycle, and reduce development costs.

For new product development, the overall scheme design and review is adopted and then divided into R&D project teams for structure design and review, with corresponding personnel approval in key links of the process, and the rationalization of the implementation process to ensure that the R&D results meet the Company's technical requirements. Finally, the various departments such as R&D, production and sales discuss to determine the correctness of the specific mechanism design and arrange the production schedule, so as to ensure the success rate of product development and improve work effectiveness and production efficiency.

2. Sales Model

The Company generally signs sales contracts directly with customers, develops and designs, procures raw materials and produces products according to the requirements of the contracts, produces the products within the contracted period and sends them to customers and sends personnel to install, debug and guarantee customers' trial operation. Customers shall accept the products at the end of the trial operation period.

3. Purchase Model

The Company strictly follows the purchase process in raw material purchase, considers the quality, supply ability, service ability and price of suppliers, and signs supply contracts with qualified suppliers after small-scale trial purchase.

The raw materials procured by the Company are mainly divided into standard parts and non-standard parts. Standard parts are mainly electronic components, electromechanical products, pneumatic components and mechanical parts, which the Company purchases directly from manufacturers or from qualified agents and traders. For some imported standard parts, the Company mainly signs purchase contracts with the first-class agents of foreign original manufacturers in China to ensure reliable quality and lower prices. The non-standard parts are mainly PCB boards, transformers, inductors and other non-standard products as well as steel, aluminum and other materials.

(III) Industry Situation

1. The development stage, basic characteristics and main technical threshold of the industry

2023 is the year that domestic lithium battery industry chain enterprises focus on going overseas. More than 20 enterprises (lithium battery enterprises, positive and negative electrode material enterprises and equipment enterprises, etc.) conduct investigation in Southeast Asia, Africa, Eastern Europe and South America (including Central America) and other regions, but the real landing of the enterprise is very few, still in the initial market research stage. With the intensification of competition in the domestic market, GGII expects that 2024 will become the year overseas "landing year" of domestic lithium battery industry chain enterprises, in which Southeast Asia, Eastern Europe and South America (including Central America) will become the main region of project landing. Domestic lithium plate has experienced a growth track period, reshuffle period, and is now in the clearing period.

The following directions are worth attention in 2024:

Demand side: will usher in repair opportunities. Demand-side opportunities mainly come from three aspects: 1) inventory risk lifted, capital expenditure decelerated to a low level, supply and demand shifted from surplus to balance. The match between industry actual installed capacity and

shipments in 2024 will be enhanced; 2) the most important source of demand for new energy vehicles and energy storage is still in a high rate of growth. The International Conference on Climate Change further enhances the global green goals; direction of new energy penetration rate increase is unchanged; 3) Overseas lithium capacity construction accelerated; supply chain security, ability to resist trade risks increased; overseas production capacity and customers form a stronger adhesion, enhancing the long-term market demand.

Supply side: new technologies of cost reduction and efficiency improvements enhance the industry's ability to resist deflation. Lithium battery new technologies are endless, and shows great effect in the cost reduction, energy density improvement and safety. Under the background of industry supply being greater than the demand, new technologies brings the value enhancement on the material side, reflecting a strong anti-deflation properties. We believe that the new technology can focus on two directions: one is new materials able to reduce costs and improve efficiency; second is the battery structure system innovation, such as 4680 large cylindrical batteries, solid-state batteries, sodium-ion batteries and so on.

From the market share of lithium battery production line equipment segment, the market share of front, middle and rear segation of China's lithium equipmen is 44.05%, 35.71%, 20.24% respectively. Front-end equipment includes mixers, coaters, roller presses and slitters, etc., of which the coating machine is most valualbe, accounting for 75% or so; for middle segment equipment, including winding machine, stacking machine, liquid injection machine, etc., the value of the winding machine and stacking machine accounts for 70%; the back segment processing needs to be divided into capacity formation cabinets and testing and other equipment, of which capacity formation accounting for 70% and conveyor line shelves accounted for 30%.

The back segment capacity formation system is a key part of lithium battery production, determines the quality of the battery. It is a key to safe production. Battery formation process directly affects the quality and safety of the core. Lithium battery production formation, capacity testing equipment industry is characterized by high-tech equipment and machinery for lithium-ion battery manufacturing process. The equipment is designed to ensure the quality and performance of the battery, from the initial stages of production to the final testing and capacity capacity. In terms of the development of back-end systems, integration, high energy efficiency, high efficiency and high safety are important concerns for cell manufacturers. Another characteristic of this equipment system is the need for continuous technological innovation to improve the efficiency and cost-effectiveness of the manufacturing process.

The basic features of Lithium Battery Production Formation, Capacity Testing Equipment industry include:

High Precision and accuracy: Lithium-ion batteries require a tightly controlled manufacturing process to ensure their performance and reliability. As a result, the equipment used to produce and test these batteries needs to be highly precise and accurate.

Automation and intelligence: In order to improve efficiency and reduce human error, many of the equipment used in the production of lithium batteries are highly automated and intelligent, capable of performing complex tasks and analyzing data in real time.

Versatile and flexible: The lithium battery production process involves many different steps and requires different types of equipment. Therefore, the equipment used in this industry needs to be versatile and flexible, capable of handling different cell sizes, chemistries and throughputs.

High efficiency and energy saving: The process of lithium ionization and capacity capacity requires a large amount of electricity for production and operation. So energy recycling in the production process and improving the efficiency of electricity consumption are quite important.

The main technological thresholds of the lithium battery production formation, capacity testing equipment industry include:

Development of high-precision equipment for battery production and testing: The manufacture of lithium-ion batteries requires high-precision equipment and machinery for accurate and efficient production, formation and deposition. The development of high-precision, state-of-the-art equipment is critical to improving the quality and performance of lithium-ion batteries.

Improvements in battery formation: The formation process is critical to the performance and safety of lithium-ion batteries. The development of advanced formation processes to improve the consistency and stability of battery performance is critical to the growth of the industry.

Advances in Battery Dispenser Technology: Dispenser processes are critical to ensuring the quality and consistency of lithium-ion batteries. The development of advanced compartmentalization technologies that can accurately assess battery performance and safety is a critical technological threshold for the industry.

Innovations in battery management systems: The management of lithium-ion batteries is becoming increasingly complex due to the growing demand for high-performance and high-capacity batteries. The development of advanced battery management systems that can monitor and control battery performance and safety is critical to the growth of the industry.

2. Analysis of the company's position in the industry and its evolution

Hangke Technology is a global provider of equipment and solutions for lithium battery post-production processing systems. The company's products are mainly lithium battery post-production processing systems, battery cycle test systems and battery PACK test systems. It is one of the few suppliers in the industry that can provide a complete set of system solutions for the post-processing of cylindrical, flexible pack and square lithium batteries, including charging and discharging equipments, logistics systems and software systems. At present, the industry has been widely used in digital 3C, automotive power, energy storage field of the battery factory and automobile factory. And we have completed the delivery of equipment in many countries around the world.

Since 2024, the lithium-ion battery industry continues to be a strategic industrial development, driven by the growing demand for electric vehicles, energy storage systems, and portable electronics in the international market. The demand for formation and division test equipment is also expected to grow, as these are essential components of the lithium-ion battery manufacturing process.

HangKe Technology has established partnerships with many major battery manufacturers at home and abroad, such as SK, LG, Samsung SDI, Panasonic, Sony (now Murata), Toyota, Honda, Ford, General Motors, CATL, BYD, Gotion Hi-tech, EVE Energy, FARASIS ENERGY, Volkswagen PowerCo, Northvolt, etc., and has taken its place in China's formation and capacity testing equipment market. The company belongs to the earliest batch of lithium battery equipment enterprises going overseas, and maintains a continuous and close cooperative relationship with a number of overseas lithium battery manufacturers, and has also been working to expand its global influence and focusing on new market demand in Southeast Asia, Europe and North America.

In summary, Hangke Technology is a global enterprise specializing in the production of formation and capacity testing equipment for lithium-ion batteries, and the company occupies a strong position in the domestic and international markets. Due to the increasing demand for lithium-ion batteries, the demand for such equipment is growing rapidly and continuously.

3. Development of new technologies, new industries, new business forms and new modes during the reporting period and future development trends

In view of the current situation of reverse globalization and the trend of global industrial chain adjustment in 2024-2030, the future global industrial chain will show three characteristics.

First, the global supply chain has shortened and the process of vertical integration of enterprises has accelerated. In order to cope with the impact of public health, geopolitical and other emergencies on supply chain security, multinational enterprises have shifted from a global industrial division of labor system based on the principles of comparative advantage and economies of scale to a vertically integrated layout that takes industrial chain security into account. The production processes and links originally subcontracted to different countries and enterprises will be taken back to the multinational company for production, and the enterprise relies on shortening the supply chain to make the industry realize the requirement of self-control. Hangke's localized overseas manufacturing has been further expanded.

Secondly, the global industrial chain has evolved from a globalized layout to regional agglomeration. Against the backdrop of anti-globalization and the spread of protectionism, globalization has entered the stage of regional agglomeration, resulting in the spatial agglomeration of industries within a specific region. Transnational corporations will choose to concentrate their production in one country or neighboring country borders, and intraregional trade will become a major component of international trade.

Thirdly, the new scientific and technological revolution is poised to take place, and the competition among countries for dominance of the high-tech industrial chain is becoming more heated. National

competition will enter a white-hot stage, to avoid the lack of technological innovation and become the ultimate price competition. Equipment enterprises to deliver products to meet more lean international ISO standards integration, such as CE, UL certification in Europe and the United States, system integrity, the introduction of VDA6.3 vehicle management system, the formation of an international management team, to give full play to the advantages of the product, the integration of industry resources, to complete the full compliance with international requirements.

Some of the key new technologies, industries and models that are currently emerging in the industry and are likely to continue to evolve in 2024 and beyond include:

Automation and Smart Manufacturing: The increasing demand for high quality and efficient battery production is driving the development of more advanced automation and smart manufacturing systems for lithium battery production. These systems can increase productivity, reduce labor costs and improve quality control, which is especially important as lithium-ion battery production continues to grow.

Solid-state batteries: Solid-state batteries are a promising new technology that has the potential to offer higher energy density, faster charging speeds, and greater safety than conventional lithium-ion batteries. The production of solid-state batteries requires specialized equipment and processes that are still being developed and optimized.

Recycling and reuse: Growing awareness of the environmental impact of lithium-ion batteries has led to the development of new recycling and reuse technologies and business models.

Battery leasing and exchange: As demand for electric vehicles continues to grow, new business models are emerging for battery production facilities, including battery leasing and exchange. These models involve the use of specialized equipment and processes that can efficiently remove, replace and recycle batteries as needed, thereby reducing the upfront costs of battery production and improving the overall sustainability of the industry.

Overall, the lithium battery production equipment industry is likely to continue to grow and evolve through 2024 and beyond, driven by demand for high-quality, efficient, and sustainable battery production. The development of new technologies, industries, and models will be critical to meeting these demands and maintaining the industry's growth and competitiveness.

The main business of our company is the full set of R&D, design, production and service of all kinds of rechargeable lithium battery post-production processing system. At present, the company has the core technical ability and global service team in the R&D, production and delivery of core equipment for post-processing system, such as negative voltage series formation equipment, integrated charger/discharger, BOX-type fixture formation and capacity system, DC/AC voltage internal resistance tester, high temperature pressurized formation equipment, battery cycle testing equipment, battery pack testing system, and so on. Combined with the company's self-developed MES system, logistics scheduling system, intelligent warehouse management system, chemical composition management system, 3D digital management system, machine vision and AI deep learning technology, it has become a total solution provider of post-processing systems for lithium-ion battery production lines. It is also one of the very few domestic leading enterprises in the global lithium-ion battery manufacturers' services, and the equipment is continuously exported to the United States, Japan, South Korea, Malaysia, Singapore, Poland, Hungary and other global markets.

The company continues to maintain a leading position in the market for back-end equipment for lithium battery production. The company's technology, R&D and products are always at the forefront of the industry. The back-end equipment is a multidisciplinary and large-scale comprehensive system, and the company has outstanding core technologies in this field. Lithium-ion battery production line post-processing system involves multiple disciplines such as mechanical design, hardware circuitry, automation application, software development, big data application, AI application, etc., which requires comprehensive integration of knowledge in multiple fields. The company's core technologies include digital power supply technology, high-frequency PWM converter technology, full-automatic calibration technology, high-temperature pressurized charging and discharging technology, high-precision linear charging and discharging technology, high-frequency SPWM/SVPWM converter technology and energy recovery technology, as well as the energy storage DC system, and the heat pump management system integrated application and management.

(IV) Core Technology and R&D Progress**1. Core technologies and their sophistication and changes during the reporting period**

The company takes technology and R&D as its core competitiveness, and has been committed to the accumulation and development of technologies related to lithium-ion battery reprocessing since its establishment, and the company is preparing for and expanding the application of the technology in the whole back-end system in 2023. Currently the company's main core technologies are as follows.

Project Type	Technical Name	Issuer Technology Level	Core Technology Sources	Innovation Approaches
4680 Charge and Discharge System Solutions	① High-precision charging and discharging performance indexes	① Setting current range/resolution 0.1mA-50A/0.1mA ② Current accuracy/display resolution: $\pm 0.02\% \sim \pm 0.05\%$ FSmA/0.1mA ③ Setting charging voltage range/resolution: 0-5V/0.1mV; ④ Setting discharge voltage range/resolution: 1.5-5V/0.1mV; ⑤ Voltage accuracy/display resolution: $\pm 1\text{mV}/0.1\text{mV}$ ⑥ Driving board charging and discharging efficiency: $\geq 90\%$	Independent R&D	Original innovation
	② New generation control system and digital power supply technology	① New generation control system: High-speed IC equipped with AVWORKS operating system, data logging speed increased by 3 times, and the ability to predict the battery risk is greatly improved. ② Digital Power Technology: With the application of digital control chip, the system is able to implement protection within 0.1mS when a short circuit occurs in the battery, reducing the response time by 99%.	Independent R&D	Original innovation
	③ Structural flexibility design	① Negative pressure formation structure design: open negative pressure formation design, to meet the needs of different customers. ② High volume rate: development of one-piece needle plate miniaturization, single BOX volume rate to 1.78m ³ /box ③ Precise temperature control: in the case of large charging current (40A) and large heat generation, the use of air-cooling method to control the battery temperature uniformity within $\pm 3^\circ$. ④ Pin board components to form 8-channel, 12-channel, 14-channel, 16-channel, 17-channel series, through the flexible combination of equipment to achieve 64-channel, 144-channel, 196-channel, 256-channel scenarios, and to achieve the diversity of the component installation mode to meet the negative pressure into, capacity, DCR and other	Independent R&D	Original innovation

		scenarios.		
New Generation Control System	Intelligent Digitalization	<p>① Communication and interconnection: High-bandwidth and low-latency communication bus topology design is realized to achieve clock synchronization between devices; meanwhile, rich industrial bus protocols are provided to achieve interconnection between all devices of battery charging and discharging back-end system;</p> <p>② Data and algorithms: high concurrency, low latency data storage indexing mechanism, while ensuring data storage security and transmission security, algorithm development based on AI, including feature engineering reconstruction, algorithmic model development, algorithmic model training, algorithmic model evaluation, model version management;</p> <p>③ Predictive maintenance: By closely combining industrial artificial intelligence AI technology and battery back-end system industry experience, combined with machine learning analysis of plant data, intelligent identification of data state correlation and expert experience, automatically based on regression analysis to establish the operating state aging model, maintenance of equipment aging files;</p> <p>④ Digital twin management: based on the real production line, 1:1 complete 3D modeling is carried out and placed into the scene to realize one-to-one correspondence between the real production line and the virtual production line, realizing real-time linkage between the real equipment and the virtual equipment, and real-time monitoring of the equipment;</p> <p>⑤ Multi-access control system: various types of front-end access control systems and open up the ability to read and write the corresponding data according to the user's rights.</p>	Independent R&D	Original innovation
750V-5V High Voltage DC Bus Power Module and DC Bus	750V-5V DC Integrated Module	<p>① Digital power supply design: 750V-5V DC-DC1. Power supply topology design, LLC + multi-phase interleaved BUCK, module control part using DSP digital control scheme</p> <p>② GAN and soft-switching technology: the power part of the module adopts soft-</p>	Independent R&D	Original innovation

Square Separator All-in-One		switching technology and the third-generation semiconductor GAN to realize high-efficiency DCDC conversion. ③ Integrated modular design to improve power density		
	Power supply technical parameters	① Charging voltage setting: 2.0000 ~ 4.5000V ② Discharge voltage setting: 1.5000 ~ 4.0000V ※The power supply terminal is at 1V. ③ Charging current setting: 0.1000 ~ 120.00A ④ Discharge current setting: 0.1000 ~ 120.00A ⑤ Voltage measurement accuracy: $\pm 2\text{mV}$ ($\pm 1\text{mV}$ at the end of CV) ⑥ Voltage output accuracy: $\pm 2\text{mV}$ ($\pm 1\text{mV}$ at the end of CV) ⑦ Accuracy of current measurement: $\pm 240\text{mA}$ ⑧ Current output accuracy: $\pm 240\text{mA}$ ⑨ Current Response Characteristics: DCIR Response Time: 100mS (5-95%) ⑩ Sampling time: DCIR response time: 100mS	Independent R&D	Original innovation
	DC busbar capacity all-in-one	① DC 750V input 5V output driver board stable operation, and the technical parameters to meet the current production-type equipment accuracy requirements, voltage $\pm 1\text{mV}$, current $\pm 0.05\%$ FS. ② The number of square batteries in a single storage space is 64, using high-power water-cooling system to control the temperature uniformity $\pm 2^\circ\text{C}$. ③ Battery A to battery B energy conversion efficiency $\geq 80\%$ ④ The whole equipment is rearranged in such a way that the electrical system is placed on the maintenance access side, and the equipment meets the requirements of CE certification.	Independent R&D	Original innovation

The R&D results obtained in 2023 are mainly reflected in the updating of formation and capacity equipment and power supply technology, and the successful product development of equipment such as 4680 charging and discharging system solutions, a new generation of control systems, 750V-5V high-voltage DC bus power supply modules and DC bus square capacity all-in-one machines.

1) 4680 Charge and Discharge System Solution

The system core as a whole is mainly composed of three parts: the cage as the main control assembly, the drive board assembly and the exit board assembly. The DC bus of the drive board outputs 350V DC power, which finally acts on the exit board assembly. A driver board has 64 batteries connected in series, and through the exit board assembly, it can realize the cut-in and cut-out of any battery, and charge and discharge the 64 batteries with constant current and voltage.

1. Three staggered parallel to realize the constant current of the driver board, 120 degrees

difference between each item, the driver board to detect the output current will be detected compared with the set current current to get the current error value, the error value is input to the current and voltage control algorithm, the control algorithm through the pulse width modulation to control the output current.

2. The driver board to increase the average current detection, under each MOS tube to increase the shunt for detecting the current of each MOS tube, when the current between each MOS tube exceeds a certain difference, it will trigger an abnormal alarm, avoiding the circuit abnormalities caused by the damage of each MOS tube or control failure, so as to ensure the reliability of the average current function.

3. Drive board design an auxiliary power supply, change the drive board power supply, can make the drive board directly from the DC bus power, reducing the traditional sense of the external power supply equipment, a great degree of cost savings, but also saves the space of the power supply box, reduce the redundancy of equipment, reduce the interference between the current line.

4. The driver board adopts silicon carbide technology, compared with traditional materials silicon carbide has higher thermal conductivity and higher energy density, can more effectively dissipate the heat inside the battery, thus reducing the switching loss, improve the safety performance of the driver board; also makes the driver board more resistant to high voltage, can be applied to higher switching frequency, and improve the current output efficiency.

5. Exit board components in hardware design, to meet the battery charging and discharging constant voltage mode of operation. By multiplexing the MOS tube way to divide different currents, so as to realize the constant voltage control of the battery in hardware.

6. Through the high-speed CAN bus communication, realize the software constant pressure function control.

2) New generation control system

Driven by the new round of technological revolution, especially the continuous empowerment of industrial internet, AI, big data, 5G and other scientific and technological achievements, the field of industrial control system is facing major changes; in the era of big data, how to utilize the enterprise's massive data assets, break the data silos, and further release the value of the data to realize the reduction of costs and increase efficiency is a common topic faced by enterprises. In addition, the increasing economic pressure on enterprises, ensuring production safety, reducing energy consumption, material consumption, reducing manpower load and other types of challenges also put forward new requirements for the control system.

The company is also gradually realized from a single hardware equipment suppliers as a digital intelligent lithium enterprise integrating intelligent manufacturing solutions in one, under the guidance of this development strategy, while combining the current status quo of the company's post-processing system, the development of a new generation of control systems is proposed as the basic control platform for a new generation of controllers, with the following results:

1. A new generation of intelligent control system infrastructure platform to meet the requirements of standardization, generalization, security and intelligence, to achieve low-coupling and high cohesion of hardware and software design;

2. It is not only applied to the control system of formation and capacity capacity, but also can be applied to the main control system of all kinds of single equipment in the company: including OCV/IR equipments, cyclic testing machines, logistics conveying lines and so on;

3. Control system normalization, standardization: protocol standardization (including the lower computer and charging and discharging control module protocol, the upper computer and the lower computer protocol, the upper computer and WMS \ MES and other protocols, front and back-end specification of the API, etc.), the platform software normalization (including the lower computer software, the upper computer software, etc.), charging and discharging module standardization (including series \ parallel, digital \ analog, etc.);

4. Provide system-level monitoring, diagnosis and maintenance, accurate positioning and prediction of faults, and reduce equipment downtime for maintenance;

5. Provide rich external wired communication interfaces, including Gigabit redundant Ethernet interface, multi-CAN bus interface, USB interface, SPI interface, I2C interface and so on. Also support a variety of wireless network communication, including 4G/5G/WIFI optional;

6. Provide large-capacity external pluggable storage interface, the maximum support for 128G, power-down data and offline data for reliable storage;

7. The development of rich EtherNet / IP, EtherCAT, CanOpen and other industrial field buses and CPCI instrumentation protocols for on-site industrial equipment networking services, wireless and wired networks as the main bearer network, to provide industrial users with a data transmission channel, can be easily completed on-site equipment for remote data acquisition and control;

8. Provides a rich library of artificial intelligence algorithms, including classification algorithms, clustering algorithms, regression algorithms, time series prediction, anomaly detection, knowledge graph and so on;

9. Flexible, configurable: hardware and software can be configured, can be cut, can be adapted according to the needs of the main controller, communication repeater, terminal manager function, to achieve the normalization of hardware and software platform;

10. Provide configuration software, through the formal or graphical programming and configuration interface, to achieve the secondary development of the control part, reduce the difficulty of application of the project team;

(iii) 750V-5V high-voltage DC bus power supply module and DC bus square capacity all-in-one machine

DC power distribution solutions are particularly important for plant-wide power distribution. High-voltage DC power distribution significantly reduces the problems of high energy consumption, inefficiency and high conductor costs due to high line currents.

750V DC power distribution to realize lithium battery chemical capacitor, further improve the charging and discharging efficiency of the chemical capacitor equipment. 750V-5V all-in-one module is more compact compared with the conventional 750V-15V inverter + 15V-5V module, which can improve the overall 750V-5V efficiency by about 5% under the same cost, and save the cable of the intermediate 15V bus.

The specific results are as follows:

1. Design and development of 750V-5V200A DC-DC power supply, to achieve current and voltage accuracy of 0.05%;

2. The development of DC 750V input directly to 5V output drive board, instead of the previous 750V to 15V and then to 5V program, reduce the power conversion process, improve the efficiency of power conversion;

3. The equipment charging and discharging process will be discharged from the battery A, to the battery B for charging, and will increase the charging efficiency in this mode to more than 80%;

4. Modify the overall model of the current all-in-one machine, PLC strong electricity and other parts placed on the other side of the maintenance channel, greatly improving the maintainability of the PLC and the cage as well as ergonomic design, to meet the CE requirements;

5. The new mode of fire door design way, can be better adapted to the mechanism of the blade battery, to solve the problem of the tray is too high leading to the overall equipment is too high;

6. The negative pole needle plate using wire sharing program, a common section of wire using ultra-soft wire, effectively reduce the wire stress generated by the movement of the mechanism, improve the stability of the operation of the mechanism, smoothness, and reduce the cost of wire use;

7. Water-cooled plate power increase, change the water-cooled plate placement program, improve water-cooled conversion efficiency;

National Science and Technology Award Winners

☐Applicable ☒Not Applicable

Recognition of State-level SRDI and New "Small Giant" Enterprises and Manufacturing "Single Champions"

☐Applicable ☒Not Applicable

2. R&D Results Achieved During the Reporting Period

As of December 31, 2023, the company has obtained 330 patents, including 49 invention patents, 277 utility model patents, 4 design patents, and 18 software copyrights. From January to December 2023, the company has newly obtained 70 patents, including 26 invention patents and 44 utility model patents. List of intellectual property rights acquired during the reporting period

	New for the year	Cumulative number
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	No. of applications	No. of acquisitions	No. of applications	No. of acquisitions
Patents for inventions	30	26	144	49
Utility model patents	58	44	340	277
Design Patents	0	0	5	4
Software copyright	0	0	18	18
Others	0	0	0	0
Total	88	70	507	348

3. Table of R&D Investment

Unit: Yuan Currency: RMB	The current year	Previous Year	Changee (%)
Expensed R&D investment	243,563,558.47	207,303,580.94	17.49
Capitalized R&D investment	0.00	0.00	0.00
Total R&D investment	243,563,558.47	207,303,580.94	17.49
Total R&D investment as a percentage of operating revenue (%)	6.19	6.00	Increase by 0.19%
Share of R&D inputs capitalized (%)	0.00	0.00	0.00

Reasons for significant change in total R&D investment from the previous year

☐Applicable ☒Not Applicable

Reasons for the significant change in the proportion of R&D inputs capitalized and its justification

☐Applicable ☒Not Applicable

4. Status of ongoing research projects

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Unit: Yuan

S.N.	Project Name	Projected total investment size	Amount invested during the period	Cumulative amount invested	Progress milestones or	Proposed target	Technical level	Specific application prospects
1	Blade type lithium battery charger/discharger	16,000,000.00	15,273,979.04	15,273,979.04	① Updated to digital series power supply box supporting 240A ② Applicable to the latest energy storage battery production ③ Prototype performance test completed ④ Batch delivery, on-site commissioning in progress	① Complete project batch delivery, production and acceptance ② Verify the stability of digital series power bank	Updated to a digital power pack based on the original analog series power supply	Suitable for high current 200V series power packs. Provides basic technical support and test data for subsequent digital 600V series connections and 4680 series connections
2	Small Cylindrical Li-ion Battery Charge/Discharge Power Supply DC Distribution System	6,500,000.00	6,435,316.27	6,435,316.27	Energy-efficient DC Distribution 21700 prototype recognized by customers	1) Good safety and reliability of DC power distribution; 2) More than 40% reduction in power consumption compared with AC whole machine; 3)	1. Intelligent detection is used to control the fan speed; 2. High precision pwm adjustment is used to reduce switching loss and improve efficiency	Tesla is currently using cylindrical batteries in large quantities and is expected to continue expanding its production capacity, with huge market demand, and energy-saving and cost-reducing

						5%~10% reduction in system design cost control year-on-year		products will be welcomed by the market.
3	Water-cooled integrated charger/discharger for large cylindrical lithium batteries	20,000,000.00	17,235,370.02	17,235,370.02	Prototype development is completed; technical specifications are met; test results are recognized by customers.	1. Temperature uniformity meets $\pm 3^{\circ}\text{C}$. 2. Apply digital circuit. 3. Volume reduced by more than 35%. 4. Adopting DC bus program for efficiency improvement.	The 4680 large cylinders have entered the mass production stage, and have obtained batch orders from customers in the industry, and the technology of the equipment has reached the leading level in the industry.	4680 is a cylindrical new product proposed by Tesla, which is a product widely developed and promoted in the current market. It has a broad market prospect and is the subsequent mainstream product direction.
4	Large cylindrical open type negative pressure lithium battery formation equipment	20,000,000.00	19,055,229.48	19,055,229.48	1. 4680 prototype completed, the current batch of equipment has been delivered to the customer, has been producing batteries more than one batch; 2. 4680 large cylindrical project digital	1: Negative pressure formation equipment negative pressure to meet -85KPa , pressure leakage rate $\leq 0.3\text{KPa}$. 2: Negative pressure formation equipment, vacuum speed	The 4680 large columns have entered the mass production stage to meet the needs of overseas customers and reach the industry leading level.	At present, there are already customers in the pilot line and mass production line using this type of equipment, the subsequent production line of this type of equipment more applications.

					circuit style prototype equipment installation and testing.	16s. 3: water-cooling equipment, water-cooled integrated machine mode, the battery temperature uniformity $\pm 3^{\circ}\text{C}$. 4: Measured charging and discharging efficiency $\geq 80\%$.		
5	Flexible pack lithium battery up and down mode storage type capacity equipment	29,000,000.00	28,185,495.98	28,185,495.98	1. Has passed the U.S. UL certification audit, Plsz safety certification. 2. The equipment has completed the factory acceptance test (FAT), equipment performance and accuracy to meet the design expectations.	1. Complete the equipment UL certification and safety certification requirements. 2. Through design optimization and process improvement, the comprehensive cost of equipment is reduced by 10%. 3. Improve the standardization rate of equipment components. 4、Complete the acceptance and shipment of the project according to the node.	1. Charging and discharging equipment for the first time to complete UL certification and safety assessment. 2. The number of channels of single jig is increased to 120CH, which provides the utilization rate of storage space and reduces the cost significantly. 3. Safety class	For the first time, Hangke Technology's charge/discharge machines were exported to the United States in batch, generating a large amount of economic benefits while comprehensively upgrading Hangke Technology's design standards in terms of UL and safety. It paves the way for subsequent projects for SK, LG, Ford, GM, Tesla, etc. in the United States.

							design application, equipment safety level up to PLD.	
6	Square lithium battery integrated series constant voltage charger/discharger	29,000,000.00	28,402,933.00	28,402,933.00	According to the customer's requirements, complete all the testing work of equipment function and performance, all meet the customer's needs.	1. Complete the design of wire-free, improve the efficiency of charging and discharging 15%; 2. Equipment small integrated design, space utilization increased by about 30%; 3. Integrated CV module design, the development of series with hardware CV charging and discharging of the all-in-one machine; 4. The use of worm gear jacking mechanism, servo as the driving force, and servo tooling to achieve automatic realization of the full-automatic	No similar products in China, industry leading level	This equipment is an oversized pallet charger/discharger, with a pallet of big size, which is the future trend of large capacity, and has been recognized by many customers such as Samsung

						changeover function of the battery height valve width.		
7	Square lithium battery hydrothermal mode integrated chemical sub-capacitor equipment	23,000,000.00	22,336,594.49	22,336,594.49	1. The prototype has completed the parameters of the test, the indicators are to meet the design expectations; 2. Has met the mass production capacity;	1. The temperature heating uniformity to meet 45 ± 3 °C 2. The use of PID precise control of water flow, to meet the different water temperatures, are able to dynamically adjust the temperature required within the library.	There is no similar product on the market at present, and it is at the leading level in the industry.	1. Cancel the chemical into a high temperature room; 2. Cancel the chemical into a drying purification room; for the customer energy saving and cost reduction, save the initial investment and operating costs.
8	Flexible lithium battery with airbag fixture machine	20,000,000.00	19,467,353.05	19,467,353.05	Completion of bulk equipment delivery.	1. Airbag pressure stability upgrade; 2. Temperature and pressure correction can be tested and compensated automatically.	It has completed mass production and customer Factory Acceptance Test (FAT) acceptance, which only very few companies in the industry can achieve at this level.	1. Have completed the batch setup of equipment in China and Europe; 2. The batch setting of equipment for the project in the United States is in progress; 3. Korean project equipment is in the process of production.

9	Modular design water-heat control temperature fixture type machine	17,000,000.00	16,640,403.10	16,640,403.10	1. as completed the TUV agency design audit, the project team independently completed the risk assessment report and other information to obtain CE certification; 2, compared with previous projects, through the design optimization, part of the product price reductions reached more than 30%; 3, to improve the proportion of standardization, the jig on the parts of 123 kinds of standardization of 100 kinds, 22 kinds of open mold parts, standardization rate of 81%, the rate of 18% of the open mold, up and down	1, complete the entire production line of UKCA certification; 2, through the process design improvement and centralized bidding overall cost reduction of more than 10%; 3, streamline the design, standardization rate of more than 60%; 4, the use of factory centralized water supply, heat exchange with the chiller, control the temperature of the jig to save energy, according to the process of the step of the size of the current, the automatic adjustment of the chiller's temperature settings; 5, the overhead traveling crane	1, the first time to do UKCA certification project; 2, the first time to use the factory centralized water supply for heat exchange mode, which involves the design of piping class; 3, the overall flexible design of the overhead crane manipulator 36CH belongs to the first in the industry;	1, designed as a standardized production line, can be copied to France, Japan, the United States and other projects; 2, the project on the newly opened molds as well as the streamlined design can be applied to all the fixture machine project; 3, flexible manipulator can be applied to other projects, at present, an overseas customer has put forward this demand, the program meets the customer's technical requirements, which can help the company to obtain more high-quality orders;
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					materials Manipulator using T- aluminum design, 12 parts merged into 1 part; 4, complete the design of the water pipeline, and test improvements in the prototype, according to the process of step current size, automatically adjust the temperature settings of the chiller; 5, complete the overhead crane manipulator flexible design, to prevent the battery crash led to fire;	manipulator Make a flexible alarm to prevent battery damage;		
10	Robot loading and unloading with negative pressure forming and degas function fixturing machine.	19,000,000.00	18,799,870.53	18,799,870.53	1, robot loading and unloading has been completed, complete prototype manufacturing 2, HangKe Technology's	1, sealing temperature control in 180- 200 °C, and a minute from room temperature to heating temperature; 2, the main circuit	Smaller channel spacing and faster temperature rise times, reaching industry- leading levels	Some of the overseas customers have been recognized, some of the technical solutions are in the process of docking with customers to promote, is

					South Korea FuYu factory venting prototype completed, with the customer to carry out - 0.1kpa, -0.2kpa and -0.3kpa pressure under the puncture, pumping and sealing test; 2, clip channel spacing is more compact, up to 37mm (competitors about 46mm), sealing and heating time of 1 minute 20 seconds (competitors about 1 minute and 40 seconds). 3, Completed 100,000 times life test of puncture needle. 4, Got the order of test line from overseas customer	pressure 0 - 1Kpa, bypass pressure - 50Kpa or more; 3, clip distance control in $37 \pm 1\text{mm}$		expected to obtain follow-up orders
11	Intelligent platform for lithium battery	17,000,000.00	16,741,014.08	16,741,014.08	1, the current project	1. The project is to build a digital	At present, the system in the	The project has been on-line at the

	chemistry production system				development is basically complete, equipment performance, equipment state development is complete, OEE, MTBF, MTTR and other calculation model development is complete, and in the customer site verification is complete; 2, process route integration logistics to achieve product compliance production process control. The project will be on-line at the customer's site for the whole life cycle of the product.3. Mainly includes production control module, equipment management module, process	and intelligent information system based on the full manufacturing execution of the rear section of the battery production, to solve the various business needs of the rear section of the production process, and to open up the information flow of the peripheral systems.2. Specifically in the integrated management of the integration of equipment, monitoring, analysis and other aspects of the customer's actual efficiency.3 、 The rear section as the basis for the eventual realization of a lithium-ion power production cycle covering	lithium production of lithium production after the production of intelligent management and control and other information systems have reached the level of the industry, some business control module has been ahead of the industry. Such as production, control, scheduling, analysis, distribution, storage governance and other integrated integration direction.	customer's site and will be on-line at several customers; this planned version is applied to all lithium factories or production lines. Through the customer feedback needs analysis, to further improve the system process.
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					management module, monitoring module, data analysis and intelligent BI module.	the whole of the intelligent manufacturing execution system. Manufacturing execution system.		
12	4680 All-in-One Normalized Power System	7,000,000.00	7,070,773.33	7,070,773.33	1, the needle board components to form a series of 8-channel, 12-channel, 14-channel, 16-channel, through a flexible combination of equipment to achieve 64-channel, 144-channel, 196-channel, 256-channel scenarios. And realize the diversification of component installation mode, to meet the negative pressure into, capacity, DCR and other scenarios 2, the formation of analog parallel,	1, the use of component lightweight design concept, in order to ensure component strength, accuracy, increase the system's maintainability, improve the installability 2, to achieve high efficiency calibration design, calibration measurement time from the original single-channel 45s, reduced to a single-channel 30s 3, the formation of series and parallel series of platforms, to	Reaching the domestic and international leading level of the industry	Widely used in 4680 large cylindrical chemical composition process, the market prospect is broad, is the subsequent mainstream product direction.

					digital parallel, digital series program from the needle plate level seamless replacement, compatible with each other 3, the software adopts a distributed architecture, reducing the coupling of the system, a single controller to achieve single-channel control, parallel multi-agency multi-layer linkage, serial multi-string control, the maximum control of 600 channels. Cost reduction and efficiency	meet the different application scenarios		
13	Research on optimizing temperature uniformity of all-in-one machine based on thermal simulation technology	12,000,000.00	11,990,346.86	11,990,346.86	Completed testing of 4680-256CH air-cooled all-in-one prototype, meeting the expected set targets	Output 4680 large column all-in-one machine design (temperature control) guide specification, including: air duct design	1. To meet the requirements of mass production; 2. The level of temperature control technology reaches the	It has been applied in many projects of many customers at home and abroad.

						selection guide, mechanism frame design selection guide, fan design selection guide, tray design selection guide, electric control valve design selection guide, finned heat exchanger design selection guide.	leading level in the industry;	
14	Fully automated veneer production test system	9,000,000.00	8,706,668.45	8,706,668.45	1. The debugging and verification of the fully automatic tooling of LCM board and IO boards are completed, including program burner, excitation source, output load, etc., adopting probe test to avoid manual insertion and removal; the development of the complete test interface is completed, with one-button test,	Realize fully automated production and testing of hardware veneers, increase production efficiency and improve product throughput.	Fully automated testing eliminates manual intervention, while outputting test results and generating reports;	Recent: Production testing of machine cage boards; Long term: production testing of all hardware boards.

					and test results output at the same time, and the test data can be exported, and reports can be generated.			
15	4680 Series ConnectionCapacity All-in-One	18,500,000.00	7,222,210.79	7,222,210.79	<p>1, 4680 single board initial version debugging is basically complete, the R & D progress is complete; 2, the actual test series constant current and constant voltage work to meet the design ideas and needs; 3, 64 series (with hardware constant voltage CV) prototype development is complete; 144CH in the development in progress; 4: second-generation power supply box components to improve the design of the</p>	<p>1, charging and discharging equipment to achieve constant current, constant voltage mode of operation; 2, charging and discharging full-load efficiency of 85% and above, the current and voltage accuracy of five ten thousandths of a percent; 3, the technical status of the complete equipment, safety measures to meet customer demand.</p>	<p>1, the driver board adopts the latest silicon carbide technology, single-board power input can withstand 350V high voltage, the size can be made more compact, to meet the same rack multi-banking structure, improve customer productivity; 2, exit components through the high-precision pwm adjustment of the current input to achieve the</p>	<p>1, in the Tesla big push 4680 battery, domestic and foreign battery companies also accelerate 4680/95 series battery R & D, expanding production capacity, market demand has increased dramatically, application scenarios are broad; according to industry forecasts, 4680/95 series batteries are expected to become the standard model of cylindrical power battery.</p>

					program began to plan.		constant voltage function; 3, at present in the industry tandem-type equipment manufacturers are few to achieve this level.	
Total	/	263,000,000.00	243,563,558.47	243,563,558.47	/	/	/	/

Information note

5. R&D personnel

Unit: million RMB Currency: RMB

Basics		
	Current period	Previous period
Number of R&D personnel in the company (persons)	1,113	975
Number of R&D personnel as a percentage of total company headcount (%)	26.92	22.56
Total R&D staff remuneration	16,166.30	13,128.94
Average salary of R&D staff	14.52	13.47

Educational structure of R&D staff	
Type of academic structure	Number of persons
PhD	0
Master's degree	36
Bachelors degree	558
Specialized training school	430
High school and below	89
Age structure of R&D staff	
Age structure	Number of persons
Under 30 years of age (not including 30 years old)	797
30-40 years old (including 30 years old and excluding 40 years old)	266
40-50 years old (including 40 years old, and excluding 50 years old)	42
50-60 years old (including 50 years old and excluding 60 years old)	7
60 and over	1

Reasons for significant changes in the composition of R&D personnel and impact on the Company's future development

☐Applicable ☒Not Applicable

6. Other notes

☐Applicable ☒Not Applicable

III. Analysis of Core Competencies During the Reporting Period**(I) Core Competitiveness Analysis**

☒Applicable ☐Not Applicable

1. Core technology advantage

The company takes technology and R&D as its core competitiveness, and has been committed to the accumulation and development of technologies related to lithium-ion battery reprocessing since its establishment, and the company is preparing for and expanding the application of the technology in the whole back-end system in 2023. Currently the company's main core technologies are as follows.

Project Type	Technical Name	Issuer Technology Level	Core Technology Sources	Innovation Approaches
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4680 Charge and Discharge System Solutions	① High-precision charging and discharging performance indexes	① Setting current range/resolution 0.1mA-50A/0.1mA ② Current accuracy/display resolution: $\pm 0.02\% \sim \pm 0.05\%FSmA/0.1mA$ ③ Setting charging voltage range/resolution: 0-5V/0.1mV; ④ Setting discharge voltage range/resolution: 1.5-5V/0.1mV; ⑤ Voltage accuracy/display resolution: $\pm 1mV/0.1mV$ ⑥ Driving board charging and discharging efficiency: $\geq 90\%$	Independent R&D	Original innovation
	② New generation control system and digital power supply technology	① New generation control system: High-speed IC equipped with AVWORKS operating system, data logging speed increased by 3 times, and the ability to predict the battery risk is greatly improved. ② Digital Power Technology: With the application of digital control chip, the system is able to implement protection within 0.1mS when a short circuit occurs in the battery, reducing the response time by 99%.	Independent R&D	Original innovation
	③ Structural flexibility design	① Negative pressure formation structure design: open negative pressure formation design, to meet the needs of different customers. ② High volume rate: development of one-piece needle plate miniaturization, single BOX volume rate to 1.78m ³ /box ③ Precise temperature control: in the case of large charging current (40A) and large heat generation, the use of air-cooling method to control the battery temperature uniformity within $\pm 3^\circ$. ④ Pin board components to form 8-channel, 12-channel, 14-channel, 16-channel, 17-channel series, through the flexible combination of equipment to achieve 64-channel, 144-channel, 196-channel, 256-channel scenarios, and to achieve the diversity of the component installation mode to meet the negative pressure into, capacity, DCR and other scenarios.	Independent R&D	Original innovation
New Generation Control System	Intelligent Digitalization	① Communication and interconnection: High-bandwidth and low-latency communication bus topology design is realized to achieve clock synchronization between devices; meanwhile, rich industrial bus protocols are provided to achieve interconnection between all devices of battery charging and discharging back-end system; ② Data and algorithms: high concurrency, low latency data storage indexing mechanism, while ensuring data storage security and transmission security, algorithm development based on AI, including feature engineering reconstruction, algorithmic model development, algorithmic model	Independent R&D	Original innovation

		<p>training, algorithmic model evaluation, model version management;</p> <p>③ Predictive maintenance: By closely combining industrial artificial intelligence AI technology and battery back-end system industry experience, combined with machine learning analysis of plant data, intelligent identification of data state correlation and expert experience, automatically based on regression analysis to establish the operating state aging model, maintenance of equipment aging files;</p> <p>④ Digital twin management: based on the real production line, 1:1 complete 3D modeling is carried out and placed into the scene to realize one-to-one correspondence between the real production line and the virtual production line, realizing real-time linkage between the real equipment and the virtual equipment, and real-time monitoring of the equipment;</p> <p>⑤ Multi-access control system: various types of front-end access control systems and open up the ability to read and write the corresponding data according to the user's rights.</p>		
750V-5V High Voltage DC Bus Power Module and DC Bus Square Separator All-in-One	750V-5V DC Integrated Module	<p>① Digital power supply design: 750V-5V DC-DC1. Power supply topology design, LLC + multi-phase interleaved BUCK, module control part using DSP digital control scheme</p> <p>② GAN and soft-switching technology: the power part of the module adopts soft-switching technology and the third-generation semiconductor GAN to realize high-efficiency DCDC conversion.</p> <p>③ Integrated modular design to improve power density</p>	Independent R&D	Original innovation
	Power supply technical parameters	<p>① Charging voltage setting: 2.0000~4.5000V</p> <p>② Discharge voltage setting: 1.5000 ~ 4.0000V ※ The power supply terminal is at 1V.</p> <p>③ Charging current setting: 0.1000~120.00A</p> <p>④ Discharge current setting: 0.1000~120.00A</p> <p>⑤ Voltage measurement accuracy: $\pm 2\text{mV}$ ($\pm 1\text{mV}$ at the end of CV)</p> <p>⑥ Voltage output accuracy: $\pm 2\text{mV}$ ($\pm 1\text{mV}$ at the end of CV)</p> <p>⑦ Accuracy of current measurement: $\pm 240\text{mA}$</p> <p>⑧ Current output accuracy: $\pm 240\text{mA}$</p> <p>⑨ Current Response Characteristics: DCIR Response Time: 100mS (5-95%)</p> <p>⑩ Sampling time: DCIR response time: 100mS</p>	Independent R&D	Original innovation
	DC busbar capacity all-in-one	① DC 750V input 5V output driver board stable operation, and the technical parameters to meet the current production-type equipment accuracy requirements, voltage $\pm 1\text{mv}$, current $\pm 0.05\%$ FS.	Independent R&D	Original innovation

		②The number of square batteries in a single storage space is 64, using high-power water-cooling system to control the temperature uniformity $\pm 2^{\circ}\text{C}$. ③ Battery A to battery B energy conversion efficiency $\geq 80\%$ ④The whole equipment is rearranged in such a way that the electrical system is placed on the maintenance access side, and the equipment meets the requirements of CE certification.		
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2. Advantage of R&D mechanism and technology innovation mechanism

The Company's existing R&D system has the ability to sustain innovation and a mechanism for continuous technological innovation. In order to safeguard and enhance the core competitiveness of the Company and to continuously improve the technological level and R&D strength of the Company, the Company has introduced the following major measures: adopting the *Design and Development Control Procedures* in the ISO9001 quality system as the working standard of the R&D department; the Company has signed the *Departmental Annual Contracts* with the research institutes, which specifies in detail the basic annual objectives and incentive objectives; and has signed the *Confidentiality Agreements* with all the technicians to prevent the leakage of the Company's technological secrets. Confidentiality Agreement" with all technicians to prevent the leakage of the company's technical secrets.

①Accurate grasp of market demand - product development on demand

As lithium-ion battery reprocessing systems are basically customized systems, differences in battery type, anode and cathode material systems, plant conditions, automation degree, investment budget scale and end-use applications of lithium-ion batteries will all affect the design details of the reprocessing system. The R&D centers of each institute have specific product directions and customer groups, therefore, the institute starts to intervene in the negotiation at the early stage of the project contact, to directly understand the customer's needs and concepts, to accurately grasp the segmentation characteristics and needs of the specific project, and to make the best solution on the basis of satisfying the customer's needs and combining with the characteristics of the company's product line. The Institute's responsibilities cover the entire process of initial technical communication, development of technical solutions, determination of technical agreements, design, product manufacturing, on-site installation and acceptance. Through the product on-demand development, the development of the project are targeted. At the same time, direct technical intervention throughout the process minimizes project risks and shortens the project execution cycle to maximize execution efficiency.

② Leading the market trend - standardized and universal design

Different customers or the same customer at different times, their demand for products are discrete and personalized information, the R & D department through the generalization, collation and analysis of the situation of each project, to get a number of common characteristics of the information and the future direction of technological development, combined with the use of the product information feedback, as well as the long-term accumulation of technology and the demand for the future section of the judgment, and continue to carry out the standardization of the product and the generalization of the design. The design will eventually form a design system that contains a large number of standard components and can be flexibly customized, which not only meets the requirements of mass production and manufacturing, but also achieves cost control and shortens the delivery cycle.

③Key Account Prioritization Strategy - Staying at the forefront of technology

The company has been pursuing the strategy of prioritizing large customers, and has established close cooperative relationships with first-class domestic and foreign battery manufacturers (LG, SK, Samsung, Panasonic, YWL, BYD, etc.). These global first-class battery manufacturers, leading the highest level of lithium-ion battery production technology, for these companies to carry out equipment supporting, despite the challenges of high requirements and difficulties, but since its cooperation with the experience of the company's design, manufacturing, service and other aspects of the concept and awareness of the company has a great impetus to promote the improvement of the company's business, so that the company is always at the forefront of technological development, and also develop the company's global vision. It has also opened up the company's global vision.

④ Internal incentives - management by objectives

At the beginning of each year, the company determines the performance target with each institute and signs the *Contracting Agreement*, in which the bottom-line target and reward target are set for the sales performance of products, technological progress and team building. Each institute carries out independent performance accounting, which plays an effective role in incentivizing the innovation enthusiasm of the institute.

3. Market Advantage

The company has gradually gained customer recognition by virtue of product design that meets customer needs, advanced technology advantages, stable and reliable product quality, and excellent after-sales service. In the field of consumer electronics, we have high-quality customer resources, including Samsung of Korea, LG of Korea, Murata of Japan, EVE, SUNWODA, etc. In the field of power batteries, we have high-quality customer resources, including LG of Korea, SK of Korea, BYD and Gotion Hi-tech. With the continuous development of the global lithium-ion battery industry, international first-tier lithium-ion battery manufacturers have put forward the expansion plan, the company as a leading technology and has a large-scale production and manufacturing capacity, globalization and configuration capacity of the lithium battery post-processing system suppliers, is expected to gain further development in the future.

4. Team Management Advantage

Since its establishment, the company has been focusing on the reserve of talents and the innovation of management system. The company's board of directors and management members, generally have many years of experience in the industry or many years of financial and management experience. The company actively implements the "people-oriented" talent development strategy and builds a harmonious team. On the one hand, the company adopts internal training to improve the skill level of employees; on the other hand, the company makes full use of various channels to attract high-end talents, and continuously expands and cultivates the backbone team. The company's key management personnel have rich management experience and industry experience, and are able to quickly grasp the industry development trend and formulate corresponding business strategies to enhance the company's overall operating ability. Through years of operation, the Company has cultivated a technical R&D team with a high overall level, and no significant changes have occurred in the relevant core technical personnel during the reporting period. The company's technology R&D work is always in a virtuous circle, effectively accelerating the process of transforming technical achievements into productivity and expanding the company's profit growth point.

(II) Events occurring during the reporting period that caused the Company's core competitiveness to be seriously affected, analysis of the impact and response measures

☐Applicable ☒Not Applicable

IV. risk factor

(I) Risk of not yet being profitable

☐Applicable ☒Not Applicable

(II) Risk of a significant downturn or loss in performance

☐Applicable ☒Not Applicable

(III) Core competency risk

☒Applicable ☐Not Applicable

1. Risk of technology and product substitution

The post-processing system equipment developed and produced by the company is based on electrochemical principles and applied to the production of various types of nickel-metal hydride, lithium-ion and other rechargeable batteries. Fuel cell is a kind of chemical device that converts the chemical energy possessed by fuel directly into electric energy, as another new energy battery, which is essentially a primary battery and has its own advantages compared with lithium-ion battery, both sides belong to the relationship of coexistence and complementarity, and its industrialization still needs a long time. In the predictable future, the development of rechargeable batteries will still be based on electrochemical principles, the application of new materials, new technologies and new processes, in terms of volume, weight, capacity, cost, safety and other aspects of seeking breakthroughs. However, if:

(1) The Company's post-processing system may not be able to adapt to a fundamental change in the operating principle of rechargeable batteries, which creates a significant difference between a gasoline engine and an electric motor, for example;

(2) In the post-processing system, the application of new materials, technologies and processes has led to localized changes in the production of rechargeable batteries. If the company fails to lead or follow closely the trend of technology and process development in the R&D and application of post-processing system, it will be in an unfavorable position in the market competition.

(3) Fuel cell application technology, conversion efficiency, production costs have a revolutionary breakthrough, and rechargeable batteries have a significant substitution effect, the company is in the lithium-ion battery equipment manufacturing industry will face a decline.

(IV) Business Risk

√Applicable □Not Applicable

1. Risk of uneven distribution of operating results

The Company's products are highly customized products, which require installation, commissioning and trial production, and can only be recognized as revenue upon acceptance by the customer after being able to satisfy the customer's production requirements in a stable manner, with a long time lag between the placement of an order and its acceptance. Although the overall acceptance cycle can be estimated to be around 9 months to 1 year based on past experience, the actual acceptance point of each batch of products cannot be accurately estimated due to the differences in products, customers and acceptance of each order, which may result in uneven distribution of revenue and performance throughout the year. Meanwhile, data for the first quarter of each year is usually slightly lower than the operating results for other quarters due to factors such as the Chinese New Year holiday.

2. Risk of higher customer concentration

The company's customers are mainly well-known lithium-ion battery manufacturers such as YWL, Korea SK, Korea LG, Korea Samsung, BYD, Gotion Hi-tech, SUNWODA, Zhuhai Guanyu, etc., and the main customers are more concentrated. During the reporting period, the sales revenue of the company's top five customers accounted for more than 60% of the company's operating revenue.

The Company's sales revenue to its major customers accounts for a high percentage of its revenue from main business operations, and if the operating conditions of some of its customers are unfavorable or if the demand for the Company's products decreases significantly, the Company's operating results will be adversely affected.

3. The risk of unfavorable customer development of power lithium battery producers

During the reporting period, the Company actively explored domestic and overseas mainstream power lithium battery manufacturers. However, if the company fails to further develop the uncovered domestic power lithium battery producers in the future, and the development of overseas power lithium battery producers is not as expected, or has cooperated with the power lithium battery producers due to industry fluctuations, fierce competition and other factors continue to deteriorate the business situation, or the company's existing major customers by competitors large-scale seizure, then the company's sales revenue in the field of power lithium battery after-treatment equipment, market share There will be a decline in the company's sales revenue and market share in the field of power lithium battery post-processing equipment, so the company has the risk of unfavorable development of power lithium battery manufacturer customers.

4. Risk of quality problems with products

Lithium-ion battery post-processing system due to its working characteristics, if the product quality is poor, it will affect the battery qualification rate, or lead to safety accidents. The company has not yet appeared due to major quality problems and customer disputes, but does not rule out the product quality problems may have a negative impact on the company's operations.

5. Risks of customer acceptance

The lithium battery reprocessing equipment industry in which the company is located mainly recognizes revenue by equipment acceptance, and according to past experience, the overall acceptance cycle can be estimated to be generally from 9 months to 1 year or so, but by the equipment installation and commissioning time of some downstream customers and their operating conditions, financial conditions, the above cycle may also be delayed to more than 1 year. In the event of drastic fluctuations in the industry in the future, some of the downstream lithium battery producers with lower work rates or in a state of shutdown, and a significant decline in operating results and financial constraints, may delay

or refuse to accept the equipment, part of the Company's revenue will likely not be recognized, which will have a material adverse effect on the Company's operating results.

6. Risk of rising raw material prices

The company in the signing of the contract based on the then cost offer, but from the signing of the contract to the raw materials under the order there is about a month's time, this period of material cost fluctuations in the risk borne by the company, if the raw material price fluctuations in a short period of time drastic fluctuations will lead to some of the company's orders cost significantly higher.

(V) Financial Risk

√Applicable □Not Applicable

1. Risk of decline in gross profit margin of main products

The company's main product lithium-ion battery production line after-treatment system is the main source of the company's operating revenue. As the products are customized production, the company's products have strong core competitiveness in various aspects such as technical level and reliability, and thus have been maintaining a higher gross profit margin of the main business. The gross profit margin of the order presents the characteristics of overseas customers with higher gross profit margin than domestic customers. The gross profit margin of the company's main business in the last three fiscal years were 25.72%, 32.18% and 36.90% respectively. Since the beginning of 2020, the investment of overseas customers has slowed down, and the demand for equipment purchases has been temporarily reduced, resulting in the company's order structure to increase the proportion of domestic orders, which has lowered the gross profit margin of sales. From the perspective of industry development, on the one hand, with the large-scale application of lithium-ion batteries and large-scale production, there is a gradual reduction in the cost of selling price pressure, and lithium-ion battery manufacturers also inevitably transfers part of the pressure to the upstream equipment suppliers; On the other hand, the large-scale application of lithium-ion battery brings a large demand for lithium-ion battery production equipment, but also stimulate the development of the industry, there are constantly new manufacturers to enter the field of post-processing systems, resulting in increasingly fierce competition. As a result, the Company's main products are always under pressure from market competition and customers' requests for price reductions, which may lead to a decrease in orders for the Company's main products or a further decline in gross profit margin if the Company is unable to maintain the competitive advantages it has already achieved and further improve its cost control capabilities. In addition, the Company has gradually started to sell fully automated reprocessing system production lines to its customers in the form of an integrator since 2016, which contains outsourced or self-made automated logistics line products, which may also pull down the Company's gross profit margin on sales.

2. Risk of larger inventories

At the end of each period of the last three fiscal years, the Book value of the Company's inventories was 1,422,686,543.43 yuan, 2,380,677,299.30 yuan and 2,901,476,917.36 yuan, accounting for 29.70%, 35.47% and 33.67% of the current assets and 24.67%, 29.89% and 28.38% of the total assets. The percentage is relatively high.

The Company's inventory mainly consists of issued commodities. The larger amount of issued goods is that after the company's products are shipped to customers, they need to be installed, debugged and trial production, and after they can stably meet the production needs of customers, they can only be recognized as revenue upon acceptance by the customers, and the time interval from order to acceptance is longer, generally ranging from about 9 months to 1 year. The reason for the long acceptance time of the customer's products is mainly because the post-processing system equipment, as a part of the lithium-ion battery production line, needs to be test-produced together with the whole lithium-ion battery production line when the production line is newly built or remodeled, and the acceptance time is generally longer. The large amount of inventory on the one hand, occupies a large amount of funds, reducing the efficiency of capital utilization, on the other hand, it also increases the pressure on the company's management, cost control and other aspects, affecting the stable growth of the company's performance.

3. Risk of exchange rate fluctuations

A portion of the Company's sales revenue is from external sales, which are mainly settled in U.S. dollars and euros, so exchange rate fluctuations, especially the appreciation of the RMB, will have a certain impact on the Company's financial position.

If the exchange rate of RMB continues to appreciate, on the one hand, the increase in the price of export products denominated in foreign currencies will affect the competitiveness of the Company's export products in the market, and there is a risk of loss of customers or transfer of orders to other countries; on the other hand, the Company's assets held in foreign currencies as a result of exports will depreciate as a result of the appreciation of RMB, which will affect the operating profit.

4. Risk that Accounts Receivable may go bad

At the end of each period of the Reporting Period, the Book value of the Company's Accounts Receivable was RMB988,281,856.86, RMB1,673,164,923.92 and RMB1,902,796,347.12, accounting for 20.63%, 24.93% and 22.08% of the current assets, and accounting for 17.14%, 21.00% and 18.61% of the total assets, respectively. Both the amount and the percentage have increased. If there is any deterioration in the financial condition of the Company's major customers or any material adverse change in their operating conditions or commercial credit, the possibility of bad debts arising from the Company's Accounts Receivable will increase and the possibility of recovery of the Company's Accounts Receivable will decrease, which will adversely affect the Company's liquidity and normal operation.

(VI) Industry Risks

√Applicable □Not Applicable

1. Lithium-ion battery industry fluctuation risk

During the reporting period, the company's main business profit mainly comes from the lithium-ion battery production line after-treatment system, the company's customers are mainly well-known domestic and foreign lithium-ion battery manufacturers. In recent years, with technological advances and national policies to vigorously promote, lithium-ion batteries in consumer electronics products continue to upgrade, new energy vehicles continue to popularize the situation, lithium-ion battery demand is growing rapidly. In this context, lithium-ion battery manufacturers continue to expand production capacity, new or remodeled lithium-ion battery production line, which led to a high growth in demand for post-processing system-related equipment.

As new energy vehicles gradually replace traditional cars, consumer electronics demand is rising steadily, lithium-ion batteries in energy storage applications are also promising, so in the long run, lithium-ion battery production capacity will continue to further expand the demand for post-processing systems related equipment will remain high. But with the growing maturity of the market, the Chinese government subsidies for new energy vehicles are also corresponding to the structural adjustment, the next few years of low electric energy density, range performance is poor, technologically backward new energy vehicle manufacturers to obtain government subsidies will decline significantly, power lithium-ion battery industry will be structural adjustments, industrial concentration is increasing, there may be a portion of the domestic power battery producer capacity Utilization rate is low, low-end excess capacity, capital turnover is difficult.

(VII) Macro-environmental Risks

√Applicable □Not Applicable

1. Macroeconomic cycle fluctuation risk

The sales of the company's main products will be affected by macroeconomic fluctuations and cyclical fluctuations of downstream industries. The company belongs to the specialized equipment manufacturing industry, which is closely related to the market demand for downstream lithium batteries and fixed asset investment. The new energy and its equipment manufacturing industry continues to maintain faster development under the support of national policies, but if there are unfavorable changes in the external economic environment or significant changes in the above factors affecting market demand, it will have a greater impact on the lithium battery and its equipment manufacturing industry. If the downstream lithium battery manufacturers to reduce the scale of investment, cut the scale of equipment purchases, the company's main business will be adversely affected, thus the company's future sales of lithium battery equipment has a significant adverse impact.

2. Risk of international political and trade changes

During the reporting period, the Company's major foreign customers were LG of South Korea, SK of South Korea, Samsung of South Korea and Sony (Murata) of Japan, etc. The aforesaid customers accounted for a higher proportion of the Company's revenue from its main business and have invested in and set up factories or plans to set up factories in Southeast Asia, Europe and the U.S.A. Therefore,

changes in the relations between China and the U.S.A., Europe, Japan and South Korea may result in the decrease or even the interruption of the Company's cooperation with the aforesaid customers. interruption, which will likely adversely affect the Company's operating results. In addition, some of the Company's electronic components are also procured from abroad, and China and the United States are currently engaged in a trade dispute and have responded to each other by imposing tariffs, etc. If the trade dispute expands in the future and affects the trade policies of Japan, South Korea, Europe, and other regions with respect to China, the Company's results of operations may likewise be adversely affected.

(VIII) Risks associated with depositary receipts

☐Applicable ☒Not Applicable

(IX) Other significant risks

☐Applicable ☒Not Applicable

V. Major Operations During the Reporting Period

During the reporting period, the Company realized operating revenue of RMB3,931,719,031.47yuan, representing a year-on-year increase of 13.83% compared with 2022, and net profit attributable to owners of the parent company of RMB809,090,505.69yuan, representing a year-on-year increase of 64.92%. After deducting the effects of structured deposit gains and government grants, net profit attributable to owners of the parent company after extraordinary gains and losses of RMB790,576,616.11 yuan was realized during the reporting period, representing a year-on-year increase of 67.14%.

(I) Main Business Analysis

1. Analysis of changes in the income statement and related accounts in the cash flow statement

Unit: Yuan Currency: RMB

Accounts	Amount of the current period	Amount of the same period in last year	Percentage of change (%)
Operating revenue	3,931,719,031.47	3,454,133,088.43	13.83
Operating costs	2,455,833,940.25	2,317,631,098.76	5.96
Selling expenses	114,572,405.05	91,331,383.72	25.45
Administration expenses	169,164,040.99	306,671,645.62	-44.84
Financial expenses	-158,187,985.05	-85,545,815.62	84.92
R&D expenses	243,563,558.47	207,303,580.94	17.49
Net cash flows from operating activities	214,965,877.63	695,722,817.92	-69.1
Net cash flows from investing activities	-408,411,736.85	-409,080,790.77	-0.16
Net cash flows from financing activities	997,241,569.87	-77,895,688.31	1,380.23

Reasons for changes in operating revenue: mainly due to the rapid development of the lithium industry, the company's business also increased, the corresponding sales revenue grew steadily;

Reasons for changes in operating costs: mainly due to the growth of operating revenue in this period, operating costs also increased, at the same time, due to the company's rapid expansion of production capacity in recent years, in the scale effect brought about by the expansion of production capacity, the company's cost control ability to further improve the gross profit margin of the product gradually rebounded;

Reasons for the change in selling expenses: mainly due to the rapid development of the lithium battery industry in this period, the company's staff salaries and travel expenses increased, in addition, with the increase in the number of projects entering the warranty period, the after-sales service costs have also increased;

Reasons for the change in administrative expenses: mainly due to the significant decrease in share-based

payment expenses recognized in the current period compared with the Previous Year;

Reasons for the changes in financial expenses: mainly due to the increase in interest income resulting from the increase in Monetary funds during the period, in addition, due to the company's increased expansion of overseas markets, overseas orders increased significantly, foreign currency receipts also increased, resulting in a significant increase in foreign currency exchange gains;

Reasons for the changes in R&D expenses: Mainly due to the increase in employee remuneration as a result of the increase in R&D projects and personnel, as well as the increase in the consumption of R&D materials as a result of the increase in R&D projects;

Reasons for the change in net cash flows from operating activities: mainly due to the rapid growth in business scale and substantial increase in sales receipts, but due to the rapid expansion of production capacity, the increase in cash paid for goods and services was greater than cash received from the sale of goods and services;

Reasons for the change in net cash flows from investing activities: mainly due to the slight decrease in cash paid for the purchase and construction of Fixed Assets, Intangible Assets and other long-term assets in the period compared with the Previous Year. Cash paid for the purchase and construction of Fixed Assets, Intangible Assets and other long-term assets decreased slightly compared with the Previous Year;

Reasons for the change in net cash flows from financing activities: Mainly due to the absorption of RMB1,195,315,292.39 yuan by the Company from the issuance of GDRs and the receipt of subscription proceeds for restricted shares during the period;

Detailed description of significant changes in the type of business, composition of profits or sources of profits of the company during the period

☐Applicable ☒Not Applicable

2. Revenue and cost analysis

☒Applicable ☐Not Applicable

During the Reporting Period, the Company realized operating revenue of RMB3,931,719,031.47, representing a year-on-year increase of 13.83% as compared with 2022, of which the income from main business was RMB3,891,013,361.75, representing a year-on-year increase of 13.87% as compared with 2022. The rise in operating revenue was mainly attributable to the increase in demand for power lithium batteries due to the impact of the growth in the production of new energy vehicles, and the rise in demand for related formation equipment.

(1). Main business by industry, product, region and sales model

Unit: Yuan Currency: RMB

Main business by industry						
By Industry	Operating Revenue	Operating Costs	Gross Profit Rate (%)	Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating costs over the previous year (%)	Increase or decrease in gross profit rate over the previous year (%)
Equipment Manufacturing	3,891,013,361.75	2,455,135,066.12	36.90	13.87	5.94	Increase by 4.72%
Main business by product						
By Product	Operating Revenue	Operating Costs	Gross Profit Rate(%)	Increase or decrease in operating revenue	Increase or decrease in operating costs over the previous year(%)	Increase or decrease in gross profit rate over

				over the previous year(%)		the previous year(%)
Charging and Discharging Equipment	3,194,136,336.96	2,004,049,766.13	37.26	5.3	-4.77	Increase by 6.64%
Other Equipment	664,382,466.55	436,837,571.05	34.25	86.38	114.55	Decrease by 8.63%
Accessories	32,494,558.24	14,247,728.94	56.15	19.1	52.96	Decrease by 9.71%
Main Business by Region						
By Region	Operating Revenue	Operating Costs	Gross Profit Rate(%)	Increase or decrease in operating revenue over the previous year(%)	Increase or decrease in operating costs over the previous year(%)	Increase or decrease in gross profit rate over the previous year(%)
Domestic	3,122,771,148.58	2,074,862,779.56	33.56	-1.73	-4.56	Increase by 1.97%
Overseas	768,242,213.17	380,272,286.56	50.50	221.2	164.9	Increase by 10.52%

Explanation of main business by industry, product, region and sales pattern
None

(2). Analysis of production and sales volume

☐Applicable ☒Not Applicable

(3). Performance of major purchase contracts, major sales contracts

☐Applicable ☒Not Applicable

Performance of significant sales contracts entered into up to the current reporting period

☐Applicable ☒Not Applicable

Status of performance of significant purchase contracts entered into up to the current reporting period

☐Applicable ☒Not Applicable

(4). Cost analysis table

Unit: Yuan Currency: RMB

Sub-industry situation							
By Industry	Cost Components	Amount of the Current Period	Current Period as a Percentage of Total Costs	Amount in the Same Period of Last Year	Same Period of Last Year as a Percentage of	Percentage Change in the Current Amount over the	Situation Description

			(%)		Total Costs	Same Period of Last Year (%)	
Equipment Manufacturing	Direct Materials	2,036,221,070.75	82.94	1,872,819,444.07	80.81	8.72	\
Equipment Manufacturing	Direct Labor	162,279,890.72	6.61	164,699,573.52	7.11	-1.47	\
Equipment Manufacturing	Manufacturing Costs	256,634,104.65	10.45	279,923,194.37	12.08	-8.32	\
By product							
By Product	Cost Components	Amount of the Current Period	Current Period as a Percentage of Total Costs (%)	Amount in the Same Period of Last Year	Same Period of Last Year as a Percentage of Total Costs (%)	Percentage Change in the Current Amount over the Same Period of Last Year (%)	Situation Description
Charging and Discharging Equipment	Direct Materials	1,656,799,926.13	67.48	1,693,664,223.68	73.08	-2.18	\
Charging and Discharging Equipment	Direct Labor	135,549,537.63	5.52	151,199,239.17	6.52	-10.35	\
Charging and Discharging Equipment	Manufacturing Costs	211,700,302.38	8.62	259,653,254.92	11.2	-18.47	\
Other Equipment	Direct Materials	367,168,293.17	14.96	171,540,402.00	7.4	114.04	\
Other Equipment	Direct Labor	25,942,935.11	1.06	12,778,585.81	0.55	103.02	\
Other Equipment	Manufacturing Costs	43,726,342.77	1.78	19,291,773.34	0.83	126.66	\
Accessories	Direct Materials	12,252,851.45	0.5	7,614,818.39	0.33	60.91	\
Accessories	Direct Labor	787,417.98	0.03	721,748.54	0.03	9.10	\
Accessories	Manufacturing Costs	1,207,459.50	0.05	978,166.11	0.04	23.44	\

Other Information notes on cost analysis

None

(5). Changes in the scope of consolidation due to changes in the shareholdings of major subsidiaries during the reporting period

☐Applicable ☒Not Applicable

(6). Significant changes or adjustments in the company's business, products or services during the reporting period

☐Applicable ☒Not Applicable

(7). Major sales customers and major suppliers**A. Information on the Company's major sales customers**

☒Applicable ☐Not Applicable

Sales to the top five customers amounted to RMB2,442.5691 million Yuan, accounting for 62.13% of total annual sales; sales of affiliates among the sales to the top five customers were RMB 0 Yuan, accounting for 0% of total annual sales.

The company's top five customers

☒Applicable ☐Not Applicable

Unit: RMB 10,000 Currency: RMB

No.	Customer Name	Sales Volume	Percentage of total annual sales (%)	Whether there is an affiliation with the listed Company
1	First place	96,208.26	24.47	No
2	Second place	77,568.94	19.73	No
3	Third place	30,914.99	7.86	No
4	Fourth place	22,906.42	5.83	No
5	Fifth place	16,658.30	4.24	No
Total	/	244,256.91	62.13	/

Sales to a single customer exceeded 50% of the total, or there were new customers among the top 5 customers, or heavy reliance on a few customers during the reporting period

☒Applicable ☐Not Applicable

Among the top five customers in 2023, except for the second and third place, the first, forth and fifth places are all among the top five customers in 2022. Among them, the second and third customers in the current period are the sixth and twelfth customers in terms of operating revenue in 2022, respectively, maintaining a good degree of stability.

B. Information on the Company's major suppliers

☒Applicable ☐Not Applicable

The top five suppliers' purchases amounted to RMB448.8778 million Yuan, accounting for 18.01% of the total annual purchases; among the top five suppliers' purchases, the affiliates' purchases amounted to RMB0 Yuan, accounting for 0% of the total annual purchases.

Company's top five suppliers

☒Applicable ☐Not Applicable

Unit: RMB 10,000 Currency: RMB

No.	Supplier Name	Purchase Volume	Percentage in total purchase volume (%)	Whether there is an affiliation with the listed Company
1	First place	10,657.50	4.27%	No

2	Second place	10,489.15	4.21%	No
3	Third place	10,463.62	4.20%	No
4	Fourth place	6,795.43	2.73%	No
5	Fifth place	6,482.08	2.60%	No
Total	/	44,887.78	18.01%	/

Information on purchase from a single supplier exceeding 50 per cent of the total during the reporting period, the presence of new suppliers in the top five suppliers, or heavy reliance on a small number of suppliers

☐Applicable ☒Not Applicable

3. Expenses

☒Applicable ☐Not Applicable

Unit: yuan Currency: RMB

Accounts	Amount of the Current Period	Amount of the Same Period in Last Year	Percentage of Change(%)
Selling expenses	114,572,405.05	91,331,383.72	25.45
Administration expenses	169,164,040.99	306,671,645.62	-44.84
R&D expenses	243,563,558.47	207,303,580.94	17.49
Financial expenses	-158,187,985.05	-85,545,815.62	84.92

Explanation of changes in selling expenses: Selling expenses in this period increased by 23.2410 million Yuan or 25.45% compared with the same period of last year, mainly due to the growth of sales scale in this period; employees' remuneration increased by 4.8771 million Yuan and after-sales service fee increased by 6.2314 million Yuan, meanwhile, with the increase of overseas business, the travel expenses also increased by 3.327 million Yuan.

Reasons for the changes in administrative expenses: administrative expenses for the period decreased by RMB 137.5076 million or 44.84% compared with the same period of the Previous Year, mainly due to the decrease of RMB 154.33 million in share-based payment expenses corresponding to the execution of equity incentives in the current period, and at the same time, with the rapid growth in the scale of the sales business, it resulted in an increase of RMB 5.0849 million in personnel remuneration, and furthermore, as a result of the growth in the scale of the company's assets, depreciation amortization increased by RMB9.2880 million year-on-year.

Explanation of changes in R&D expenses: R&D expenses for the current period increased by RMB 36.26 million, or 17.49%, compared with the same period of the Previous Year, mainly due to the increase in R&D projects and the increase in R&D personnel.

Explanation of changes in financial expenses: Financial expenses for the period decreased by RMB 72.6422 million Yuan, or 84.92%, compared with the same period of the Previous Year, mainly due to the increase in interest income of RMB 70.3972 million Yuan caused by the increase in Monetary funds for the period, and in addition, the increase in exchange gains of 4,701,100 Yuan caused by fluctuations in foreign currency exchange rates.

4. Cash Flow

☒Applicable ☐Not Applicable

Unit: yuan Currency: RMB

Accounts	Amount of the Current Period	Amount of the Same Period in Last Year	Percentage of Change(%)
Net cash flows from operating activities	214,965,877.63	695,722,817.92	-69.10

Net cash flows from investing activities	-408,411,736.85	-409,080,790.77	-0.16
Net cash flows from financing activities	997,241,569.87	-77,895,688.31	1,380.23

Explanation of reasons for changes in net cash flows from operating activities: Net cash flows from operating activities amounted to RMB214.9659million, a decrease of RMB480.7569million as compared with the same period of the Previous Year, which was mainly due to the increase of sales receipts from customers by RMB775.8394million during the reporting period, but at the same time, the Company's scale expansion and payment for purchased commodities increased by RMB949.2813million. Explanation of reasons for changes in net cash flows from financing activities: Net cash flows from financing activities amounted to RMB997.2416 million, increased by RMB1,075.1373million as compared with the same period of last year, which was mainly attributable to the issue of GDRs to raise funds during the current period.

(II) Explanation of significant changes in profit due to non-main business

☐Applicable ☒Not Applicable

(III) Analysis of assets and liabilities

☒Applicable ☐Not Applicable

1. Assets and Liabilities

Unit: Yuan Currency: RMB

Item	Ending amount for the period	Ending amount of the period as a percentage of total assets(%)	Ending amount of prior period	Ending amount of the previous period as a percentage of total assets(%)	Percentage change in the amount at the end of the current period compared to the end of the previous period (%)	Situation Description
Notes receivable	3,263,149,304.07	31.91	2,204,980,109.77	27.68	47.99	Mainly attributable to the increase in profit for the period plus GDR fund raising
Accounts Receivable	5,925,509.48	0.06	8,470,694.76	0.11	-30.05	Mainly due to fluctuations in the price of equity holdings
Receivables Financing	90,155,576.33	0.88	58,049,060.67	0.73	55.31	Mainly due to an increase in bill refunds
Prepayments	42,841,452.58	0.42	18,078,982.30	0.23	136.97	Mainly attributable to the increase in prepayments for materials during the period

Inventory	40,784,568.93	0.40	20,752,014.90	0.26	96.53	Mainly due to the increase in security deposits during the period
Contract Assets	10,470,636.02	0.10	22,209,690.01	0.28	-52.86	Mainly due to lower VAT prepayment during the period
Other current assets	1,264,096,156.79	12.36	954,337,911.33	11.98	32.46	Mainly due to the completion of the new plant during the period.
Fixed Assets			35,503,214.70	0.45	-100.00	Mainly due to the completion of the new plant during the period.
Project in Construction	2,214,093.56	0.02	6,009,682.76	0.08	-63.16	Mainly due to amortization of right-of-use assets during the period
Right-of-use Asset	11,181,004.43	0.11	7,003,767.94	0.09	59.64	Mainly attributable to the increase in renovation payments during the period
Other Non-Current Assets	78,015,221.68	0.76	36,536,452.57	0.46	113.53	Mainly attributable to the increase in deferred income tax funds corresponding to the provision for impairment of assets
Notes Payable	67,542,715.14	0.66	39,229,381.89	0.49	72.17	Mainly due to increase in warranty receivables
Accounts Payable	14,516,000.00	0.14	0.00			Mainly due to an increase in discounted bankers' acceptances not yet matured
Contractual Liabilities	2,239,109,626.13	21.90	1,501,881,384.48	18.85	49.09	Mainly due to business expansion and increase in the Company's advance order payments and shipment payments
Employee Remuneration Payable	86,784,440.43	0.85	14,341,081.96	0.18	505.15	Mainly attributable to the increase in the balance of enterprise income tax payable during the period
Taxes Payable	8,469,552.89	0.08	3,002,923.42	0.04	182.04	Mainly due to increase in accounts payable and suspense receipts
Other current liabilities	2,028,014.09	0.02	3,840,678.51	0.05	-47.20	Mainly due to the decrease in lease liabilities due within one year
Lease Liabilities	603,672,152.00	5.90	405,133,000.00	5.09	49.01	Mainly due to GDR issuance during the period
Deferred Revenue	2,359,829,993.27	23.08	1,401,737,825.15	17.6	68.35	Mainly due to GDR issuance during the period
Other consolidated income	7,227,980.88	0.07	2,419,348.00	0.03	198.76	Mainly attributable to the increase in translation differences in foreign currency statements due to fluctuations in foreign currency exchange rates during the period
Surplus	271,191,623.	2.65	191,755,852.8	2.41	41.43	Mainly attributable to the

reserves	48		8			accrual of legal reserve at 10% of the net profit realized by the parent company for the period
Undistributed earnings	1,876,935,053.36	18.36	1,346,492,128.33	16.9	39.39	Mainly attributable to the increase in net profit attributable to owners of the parent for the period

Other notes

None

2. Foreign Assets

√Applicable □Not Applicable

(1) Asset Size

Where: foreign assets 955,272,496.46 (in RMB) Currency: RMB), accounting for 9.34% of total assets.

(2) Explanation of the relatively high proportion of foreign assets

□Applicable √Not Applicable

3. Restrictions on major assets as at the end of the reporting period

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Ending Amount	Opening Amount	Reasons for not being cash and cash equivalents
Bank deposits -- current	10,000.00	86,000.00	Freezing of bank deposits
Bank deposits -- current	97,224,408.20		Demand deposits for the opening of pledges of notes
Bank deposits -- time deposits	6,685,013.48	44,504,786.46	Time deposits pledged for the issuance of letters of guarantee and interest thereon
Other monetary funds - guarantee deposits	196,386,852.14	73,568,275.79	Guarantee Bond Pledge
Other monetary funds - bankers' acceptance deposits	97,025,152.51	94,357,484.65	Banker's margin pledge
Subtotal	397,331,426.33	212,516,546.90	

4. Other Explanation

□Applicable √Not Applicable

(IV) Analysis of industry operational information

√Applicable □Not Applicable

For details of the analysis of industry operating information during the reporting period, please refer to "II. Explanation of the principal business, business model, industry situation and R&D of the Company during the reporting period" in "Section III: Management Discussion and Analysis".

(V) Analysis of the investment situation**Overall analysis of outward equity investments**

□Applicable √Not Applicable

1. Significant equity investments

□Applicable √Not Applicable

2. Significant non-equity investments

□Applicable √Not Applicable

3. Financial assets at fair value

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Asset Class	Opening Amount	Profit and loss from changes in fair value in the current period	Cumulative fair value changes included in equity	Impairment provision for this period	Current purchase amount	Sale/redemption amount in current period	Other changes	Ending Amount
Stock	8,470,694.76	- 2,545,185.28						5,925,509.48
Total	8,470,694.76	- 2,545,185.28						5,925,509.48

Investments in securities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Securities	Securities code	Securities Abbreviation	Initial investment cost	Sources of funds	Beginning Book value	Profit and loss from changes in fair value in the current period	Cumulative fair value changes included in equity	Current purchase amount	Sales amount in this period	Disposal profit and loss	Ending Book value	Accounting subjects
Domestic and foreign stocks	000980	Zotye Automobile	7,874,166.96	Debt restructuring	8,470,694.76	- 2,545,185.28					5,925,509.48	Financial assets held for trading
Total	/	/	7,874,166.96	/	8,470,694.76	- 2,545,185.28					5,925,509.48	/

Derivatives investments

□Applicable √Not Applicable

4. Private equity fund investments

□Applicable √Not Applicable

Other notes

None

5. Specific progress in the integration of major asset reorganization during the reporting period

□Applicable √Not Applicable

(VI) Significant asset and equity sales

□Applicable √Not Applicable

(VII) Analysis of major holdings companies

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Company Name	Main business	Registered capital	Shareholding ratio	Total assets	Net assets	Operating income	Net profit
CHR Japan Co.,Ltd.	1. Production, sales and procurement of battery-related equipment and battery-related products; 2. Maintenance, management and care of battery-related equipment and products; 3. Development and transfer of battery production technology; 4. Development, sales, import and export of various products, software and technology; 5. All businesses incidental to and related to the above items.	5 million yen	100%	63,514,744.67	58,861,870.76	7,761,152.26	-1,906,293.21
Hangke Electronic Trading Hong Kong Co.,Ltd.	Manufacture and sales of battery-related equipment and products, and development and sales as well as import and export business of various product application software and technologies.	\$5 million	100%	734,224,568.14	18,788,680.38	182,670,752.40	18,162,958.23
Hangke Electronic Co.,Ltd.(Korea)	Battery-related equipment industry, battery-related product manufacturing, sales and procurement business, battery-related product wholesale, retail and import and export business, battery-related maintenance and management industry, battery-related production technology development and transfer, battery-related products and software technology development and sales trade industry	100 million won	CHR Japan Co.,Ltd. invested 100 million won, accounting for 100% of the capital	6,063,511.93	-1,513,052.59	1,544,400.63	-273,432.71
HK POWER Co.,Ltd.	Manufacturing, wholesale, retail, import and export of primary batteries and secondary batteries; manufacturing, wholesale, retail, import and export of storage batteries and chargers; manufacturing and trading of battery equipment; battery related equipment; manufacturing, sales and purchase of battery related products; wholesale, retail and import and export of battery-related products; battery-related	3 billion won	Hong Kong Hangke holds 100% of the shares	156,607,814.00	10,501,234.30	5,180,742.02	-6,318,963.89

	equipment, maintenance, repair, and management; development and transfer of battery-related production facilities; development, sales and trading of various battery-related products and software technologies; manufacturing, processing, wholesale and retail, import and export of active lithium batteries, testing equipment and charging and discharging equipment; manufacturing, processing, wholesale and retail, import and export of lithium battery pack protection boards; Manufacturing, processing, wholesale and retail, import and export business of lithium battery automated production line; lithium battery production technology development, import and export business; lithium battery related goods and technology import and export business; import and export and service industry of various battery related equipment; installation, repair, manufacturing, import and export of cutting-edge equipment; installation, maintenance and manufacturing of lithium battery related equipment; installation and maintenance of ionic battery related equipment; real estate leasing and trading; incidental businesses involved in the above items.						
HONRECK EQUIPMENT TECHNOLOGY SUPPORT COMPANY SDN. BHD. (Malaysia)	Manufacturing of battery-related equipment and products; maintenance, management, and repair of battery-related equipment and products; development of battery-related production technologies; development of various products, software, and technologies; all businesses incidental to the above.	RM2	CHR Japan Co.,Ltd. subscribed RM2, accounting for 100% of the registered capital		-4,083.03		-340.87
HONRECK ELECTRONICS TRADING SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ (Poland)	Production of batteries and storage batteries; repair and maintenance of electrical appliances; production of other spare parts for motor vehicles (except motorcycles); electrical installation; wholesale of spare parts for motor vehicles (except motorcycles); retail sale of spare parts for motor vehicles (except motorcycles); Sales, maintenance and repair of motorcycles and related spare parts; exclusive agency of other specific products; wholesale of household appliances; wholesale of electronic equipment and communication equipment and related accessories; wholesale of other machinery and equipment; retail of new products in specialized stores; Retail sales through mail-order stores or the Internet; road transport of goods; warehousing and storage of other goods; other financial	5,000 PLN	Hong Kong Hangke invested PLN 5,000, accounting for 100% of the registered capital	49,710,363.34	-19,542,495.69	319,747.14	431,494.89

	services, except insurance and pension funds not elsewhere classified; buying and selling own real estate; leasing and operating own or leased real estate; engineering activities and related technical consulting; other technical testing and analysis; other research and experimental development in natural sciences and engineering; advertising agency activities.						
Zhejiang Hangke Technology Incorporated Company	The purpose of the corporation is to engage in any lawful act or activity, incorporated under the California General Corporations Act, except for banking, trust Company business, or professional practice permitted to be formed under the California Corporations Act	\$10 million.	Hong Kong Hangke holds 100% of the shares	72,500,628.91	70,297,347.56	1,914,804.25	- 189,214.39
Hangke Technology Germany GmbH	The Company's business objects are lithium battery formation, testing equipment and charging and discharging equipment; lithium battery protection boards; sales, technology development, installation, commissioning and after-sales service, technology import and export of lithium battery automatic production line; entitled to to engage in other businesses that directly or indirectly serve the purpose of the Company; it is also possible to establish or acquire other companies and establish branches or subsidiaries in Germany and abroad.	Euro 2.5 million	Hong Kong Hangke holds 100% of the shares	56,217,284.99	56,195,713.53		- 5,139,855.24
Japan New Energy Equipment Co.,Ltd.	1. Manufacture, sale and purchase of battery-related equipment and products; 2. Repair, management and maintenance of battery-related equipment and products; 3. Development and transfer of battery production technology; 4. Development, sale and import/export of various products, software and technology; 5. International trade and import/export brokerage; 6. Import/export and sale of operating equipment, food processing equipment, refrigeration and air-conditioning equipment, household electrical equipment, automobiles, motorcycles, docks, similar parts and second-hand goods of these types; 7. Import/export and sale of medical equipment supplies, used cars and accessories, tools, construction equipment, building materials and construction material-related parts; 8. Import, export, and sales of work equipment, food processing equipment, refrigeration and air-conditioning equipment, household electrical equipment, automobiles, motorcycles, dockyards, and similar parts, and second-hand goods of these types; 7. Import, export, and sales of medical equipment and	9 million yen	CHR Japan Ltd. contributes 9 million yen or 100% of the capital.	451,800.00	451,800.00		

	supplies, second-hand automobiles and accessories, tools, construction equipment, building materials, and construction materials related parts; 8. Overseas business, corporate overseas expansion, and trade-related consulting; 9. All businesses ancillary to the above businesses, and all businesses related thereto.						
HK TECHNOLOGY, INC	Machinery, equipment maintenance and repair	USD 1 million	Hong Kong HangKe ung contributes US\$1 million, accounting for 100% of the capital.	16,230,440.79	13,545,659.71	324,958.51	- 614,604.12
Hangke Technology Hungary KFT	Trading of lithium battery testing equipment, charging and discharging equipment, and production lines	Euro2 million	Hong Kong Hangke holds 100% of the shares and has not yet made any capital contribution.	1,323,307.99	-156,900.38	0	- 149,433.65

(VIII) Situation of structured entities controlled by the company

☐Applicable ☒Not Applicable

VI. Discussion and analysis of the Company's future growth

(I) Industry landscape and trends

√Applicable ☐Not Applicable

For detailed analysis of industry operational analysis information during the reporting period, please refer to the relevant statements of (III) Industry Situation under II. Main Business, Business Model, Industry Situation and R&D Situation of the Company during the Reporting Period under Discussion and Analysis by Management in Section III.

(II) Corporate Development Strategy

√Applicable ☐Not Applicable

The company's development strategy is: to comply with the direction of the global new energy industry and lithium equipment industry, closely follow the relevant national policy guidance, deepen cooperation with the head of the customer, increase investment in R & D and technological innovation, improve the lithium back-end product line, to promote the continuous iteration and upgrading of existing products, to achieve cost reductions and efficiencies, integration of upstream and downstream industry chain resources, to provide customers with lithium-ion battery intelligent manufacturing solutions, while targeting the solid-state batteries and other technical reserves and pre-research to achieve the company's performance and staff income to continue to grow healthily. At the same time for solid-state batteries and other technology reserves and pre-research, to achieve the company's performance and staff income continue to grow healthily, to build the lithium intelligent equipment industry's first brand, to become a "global first-class lithium-ion intelligent factory overall solution provider.

(III) Business Plan

√Applicable ☐Not Applicable

In the face of the rapid development and changes in the industry, the company will continue to strengthen R & D investment and technological innovation, and constantly improve the R & D, production, sales and service system, improve the lithium after the product line, promote product iteration and upgrading, to achieve cost reductions and efficiencies, and at the same time, integrate the industry chain of upstream and downstream resources to provide customers with lithium-ion battery intelligent manufacturing solutions, with the strength of casting the enterprise moat, and to achieve the company's strategic goals.

The Company will adopt the following specific plans and measures:

1. Innovation and R&D programs

The company will continue to follow the market demand, continue to increase R & D investment, and accelerate the improvement of the layout of the back-end product line. In order to meet the urgent needs of customers to "reduce costs and increase efficiency", lithium battery post-processing system will continue to enhance cost-effective, improve safety and reduce costs along the three main lines of development, to better meet the lithium battery manufacturers to improve the energy density of lithium batteries, safety and manufacturing costs of the three core competitiveness. In the high-precision charge and discharge control and detection, green energy saving, charging and discharging process temperature, pressure control of the post-treatment system as well as the system automation, intelligence level and other aspects of innovation and R & D accumulation of core technologies in the basic technology R&D and development of new products to continue to maintain the industry's leading position in the two aspects, we continue to promote new technologies and R&D projects, and carry out technical reserves and preliminary research on next-generation battery technologies, such as solid-state batteries and fuel cells.

2. Market Development Program

In terms of market layout, the Company has formed long-term and stable cooperative relationships with many customers at home and abroad. On the one hand, the Company will continue to closely follow the needs of customers, set up subsidiaries in major markets around the world and other ways to provide customers with timely and rapid response to deepen the relationship with customers, while using this as a basis for developing local and neighboring markets; on the other hand, the Company will be based on market demand, based on the existing products, to promote to the customer to meet the core needs of the company's cost reduction and efficiency of the new products to enhance the competitiveness

of the company and brand awareness. On the other hand, the Company will promote new products to customers based on existing products that meet their core needs and can reduce costs and increase efficiency according to market demand, so as to enhance the Company's competitiveness and brand awareness, and to increase market share.

3. Construction of Overseas Factories and Cost Reduction Programs

Facing the blowout development of the industry and full equipment demand, the company will, on the one hand, continue to promote the lean, intelligent and informatization of domestic manufacturing, increase the application of automation equipment, realize the replacement of machines, and strive to improve the utilization rate of production capacity; on the other hand, it will actively promote the construction of overseas factories to satisfy the localized delivery needs of overseas customers. In terms of cost reduction, we will start from each link of R&D, production, sales and service, and continue to promote generalized, modularized and platformized design, strengthen process control to avoid duplicated development and rework, etc. Meanwhile, we will reduce the unit cost through large-scale production.

4. Human Resources Plan

In order to realize the strategic goal of the company's development, the company will continue to strengthen the introduction and cultivation of talents. On the one hand, the Company will, through platforms such as HangKe University, employ external lecturers and organize employees to participate in external training, etc., to formulate specific training for different employees and management to enhance the professional skills and comprehensive quality of the existing talent team and create a learning enterprise. On the other hand, the company will establish a talent reserve construction management mechanism, attract outstanding talents through effective incentive mechanism and corresponding remuneration system, continuously introduce fresh blood, cultivate a talent ladder with outstanding business ability and professional skills, and construct a professional talent base for the company's long-term sustainable development.

(IV) Others

☐Applicable ☒Not Applicable

Section IV Corporate Governance

I. Information Note on Corporate Governance

☒Applicable ☐Not Applicable

During the reporting period, the Company established a corporate governance structure comprising the general meeting of shareholders, the Board of Directors, the Supervisory Committee and the management in accordance with the requirements of relevant laws and regulations and regulatory documents such as the *Company Law*, the *Securities Law*, the *Guidelines on the Governance of Listed Companies*, the *Rules Governing the Listing of Stocks on the Technology Innovation Board of the Shanghai Stock Exchange* and other relevant laws and regulations and regulatory documents in conjunction with the actual situation of the Company. The Board of Directors of the Company has four specialized committees, including the Strategic Decision-making Committee of the Board of Directors, the Audit Committee of the Board of Directors, the Nomination Committee of the Board of Directors and the Remuneration and Evaluation Committee of the Board of Directors, which assist the Board of Directors in making decisions in the areas of strategic development, auditing, personnel and remuneration, respectively.

During the reporting period, in view of the amendments to the *Administrative Measures for Independent Directors of Listed Companies*, the *Rules Governing the Listing of Stocks on the Technology and Innovation Board of the Shanghai Stock Exchange*, and the *Self-disciplinary Supervision Guidelines for Listed Companies on the Technology and Innovation Board of the Shanghai Stock Exchange (No. 1) - Regulated Operation*, and in order to continuously comply with the regulatory requirements, and taking into account the actual situation of the Company, in order to continuously comply with the regulatory requirements and in light of the actual situation of the Company, the Company's *Independent Directors' Work System*, *Decision-making System for related transactions* and other systems were revised.

Whether there are significant differences between corporate governance and the laws, administrative regulations and CSRC's regulations on governance of listed companies; if there are significant differences, the reasons should be stated

☐Applicable ☒Not Applicable

II. The Company's explanation of its failure to ensure independence and maintain autonomous management ability in terms of business, personnel, assets, organization and finance with its controlling shareholder

☐Applicable ☒Not Applicable

Controlling shareholders, de facto controllers and other entities under their control engaging in the same or similar business as the Company, as well as the impact on the Company of competition in the same industry or significant changes in the situation of competition in the same industry, measures taken to resolve the issue, the progress of the resolution, and the subsequent resolution plan.

☐Applicable ☒Not Applicable

Controlling shareholders, de facto controllers and other entities under their control engaging in inter-industry competition that constitutes a material adverse effect on the Company.

☐Applicable ☒Not Applicable

III. Introduction to the General Meeting of Shareholders

Session	Date	Inquiry index of the designated website where the resolution is published	Disclosure date of resolution publication	Meeting resolution
2022 Annual General Meeting	May 23, 2023	Announcement of Resolutions of the 2022 Annual General Meeting (Announcement No. 2023-037) disclosed on the Shanghai Stock Exchange (www.sse.com.cn) and in the Shanghai Securities News and Securities Daily	May 24, 2023	All proposals were considered and passed at this meeting, and there were no cases of rejection of motions.
First Extraordinary General Meeting of 2023	June 7, 2023	Announcement of Resolutions of the First Extraordinary General Meeting of 2023 (Announcement No. 2023-041) disclosed on the Shanghai Stock Exchange (www.sse.com.cn) and in the Shanghai Securities News and Securities Daily	June 8, 2023	All proposals were considered and passed at this meeting, and there were no cases of rejection of motions.
Second Extraordinary General Meeting of 2023	November 20, 2023	Announcement of Resolutions of the Second Extraordinary General Meeting of	November 21, 2023	All proposals were considered and passed at this meeting, and there were no

		2023 (Announcement No. 2023-059) disclosed on the Shanghai Stock Exchange (www.sse.com.cn) and in the Shanghai Securities News and Securities Daily		cases of rejection of motions.
Third Extraordinary General Meeting of 2023	December 29, 2023	Announcement of Resolutions of the Third Extraordinary General Meeting of 2023 (Announcement No. 2023-063) disclosed on the Shanghai Stock Exchange (www.sse.com.cn) and in the Shanghai Securities News and Securities Daily	December 30, 2023	All proposals were considered and passed at this meeting, and there were no cases of rejection of motions.

Preferred shareholders whose voting rights have been restored request the convening of an extraordinary shareholders' meeting

☐Applicable ☒Not Applicable

Information note on the general meeting of shareholders

☒Applicable ☐Not Applicable

All of the above motions at the Annual General Meeting of Shareholders were considered and passed, and there were no cases in which the motions were rejected.

IV. Implementation and changes in the arrangements for differences in voting rights during the reporting period

☐Applicable ☒Not Applicable

V. Corporate Governance of Red Chip Structure

☐Applicable ☒Not Applicable

VI. Directors, Supervisors and Senior Management**(I) Changes in shareholdings and remuneration of incumbent and outgoing directors, supervisors, senior management and core technical personnel during the reporting period**

√Applicable □Not Applicable

Unit: shares

Name	Position (Note)	Gender	Age	Term start date	Term end date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase or decrease of shares during the year	Reason for increase or decrease	Pre-tax remuneration received from the Company during the reporting period (10,000Yuan)	Whether to receive remuneration from related parties of the Company
Yan Lei	chairman of the board	Female	42	2021-12-30	2024-12-29	0	0	0	Not applicable	49.54	No
Yu Pingguang	Director, General Manager	Male	59	2021-12-30	2024-12-29	2,386,183	3,340,656	954,473	Increase due to capitalization of the Company's Capital reserve to share capital	29.46	No
Sang Hongyu	Director, Deputy General Manager	Male	51	2021-12-30	2024-12-29	2,386,183	3,340,656	954,473	Increase due to capitalization of the Company's Capital reserve to share capital	88.04	No
Zhao Qunwu	Director	Male	50	2021-12-30	2024-12-29	2,310,683	3,234,956	924,273	Increase due to capitalization of the	46.74	No

									Company's Capital reserve to share capital		
Qian Yanmin	Independent Director	Male	61	2021-12-30	2024-12-29	0	0	0	Not applicable	8.00	No
Xu Yaming	Independent Director	Female	69	2021-12-30	2024-12-29	0	0	0	Not applicable	8.00	No
Chen Linlin	Independent Director	Male	49	2021-12-30	2024-12-29	0	0	0	Not applicable	8.00	No
Zheng Linjun	supervisor	Female	58	2021-12-30	2024-12-29	1,410,018	1,974,025	564,007	Increase due to capitalization of the Company's Capital reserve to share capital	32.94	No
Zhang Yingying	supervisor	Female	58	2021-12-30	2024-12-29	1,410,018	1,974,025	564,007	Increase due to capitalization of the Company's Capital reserve to share capital	32.97	No
Hu Zhenhua	supervisor of employee representatives	Male	40	2021-12-30	2024-12-29	0	0	0	Not applicable	32.81	No
Fu Fenghua	Deputy General Manager, Board Secretary, Chief Financial	Male	37	2021-12-30	2024-12-29	100,000	140,000	40,000	Increase due to capitalization of the Company's Capital reserve to	62.86	No

	Officer								share capital		
Liu Wei	Core technical staff	Male	39	2016-01-01		20,500	28,700	8,200	Increase due to capitalization of the Company's Capital reserve to share capital	50.84	No
Total	/	/	/	/	/	10,023,585	14,033,018	4,009,433	/	450.20	/

Note: The Company's controlling shareholders, de facto controllers, directors, supervisors and senior management indirectly hold shares of the Company through the following shareholding platforms:

Shareholding platform name	Shareholding platform abbreviation	Nature of shareholding platform	Number of shares held by shareholding platform (shares)
Hangzhou Hangke Intelligent Equipment Group Co.,Ltd.	Hangke Group	Employee Stock Ownership Platform	134,975,968

The indirect shareholdings of the Company's controlling shareholders, de facto controllers, directors, supervisors and senior management are as follows:

Name	Company position	Shareholding platform	Percentage of contribution in the shareholding platform (%)
Cao Ji	Director of Operation and Management Office (controlling shareholder, actual controller)	Hangke Group	89.848
Cao Zheng	The actual controller	Hangke Group	1.00
Sang Hongyu	Director, Deputy General Manager	Hangke Group	2.00
Zhao Qunwu	Director	Hangke Group	2.00
Zheng Linjun	Supervisor	Hangke Group	1.00
Yu Pingguang	Director, General Manager	Hangke Group	1.00
Zhang Yingying	Supervisor	Hangke Group	1.00

Note: Apart from directly or indirectly holding the aforesaid shares of the Company, none of the controlling shareholders, de facto controllers, directors, supervisors

and senior management of the Company holds the shares of the Company directly or indirectly in other ways. None of the shares held by the Company's controlling shareholders, actual controllers, directors, supervisors and senior management are pledged or frozen.

Name	Main working experience
Yan Lei	From August 2008 to July 2012, he served as the accountant of Hangke Instrument; from August 2012 to November 2015, he successively served as the Chief Accountant, Chief Financial Officer, and Deputy General Manager of Hangke; from November 2015 to February 2017, he served as the Chief Financial Officer and Deputy General Manager of Technology; From February 2017 to September 2022, he served as the Deputy General Manager of Hangke Technology ; from September 2022 to now, he serves as the Chairman and Deputy General Manager of Hangke Technology .
Yu Pingguang	From July 1987 to June 2015, he successively served as the Technician, Project Manager, and Director of the Research Institute of Hangke Instrument; since July 2015, he has served as the Director of the Research Institute of Hangke Technology ; from November 2015 to December 2021, he has served as the Supervisor of Hangke Technology ; From December 2021 to September 2022, he has served as the Director of Hangke Technology ; from September 2022 to now, he has been the Director and General Manager of Hangke Technology .
Sang Hongyu	From July 1996 to August 1999, he served as a technician in the Technology Development Department of Hangzhou Machinery Design Institute of China Light Industry Federation; from September 1999 to May 2015, he served as the designer, assistant to the General Manager, and Deputy General Manager of Hangke Instrument; From January 2011 to November 2015, he served as the Deputy General Manager of Hangke Co.,Ltd.; since November 2015, he has served as the Director and Deputy General Manager of Hangke Technology.
Zhao Qunwu	From July 1996 to May 2015, he successively served as a technician, Director of the Research Office, Deputy Director of the Research Institute, assistant to the General Manager, and Deputy General Manager of Hangke Instrument; from November 2011 to November 2015, he served as the Deputy General Manager and the Director of the Research Institute of Hangke; from November 2015 to February 2017, he served as the Director, Deputy General Manager and Director of the Research Institute of Hangke Technology; since February 2017, he has served as the Director and Director of the Research Institute of Hangke Technology.
Qian Yanmin	From August 1988 to September 1995, he served as a lecturer at the School of Economics and Trade, Huajiachi Campus, Zhejiang University; from December 1995 to December 1998, he served as an Associate Professor and Dean of the School of Economics and Trade, Huajiachi Campus, Zhejiang University; From September 1996 to July 1998, he served as a researcher at the Department of Economics of the University of Western Ontario, Canada, and a visiting scholar of the Canada-China Scholars Exchange Program; from September 2001 to August 2012, he worked as a risk analyst at Scotia Bank in Canada; from September 2004 to the present, he is a research fellow of School of Finance, Zhejiang University and an associate professor of School of Economics, Zhejiang University. Since December 2021, he has served as an Independent Director of Hangke Technology.
Xu Yaming	From 1975 to September 1978, he worked as the General Ledger Accountant of Finance Section of Jinma Mining Machinery Factory in Kunming, Yunnan; from July 1982 to August 1987, he worked in the Financial Accounting Office of Sichuan Textile Industry Department (undertaking the province's textile industry cost analysis and textile briefing); since August 1987, he has been an associate professor of the School of Accounting, Zhejiang University of Finance and Economics; Where: from 1991 to 2005, he served as the Head of the Accounting Theory Teaching and Research Office, Financial Accounting Teaching and Research Office, and Financial Accounting Department. As an independent director of Hangzhou Zhengqiang Transmission Co.,Ltd. since June 2019 to date. Since December 2021, he has served as an Independent Director of Hangke Technology.

Chen Linlin	From 2004 to 2008, he served as a teacher of Zhejiang University of Finance and Economics; from 2008 to 2017, he served as a professor/doctoral supervisor of Guanghua Law School, Zhejiang University ; from 2017 to 2020, he served as the Dean of the Law School of Zhejiang Gongshang University and he also served as a Director of the China Law Society, the Chairman of the Jurisprudence and History Research Association of the Zhejiang Law Society, a researcher at the National Judicial Civilization Collaborative Innovation Center, and a member of the Expert Advisory Committee of the Zhejiang Provincial People's Procuratorate. He is currently a professor/doctoral tutor of Zhejiang Gongshang University and an independent director of Wolong Resources Group Co.,Ltd. Since December 2021, he has served as an Independent Director of Hangke Technology.
Zheng Linjun	From August 1989 to May 2015, he successively served as a Technician and Director of the Planning Department of Hangke Instrument; from November 2011 to November 2015, he served as assistant to the General Manager of Hangke, Director of the Information Planning Department, and Supervisor; since November 2015, he has served as a Chairman of the Board of Supervisors, Director of the Information Planning Department, and Assistant to the General Manager of Hangke Technology.
Zhang Yingying	From July 1984 to June 2015, he served successively as an employee, workshop Director, head of the Manufacturing Department, assistant to the General Manager, and Deputy General Manager of Hangke Instrument; from November 2011 to November 2015, he served as assistant to the General Manager and Deputy General Manager and the Director of Manufacturing of Hangke; from November 2015 to February 2017, he served as the Director and Deputy General Manager of Hangke Technology; from February 2017 to December 2021, he served as the Deputy General Manager of Hangke Technology; since December 2021, he has been the Supervisor of Hangke Technology.
Hu Zhenhua	From April 2004 to October 2004, he served as the Nanping Precision Commissioning Engineer; from October 2004 to June 2015, he served as a salesperson of Hangke Instrument; from July 2015 to November 2016, he served as a salesperson of Hangke Technology; from November 2015 to now, he served as the Supervisor of Hangke Technology; Since December 2016, he has served as the Regional Manager of the Sales Department of Hangke Technology.
Fu Fenghua	From September 2010 to May 2018, he served as the Auditor, Project Manager, and Senior Project Manager of Pan-China Certified Public Accountants (Special General Partnership); from June 2018 to April 2020, he served as the Financial Manager and Deputy Financial Director of Hangke Technology; from April 2020 to December 2021, he served as the Company's Chief Financial Officer and Secretary of the Board of Directors. Since December 2021, he has served as the Deputy General Manager, Chief Financial Officer and Secretary of the Board of Directors of Hangke Technology.
Liu Wei	From July 2005 to July 2007, he served as a technician of Hongzhun Precision Mold (Kunshan) Co.,Ltd.; from July 2007 to February 2008, he served as a teaching assistant in Liu'an Senior Technical School; from February 2012 to March 2013, he served as a new Mechanical Engineer of SINTEC Automation (Hangzhou) Co.,Ltd.; from May 2013-March 2014, he served as the Mechanical Design Engineer of Hangzhou Puwell Optoelectronics Technology Co.,Ltd.; from March 2014 to December 2015, he served as the Mechanical Design Engineer and the Director of Mechanical Design Group; since January 2016, he has been the Director and assistant to the General Manager of Hangke Technology Automation Research Institute.

Other Information notes

□Applicable √Not Applicable

(II) Appointment of incumbent and outgoing directors, supervisors and senior management during the reporting period

1. Employment in shareholders' organizations

☐Applicable ☒Not Applicable

2. Employment in other organizations

☒Applicable ☐Not Applicable

Staff name	Other organization names	Positions held in other units	Term start date	Term end date
Zhao Qunwu	Hangzhou Reliability Instrument Factory	Director		
Yu Pingguang	Hangzhou Reliability Instrument Factory	Director		
Yan Lei	Pallas Intelligent Systems (Hangzhou) Co.,Ltd.	Supervisor		
Zhang Yingying	Hangzhou Reliability Instrument Factory	Director		
Zheng Linjun	Hangzhou Reliability Instrument Factory	supervisor		
Xu Yaming	Hangzhou Zhengqiang Transmission Co.,Ltd.	Independent Director	June 22, 2022	June 21, 2025
Xu Yaming	Hangzhou Broadlink Intelligent Technology Co.,Ltd.	Independent Director		
Xu Yaming	Hangzhou Tengli Transmission Technology Co.,Ltd.	Independent Director		
Qian Yanmin	Zhejiang Shinyway Education Technology Co.,Ltd.	Independent Director		
Qian Yanmin	Hangzhou Juqi Information Technology Co.,Ltd.	Independent Director		
Qian Yanmin	Zhejiang Botai Furniture Co.,Ltd.	Independent Director		
Chen Linlin	Wolong Real Estate Group Co.,Ltd.	Independent Director	October 27, 2021	October 26, 2024
Description of employment in other organizations	None			

(III) Remuneration of Directors, Supervisors, Senior Management and Core Technicians

☒Applicable ☐Not Applicable

Unit: RMB 10,000 Currency: RMB

Decision-making procedures for the remuneration of Directors, supervisors and senior executives	According to the Company's Articles of Association, the Company's Remuneration and Evaluation Committee conducts research and review of the remuneration policy and program of the senior management, which shall be implemented after approval by the Board of Directors; remuneration plans for Directors and supervisors submitted after approval by the Board of Directors shall be executed with approval by the General Meeting of Shareholders.
Whether a director recuses	No

himself from the Board's discussion of his remuneration matters	
Details of the recommendations issued by the Remuneration and Evaluation Committee or the special meeting of Independent Directors on matters relating to the remuneration of directors, supervisors and senior managers	At the Third Meeting of the Remuneration and Evaluation Committee of the Third Session of the Board of Directors of the Company, the "Proposal for Consideration of <Remuneration Criteria of the Directors of the Company for the Year 2023>" and the "Proposal for Consideration of <Remarks on the Remuneration Packages of the Senior Management of the Company for the Year 2023>" were considered and approved, and the Independent Directors expressed their independent opinions with clear consent.
Basis for Determination of Remuneration of Directors, Supervisors and Senior Management	The remuneration of Directors (except Independent Directors), Supervisors and senior management shall be based on the specific management positions they hold in the Company, and they shall be remunerated in accordance with the Company's relevant remuneration and performance appraisal management system, and they shall not be entitled to any separate allowances. The standard of allowance for Independent Directors shall be considered and decided by the general meeting of the Company.
Actual Payment of Remuneration to Directors, Supervisors and Senior Management	During the reporting period, the actual payment of remuneration to directors, supervisors and senior management of the Company was in line with that disclosed by the Company.
Total remuneration actually received by all Directors, supervisors and senior management at the end of the reporting period	399.36
Total remuneration actually received by core technicians at the end of the reporting period	227.46

Note: Yu Pingguang and Zhao Qunwu are both directors and core technical personnel.

(IV) Changes in directors, supervisors, senior management and core technical personnel of the Company

☐Applicable ☒Not Applicable

(V) Description of penalties imposed by securities regulators in the past three years

☒Applicable ☐Not Applicable

Mr. Cao Ji, the actual controller and then Chairman of the Board of Directors, received the *Decision on Measures to Issue a Warning Letter to Cao Ji* from the Zhejiang Regulatory Bureau of the China Securities Regulatory Commission on October 19, 2021 due to the short-swing trading of his spouse Kong Haiping. For details, see *Notice on the Chairman of the Company receiving the Warning Letter from Zhejiang Securities Regulatory Bureau* (Notice No.: 2021-045) disclosed by the Company on October 20, 2021. On October 28, 2021, the Shanghai Stock Exchange issued the *Decision on Supervision and Warning of Cao Ji, Actual Controller and then-Chairman of Zhejiang Hangke Technology Incorporated Company* Cao Ji received the *Notice of Case Filing* issued by the China Securities Regulatory Commission on February 16, 2022. For details, see the *Notice on the Actual Controller and Chairman of the Company Receiving the Notice of Filing a Case from China Securities Regulatory Commission* disclosed by the Company on February 17, 2022 (Notice No.: 2022-004) ; On March 9, 2022, Cao Ji received the *Decision on Administrative Punishment* from Zhejiang Securities Regulatory Bureau, which gave Cao Ji a warning and imposed a fine of 200,000 Yuan. For details, please refer to the *Notice on the Actual Controller and Chairman of the Company Receiving the Decision on Administrative Punishment* (Notice No.: 2022-006).

(VI) Others

☐Applicable ☒Not Applicable

(VII) Information on board meetings held during the reporting period

Session of the Meeting	Date of Convening	Meeting Resolution
Twelfth meeting of the Third Board of Directors	February 8, 2023	1. Considered and approved the " Proposal on the Provision of Guarantees for Wholly-Owned Subsidiaries ".
Thirteenth meeting of the Third Board of Directors	March 6, 2023	1. Considered and approved Proposal to Adjust the Grant Price of the 2021 Restricted Stock Incentive Plan 2. Consideration and adoption Proposal to Qualify for Vesting in the First Vesting Period of the Company's 2021 Restricted Stock Incentive Plan
Fourteenth meeting of the Third Board of Trustees	April 26, 2023	1. Considered and approved the Proposal to consider the report of the Board of Directors for the year 2022 2. Considered and approved a Proposal to consider the report on the performance of the Audit Committee of the Board of Directors for the year 2022 3. Considered and approved the Proposal to consider the Report of the Independent Directors for the Fiscal Year 2022 4. Considered and approved the Proposal to consider the General Manager's Work Report for FY2022 5. Considered and approved a Proposal to consider the report on the financial accounts for the year 2022 6. Considered and approved a Proposal to consider a report on the 2023 financial budget 7. Considered and approved the Proposal to consider the <Proposal for the Distribution of Profit and Conversion of Capital to Capital for FY 2022 8. Considered and approved the Proposal to consider the <Special Report on the Deposit and Utilization of Proceeds for the Year 2022 9. Considered and approved the Proposal to consider the <2022 Annual Internal Control Evaluation Report 10. Considered and approved the Consideration of the Annual Report <2022> and its Summary 11. Considered and approved a Proposal to consider the First Quarterly Report <2023 12. Considered and approved the Proposal to consider <Remuneration Criteria for the Company's Directors for the Year 2023 13. Considered and approved the Proposal for Consideration <Regarding the Remuneration Program of the Company's Senior Management Personnel for the Year 2023 14. Consideration and Approval of the Proposal for the Renewal of the Company's Audit Firm for FY2023 15. Considered and approved "Proposal on the Leasing of Properties from Related Parties and Connected Transaction 16. Considered and approved the Proposal on the Company's Use of Idle Own Funds to Purchase Wealth Management Products in FY2023 17. Considered and approved the Proposal to consider the application for a consolidated credit line for the year 2023 18. Consideration and Approval of the Proposal on Guarantees Expected to be Provided to Subsidiaries in FY2023

		<p>19. Considered and approved the Company's <2022 Annual Environmental, Social and Corporate Governance Report</p> <p>20. Considered and approved the proposal on the provision for asset impairment and write-off of assets for fiscal year 2022</p> <p>21. Considered and approved the Proposal to Conduct Foreign Exchange Hedging Business in FY2023</p> <p>22. Considered and approved a proposal to request the convening of the Company's 2022 Annual General Meeting of Shareholders</p>
Fifteenth meeting of the Third Board of Directors	May 17, 2023	<p>1. Considered and approved the "Proposal on the Company's fulfillment of the conditions for the issuance of A-shares to specific targets</p> <p>2. Considered and approved the "Proposal on the Company's Plan to Issue A Shares to Specific Targets in FY2023" on an item-by-item basis</p> <p>3. Consideration and Approval of the Proposal for the Company to Issue A Shares to Specific Targets in FY2023</p> <p>4. Considered and approved the "Report on the demonstration and analysis of the Company's proposal for the issuance of A-share shares to specific targets for the year 2023".</p> <p>5. Considered and approved Proposal on the Feasibility Analysis Report on the Utilization of Proceeds from the Company's Issue of A Shares to Specific Targets in FY2023</p> <p>6. Considered and approved "Proposal on the Report on the Utilization of the Company's Previously Raised Funds" ;</p> <p>7. Considered and approved the "Proposal to request the general meeting of the Company to authorize the Board of Directors to fully handle matters relating to the issuance of A shares to specific targets</p> <p>8. Considered and approved the Proposal on Diluted Immediate Returns and Filling Measures of the Company's Issuance of A Shares to Specific Targets and Commitments of Relevant Entities</p> <p>9. Consideration and Approval of the Proposal on the Company's Shareholder Return Planning for the Next Three Years (2023-2025)</p> <p>10. Considered and approved "Proposal for the Company to Open a Special Account for Collected Funds</p> <p>11. Considered and approved Proposal on the Explanation that the Company's investment of the proceeds belongs to the field of science and technology innovation</p> <p>12. Considered and approved the Proposal to Amend the Articles of Incorporation and Register the Change</p> <p>13. Considered and approved the Proposal for the Formulation and Amendment of the Company's <Internal Control System for Corporate Governance and Regulated Operations</p> <p>14. Considered and approved the proposal to request the convening of the first extraordinary general meeting of the Company in 2023</p>
Sixteenth meeting of the Third Board of Directors	August 30, 2023	<p>1. Considered and approved the Company's Semi-Annual Report for the year 2023 and the summary thereof</p> <p>2. Considered and approved the " Special Report on the Deposit and Utilization of Proceeds in the Semi-Annual Period of 2023</p> <p>3. Considered and approved the motion to terminate the issuance of A-shares to specific targets in FY2023</p>
Seventeenth	October 30,	<p>1. Considered and approved the Company's Third Quarterly</p>

meeting of the Third Board of Directors	2023	Report for the year 2023 2. Considered and approved the Proposal on the Distribution of the Company's Profit for the First Three Quarters of 2023 3. Considered and approved the proposal to request the convening of the second extraordinary general meeting of the Company for the year 2023
Eighteenth meeting of the Third Board of Directors	December 13, 2023	1. Considered and approved the proposal to increase the registered capital, amend the <Articles of Incorporation> and register the changes 2. Considered and approved the Proposal for Revision of the Work System of Independent Directors 3. Considered and approved the motion to amend the Rules of Procedure of the Audit Committee of the Board of Directors 4. Considered and approved the motion to amend the Rules of Procedure of the Nomination Committee of the Board of Directors 5. Considered and approved the motion to amend the Rules of Procedure of the Remuneration and Evaluation Committee of the Board of Directors 6. Considered and approved the motion to amend the Rules of Procedure of the Strategic Decision-making Committee of the Board of Directors 7. Considered and approved the Proposal to Amend the Decision-making System for related transactions 8. Considered and approved the Proposal to Propose the Convening of the Third Extraordinary General Meeting of the Company for the Year 2023

VII. Performance of duties by directors

(I) Participation of Directors in the Board of Directors and General Meetings of Shareholders

Director name	Independent or not	Participation in the Board of Trustees						Participation in the General Meeting of Shareholders
		Number of times due to participate in the Board during the year	Number of in-person appearances	Participation by correspondence	Attendance by proxy	absences ordinal number	Failure to attend two consecutive meetings in person	Attendance at General Meetings of Shareholders
Yan Lei	No	7	7		0	0	No	4
Yu Pingguang	No	7	7		0	0	No	4
Sang Hongyu	No	7	7		0	0	No	4
Zhao Qunwu	No	7	7		0	0	No	4
Chen Linlin	be	7	7	7	0	0	No	0
Xu	be	7	7	7	0	0	No	0

Yaming								
Qian Yanmin	be	7	7	7	0	0	No	0

Statement of failure to attend in person two consecutive meetings of the Board of Trustees

☐Applicable ☒Not Applicable

Number of Board meetings held during the year	7
Where: number of on-site meetings	0
Number of meetings held by correspondence	0
Number of meetings held on-site in conjunction with communications	7

(II) Directors' objections to matters relating to the Company

☐Applicable ☒Not Applicable

(III) Others

☐Applicable ☒Not Applicable

IX. Specialized committees under the Board of Directors

☒Applicable ☐Not Applicable

(I) Membership of specialized committees under the Board of Directors

Category of specialized committees	Name of member
Auditng Committee	Xu Yaming, Chen Linlin, Zhao Qunwu
Nomination Committee	Chen Linlin, Yan Lei, Xu Yaming
Remuneration and Evaluation Committee	Chen Linlin, Sang Hongyu, Xu Yaming
Strategic Decision-making Committee	Yan Lei, Sang Hongyu, Zhao Qunwu, Yu Pingguang, Qian Yanmin

(II) The Audit Committee met five times during the reporting period

Date of convening	Content of the meeting	Key observations and recommendations	Other performance of duties
February 8, 2023	Resolution on the Provision of Guarantees for Wholly-owned Subsidiaries	After thorough communication and discussion, all proposals were unanimously approved.	None
April 26, 2023	Proposal to consider the Report of the Audit Committee of the Board of Directors on the Performance of its Duties for FY2022 Proposal to consider the Report on the Financial Accounts for the Year 2022 Proposal to consider the 2023 Financial Budget Report Proposal to consider the Proposed Allocation of Profit for FY2022 Proposal to consider <Special Report on the Deposit and Utilization of Proceeds for the Year 2022 Proposal to consider the Internal Control Self-	After thorough communication and discussion, all proposals were unanimously approved.	None

	Evaluation Report for FY2022 Proposal to consider the Annual Report <2022> and its Summary Proposal to consider the First Quarterly Report for 2023 Proposal for Renewal of the Company's Audit Firm for the Year 2023 Resolution on the Leasing of Properties from Related Parties and related transactions Proposal for Provision for Asset Impairment and Write-off of Assets in FY2022 Proposal of Conducting Foreign Exchange Hedging Business in FY2023		
May 17, 2023	Proposal of the Report on the Utilization of the Company's Previously Raised Funds	After thorough communication and discussion, all proposals were unanimously approved.	None
August 30, 2023	Proposal of the Company's 2023 Semi-Annual Report and its Summary Proposal of the Special Report on the Deposit and Actual Utilization of Proceeds for the Semi-Annual Period of 2023	After thorough communication and discussion, all proposals were unanimously approved.	None
October 27, 2023	Proposal of the Company's Third Quarterly Report for 2023	After thorough communication and discussion, all proposals were unanimously approved.	None

(III) The Nomination Committee met once during the reporting period

Date of convening	Content of the meeting	Key observations and recommendations	Other performance of duties
April 26, 2023	Report on the Performance of the Nomination Committee for the Year 2022	After thorough communication and discussion, all proposals were unanimously approved.	None

(IV) The Remuneration and Evaluation Committee met once during the reporting period

Date of convening	Content of the meeting	Key observations and recommendations	Other performance of duties
April 26, 2023	Proposal to consider <Company Directors' Remuneration Scale for the Year 2023 Proposal to consider <Regarding the Company's Remuneration Program for Senior Management for FY 2023	After thorough communication and discussion, all proposals were unanimously approved.	None

(V) Three meetings of the Strategic Decision Committee were held during the reporting period

Date of convening	Content of the meeting	Key observations and recommendations	Other performance of duties
April 26, 2023	Proposal to consider the Company's Environmental, Social and Corporate Governance Report for FY2022	After thorough communication and discussion, all proposals were unanimously approved.	None
May 17, 2023	Proposal on the Company's Plan to Issue A Shares to Specific Targets in FY2023 Consideration of the Proposal on the Company's Proposed Issue of A Shares to Specific Targets in FY2023	After thorough communication and discussion, all proposals were unanimously approved.	None
August 30, 2023	Proposal to terminate the issuance of A-shares to specific targets in FY2023	After thorough communication and discussion, all proposals were unanimously approved.	None

(VI) Specifics of the matter on which the objection exists

☐Applicable ☒Not Applicable

X. Explanation of the risks identified by the Board of Supervisors for the Company

☐Applicable ☒Not Applicable

The Board of Supervisors has no objections to the supervisory matters in the reporting period.

XI. Employees of the parent company and major subsidiaries at the end of the reporting period**(I) Employees**

The number of employees employed by the parent Company	4,114
Number of employees on active duty in major subsidiaries	21
Total number of employees on active duty	4,135
The number of retired employees whose parent Company and major subsidiaries need to bear the expenses	110
Specialty composition	
Specialty Category	Professional composition
Production staff	2,532
Salesperson	228
Technician	1,113
Financial officer	19
Administration staff	243
Total	4,135
Education level	
Education level category	Number (persons)
Postgraduate	59
Undergraduate	742
Junior college	942

High school and below	2,392
Total	4,135

(II) Remuneration Policy

☒Applicable ☐Not Applicable

In accordance with the provisions of relevant state labor laws and regulations, the company signs labor contracts with employees, pays medical, pension and other insurance and housing provident fund for employees, and in combination with the industry in which the company is located and the actual business situation, establishes a scientific performance management system, formulates a flexible salary system linked to performance, scientific and reasonable protection of the immediate interests of employees. The company actively organizes and carries out various activities to enrich the cultural life of employees and enhance their sense of belonging and satisfaction.

(III) Training Programs

☒Applicable ☐Not Applicable

The company has set up a specialized training system to train employees in a ladder style and improve it continuously. The company's training is divided into two forms: internal training and external training. In terms of internal training, the company has established a team of internal lecturers, opened internal open courses, used the company's internal resources to carry out pre-employment training, skills training in various departments and management training, constantly stimulate the potential of employees to help employees grow and improve; external training, the company through the hiring of external lecturers and organizing employees to participate in external training and other ways, for different employees and management to formulate targeted special training, broaden the concept of staff thinking, improve employees' professional skills and improve their professional skills and improve the quality of training. In terms of external training, the company has formulated special training for different employees and management through hiring external lecturers and organizing employees to participate in external training, so as to broaden their thinking and improve their professional skills and comprehensive quality. Through the combination of external training and internal training, the company formulates corresponding training plans according to the job requirements, builds a good career development channel for employees, and reserves human resources for the company's stable development.

(IV) Outsourcing of labor services

☐Applicable ☒Not Applicable

XII. Profit Distribution or Capitalization of Capital Reserve Proposal

(I) Formulation, implementation or adjustment of cash dividend policy

☒Applicable ☐Not Applicable

1. Formulation of cash dividend policy

The Company has established a cash dividend policy in its Articles of Association in accordance with the relevant provisions of the *Notice on Further Implementation of Matters Relating to Cash Dividends for Listed Companies* (Zheng Jian Fa [2012] No. 37) of the China Securities Regulatory Commission and the *Supervisory Guideline for Listed Companies No. 3 - Cash Dividends for Listed Companies*. Under the following conditions, the Company shall give priority to the cash method when distributing profits: 1) the distributable profit (i.e. after-tax profit after making up for losses and withdrawing provident fund) realized by the Company in the year is positive, and the cash flow is sufficient, and the implementation of the cash dividend will not affect the Company's subsequent continuous operation; 2) the auditing institution has issued a standardized and unqualified auditor's report on the Company's financial report for the year; 3. The company has no major investment plan or major cash expenditure and other matters occur (except for the fund-raising investment projects). Significant investment plans or significant cash expenditures means: the company's proposed foreign investment, acquisition of assets or purchase of equipment in the next twelve months the cumulative expenditure reaches or exceeds 50% of the company's latest audited net assets and exceeds 100 million

yuan; or the company's proposed foreign investment, acquisition of assets or purchase of equipment in the next twelve months the cumulative expenditure reaches or exceeds 30% of the company's latest audited total assets. If the Company adopts the cash method of dividend distribution in the current year, the profit distributed in cash shall not be less than fifteen percent of the distributable profit realized in the current year; and the cumulative profit distributed by the Company in cash in the recent three years shall not be less than 30% of the average annual distributable profit realized in the recent three years. Under the conditions of profit distribution, the Company shall, in principle, make profit distribution once a year, and the Board of Directors of the Company may propose the Company to make medium-term cash dividends according to the Company's profitability and capital requirements. The profit distribution of the Company shall not exceed the scope of accumulated distributable profit and shall not jeopardize the Company's ability to continue operation. The Company may, based on the annual profitability and cash flow situation, separately adopt the method of stock dividend distribution for profit distribution under the premise of ensuring the minimum cash dividend ratio and the reasonable size of the Company's share capital and shareholding structure, and keeping the expansion of share capital in line with the growth of its performance.

2. Implementation of the cash dividend policy

On May 23, 2023, the Company held its 2022 annual general meeting, considered and approved the *Proposal for the Distribution of Profit and Conversion of Capital to Share Capital for FY2022*. The Company will distribute a cash dividend of RMB3.5 (tax included) per 10 shares to all shareholders, based on the total share capital of the Company of 431,194,394 shares before the implementation of the proposal, a cash dividend of RMB0.35 (tax included) per share, and transfer 0.4 shares per share to all shareholders from the capital reserve, totaling a cash dividend of RMB150,918,037.90 and a transfer of 172,477,758 shares. The total share capital after the distribution is 603,672,152 shares.

On November 20, 2023, the Company held the Second Extraordinary General Meeting of 2023, and considered and passed the *Proposal on Profit Distribution for the First Three Quarters of 2023 of the Company*. The Company will pay a cash dividend of RMB0.8 (tax inclusive) for every 10 shares to all shareholders, based on the total share capital of the Company of 603,672,152 shares before the implementation of the proposal, and a cash dividend of RMB0.08 (tax inclusive) per share, totaling a cash dividend of RMB48,293,772.16.

As of the end of the reporting period, the above programs have been implemented.

3. Cash dividend policy for fiscal year 2023

After consideration by the Board of Directors, the Company proposes to distribute profits for the year 2023 based on the total share capital registered on the date of share registration for the implementation of the equity distribution. The profit distribution plan is as follows:

The Company proposes to distribute a cash dividend of RMB3.4 per 10 shares (tax inclusive) to all shareholders. As at the date of the Board of Directors' meeting to consider the profit distribution and capitalization of capital reserve plan, the total share capital of the Company was 603,672,152 shares, and the total cash dividend to be distributed on this basis amounted to RMB205,248,531.68 (inclusive of tax). The amount of cash dividend accounted for 25.37% of the net profit attributable to shareholders of the listed company in the consolidated financial statements of the Company for the year 2023, and the total dividend paid by the Company for the equity distribution in the first three quarters of 2023 amounted to RMB48,293,772.16, which was implemented and was completed on December 6, 2023. The total amount of cash dividends paid by the Company for the year was RMB253,542,303.84, accounting for 31.34% of the net profit attributable to shareholders of listed companies in the Company's consolidated financial statements for the year 2023.

The Company will not carry out any capitalization of Capital reserve or bonus shares for the current year. If the total share capital of the Company changes as a result of convertible bonds conversion/share repurchase/share repurchase and cancellation of shares granted under equity incentive scheme/share repurchase and cancellation of shares under major asset reorganization during the period from the date of adoption of this announcement to the date of registration of shareholders' rights to implement the equity distribution, it is proposed to keep the distribution ratio per share unchanged and adjust the total amount of distribution accordingly, and the details of such adjustments will be announced separately.

The profit distribution proposal has yet to be submitted to the shareholders' meeting for consideration.

(II) Special Notes on Cash Dividend Policy

√Applicable □Not Applicable

Whether it complies with the provisions of the Company's articles of association or the requirements of the resolutions of the General Meeting of Shareholders	√Yes □No
Whether the dividend standard and proportion are clear and specific	√Yes □No
Whether relevant decision-making procedures and mechanisms are complete	√Yes □No
Whether the independent directors performed their duties and played their due role	√Yes □No
Whether small and medium shareholders have the opportunity to fully express their opinions and appeals, and whether their legitimate rights and interests have been fully protected	√Yes □No

(III) If the Company is profitable during the reporting period and the parent Company's profits available for distribution to shareholders are positive, but has not proposed a cash profit distribution plan, the Company shall disclose the reasons in detail and the purpose and use plan of the undistributed profits

□Applicable √Not Applicable

(IV) Proposed distribution of profits and capitalization of capital reserve for the reporting period

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Bonus shares for every 10 shares (shares)	0
Dividend per 10 shares (Yuan) (tax included)	3.4
Increase per 10 shares (shares) by transfer	0
Cash dividend amount (tax included)	205,248,531.68
Net profit attributable to ordinary shareholders of listed companies in the annual consolidated statement of dividends	809,090,505.69
Ratio of net profit attributable to ordinary shareholders of listed companies in the consolidated statements (%)	25.37
The amount of shares repurchased in cash to be included in the cash dividend	0
Total amount of dividends (tax inclusive)	205,248,531.68
The ratio of the total dividend amount to the net profit attributable to ordinary shareholders of the listed Company in the consolidated statement (%)	25.37

Note: On November 20, 2023, the Company held the Second Extraordinary General Meeting of 2023 and considered and passed the *Proposal on Profit Distribution for the First Three Quarters of 2023 of the Company*. The Company paid a cash dividend of RMB0.8 (tax inclusive) for every 10 shares to all shareholders, based on the total share capital of the Company of 603,672,152 shares before the implementation of the proposal, and a cash dividend of RMB0.08 (tax inclusive) per share, totaling a cash dividend of RMB48,293,772.16, which was implemented and completed on December 6, 2023. The total cash dividend amount of the Company for the year is RMB253,542,303.84, accounting for 31.34% of the net profit attributable to shareholders of the listed company in the consolidated financial statements of the Company for the year 2023.

XIII. Status of the Company's equity incentive plan, employee stock ownership plan or other employee incentives and their impacts**(I) Overall situation of equity incentives**

√Applicable □Not Applicable

1. Equity incentive plan during the reporting period

Unit: Yuan Currency: RMB

Plan name	Incentives	Number of underlying stocks	Percentage of the number of underlying stocks (%)	Number of incentive objects	Percentage of incentive objects (%)	Granted target stock price
2021 Restricted Stock Incentive Plan	Class II restricted stock	3,000,000	0.74	465	10.76	27.77
2022 Restricted Stock Incentive Plan	Class II restricted stock	4,000,000	0.99	245	9.67	28

Note: The above number of Subject Shares has not excluded the portion of shares that lapsed and became invalid due to capacity from service, failure to meet assessment standards, abandonment and failure to complete the grant of the reserved portion within the validity period as at the end of the reporting period; the price of Subject Shares granted under the Restricted Share Incentive Plan for the year 2021 is the price adjusted for the equity distribution; the denominator of the calculation of the number of Subject Shares is the total number of shares of the Company as at the date of the disclosure of the draft Incentive Plan; The denominator for the calculation of the percentage of the number of Subject Shares is the total number of employees of the Company as of the date of disclosure of the draft Incentive Plan.

2. Progress in the implementation of equity incentives during the reporting period

√Applicable □Not Applicable

Unit: shares

Plan name	Number of equity incentives granted at the beginning of the year	Number of new equity incentives granted during the reporting period	Number of vesting/exercise/unlocking during the reporting period	Number of vested/exercised/unlocked during the reporting period	Grant price/exercise price (yuan)	Number of equity incentives granted at the end of the period	Number of shares vested/exercised/unlocked at the end of the period
2021 Restricted Stock Incentive Plan	3,000,000	0	1,000,000	810,000	27.77	2,000,000	0
2022 Restricted Stock Incentive Plan	3,200,000	0	0	0	28	2,400,000	0

3.Completion of assessment targets for equity incentives and share-based payment expenses recognized during the reporting period

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Plan name	Completion of assessment indicators at the company level during the reporting period	Share-based payment expense recognized in the reporting period
2021 Restricted Stock Incentive Plan	Company-level assessment metrics for Phase II of the 2021 Restricted Stock Incentive Plan were not met	-30,888,928.17
2022 Restricted Stock Incentive Plan	Company-level assessment metrics for Phase I of the 2022 Restricted Stock Incentive Plan were not met	3,461,361.62
Total	/	-27,427,566.55

(II) Relevant incentives have been disclosed in an interim announcement and there is no progress or change in subsequent implementation

√Applicable □Not Applicable

Overview of matters	Query Index
The Company held the Thirteenth Meeting of the Third Session of the Board of Directors and the Eleventh Meeting of the Third Session of the Board of Supervisors on March 6, 2023, and considered and passed the <i>Proposal on the Compliance with the Vesting Conditions for the First Vesting Period of the Company's 2021 Restricted Stock Incentive Plan</i> and <i>Proposal on the Adjustment of the Grant Price of the 2021 Restricted Stock Incentive Plan</i> . On March 22, 2023, a total of 395 incentive recipients under the Company's 2021 Restricted Stock Incentive Plan the first vesting period completed the registration of vesting, a total of 810,000 shares on March 28, 2023 listing and circulation.	For details, please refer to the <i>'Announcement on the Vesting Results of the First Vesting Period of the 2021 Restricted Share Incentive Plan and Listing of Shares of Zhejiang Hangke Technology Incorporated Company, Ltd (Announcement No. 2023-017)</i> , which was published on the website of Shanghai Stock Exchange (www.sse.com.cn) on March 24, 2023 by the Company.

Other notes

□Applicable √Not Applicable

Employee Stock Ownership Plan Status

□Applicable √Not Applicable

Other incentives

□Applicable √Not Applicable

(III) Equity incentives granted to directors, senior management and core technical staff during the reporting period

1. Stock option

□Applicable √Not Applicable

2.Class I restricted stock

□Applicable √Not Applicable

3.Class II restricted stock

√Applicable □Not Applicable

Unit: 10,000 shares

Name	Position	Number of	Number of newly	Grant price of	Attributable quantity	The vested	Number of	Market price at
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		restricted stocks granted at the beginning of the year	granted restricted stocks during the reporting period	restricted stock (Yuan)	during the reporting period	quantity in the reporting period	restricted stocks granted at the end of the period	the end of the reporting period (Yuan)
Fu Fenghua	Deputy General Manager, Secretary of the Board of Directors, Chief Financial Officer	1.2	0	27.77	0	0	0.6	23.48
Liu Wei	Core technical staff	4	0	28	0	0	3	23.48
Total	/	5.2	0	/	0	0	3.6	/

Note: Fu Fenghua was granted 18,000 restricted shares under the 2021 Restricted Stock Incentive Plan, and the grant price was adjusted to RMB27.77 as a result of the Company's equity distribution.

(IV) Evaluation mechanism for senior managers, and the establishment and implementation of incentive mechanisms during the reporting period

√Applicable □Not Applicable

The Company has established a selection, evaluation, incentive and restraint mechanism for senior management personnel. All senior managers of the Company are appointed by the Board of Directors, are responsible to the Board of Directors, and implement the resolutions of the Board of Directors. The Board of Directors of the Company has a remuneration and appraisal committee, which is responsible for the year-end assessment of the senior management's working ability, performance of duties, and completion of responsibility goals, formulating a remuneration plan and submitting it to the Board of Directors for review and approval.

During the reporting period, the senior executives of the Company were able to perform their duties in strict accordance with the *Company Law*, *Articles of Association* and relevant national laws and regulations, and actively implemented the relevant resolutions of the Company's General Meeting of Shareholders and the Board of Directors, continuously optimize the daily management and production business system within the decision-making framework of the Board of Directors, continue to strengthen internal management, and actively complete various tasks assigned by the Board of Directors during the reporting period.

XIV. Construction and implementation of the internal control system during the reporting period

√Applicable □Not Applicable

For details, please refer to the Internal Control Evaluation Report of Zhejiang Hangke Technology Incorporated Company disclosed by the Company on the website of the Shanghai Stock Exchange on April 26, 2024.

Explanation on major deficiencies in internal control during the reporting period

□Applicable √Not Applicable

XV. Management and control over subsidiaries during the reporting period

√Applicable □Not Applicable

For details, please refer to Part XIV *Internal Control Construction and Implementation During the Reporting Period* of this section.

XVI. Relevant statement on internal control audit report√Applicable ☐Not Applicable

For details, please refer to the *Internal Control Verification Report of Zhejiang Hangke Technology Incorporated Company* disclosed by the Company on the website of the Shanghai Stock Exchange on April 26, 2024.

Whether to disclose the internal control audit report: Yes

Types of internal control audit report opinions: Standard unreserved opinion

XVII. The rectification of problems in the self-examination of the special action of corporate governance of listed companies

Not applicable

XVIII. Others☐Applicable ☒Not Applicable

Section V Environment, Social Responsibility and Other Corporate Governance

I. Board of Directors' statement on the ESG situation

The Company is committed to establishing and improving the ESG working mechanism, striving to integrate harmoniously with the society and the environment, and creating long-term stable society, environment and corporate value. The Company's Board of Directors is the highest responsible and decision-making body for ESG matters, and assumes full responsibility for the Company's ESG strategy and reporting. In order to effectively fulfill the management and supervision responsibilities of the Board of Directors on environmental, social and governance affairs, the Company's Strategic Decision-making Committee is specifically responsible for and implements ESG resolutions of the Board of Directors, reviews ESG risks, is responsible for the implementation and promotion of specific ESG matters of the Company, and regularly reports to the Board of Directors to communicate and report work progress. The Company attaches great importance to the work related to ESG information disclosure. The Board of Directors supervises the ESG report preparation process and reviews the annual ESG report to ensure the authenticity and effectiveness of information disclosure. For specific information, please refer to *the Company's Annual Environmental, Social and Corporate Governance Report 2023* disclosed on the same day.

II. Environmental information

Whether to establish relevant mechanisms for environmental protection	Yes
Investment in environmental protection during the reporting period (Unit: 10,000 Yuan)	Not Applicable

(I) Whether it is a key pollutant discharge unit announced by the environmental protection department**(II) Administrative penalties imposed on environmental issues during the reporting period**

None

(III) Information on resource energy consumption and emissions√Applicable ☐Not Applicable

The main energy sources directly or indirectly consumed by the Company in its business operation activities are electricity and natural gas. During the reporting period, the Company's electricity consumption amounted to 30,274,040 kWh, of which approximately 28,287,178 kWh was used for

production. For detailed information, please refer to *the Company's Environmental, Social and Corporate Governance Report 2023* disclosed on the same day.

1. Greenhouse gas emissions

☐Applicable ☒Not Applicable

2. Consumption of energy resources

☐Applicable ☒Not Applicable

3. Waste and pollutant emissions

☐Applicable ☒Not Applicable

Company environmental management system, etc.

☒Applicable ☐Not Applicable

The Company strictly abides by the *Environmental Protection Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, *Solid Waste Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations, and actively advocates the practice of green and low-carbon office.

(IV) Measures taken to reduce its carbon emissions during the reporting period and their effects

Whether to take carbon reduction measures	Yes
Reduction of carbon dioxide equivalent emissions (unit: tons)	Not applicable
Carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	The Company adheres to the concept of green operation, and continuously improves the efficiency of resource use through awareness promotion, management optimization, equipment upgrading and process improvement, so as to reduce the consumption of water resources, electricity, natural gas and other resources in the process of business operation.

Specific instructions

☐Applicable ☒Not Applicable

(V) New technologies, new products and new services in terms of carbon emission reduction

☐Applicable ☒Not Applicable

(VI) Relevant information that is conducive to protecting the ecology, preventing pollution, and fulfilling environmental responsibilities

☒Applicable ☐Not Applicable

The Company adheres to the concept of harmonious coexistence between man and nature, and has been committed to promoting green environmental protection and practicing sustainable development. In the process of operation, the Company pays attention to energy saving, emission reduction and green ecological construction to reduce the negative impact on the natural environment. At the same time, the Company also actively carries out green activities to promote the popularization and promotion of environmental protection awareness. For details, please refer to *the Company's Environmental, Social and Corporate Governance Report 2023*.

III. Social Responsibility Work Situation

(I) Main business social contribution and industry key indicators

For details, see *the Company's Environmental, Social and Corporate Governance Report 2023* disclosed by the company on the same day.

(II) Types of charitable activities and contributions**1. Engaging in public welfare and charitable activities**

□Applicable √Not Applicable

2. Consolidating and expanding the achievements of poverty eradication and rural revitalization, and other specific situations

□Applicable √Not Applicable

explicit explanation

□Applicable √Not Applicable

(III) Protection of the rights and interests of shareholders and creditors

In strict accordance with the *Company Law*, *Securities Law* and other laws and regulations, departmental rules, normative documents and the *Articles of Association*, the Company holds shareholders' meetings according to law, and actively adopts online voting to increase the proportion of shareholders participating in shareholders' meetings. During the reporting period, the Company has continued to improve the Company's corporate governance structure, focused on the Company's standardized operations, and established and improved various internal management systems. During the reporting period, the Company has continued to improve the corporate governance structure to protect shareholders' right to know and ensure shareholders' return on investment; continuously improved the internal control system and governance structure, strictly performed information disclosure obligations, and disclosed information to all shareholders in a true, accurate, complete, timely and fair manner; it has communicated with investors by receiving investors on-site surveys and other ways to establish a good interaction. At the same time, the Company's financial policy is stable, assets and funds are safe, and the interests of creditors are taken into account while safeguarding the interests of shareholders. During the reporting period, the Company had no major shareholders and related parties occupying the Company's funds, and there were no situations in which funds were directly or indirectly provided to major shareholders and related parties for use.

(IV) Protection of Employee Rights and Interests

The Company abides by the requirements of laws, regulations and normative documents such as the *Labor Law* and the *Labor Contract Law*, constantly improves the human resource management system, improves the salary and incentive mechanism, and provides employees with labor contracts and social insurance coverage. The rights and interests of employees such as wages, benefits, working hours, vacations, and labor protection have been systematically regulated and effectively protected. The Company adheres to people-oriented, respects a free, open, cooperative and innovative working atmosphere, provides employees with a safe and comfortable working environment, and pays attention to their physical and mental health. In addition, the Company provides employees with diversified training and dual-channel career development paths of management and technology to help employees grow.

Employee shareholding

Employee shareholding number (person)	245
The number of employees holding shares to the total number of employees in the Company (%)	5.93
Number of shares held by employees (10,000 shares)	160
The ratio of the number of employee shares to the total share capital (%)	0.27

Note:(1) As per the Company's 2021 Restricted Stock Incentive Plan, 3 million shares of restricted stock were granted to 465 incentive recipients. It failed to complete vesting due to the failure of the Company's company-level performance in the two assessment periods of 2022 and 2023. The Plan has been implemented, and the incentive recipients have not been included in the above table of the number of

employees with shares, and the number of shares granted has not been included in the above table of the number of employees' shareholdings;

(2) As per the Company's 2022 Restricted Stock Incentive Plan, 3.2 million shares of restricted stock were granted to 245 incentive recipients, vested in four phases, of which the company-level performance for the two assessment periods of 2022 and 2023 did not meet the target and failed to complete the vesting, and the 1.6 million shares of restricted stock that had already been granted were nullified, and were not included in the above table of the number of shares held by employees;

(3) The calculation denominator of "ratio of employee shareholding to the total number of employees of the Company" is the total number of employees of the Company on December 31, 2023, namely 4,135; the calculation denominator of "ratio of employee shareholding to the total share capital" is the total share capital of the Company on December 31, 2023, namely 603,672,152 shares;

(4) As for the number of employee stock ownership, because the incentive plan has not been implemented, there is still the possibility that the actual number of employees will continue to decrease in the remaining vesting period due to the reasons such as employee dimission and failing to meet the assessment standards.

(V) Protection of Suppliers, Customers and Consumers

The Company has established and implemented a complete and standardized procurement internal control management system, which clearly stipulates the procurement process, inventory management, supplier selection and other matters. The relevant departments of the Company interact with each other and regularly formulate procurement plans based on order forecasts and inventory conditions provided by customers to ensure timely product delivery, controllable product quality, and reasonable inventory levels. Through comprehensive evaluation of potential suppliers' production capacity, production process, delivery cycle, product quality control and other indicators, the Company selects suppliers that meet the requirements for cooperation, and establishes a long-term and stable cooperative relationship. Quality control, technical confidentiality and other aspects have formed contractual, standardized, and normalized constraints, which have been highly guaranteed and can fully protect the legitimate rights and interests of suppliers, customers, and consumers.

(VI) Product Safety Guarantee

The Company has always insisted on providing customers with high-quality products and services, strictly controlled product quality, paid attention to product safety, and attached great importance to the quality management of product design, sales and outsourced production links. It has established a complete and systematic quality control system and passed the ISO9001 Quality Management System Certification to ensure the process quality control of each process.

(VII) Other Situations in Assuming Social Responsibility

☒Applicable ☐Not Applicable

The Company takes the initiative to undertake and practice social responsibility, focusing on the R&D of green technologies with low energy consumption, hoping to save energy through technological innovation and help users reduce energy consumption and material waste. Through integrated design and energy feedback technology, we minimize the footprint of the product and control the energy consumption of the ambient temperature. At the same time, we use energy feedback technology to feed back more than 80% of the electric energy during the battery discharge process to the grid for reuse, which has greatly reduced customer energy consumption.

We are people-oriented, respect united, rigorous, discreet, and lively working atmosphere, provide employees with a safe and comfortable working environment, organize training activities for engineers and front-line employees from time to time, share knowledge, strengthen cross-departmental communication, and regularly carry out department-level development activities and improve employee cohesion; pay attention to the physical and mental health of employees, organize regular collective health checks, carry out sympathy activities for employees with difficult conditions and sick employees, warm the hearts of employees.

IV. Other Corporate Governance**(I) Party Building**

☐Applicable ☒Not Applicable

(II) Investor Relations and Protection

Type	Frequency	Related situation
Holding performance briefing	3	During the reporting period, the Company held HangKe Technology's 2023 Annual and 2023 First Quarterly Results Presentation, 2023 Semi-Annual Results Presentation and 2023 Third Quarterly Results Presentation on the platform of SSE Roadshow Center.
Carry out investor relations management activities with the help of new media	6	1. 3 performance briefing sessions were held in the SSE Roadshow Center in a web-based interactive manner. 2. Produce visualization reports in the 2022 annual report, 2023 semi-annual report and 2023 third quarterly report to show investors the main points of the company's regular reports and its operation in a more vivid and three-dimensional way.
Official website set up investor relations column	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	For details, please refer to the "Investor Relations" section of the Company's website www.chr-group.net .

Specifics of conducting investor relations management and protection

☒Applicable ☐Not Applicable

The Company attaches great importance to the management of investor relations. The designated website for the Company's information disclosure is the website of the Shanghai Stock Exchange www.sse.com.cn, and the designated newspapers for the Company's information disclosure are Shanghai Securities News and Securities Daily, ensuring that all shareholders of the Company have fair access to Company information. At the same time, the Company communicates with investors through various forms such as performance presentation conference, SSE E-Interactive Platform investor contact mailboxes, dedicated consultation telephones, and reception of investor on-site surveys, actively maintains a good relationship between the Company and investors, improves the transparency of corporate information, and protects legal rights of all shareholders, especially small and medium shareholders.

Explanation of other ways to communicate with investors

☐Applicable ☒Not Applicable

(I) Transparency of information disclosure

☒Applicable ☐Not Applicable

In accordance with relevant laws, regulations and the relevant provisions of the *Articles of Association*, the Company discloses major information of the Company in a true, accurate, complete and timely manner, avoids the occurrence of selective information disclosure, and protects the interests of small and medium investors.

(II) Intellectual Property and Information Security Protection

☒Applicable ☐Not Applicable

Intellectual property protection. (1) The management attaches great importance to intellectual property rights work, which will be placed in the same important position as the market, product quality, and cost, and will be fully guaranteed in terms of manpower, material resources, and financial resources. (2) Strengthening the application of intellectual property rights and fixing technical achievements in the

form of patents is the foundation of intellectual property protection. During the reporting period, the Company has newly obtained 26 invention patent authorizations and 44 utility model patent authorizations, fundamentally consolidating knowledge protection of property rights. When conducting new product development and new technology research, the Company first conduct a patent search, and use the technologies and methods provided by patent documents to learn about the latest scientific and technological achievements and research trends at home and abroad in this technical field, so as to avoid repeated research and waste of investment; we have set up property rights ledger to dynamically manage the intellectual property rights owned by the Company, and actively and timely apply for new intellectual property rights; dynamically monitor the Company's intellectual property rights from infringement, and report in time when infringements are found.

Information security protection. The basic content of information security includes: equipment security, operation security, information asset security and personnel security. (1) Equipment security level: firewalls, network equipment, servers and other equipment are stored in professional IT computer rooms; IT computer rooms are equipped with dynamic monitoring equipment to monitor air conditioners, UPS, temperature/humidity, water leakage, etc., to ensure that the warnings are exceeded when on duty, the IT staff will be notified by SMS and WeChat; the IT computer room is equipped with 24-hour surveillance cameras, and the IT personnel will conduct daily inspections of the equipment in the computer room. (2) Operational security level: the information security management system are established and improved, and professional IT information security management personnel are equipped; the Company's IT computer room is installed with a Huawei firewall to improve its own protection capabilities and effectively prevent attacks from hackers and computer viruses; online UniNXG security system ensures that information security incidents are subject to pre-examination and early warning, in-process inspection and reporting, and post-event investigation and accountability. (3) Information asset security level: it manages the Company's information assets at different levels, and clarify the Company's information protection level and protection requirements; encrypts and manages the Company's information files to effectively protect the Company's information security. (4) Personnel security level: it conducts induction and irregular information security training for all employees of the Company to enhance the information security awareness of all employees; provides professional information security training for employees of the Company's IT department to improve the professional ability of the Company's IT department for information security protection.

(III) Participation of institutional investors in corporate governance

☐Applicable ☒Not Applicable

(IV) Other Corporate Governance

☐Applicable ☒Not Applicable

Section VI Important Matters

I. Fulfillment of Commitments

(I) Commitments made by the Company's actual controller, shareholders, related parties, acquirers and the Company and other relevant parties during the reporting period or continuing to the reporting period

√Applicable □Not Applicable

Background to the commitments	Commitment type	Commitment party	Commitment element	Commitment time	Whether there is a time limit for performance	Commitment period	Timely and strict compliance	Failure to perform in a timely manner should be accompanied by a statement of the specific reasons why performance has not been completed.	Failure to comply in a timely manner should result in an explanation of the next steps
Commitments related to the initial public offering	Restricted sale of shares	Cao Ji, Cao Zheng, Hangke Group, Cao Guanqun, Yan Lei	Within 36 months from the date of listing of the Company's shares and within six months from the date of my departure from the Company, I will not transfer or delegate the management of the shares of the Company already held by me, nor will I propose that the Company repurchase such shares, nor will I transfer or delegate the management of the shares of the Company	April 10, 2019	Yes	Within 36 months from the date of listing of shares	Yes	Not applicable	Not applicable

			already held by me through direct or indirect means.						
	Restricted sale of shares	Cao Ji, Cao Zheng, Hangke Group, Cao Guanqun, Yan Lei	If the shares held are reduced within 2 years after the expiration of the lock-up period, the price at which the shares are reduced shall not be lower than the issue price of the Company's initial public offering; if the closing price of the Company's shares is lower than the issue price for 20 consecutive trading days within 6 months after the listing of the Company, or if the closing price is lower than the issue price at the end of the 6-month period after the listing of the Company, the lock-up period for the Company's shares held by me (the Company) shall be automatically extended for 6 months.	April 10, 2019	Yes	Within 6 months after the company's listing; two years after the expiration of the lock-up period	Yes	Not applicable	Not applicable
	Restricted sale of shares	Cao Ji, Cao Zheng, Hang Ke Group, Yan Lei, Zhao Qunwu, Yu Pingguang,	After the expiration of the share lock-up period, during my tenure as a director/supervisor/senior management personnel of the Company, I shall not transfer, directly or	April 10, 2019	Yes	During service and within six months of capacity	Yes	Not applicable	Not applicable

		Sang Hongyu, Zhang Yingying, Zheng Linjun, Xu Peng	indirectly, more than 25% of the total number of shares of the Company held by me directly or indirectly each year, provided that I fulfill the share lock-up commitment; if I leave my post for any reason, I shall not transfer or delegate the management of the shares of the Company held by me directly or indirectly for half a year after I have left the post; I shall not transfer or delegate the management of the shares of the Company held by me directly or indirectly to any third party. I will not transfer or entrust others to manage the shares of the Company held by me directly or indirectly within six months after my departure from office.						
	Restricted sale of shares	Hu Zhenhua	During my tenure as a director/supervisor/senior management of the Company, I will declare to the Company my holdings of the Company's shares and their changes, and during	April 10, 2019	Yes	Period of service; 12 months from the date of listing of the company's shares	Yes	Not applicable	Not applicable

			my tenure of office (after the expiration of the period of restriction on the sale of shares), I will transfer no more than 25% of the total number of shares of the Company in my possession each year; I will not transfer or delegate the management of my holdings of shares of the Company to another person or propose the repurchase of such shares by the Company shall not transfer or entrust others to manage the Company's shares held by me, nor propose the repurchase of such shares by the Company within 12 months from the date of listing of the Company's shares, and shall not transfer the Company's shares held by me within half a year from the date of his departure.						
	Restricted sale of shares	Liu Wei	During the period that I am a core technician of the Company, I will report to the Company the shares held by the Company and their changes. Within 4 years	April 10, 2019	Yes	During employment; within 4 years from the date of expiration of the restricted	Yes	Not applicable	Not applicable

			from the date of expiration of the restriction period of the shares held, I will transfer no more than 25% of the total number of shares held by the Company each year, and the reduction ratio can be used cumulatively. Within 12 months from the date of listing of the Company's shares and within 6 months after leaving the Company, I will not transfer or delegate others to manage the Company's shares directly and indirectly held by me, and I shall not propose that the Company repurchase such shares.			period; within 12 months from the date of listing of the Company's shares; within 6 months after capacity from service			
	Restricted sale of shares	Cao Ji, Hangke Group, Shenzhen Leading	For details of the shareholding intentions of shareholders holding more than 5% of the Company's shares prior to the issuance and their intention to reduce their shareholdings, please refer to "IV. Important Commitments" in "Section X. Investor Protection" of the prospectus disclosed by	April 10, 2019	Yes	Within 24 months of the expiration of the lock-up period	Yes	Not applicable	Not applicable

			the Company on the website of the Shanghai Stock Exchange. "(1) Commitments in respect of restriction arrangements, voluntary lock-up of shares, extension of lock-up period and shareholders' shareholding and intention to reduce shareholding of shares held by shareholders prior to the issuance of the shares" under "2. Shareholding intention of shareholders holding more than 5% of the shares of the Company prior to the issuance of the shares of the Company and intention to reduce shareholding of the shares of the Company" on the website of the Shanghai Stock Exchange.						
	Others	Hangke Technology, Cao Ji, Cao Zheng	For details of the share repurchase undertakings in relation to the fraudulent issuance of shares, please refer to the relevant contents of "(III) Share Repurchase Undertakings in relation to the Fraudulent	April 10, 2019	Yes	Long term	Yes	Not applicable	Not applicable

			Issuance of Shares" under "VI. Important Undertakings" in "Section X. Investor Protection" of the prospectus of the Company disclosed on the website of the Shanghai Stock Exchange. (III) Commitment to repurchase shares in the event of fraudulent issuance of shares on the stock market" in the prospectus disclosed on the website of the Shanghai Stock Exchange.						
	Others	Hangke Technology, Cao Ji, Cao Zheng, directors, supervisors and senior management of the Company	Commitments relating to the repurchase of new shares, repurchase of shares and compensation for losses due to material irregularities in information disclosure Commitments relating to the repurchase of shares in the event of fraudulent issuance of shares are detailed in the prospectus disclosed by the Company on the website of the Shanghai Stock Exchange in "Section X Investor Protection"	April 10, 2019	Yes	Long term	Yes	Not applicable	Not applicable

			under "IV. Important Commitments". "(F) Commitment to bear compensation or liability in accordance with the law".						
	Others	Hangke Technology, Cao Ji, Cao Zheng, directors, supervisors and senior management of the Company	For details of the binding measures for non-fulfillment of commitments, please refer to "(7) Binding Measures for Non-fulfillment of Commitments" under "IV. Important Commitments" in "Section X. Investor Protection" of the prospectus disclosed by the Company on the website of the Shanghai Stock Exchange. (VII) Restrictive Measures on Unfulfilled Commitments" in "Section X. Investor Protection" of the prospectus	April 10, 2019	Yes	Long term	Yes	Not applicable	Not applicable
	Restricted sale of shares	Hangke Technology, Cao Ji, Cao Zheng, directors and senior management of the Company	For details of the measures and undertakings for filling the diluted immediate returns, please refer to "(4)" of "Section X. Investor Protection" of "VI. Important	April 10, 2019	Yes	Long term	Yes	Not applicable	Not applicable

		Company	Undertakings" in the prospectus disclosed on the website of the Shanghai Stock Exchange. (IV) Measures and undertakings for filling the diluted immediate returns" in section X "Investor Protection" of the prospectus.						
	Others	Hangke Technology	For details of the commitment to the profit distribution policy, please refer to "III. Dividend Distribution Policy after Listing" in the "Reminder of Material Matters" of the prospectus disclosed by the Company on the website of Shanghai Stock Exchange.	April 10, 2019	Yes	Long term	Yes	Not applicable	Not applicable
	Others	Hangke Technology, Cao Ji, Cao Zheng, directors, supervisors and senior management of the Company	For details of the undertakings to bear compensation or liability in accordance with the law, please refer to the relevant contents of "(V) Undertakings to bear compensation or liability in accordance with the law" under "VI. Important Undertakings" in "Section X. Investor Protection" of the prospectus disclosed by	April 10, 2019	Yes	Long term	Yes	Not applicable	Not applicable

			the Company on the website of the Shanghai Stock Exchange. (V) Commitment to bear compensation or liability in accordance with the law" in "Section X. Investor Protection" of the prospectus disclosed on the website of the Shanghai Stock Exchange.						
	Others	Cao Ji and Cao Zheng	For details of the undertakings to avoid competition in the same industry, please refer to "XIII. Agreements entered into by the Issuer with Directors, Supervisors, Senior Management and Core Technical Personnel and their Important Undertakings" and "(II) Undertakings to Avoid Competition in the Same Industry" of "Section V. Basic Information of the Issuer" of the Prospectus disclosed by the Company on the website of Shanghai Stock Exchange. " and "(II) Commitment to avoid competition in the same industry".	April 10, 2019	Yes	Long term	Yes	Not applicable	Not applicable

	Others	Cao Ji and Cao Zheng	For details of the undertakings in respect of the payment of social insurance and housing fund, please refer to the relevant contents of "Section V. Basic Information of the Issuer" under "XVII. Employees of the Issuer and their Social Security" under "3. "(2) Employees' social security and welfare", "3. Commitments made by the controlling shareholders and de facto controllers of the issuer".	April 10, 2019	Yes	Long term	Yes	Not applicable	Not applicable
	Others	Cao Ji	During the period when Li Zhen held the equity interest of Hangke Technology indirectly in his capacity as the de facto controller of Gotion Hi-Tech Company Limited (hereinafter referred to as "Gotion Hi-Tech"), any bad debt loss of Gotion Hi-Tech and its subsidiaries in respect of the Accounts Receivable of Hangke Technology shall be compensated by me in full for Hangke Technology, so as to ensure that Hangke	June 2, 2019	Yes	During the period when Li Zhen indirectly held the equity of Hangke Technology as the actual controller of Gotion Hi-Tech Co.,Ltd.	Yes	Not applicable	Not applicable

			Technology will not suffer any loss as a result of such loss.						
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(II) There are profit forecasts for the Company's assets or projects, and the reporting period is still in the period of profit forecasts.

Explain whether the original profit forecast has been achieved and why

☐ Not Achieved ☐ Not Achieved ☒ Not Applicable

(III) Fulfillment of Performance Commitment and Its Impact on Goodwill Impairment Test

☐ Applicable ☒ Not Applicable

II. Non-operating funds occupied by controlling shareholders and other related parties during the reporting period

□Applicable √Not Applicable

III. Illegal guarantee

□Applicable √Not Applicable

IV. Explanation of the Company's Board of Directors to the accounting firm's non-standard opinion audit report

□Applicable √Not Applicable

V. The Company's analysis and explanation on the reasons and effects of changes in accounting policies, accounting estimates, or corrections of major accounting errors**(I) The Company's analysis and explanation of the reasons and impact of changes in accounting policies and accounting estimates**

□Applicable √Not Applicable

(II) Aanalysis and explanation of the reasons and effects of the correction of major accounting errors

□Applicable √Not Applicable

(III) Communication with the former accounting firm

□Applicable √Not Applicable

(IV) Approval process and other clarifications

□Applicable √Not Applicable

VI. Appointment and Dismissal of Accounting Firms

Unit: RMB 10,000 Currency: RMB

	Currently employed
Domestic accounting firm name	Pan-China Certified Public Accountants (Special General Partnership)
Domestic accounting firm remuneration	130
Audit period for domestic accounting firm	9
The name of the certified public accountant of the domestic accounting firm	Zhao Li, Zhu Yunwen
Cumulative number of years of audit services by certified public accountants of domestic accounting firms	Zhao Li (2), Zhu Yunwen (1)

	Name	Remuneration
Internal control audit accounting firm	Pan-China Certified Public Accountants (Special General Partnership)	30

Explanation on the appointment and dismissal of accounting firm

√Applicable □Not Applicable

On May 23, 2023, the Company held its 2022 annual general meeting and considered and approved the "Proposal on the Renewal of the Company's Audit Institution for the Year 2023", deciding to engage Pan-China Certified Public Accountants (Special General Partnership) as the Company's audit institution for the year 2023.

Explanation of the change of accounting firm during the audit period

☐Applicable ☒Not Applicable

Explanation of the decrease of 20% or more (including 20%) in audit fees compared to the Previous Year

☐Applicable ☒Not Applicable

VII. Situations at risk of delisting

(I) Reasons for delisting risk warning

☐Applicable ☒Not Applicable

(II) Countermeasures the Company intends to take

☐Applicable ☒Not Applicable

(III) Circumstances and reasons for facing termination of listing

☐Applicable ☒Not Applicable

VIII. Matters relating to insolvency and reorganization

☐Applicable ☒Not Applicable

IX. Significant litigation and arbitration matters

☐ There are major litigation and arbitration matters in the current year ☒ There are no major litigation and arbitration matters in the current year

X. Listed companies and their Directors, supervisors, senior executives, controlling shareholders, and actual controllers suspected of violating laws and regulations, punishments and rectifications

☐Applicable ☒Not Applicable

XI. Explanation on the integrity status of the Company and its controlling shareholders and actual controllers during the reporting period

☐Applicable ☒Not Applicable

XII. Significant related transactions

(I) Related transactions related to ordinary operations

1. Matters that have been disclosed in the temporary announcement and have no progress or change in subsequent implementation

☐Applicable ☒Not Applicable

2. Matters that have been disclosed in an interim announcement but with subsequent progress or changes in implementation

☐Applicable ☒Not Applicable

3. Matters not disclosed in the interim announcement

☐Applicable ☒Not Applicable

(II) Related transactions arising from the acquisition or disposal of assets or equity interests

1. Matters that have been disclosed in an interim announcement and there is no progress or change in subsequent implementation

☐Applicable ☒Not Applicable

2. Matters that have been disclosed in an interim announcement but with subsequent progress or changes in implementation

☐Applicable ☒Not Applicable

3. Matters not disclosed in the interim announcement

☐Applicable ☒Not Applicable

4. Where performance covenants are involved, performance realization for the reporting period should be disclosed

☐Applicable ☒Not Applicable

(III) Significant related transactions for joint outward investment

1. Matters that have been disclosed in an interim announcement and there is no progress or change in subsequent implementation

☐Applicable ☒Not Applicable

2. Matters that have been disclosed in an interim announcement but with subsequent progress or changes in implementation

☐Applicable ☒Not Applicable

3. Matters not disclosed in the interim announcement

☐Applicable ☒Not Applicable

(IV) Related debt transactions

1. Matters that have been disclosed in an interim announcement and there is no progress or change in subsequent implementation

☐Applicable ☒Not Applicable

2. Matters that have been disclosed in an interim announcement but with subsequent progress or changes in implementation

☐Applicable ☒Not Applicable

3. Matters not disclosed in the interim announcement

☐Applicable ☒Not Applicable

(V) Financial operations between the Company and finance companies with which it has a relationship, and between the Company's holding finance companies and related parties

☐Applicable ☒Not Applicable

(VI) Others

☐Applicable ☒Not Applicable

XIII. Major contracts and their performance

(I) Trusteeship, contractual and leasing matters

1. Trusteeship situation

☐Applicable ☒Not Applicable

2. Contractual situation

☐Applicable ☒Not Applicable

3. Rental situation

☐Applicable ☒Not Applicable

(II) Guarantees

√Applicable □Not Applicable

Unit: Yuan Currency: USD

Corporate External Guarantees (excluding guarantees to subsidiaries)														
Guaranteeing party	Relationship between the guaranteeing party and the listed company	Secured party	Amount of guarantee	Date of occurrence of guarantee (date of agreement)	Guarantee starting date	Guarantee maturity (of an investment bond)	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Amount overdue on guarantees	Counter-guarantees	Whether guarantee for related parties	related parties' guarantee
Total amount of guarantees incurred during the reporting period (excluding guarantees to subsidiaries)														
Total guarantee balance at the end of the reporting period (A) (excluding guarantees to subsidiaries)														
Guarantees by the Company and its subsidiaries to subsidiaries														
Guaranteeing party	Relationship between the guaranteeing party and the listed company	Secured party	Relationship between the secured party and the listed company	Amount of guarantee	Date of occurrence of guarantee (date of agreement)	Guarantee start date	Guarantee expiration date	Type of guarantee	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Amount overdue on guarantees		Existence of counter-guarantees	
Zhejiang Hangke Technology Incorporated Company	Corporate Headquarters	HangKe Electronic Trading Hong Kong Limited	Wholly owned subsidiary	4,750,838.46	2023/2/17	2023/2/17	2026/4/13	Joint Liability Guarantee	No	No	0		No	
Zhejiang Hangke Technology Incorporated	Corporate Headquarters	HangKe Electronic Trading Hong Kong Limited	Wholly owned subsidiary	7,003,589.02	2023/2/17	2023/2/17	2024/3/21	No	No	No	No		No	

Company		g Kon g Limi ted										
Zhejiang Hangke Technology Incorporated Company	Corporate Headquarters	Hangke Electronic Trading Hong Kong Limited	Wholly owned subsidiary	4,820,898.18	2023/2/17	2023/2/17	2026/12/1	No	No	No	No	No
Zhejiang Hangke Technology Incorporated Company	Corporate Headquarters	Hangke Electronic Trading Hong Kong Limited	Wholly owned subsidiary	7,159,461.48	2023/2/17	2023/2/17	2024/6/3	No	No	No	No	No
Zhejiang Hangke Technology Incorporated Company	Corporate Headquarters	Hangke Electronic Trading Hong Kong Limited	Wholly owned subsidiary	13,498,514.89	2023/2/17	2023/2/17	2024/6/3	No	No	No	No	No
Zhejiang Hangke Technology Incorporated Company	Corporate Headquarters	Hangke Electronic Trading Hong Kong Limited	Wholly owned subsidiary	2,556,950.53	2023/2/17	2023/2/17	2026/12/1	No	No	No	No	No

Total amount of guarantee incurred for subsidiaries during the reporting period	39,790,252.56
Total balance of guarantees to subsidiaries at the end of the reporting period (B)	39,790,252.56
Total corporate guarantees (including guarantees to subsidiaries)	
Total guarantees (A+B)	39,790,252.56
Total guarantees as a percentage of the company's net assets (%)	5.51
Where:	
Amount of guarantees provided to shareholders, de facto controllers and their related parties (C)	0
Amount of debt guaranteed, directly or indirectly, for secured objects with a gearing ratio exceeding 70% (D)	39,790,252.56
Amount by which the total amount of guarantees exceeds the 50 percent portion of net assets (E)	0
Total amount of the above three guarantees (C+D+E)	39,790,252.56
Explanation of possible joint and several liability for outstanding guarantees	No
Statement of guarantees	No

(III) Entrusting others to manage cash assets**1. Entrusted financial management****(1) Overall commissioned finance**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

typology	Source of funds	Occuring amount	Outstanding balance	Amounts overdue for recovery
Banking products	Own funds	270,000,000.00	0	0

Other situations

□Applicable √Not Applicable

(2) Individual entrusted financial management

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Trustee	Types of entrusted finance	Amount of entrusted finance	Comment date of entrustment	Entrusted finance termination date	Capital source	Capital Investment field	Existence of restricted circumstances	Modalities for determining remuneration	Annualized earnings yield	Expected return (if any)	Actual gain or loss	Amounts outstanding	Amounts overdue for recovery	Whether or not statutory procedures have been followed	Whether there is any entrusted financial plan in the future	Amount of provision for impairment (if any)
Bank of China Xiaoshan Sub-branch	Banking products	120,000,000.00	20230106	20230413	Own funds	Banks	No	Contract Agreement	3.42%		1,090,652.06			Yes	No	
Bank of Ningbo Xiaoshan Sub-branch	Banking products	30,000,000.00	20230315	20230614	Own funds	Banks	No	Contract Agreement	3.30%		246,821.92			Yes	No	
Bank of China Xiaoshan Sub-branch	Banking products	68,000,000.00	20230417	20230724	Own funds	Banks	No	Contract Agreement	3.42%		624,407.67			Yes	No	
Bank of China Xiaoshan Sub-branch	Banking products	52,000,000.00	20230419	20230726	Own funds	Banks	No	Contract Agreement	3.42%		477,488.22			Yes	No	

(3) Provision for impairment of entrusted finance

☐Applicable ☒Not Applicable

2. Status of entrusted loans

(1) Overall situation of entrusted loans

☐Applicable ☒Not Applicable

Other situations

☐Applicable ☒Not Applicable

(2) Status of individual entrusted loans

☐Applicable ☒Not Applicable

Other situations

☐Applicable ☒Not Applicable

(3) Provision for impairment of entrusted loans

☐Applicable ☒Not Applicable

3. Other situations

☐Applicable ☒Not Applicable

(IV) Other major contracts

☐Applicable ☒Not Applicable

XIV. Note on the use progress of funds raised

√Applicable □Not Applicable

(I) Overall Utilization of Funds raised

√Applicable □Not Applicable

Unit: Yuan

Source of funds raised	Time to raise funds	Total funds raised	Where: Amount of over-raised funds	Net funds raised after issue expenses	Total committed investment of funds raised	Adjusted total committed investment of funds raised (1)	Cumulative total amount of funds invested in fundraising as of the end of the reporting period (2)	Cumulative progress of inputs as at the end of the reporting period (%) (3) = (2)/(1)	Amount invested during the year (4)	Percentage of current year's input amount (%) (5) = (4)/(1)	Total amount of funds raised from change of use
IPO	July 9, 2019	1,124,630,000.00	473,064,245.28	1,019,924,245.28	546,860,000.00	546,860,000.00	482,076,563.20	88.15	441,000	0.08	
Others	February 22, 2023	1,188,470,380.73	0	1,172,821,592.39	1,172,821,592.39	1,172,821,592.39	445,861,377.35	38.02	445,861,377.35	38.02	

(II) Fundraising Project Details

√Applicable □Not Applicable

Unit: Yuan

Item	Nature of the project	Whether it involves a change of investment direction	Source of funds raised	Time to raise funds	Whether to use over-raised funds	Total Investment commitment of project funds	Adjusted total investment of funds raised (1)	Amount invested during the year	Cumulative total amount of funds invested in fundraising	Progress of cumulative inputs as of the end of the reporting period	Date project reaches intended useable	Completed or not	Whether the progress of inputs is in line with	Specific reasons why inputs did not progress	Benefits realized during the year	Benefits realized or R&D results of the project	Has there been a significant change in the	Amount of savings
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		ion				raised			aising as of the end of the report ing period (2)	report ing period (%) (3) = (2)/(1)	condit ion		the plann ed sched ule	ess as plann ed		t	feasib ility of the projec t, and if so, please provi de detail s	
Lithium-ion Battery Intelligent Production Line Manufacturing Expansion Project	Production and construction	No	Initial public offering (IPO)	July 9, 2019	No	426,460,000.00	426,460,000.00	0	376,181,335.51	88.21	2020/12/31	Yes	Yes	Not applicable	594,896,062.82	Not applicable	No	50,278,664.49
R&D Center Construction Project	R&D	No	Initial public offering (IPO)	July 9, 2019	No	120,400,000.00	120,400,000.00	0	105,895,227.69	87.95	2021/12/31	Yes	Yes	Not applicable	Not applicable	Not applicable	No	14,504,772.31

(III) Changes or termination of fund-raising investments during the reporting period

□Applicable √Not Applicable

(IV) Other use of funds raised during the reporting period

1. Prior investment and replacement of fund-raising investment projects

☐Applicable ☒Not Applicable

2. Temporary replenishment of working capital with idle funds raised

☐Applicable ☒Not Applicable

3. Cash management of idle funds raised and investment in related products

☐Applicable ☒Not Applicable

4. Permanent replenishment of working capital or repayment of bank loans with over-subscribed funds

☒Applicable ☐Not Applicable

Overall utilization of over-subscription funds

Unit: RMB 10,000 Currency: RMB

Sources of over-subscription funds	Oversubscribed fund amount (1)	Total cumulative investment of over-subscribed funds as of the end of the reporting period (2)	Progress of cumulative inputs as of the end of the reporting period (%) (3) = (2)/(1)
Initial public offering (IPO)	47,306.42	42,000.00	88.78

Detailed utilization of over-subscribed funds

Unit: RMB 10,000 Currency: RMB

Use	Nature	Total amount of oversubscription funds to be invested (1)	Total cumulative investment of over-subscribed funds as of the end of the reporting period (2)	Progress of cumulative inputs as of the end of the reporting period (%) (3) = (2)/(1)	Note
Permanent replenishment of working capital	Catch-up flows/loan repayments	47,306.42	42,000.00	88.78	

Other notes

On October 28, 2019, the Company held the ninth meeting of the second session of the Board of Directors and the seventh meeting of the second session of the Board of Supervisors, reviewed and approved the *Proposal on Using Over-raised Funds to Permanently Supplement Working Capital*, and approved the use of part of the over-raised funds by the Company. A total of RMB 140,000,000 will be used to permanently supplement working capital. The use of over-raised funds to permanently supplement working capital will not affect the capital demand for the construction of investment projects with raised funds. No high-risk investment will be made and no financial assistance will be provided within twelve months after the replenishment of working capital. The Company's independent Directors have issued independent opinions that clearly agree, and the Company's sponsor Guosen Securities Co.,Ltd.has issued a clear verification opinion on this matter. This matter has been reviewed and approved at the Company's third extraordinary General Meeting of Shareholders in 2019 held on November 14, 2019. For details, please refer to the Company 's publication on the website of the Shanghai Stock Exchange (www.sse.com) on October 29, 2019. .cn) *Announcement on Using Part of the Over-raised Funds to Permanently Supplement Working Capital by Zhejiang Hangke Technology Incorporated Company* (Announcement No.: 2019-003).

On January 18, 2021, the Company held the fifteenth meeting of the second session of the Board of Directors and the twelfth meeting of the second session of the Board of Supervisors, deliberated and approved the *Proposal on Permanently Supplementing Working Capital with Over-raised Funds*, and agreed that the Company would use some of the over-raised funds. A total of RMB 140,000,000 of the raised funds will be used to permanently replenish working capital. The permanent replenishment of working capital using over-raised funds this time will not affect the capital demand for the construction of investment projects with raised funds. No high-risk investment will be made and no financial assistance will be provided to others within twelve months after the replenishment of working capital. The Company's independent Directors have issued independent opinions that clearly agree, and the Company's sponsor Guosen Securities Co.,Ltd. has issued a clear verification opinion on this matter. This matter has been reviewed and approved at the Company's first extraordinary General Meeting of Shareholders in 2021 held on February 3, 2021. For details, please refer to the Company's publication on the website of the Shanghai Stock Exchange (www.sse.com.cn) *Announcement on Using Part of the Over-raised Funds to Permanently Supplement Working Capital by Zhejiang Hangke Technology Incorporated Company* (Announcement No.: 2021-002).

On April 6, 2022, the Company held the third meeting of the third Board of Directors and the third meeting of the third Board of Supervisors, reviewed and approved the *Proposal on Using Over-raised Funds to Permanently Supplement Working Capital*, and approved the Company to use part of the over-raised funds. A total capital of RMB 140,000,000.00 is used to permanently replenish working capital. The use of over-raised funds to permanently replenish working capital will not affect the capital demand for the construction of investment projects with raised funds. No high-risk investment will be made and no financial assistance will be provided to others within 12 months after the replenishment of working capital. The Company's independent Directors have issued independent opinions that clearly agree, and the Company's sponsor Guosen Securities Co.,Ltd. has issued a clear verification opinion on this matter. This matter has been reviewed and approved at the Company's second extraordinary General Meeting of Shareholders in 2022 held on April 22, 2022. For details, please refer to the Company's publication on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 7, 2022.) *Announcement on Using Part of the Over-raised Funds to Permanently Supplement Working Capital by Zhejiang Hangke Technology Incorporated Company* (Announcement No.: 2022-020).

As of December 31, 2023, the balance of the excess funds of RMB69,936,400 was temporarily deposited in the fundraising account.

5. Others

☐Applicable ☒Not Applicable

XV. Explanations on other major events that have a significant impact on investors' value judgments and investment decisions

☐Applicable ☒Not Applicable

Section VII Changes in shares and shareholders

I. Changes in share capital

(I) Changes in Shares

1. Changes in Shares

Unit: shares

	Before this change		Increase or decrease in this change (+, -)					After this change	
	Quantity	Percentage(%)	Issuance of new shares	Bonus shares	Provident fund transfer	Other	Subtotal	Quantity	Percentage(%)
I. Restricted shares	0	0						0	0
1. State shareholding									
2. Shareholding by State-owned legal persons									
3. Other domestic holdings									
Where: shares held by domestic non-state legal persons									
Domestic natural person shareholding									
4. Foreign shareholding									
Where: Overseas corporations									
Overseas natural person shareholding									
II. Unlimited	405,133,000	100	26,061,394		172,477,758		198,539,152	603,672,152	100

shares outstanding									
1. RMB ordinary shares	405,133,000	100	26,061,394		172,477,758		198,539,152	603,672,152	100
2. Domestically listed foreign shares									
3. Foreign shares listed abroad									
4. Other									
III. Total number of shares	405,133,000	100	26,061,394		172,477,758		198,539,152	603,672,152	100

2. Statement of changes in shares

√Applicable □Not Applicable

On February 17, 2023, the Company completed the registration and depository of the A-share shares of the new domestic base securities corresponding to the issuance of GDRs on the SIX Swiss Exchange, and the number of new A-share shares was 25,251,394, which were listed on February 22, 2023 on the Shanghai Stock Exchange. For details, please refer to the "Prompt Announcement of Zhejiang Hangke Technology Incorporated Company, Ltd. on the Listing of the New Basic A-shares Corresponding to the Issue of GDRs and Changes in Shares" (Announcement No. 2023-008) published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on February 21, 2023 by the Company.

On March 22, 2023, the share registration procedures for the first vesting period of the Company's 2021 Restricted Stock Incentive Plan were completed, with 810,000 shares registered for stock vesting and listed for circulation on March 28, 2023. For details, please refer to the "Announcement on the Vesting Results of the First Vesting Period of the 2021 Restricted Stock Incentive Plan and Listing of Shares of Zhejiang Hangke Technology Incorporated Company (Announcement No. 2023-017).

On June 7, 2023, the Company's 2022 annual profit distribution and capitalization of capital reserve was implemented by transferring 0.4 shares per share from capital reserve to all shareholders, totaling 172,477,758 shares, which were listed for circulation on June 7, 2023. For details, please refer to the "Announcement on the Implementation of the 2022 Annual Equity Distribution of Zhejiang Hangke Technology Incorporated Company, Ltd." (Announcement No. 2023-040) published on the website of Shanghai Stock Exchange (www.sse.com.cn) on June 1, 2023 by the Company.

3. Effect of share changes on financial indicators such as earnings per share and net assets per share for the most recent year and period (if any)

√Applicable □Not Applicable

As a result of the Company's issuance of GDRs on the SIX Swiss Exchange, the completion of the vesting of the first phase of the 2021 Restricted Share Incentive Plan and the capitalization of the capital reserve resulting in the increase of the total share capital of the Company from 405,133,000 shares to 603,672,152 shares, the Company's basic earnings per share and diluted earnings per share for the most recent year and the most recent period, and the net asset value per share attributable to the Company's ordinary shareholders were financial indicators were diluted accordingly.

4. Other disclosures deemed necessary by the Company or required by securities regulators

□Applicable √Not Applicable

(II) Changes in restricted shares

□Applicable √Not Applicable

II. Issuance and listing of securities**(I) Issuance of securities as of the reporting period**

√Applicable □Not Applicable

Unit: Shares Currency: USD

Stocks and their derivatives Types of securities	Issue date	Issue price (or interest rate)	Issue number	Listing date	The number of transactions approved for listing	Transaction end date
Depository Receipt (DR)						
GDR	February 17, 2023	\$13.69	25,251,394	February 22, 2023	25,251,394	Not applicable

Explanation of securities issuance as of the reporting period (for bonds with different interest rates during the duration, please explain separately):

√Applicable □Not Applicable

As the Company implemented the 2022 annual equity distribution and transferred 0.4 shares per share to all shareholders from the capital reserve, the Company adjusted the number of GDRs to be issued from 25,251,394 shares to 35,351,952 shares in accordance with the relevant regulations, an increase of 10,100,558 shares.

(II) Changes in the total number of shares and shareholder structure of the Company and changes in the Company's asset and liability structure

√Applicable □Not Applicable

On February 17, 2023, the registration and depository of the A-share shares of the new domestic base securities corresponding to the Company's GDR issuance on the SIX Swiss Exchange was completed, and the number of new A-share shares was 25,251,394 shares, which were listed on February 22, 2023 on Shanghai Stock Exchange. Upon completion of the issue, the total share capital of the Company increased from 405,133,000 shares to 430,384,394 shares.

On March 22, 2023, the share registration procedures for the first vesting period of the Company's 2021 Restricted Stock Incentive Plan were completed, and 810,000 shares were registered for stock vesting and listed on March 28, 2023. After the listing of the vested shares of this share incentive, the total share capital of the Company increased from 430,384,394 shares to 431,194,394 shares.

On June 7, 2023, the Company's 2022 profit distribution and capitalization of capital reserve was implemented, in which 0.4 shares per share were transferred to all shareholders from capital reserve, totaling 172,477,758 shares, and the total share capital of the Company increased to 603,672,152 shares after the transfer. Such equity distribution and capitalization of Capital reserve was completed on June 7, 2023, and the total share capital of the Company increased from 431,194,394 to 603,672,152 shares.

III. Shareholders and de facto controllers

(I) Total number of shareholders

Total number of common shareholders as of the end of the reporting period	13,287
Total number of common shareholders at the end of the previous month before the annual report disclosure date	13,628

Number of Depositary Receipt Holders

□Applicable √Not Applicable

Note: As of the close of trading on the SIX Swiss Exchange on December 29, 2023 (Swiss time), the number of GDRs (Global Depositary Receipts) of the Company in existence was 49,007, corresponding to 98,014 shares of the underlying A-shares. Citibank, National Association is the nominal holder of the said shares of the underlying A-shares.

(II) Table showing the shareholdings of the top ten shareholders and the top ten outstanding shareholders (or shareholders with unlimited rights to sell) as of the end of the reporting period

Unit: shares

Shareholdings of the top ten shareholders (excluding shares lent through the transfer facility)							
Name of Shareholder (full name)	Increase/decrease during the reporting period	Number of shares held at the end of the period	Percentage (%)	Number of shares held under limited selling conditions	Pledged, marked or frozen		Shareholder nature
					Share status	Quantities	

Cao Ji	75,046,638	262,663,234	43.51	0	No	0	Domestic natural persons
Hangzhou Hangke Intelligent Equipment Group Co.,Ltd.	38,564,562	134,975,968	22.36	0	No	0	Domestic non-state legal persons
Hong Kong Securities Clearing Company Limited	-7,584,821	12,054,441	2.00	0	No	0	Overseas Legal Entity
Bank of Communications Co.,Ltd.- HSBC Jinxin Low Carbon Pioneer Equity Fund	4,049,012	11,185,325	1.85	0	No	0	Others
Bank of Communications-HSBC Jinxin Dynamic Strategy Mixed Securities Investment Fund	1,873,565	6,250,398	1.04	0	No	0	Others
Bank of Communications Co.,Ltd.- HSBC Jinxin Core Growth Mixed Securities Investment Fund	2,113,105	4,068,996	0.67	0	No	0	Others
Cao Guanqun	1,002,679	3,509,376	0.58	0	No	0	Domestic natural persons
Sang Hongyu	954,473	3,340,656	0.55	0	No	0	Domestic natural persons
Yu Pingguang	954,473	3,340,656	0.55	0	No	0	Domestic natural persons

Zhao Qunwu	924,273	3,234,956	0.54	0	No	0	Domestic natural persons
Shares held by top ten shareholders with unlimited sales conditions							
Name of Shareholder	Number of shares held in circulation with unlimited selling conditions	Type and number of shares					
		Type	Quantities				
Cao Ji	262,663,234	Renminbi ordinary shares	262,663,234				
Hangzhou Hangke Intelligent Equipment Group Co.,Ltd.	134,975,968	Renminbi ordinary shares	134,975,968				
Hong Kong Securities Clearing Company Limited	12,054,441	Renminbi ordinary shares	12,054,441				
Bank of Communications Co.,Ltd.- HSBC Jinxin Low Carbon Pioneer Equity Fund	11,185,325	Renminbi ordinary shares	11,185,325				
Bank of Communications-HSBC Jinxin Dynamic Strategy Mixed Securities Investment Fund	6,250,398	Renminbi ordinary shares	6,250,398				
Bank of Communications Co.,Ltd.- HSBC Jinxin Core Growth Mixed Securities Investment Fund	4,068,996	Renminbi ordinary shares	4,068,996				
Cao Guanqun	3,509,376	Renminbi ordinary shares	3,509,376				
Sang Hongyu	3,340,656	Renminbi ordinary shares	3,340,656				
Yu Pingguang	3,340,656	Renminbi ordinary shares	3,340,656				
Zhao Qunwu	3,234,956	Renminbi ordinary shares	3,234,956				
Description of repurchase special accounts among the top ten shareholders	Not applicable						
Explanation of the above shareholders' proxy voting rights, entrusted voting rights and waiver of voting rights	Not applicable						
Description of the above shareholders' affiliation or concerted action	Among the above shareholders, Cao Ji is the controlling shareholder and actual controller of the company. Hangke Group is an employee shareholding platform controlled by Cao Ji, and Cao Ji, Cao Guanqun, Yu Pingguang, Sang Hongyu and Zhao Qunwu are shareholders of Hangke Group. Cao Ji and Cao Guanqun are brothers. Apart from the above, the Company does not know whether the other shareholders mentioned above are related or acting in concert.						

Description of preferred shareholders whose voting rights have been restored and the number of shares they hold	Not applicable
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Participation of top ten shareholders in lending of shares in the transfer business

√Applicable □Not Applicable

Unit: Unit

Participation of the top ten shareholders in lending shares on transferring funds								
Name of shareholder (full name)	General and credit account holdings at the Beginning of the period		Shares lent on the opening transfer facility and not yet returned		General and credit account holdings at the end of the period		Shares lent on the transfer facility at the end of the period and not yet repatriated	
	Total number	Percent age (%)	Total number	Percent age (%)	Total number	Percent age (%)	Total number	Percent age (%)
China Merchants Bank Co.,Ltd.- ChinaA MC SSE Technology and Innovation Board 50 Constituent Traded Open-End Index Fund	5,276,989	1.30	1,686,100	0.42	3,074,060	0.51	120,600	0.02

Change in the top ten shareholders from the previous period

√Applicable □Not Applicable

Unit: shares

Changes in the top ten shareholders from the end of the previous period					
Name of shareholder (full name)	Newly increase /withdrawals during the reporting period	Number of shares lent and not yet returned under the transfer facility at the end of the period		Number of shares held in shareholders' ordinary accounts and credit accounts and outstanding shares lent on transfer at the end of the period	
		Total number	Percentage (%)	Total number	Percentage (%)
Bank of Communications Co.,Ltd.- HSBC Jinxin Core Growth Mixed Securities Investment Fund	Newly increase	0	0	4,068,996	0.67
Zhao Qunwu	Newly increase	0	0	3,234,956	0.54

China Merchants Bank Co.,Ltd.-ChinaAMC SSE Technology and Innovation Board 50 Constituent Traded Open-End Index Fund	Withdrawal	120,600	0	3,194,660	0.53
Cao Zheng	Withdrawal	0	0	2,547,062	0.42

Number of shares held by the top ten shareholders with limited selling rights and the conditions of sale restriction

☐Applicable ☒Not Applicable

Table showing the top ten holders of domestic depositary receipts of the Company as at the end of the reporting period

☐Applicable ☒Not Applicable

Lending of depositary receipts by the top ten depositary receipt holders participating in the conversion and financing business

☐Applicable ☒Not Applicable

Change in the top ten depositary receipt holders from the Previous period

☐Applicable ☒Not Applicable

Number of holdings of the top ten holders of restricted depositary receipts and conditions of restriction of sale

☐Applicable ☒Not Applicable

(II) Top ten shareholders in terms of number of voting rights as at the end of the reporting period

☐Applicable ☒Not Applicable

(IV) Strategic investors or general corporations become top ten shareholders as a result of the placement of new shares / depositary receipts

☐Applicable ☒Not Applicable

(V) Initial public offering strategic placement

1. Establishment of special asset management plans by senior management and core employees to participate in the initial public offering strategic placement holdings

☐Applicable ☒Not Applicable

2. Participation of relevant subsidiaries of the sponsor in the strategic placement of shares in the initial public offering

☐Applicable ☒Not Applicable

IV. Controlling shareholders and de facto controllers

(I) Controlling shareholders

1 Legal person

☐Applicable ☒Not Applicable

2 Natural person

☒Applicable ☐Not Applicable

Name	Cao Ji
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citizenship	Chinese
Whether or not have acquired the right of abode in other countries or regions	No
Main occupations and positions	Mr. Cao Ji is currently the director of the management office of the Company.

3 Special note on the absence of controlling shareholders in the Company

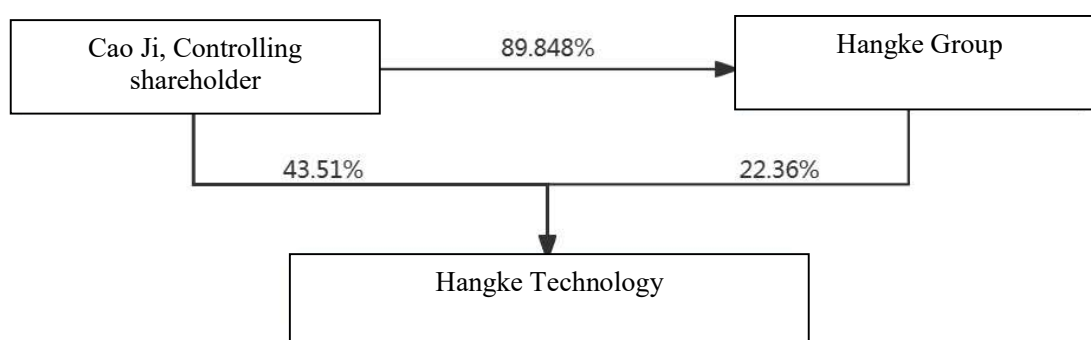
☐Applicable ☒Not Applicable

4 Explanation of changes in controlling shareholders during the reporting period

☐Applicable ☒Not Applicable

5 Block diagram of the ownership and control relationship between the Company and its controlling shareholders

☒Applicable ☐Not Applicable



(II) Situation of de facto controllers

1 Legal person

☐Applicable ☒Not Applicable

2 Natural person

☒Applicable ☐Not Applicable

Name	Cao Ji
Country of Citizenship	Chinese
Whether to obtain the right of residence in other countries or regions	No
Main occupation and position	Mr. Cao Ji is currently the director of the management office of the Company.
Domestic and foreign listed companies that have been controlled in the past 10 years	No
Name	Cao Zheng
Country of Citizenship	Chinese
Whether to obtain the right of residence in other countries or regions	Yes
Main occupation and position	Mr. Cao Zheng is currently the Head of Overseas Trade Department of the Company.

Domestic and overseas listed companies in which the Company had a controlling interest in the past 10 years	No
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3 Special note on the absence of de facto control of the company

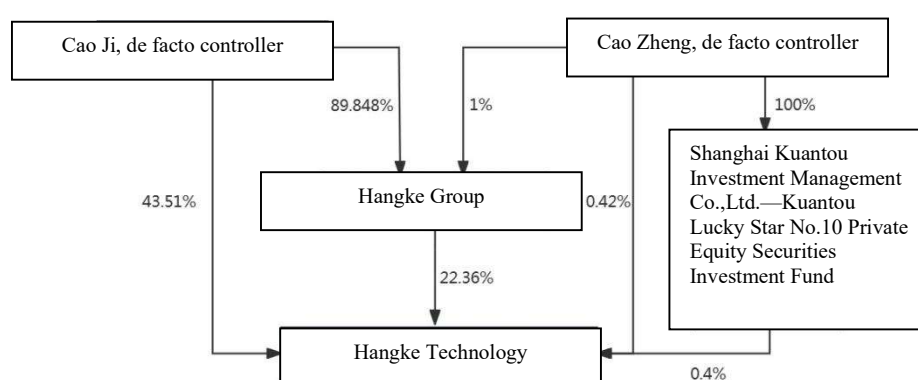
☐Applicable ☒Not Applicable

4 Explanation of changes in control of the Company during the reporting period

☐Applicable ☒Not Applicable

5 Block diagram of the ownership and control relationship between the Company and the beneficial owners

☒Applicable ☐Not Applicable



6 Control of companies by beneficial owners through trusts or other asset management methods

☐Applicable ☒Not Applicable

(III) Other information on controlling shareholders and de facto controllers

☐Applicable ☒Not Applicable

V. The number of shares pledged by the controlling shareholder or the first largest shareholder of the Company and its concert parties accounts for more than 80% of the number of shares held by them.

☐Applicable ☒Not Applicable

VI. Other corporate shareholders holding ten percent or more of the shares

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of corporate shareholders	Head or legal representative	Date of Establishment	Organization code	registered capital	Main business operations or management activities, etc.
Hangzhou Hangke Intelligent Equipment	Cao Ji	August 15, 2011	913301095802709897	5,000,000	General items: technical services, technology

Group Co.,Ltd.					development, technology consulting, technology exchanges, technology transfer, technology promotion (in addition to projects subject to approval by law, with a business license to carry out business activities independently according to law).
Information note	None				

VII. Statement of Restrictions on Reduction of Shares/Depository Receipts

☐Applicable ☒Not Applicable

VIII. Specific implementation of share repurchases during the reporting period

☐Applicable ☒Not Applicable

Section VIII Preferred stock related information

☐Applicable ☒Not Applicable

Section IX Bond-related information

I. Corporate bonds, corporate bonds and debt financing instruments for non-financial enterprises

☐Applicable ☒Not Applicable

II. Convertible bonds

☐Applicable ☒Not Applicable

Section X Financial Report

I. Audit report

√Applicable □Not Applicable

All shareholders of Zhejiang Hangke Technology Incorporated Company, Ltd.:

1. Audit Opinion

We have audited the financial statements of Zhejiang Hangke Technology Incorporated Company, Ltd. (hereinafter referred to as Hangke Technology Company), including the consolidated and parent balance sheets as of December 31, 2023, the consolidated and parent income statement for 2023, the consolidated and parent cash flow statement, consolidated and statement of changes in owner's equity of the parent company, and notes to relevant financial statements.

In our opinion, the attached financial statements are prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, and fairly reflect the consolidated and parent company financial status of Hangke Technology Company on December 31, 2023, as well as the consolidated and parent operating results and cash flows for 2023.

2. The Basis for Forming the Audit Opinion

We have carried out the audit work in accordance with the provisions of the auditing standards for Chinese certified public accountants. Our responsibilities under these standards are further described in the CPA's Responsibilities for the Audit of the Financial Statements section of the auditor's report. In accordance with the Code of Professional Ethics for Chinese Certified Public Accountants, we are independent from Hangke Technology and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate, providing a basis for issuing an audit opinion.

3. III. Key Audit Matters

Key audit matters are matters that we consider to be the most important in the audit of the financial statements of the current period based on our professional judgment. The response to these matters is based on the audit of the financial statements as a whole and the formation of audit opinions. We do not express opinions on these matters separately.

(I) Revenue recognition

1. Description

For details of relevant information disclosure, please refer to Notes III (XXII) and V (II) 1 to the financial statements.

The operating income of Hangke Technology Company in 2023 was 3,931.7190 million Yuan, an increase of 13.83% compared with 2022, which is an important driving factor for performance growth. The main income of Hangke Technology Co.,Ltd.is the sales income of lithium-ion battery charging and

discharging equipment. For trial operation, the revenue is recognized after the buyer has passed the acceptance inspection and obtained the acceptance certificate confirmed by the buyer. Due to the significant impact of revenue growth on the financial statements and the inherent risk that the management of Hangke Technology Co.,Ltd.(hereinafter referred to as the management) manipulates the timing of revenue recognition to achieve specific goals or expectations, we identified revenue recognition as a key audit matter.

2. Audit response

For revenue recognition, our audit procedures mainly include:

(1) Understand the key internal controls related to revenue recognition, evaluate the design of these controls, determine whether they are implemented, and test the operational effectiveness of relevant internal controls;

(2) Understand the revenue recognition policy of Hangke Technology Co.,Ltd., and check whether the revenue recognition conditions and methods comply with the provisions of the accounting standards for enterprises in combination with the actual operating conditions and relevant transaction contract terms;

(3) Analyze the income and gross profit in combination with the product type, judge whether there is any abnormal fluctuation in the amount of income in the current period, and find out the reason for the fluctuation;

(4) Inspection of supporting documents related to revenue recognition in way of sampling specific items, including sales contracts, orders, sales invoices, export declarations, packing lists and customer acceptance documents and other supporting documents;

(5) Carry out letter confirmation procedures to key customers, inquire about the sales amount that occurred in the current period, the balance of current payments, and the time of contract acceptance, and confirm the authenticity and completeness of business income ;

(6) Interview important customers and ask them about the acceptance and operation of equipment purchased from Hangke Technology;

(7) Carry out a cut-off test for the sales revenue confirmed before and after the balance sheet date, check the terms of the sales contract, check the relevant time nodes from the delivery of the finished product to the customer's acceptance, and judge whether the income is calculated based on the acceptance report and the time of receipt of the acceptance payment into the correct accounting period;

(8) Check that information related to revenue is properly presented in the financial statements.

(II) Impairment of Accounts Receivable and contract assets

1. Description

See Notes III (XI), III (XXIV) and V (I) 4, 9, 17 to the financial statements for details of relevant information disclosure .

As of December 31, 2023, the total book balance of Accounts Receivable and contract assets (including contract assets in other non-current assets, the same below) of Hangke Technology Co.,Ltd.was 2745.7914 million Yuan. Provisions for bad debts and contractual asset impairment totaled

438.6339 million Yuan, with a total Book value of 2307.1575 million Yuan, accounting for 22.56% of the total assets in the consolidated financial statements. Due to the large amount of Accounts Receivable and contract assets, and the impairment of Accounts Receivable and contract assets involves major management judgments, we identified the impairment of Accounts Receivable and contract assets as key audit matters.

2. Audit response

For the impairment of Accounts Receivable and contract assets, our audit procedures mainly include:

(1) Understand the key internal controls related to the impairment of Accounts Receivable and contract assets, evaluate the design of these controls, determine whether they are implemented, and test the operational effectiveness of relevant internal controls;

(2) Review the subsequent actual write-off or reversal of Accounts Receivable for which bad debt provision has been made in previous years, and evaluate the accuracy of management's past forecasts;

(3) Review the relevant considerations and objective evidence of the management's credit risk assessment of Accounts Receivable and contract assets, and evaluate whether the management properly identifies the credit risk characteristics of various Accounts Receivable and contract assets;

(4) For Accounts Receivable that measure expected credit losses on a single-item basis, obtain and check the management's forecast of the expected cash flow received, evaluate the rationality of the key assumptions used in the forecast and the accuracy of the data, and check against external evidence obtained;

(5) For Accounts Receivable and contract assets that measure expected credit losses on a portfolio basis, evaluate the rationality of management's division of portfolios based on credit risk characteristics, and test the management's use of data (including Accounts Receivable and contract asset aging etc.) and whether the calculation of Provision for bad debts and provision for impairment of contract assets is accurate;

(6) Check the post-dated payment of Accounts Receivable, and evaluate the rationality of the management's Provision for bad debts of Accounts Receivable;

(7) Check that information related to Accounts Receivable and impairment of contract assets has been properly presented in the financial statements.

(III) Net realizable value of inventories

1. Description

Please refer to notes III (XII) and V (I) 8 to the financial statements for relevant information disclosure.

As of December 31, 2023, the book balance of Hangke Technology Company's inventory was 2995.1098 million Yuan, the provision for price depreciation was 93.6329 million Yuan, and the Book value was 2901.4769 million Yuan, accounting for 28.38% of the Total assets in the consolidated financial statements, which is a relatively large proportion .

On the balance sheet date, inventories are measured at the lower of cost and net realizable value, and inventory depreciation reserves are made based on the difference between the cost of a single inventory and the net realizable value. Due to the high degree of customization of Hangke Technology's products, the determination of the net realizable value of the inventory requires the management to consider the future selling price, estimated reusable value, further processing costs, transportation costs, sales taxes and fees on the basis of obtaining conclusive evidence. The difference between the actual result and the original estimate will affect the Book value of the inventory during the period when the estimate is changed.

Due to the large amount of inventory and the determination of the net realizable value of the inventory involves major management judgments, we determined the net realizable value of the inventory as a key audit matter.

2. Audit response

For the net realizable value of inventories, our audit procedures mainly include:

(1) Understand the key internal controls related to the net realizable value of inventories, evaluate the design of these controls, determine whether they are implemented, and test the operational effectiveness of relevant internal controls;

(2) Obtain and evaluate the management's method and relevant assumptions for the provision for inventory depreciation, and consider the possible impact of the future selling price, estimated reusable value, further processing costs, transportation costs and sales taxes of Hangke Technology Company's inventory on the provision for inventory depreciation;

(3) Obtain the end-of-period inventory aging list of the inventory, focus on the inventory with a longer inventory age, and judge whether there is a risk of impairment in the inventory with a longer inventory age based on the implementation of the sales contract ;

(4) Implement inventory monitoring procedures, check the quantity and condition of the inventory, and focus on inspecting the status of the inventory, analyzing the use of the inventory, and determining whether the provision for price decline has been reasonably accrued;

(5) Check whether the information related to the provision for inventory depreciation has been properly presented in the financial statements.

IV. Other information

The Management of Hangke Technology is responsible for the other information. Other information includes information covered in the annual report, but does not include the financial statements and our auditor's report.

Our audit opinion on the financial statements does not cover the other information, nor do we express any form of verification conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or our knowledge obtained in the course of our audit or appears to be materially misstated.

If, based on the work we have performed, we determine that there is a material misstatement of the other information, we shall report that fact. We have nothing to report in this regard.

V. Responsibility of management and governance for financial statements

The Management is responsible for preparing the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve a fair presentation, and designing, implementing and maintaining the necessary internal controls so that the financial statements are free from material misstatements due to fraud or error.

When preparing the financial statements, the management is responsible for assessing Hangke Technology's ability to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the going concern assumption, unless there is a plan to liquidate, terminate operations or have no other realistic choose.

The management of Hangke Technology Company is responsible for supervising the financial reporting process of Hangke Technology Company.

VI. Responsibilities of certified public accountants for the audit of financial statements

Our goal is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements, which may result from fraud or error, are generally considered material if they, individually or in the aggregate, could reasonably be expected to affect the economic decisions that users of financial statements make based on the financial statements .

In the process of performing audit work in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. At the same time, we also perform the following tasks:

(1) Identify and assess the risks of material misstatement of financial statements due to fraud or errors, design and implement audit procedures to deal with these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls, the risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error.

(2) Understand the internal controls related to auditing in order to design appropriate auditing procedures.

(3) Evaluate the appropriateness of accounting policies selected by the management and the rationality of accounting estimates and related disclosures.

(4) Draw conclusions on the appropriateness of the management's use of the going concern assumption. At the same time, based on the audit evidence obtained, a conclusion is drawn on whether there are major uncertainties in matters or circumstances that may cause major doubts about Hangke Technology's ability to continue operating. If we conclude that there is a material uncertainty, the auditing standards require us to draw the report users' attention to the relevant disclosures in the financial statements in the audit report; if the disclosure is insufficient, we should issue a non-unqualified opinion. Our conclusions are based on the information available up to the date of the audit report. However, future events or conditions may cause Hangke Technology Company to cease to operate as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and evaluate whether the financial statements fairly reflect relevant transactions and events.

(6) Obtain sufficient and appropriate audit evidence on the financial information of entities or business activities in Hangke Technology Co.,Ltd.to express audit opinions on the financial statements. We are responsible for the direction, supervision and performance of the group audit and accept full responsibility for the audit opinion.

We communicate with governance about the planned audit scope, timing, and significant audit findings, including internal control deficiencies of concern that we have identified during the audit.

We also provide governance with a statement that we have complied with ethical requirements related to our independence and communicate with governance about all relationships and other matters that may reasonably be considered to affect our independence, as well as relevant precautions, if applicable.

From the matters communicated with the management layer, we determine which matters are the most important for the audit of the current financial statements and therefore constitute the key audit matters. We describe these matters in our audit reports unless the public disclosure of such matters is prohibited by law or regulation or, in rare circumstances, we determine that we should not communicate a matter in our audit report if the negative consequences of communicating the matter in our audit report can reasonably be expected to outweigh the benefit in the public interest.

Pan-China Certified Public Accountants (Special Chinese Certified Public Accountants: (Project General Partnership) Partner)

China·Hangzhou

Chinese Certified Public Accountants:

April 25, 2024

II. Financial Statement

Consolidated Balance Sheets

December 31, 2023

Prepared by: Zhejiang Hangke Technology Incorporated Company

Unit: Yuan Currency: RMB

Item	Note	December 31, 2023	December 31, 2022
Current assets::			
Monetary funds	VII.1	3,263,149,304.07	2,204,980,109.77
Settlement provisions			
Loan out funds			
Trading financial assets	VII.2	5,925,509.48	8,470,694.76
Derivative financial assets			
Bill receivable	VII.4	90,155,576.33	58,049,060.67
Accounts receivable	VII.5	1,902,796,347.12	1,673,164,923.92
Receivables Financing	VII. 7	18,205,751.49	17,904,210.81
Prepayments	VII. 8	42,841,452.58	18,078,982.30
Premiums receivable			
Reinsurance Accounts Receivable			
Reinsurance contract reserves receivable			
Other Receivables	VII. 9	40,784,568.93	20,752,014.90
Where: interest receivable			
dividend receivable			
Financial assets purchased under agreements to resell			
Stock	VII. 10	2,901,476,917.36	2,380,677,299.30
Contract assets	VII. 6	341,031,109.41	307,678,177.15
Assets held for sale			
Non-current assets due within one year			
Other current assets	VII.13	10,470,636.02	22,209,690.01
Total Current Assets		8,616,837,172.79	6,711,965,163.59
Non-current assets:			
Loans and advances issued			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment			
Investment in other equity instruments			
Other non-current financial assets			
Investment property			
Fixed assets	VII. 21	1,264,096,156.79	954,337,911.33
Construction in progress	VII.22		35,503,214.70
Productive Biological Assets			
Oil and Gas Assets			
Right-of-use asset	VII.25	2,214,093.56	6,009,682.76
Intangible Assets	VII.26	184,872,136.46	175,501,531.02
Development expenditure			
Goodwill			
Long-term prepaid expenses	VII.2 8	11,181,004.43	7,003,767.94
Deferred tax assets	VII. 29	78,015,221.68	36,536,452.57
Other non-current assets	VII.3 0	67,542,715.14	39,229,381.89
Total non-current assets		1,607,921,328.06	1,254,121,942.21
Total assets		10,224,758,500.85	7,966,087,105.80

Current liabilities:			
Short term loan	VII.32	14,516,000.00	
Borrowing from the central bank			
Borrowing funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII.35	1,015,562,136.25	1,316,903,913.74
Accounts payable	VII.36	1,562,586,492.08	1,596,641,156.33
Advance payment	VII.37	560,000.00	560,000.00
Contract liabilities	VII.38	2,239,109,626.13	1,501,881,384.48
Financial assets sold under repurchase agreements			
Deposit-taking and inter-bank deposits			
Brokerage for buying and selling securities			
Agency underwriting securities payment			
Payroll payable	VII.39	34,353,950.98	25,250,952.24
Taxes payable	VII.40	86,784,440.43	14,341,081.96
Other payable	VII.41	8,469,552.89	3,002,923.42
Where: interest payable			
Dividends payable			
Fees and commissions			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	VII.43	2,028,014.09	3,840,678.51
Other current liabilities	VII.44	117,860,346.15	125,660,270.00
Total current liabilities		5,081,830,559.00	4,588,082,360.68
Non-current liabilities:			
Insurance contract reserve			
Long term loan			
Bonds payable			
Where: preferred shares			
Perpetual bonds			
lease liability	VII.47		2,028,013.79
Long-term payable			
Long-term salary payable			
Estimated liabilities			
Deferred income	VII.51	23,863,491.77	28,438,576.97
Deferred tax liabilities	VII.30		
Other non-current liabilities			
Total non-current liabilities		23,863,491.77	30,466,590.76
Total Liabilities		5,105,694,050.77	4,618,548,951.44
Owner's Equity (or Shareholders' Equity):			
Paid-in capital (or share capital)	VII.53	603,672,152.00	405,133,000.00
Other Equity Instruments			
Where: preferred shares			
Perpetual bonds			

Capital reserve	VII.55	2,359,829,993.27	1,401,737,825.15
Less: treasury stock			
Other comprehensive income	VII.57	7,227,980.88	2,419,348.00
Special reserves	VII.58	207,647.09	
Surplus reserve	VII.59	271,191,623.48	191,755,852.88
General risk preparation			
Undistributed profit	VII.60	1,876,935,053.36	1,346,492,128.33
Total owner's equity (or shareholders' equity) attributable to the parent Company		5,119,064,450.08	3,347,538,154.36
Minority interests			
Total Owner's Equity (or Shareholders' Equity)		5,119,064,450.08	3,347,538,154.36
Total Liabilities and Owner's Equity (or Shareholders' Equity)		10,224,758,500.85	7,966,087,105.80

Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting Organization: Yang Zhaodi

Parent Company Balance Sheet

December 31, 2023

Prepared by: Zhejiang Hangke Technology Incorporated Company

Unit: Yuan Currency: RMB

Item	Note	December 31, 2023	December 31, 2022
Current assets::			
Monetary funds		2,663,712,048.69	1,991,810,568.64
Trading financial assets		5,925,509.48	8,470,694.76
Derivative financial assets			
Bill receivable		90,155,576.33	58,049,060.67
Accounts receivable	XIX.1	2,011,874,179.81	1,674,400,536.49
Receivables Financing		18,205,751.49	17,904,210.81
Prepayments		39,559,933.04	16,560,508.62
Other Receivables	XIX.2	102,004,409.49	97,885,479.26
Where: interest receivable			
dividend receivable			
Stock		2,806,824,824.70	2,380,640,012.12
Contract assets		365,187,676.55	307,678,177.15
Assets held for sale			
Non-current assets due within one year			
Other current assets		8,029,806.34	21,186,453.88
Total Current Assets		8,111,479,715.92	6,574,585,702.40
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment	XIX.3	132,131,762.24	64,699,481.59
Investment in other equity instruments			
Other non-current financial assets			
Investment property			

Fixed assets		1,065,286,871.83	895,250,731.49
Construction in progress			18,204,314.48
Productive Biological Assets			
Oil and Gas Assets			
Right of-use asset		2,214,093.56	6,009,682.76
Intangible Assets		184,872,136.46	175,501,531.02
Development expenditure			
Goodwill			
Long-term prepaid expenses		7,290,595.64	7,003,767.94
Deferred tax assets		78,937,135.18	36,577,923.82
Other non-current assets		67,542,715.14	37,292,942.20
Total non-current assets		1,538,275,310.05	1,240,540,375.30
Total assets		9,649,755,025.97	7,815,126,077.70
Current liabilities:			
Short term loan		14,516,000.00	
Trading financial liabilities			
Derivative financial liabilities			
Notes payable		1,015,562,136.25	1,316,903,913.74
Accounts payable		1,563,495,945.42	1,596,632,180.12
Advance payment		560,000.00	560,000.00
Contract liabilities		1,727,824,779.19	1,385,308,395.26
Payroll payable		34,048,873.31	25,210,737.00
Taxes payable		82,880,643.82	14,285,097.21
Other payable		5,438,390.26	2,860,728.64
Where: interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		2,028,014.09	3,840,678.51
Other current liabilities		114,154,402.27	125,660,270.00
Total current liabilities		4,560,509,184.61	4,471,262,000.48
Non-current liabilities:			
Long term loan			
Bonds payable			
Where: preferred shares			
Perpetual bonds			
lease liability			2,028,013.79
Long-term payable			
Long-term salary payable			
Estimated liabilities			
Deferred income		23,863,491.77	28,438,576.97
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		23,863,491.77	30,466,590.76
Total Liabilities		4,584,372,676.38	4,501,728,591.24
Owner's Equity (or Shareholders' Equity):			
Paid-in capital (or share capital)		603,672,152.00	405,133,000.00
Other Equity Instruments			
Where: preferred shares			
Perpetual bonds			
Capital reserve		2,359,829,993.27	1,401,737,825.15
Less: treasury stock			

Other comprehensive income			
Special reserves		207,647.09	
Surplus reserve		271,191,623.48	191,755,852.88
undistributed profit		1,830,480,933.75	1,314,770,808.43
Total Owner's Equity (or Shareholders' Equity)		5,065,382,349.59	3,313,397,486.46
Total Liabilities and Owner's Equity (or Shareholders' Equity)		9,649,755,025.97	7,815,126,077.70

Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting Organization: Yang Zhaodi

Consolidated Income Statement

January-December 2023

Unit: Yuan Currency: RMB

Item	Note	FY2023	FY2022
1. Total operating income	VII.61	3,931,719,031.47	3,454,133,088.43
Where: operating income		3,931,719,031.47	3,454,133,088.43
Interest income			
Earned premium			
Fee and commission income			
2. Total operating cost	VII.61	2,861,591,049.80	2,851,819,410.11
Where: Operating costs		2,455,833,940.25	2,317,631,098.76
interest expense			
Fees and commission expenses			
Surrender			
Net claim payout			
Withdrawal of net insurance liability reserves			
Dividend payment policy			
Reinsurance costs			
Taxes and surcharges	VII.62	36,645,090.09	14,427,516.69
Sales expense	VII.63	114,572,405.05	91,331,383.72
Management costs	VII.64	169,164,040.99	306,671,645.62
R & D costs	VII.65	243,563,558.47	207,303,580.94
Financial expenses	VII.66	-158,187,985.05	-85,545,815.62
Where: interest expense		582,725.77	670,804.78
interest income		92,479,510.29	22,082,313.61
Add: other income	VII. 67	121,310,244.30	64,727,784.32
Investment income (losses are listed with -)	VII.68	-5,030,500.89	1,630,785.99
Where: investment income from associates and joint ventures			
De-recognition income of financial assets measured at amortized cost		-131,234.45	-3,330,905.47
Exchange gains (losses are listed with -)			
Net exposure hedging income (losses are listed with -)			
Gains from changes in fair value (losses are listed with -)	VII.7 0	-2,545,185.28	596,527.80
Credit impairment losses (losses are listed with -)	VII.7 1	-222,168,198.47	-78,607,822.14

Asset impairment losses (losses are listed with -)	VII.7 2	-52,699,448.38	-39,527,676.40
Gains from asset disposal (losses are listed with -)	VII.73	670,184.65	-344,350.15
3. Operating profit (losses are listed with -)		909,665,077.60	550,788,927.74
Add: non-operating income	VII.74	7,447,819.83	3,121,912.20
Less: Non-operating expenses	VII.75	6,131,169.21	9,965,333.81
4. Total profit (Total loss is listed with -)		910,981,728.22	543,945,506.13
Deduct: income tax expense	VII. 76	101,891,222.53	53,351,094.28
5. Net profit (net loss is listed with -)		809,090,505.69	490,594,411.85
(i) Classification by business continuity			
1. Net profit from continuing operations (net losses are listed with -)		809,090,505.69	490,594,411.85
2. Net profit from discontinued operations (net losses are listed with -)			
(ii) Classification by ownership			
1. Net profit attributable to shareholders of the parent Company (net loss is listed with -)		809,090,505.69	490,594,411.85
2. Profit and loss of minority shareholders (net loss is listed with -)			
6. Net after-tax amount of other comprehensive income	VII. 77	4,808,632.88	5,052,708.15
(1) After-tax net amount of other comprehensive income attributable to owners of the parent Company		4,808,632.88	5,052,708.15
1. Other comprehensive income that cannot be reclassified to profit or loss			
(1) Re-measurement of changes in defined benefit plans			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of other equity instrument investments			
(4) Changes in the fair value of the enterprise's own credit risk			
2. Other comprehensive income to be reclassified to profit or loss		4,808,632.88	5,052,708.15
(1) Other comprehensive income that can be transferred to profit or loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) Amount of reclassification of financial assets included in other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedging reserve			
(6) Translation differences of foreign currency financial statements		4,808,632.88	5,052,708.15
(7) Others			

(2) Net after-tax amount of other comprehensive income attributable to minority shareholders			
7. Total comprehensive income		813,899,138.57	495,647,120.00
(1) Total comprehensive income attributable to owners of the parent Company		813,899,138.57	495,647,120.00
(2) Total comprehensive income attributable to minority shareholders			
8. Earnings per share:			
(1) Basic earnings per share (Yuan/share)		1.35	0.87
(2) Diluted earnings per share (Yuan/share)		1.35	0.87

In the current period, if there is a business merger under the same control, 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.

Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting Organization: Yang Zhaodi

Income Statement of the Parent Company

January-December 2023

Unit: Yuan Currency: RMB

Item	Note	FY2023	FY2022
1. Operating income	XIX, 4	3,919,206,752.78	3,454,165,109.91
Less: operating costs	XIX, 4	2,455,888,742.10	2,318,157,417.85
Taxes and surcharges		33,640,000.56	13,907,661.88
Sales expense		114,295,482.72	91,187,244.11
Management costs		147,919,397.36	300,274,868.68
R & D costs		243,563,558.47	207,303,580.94
Financial expenses		-140,462,594.21	-90,818,390.10
Where: interest expense		582,725.77	670,804.78
interest income		82,002,596.57	22,082,313.61
Add: other income		118,174,985.39	64,553,293.51
Investment income (losses are listed with -)	XIX.5	-2,189,394.54	4,656,262.29
Where: investment income from associates and joint ventures			
De-recognition income of financial assets measured at amortized cost		-131,234.45	-3,330,905.47
Net exposure hedging income (losses are listed with -)			
Gains from changes in fair value (losses are listed with -)		-2,545,185.28	596,527.80
Credit impairment losses (losses are listed with -)		-237,795,435.73	-118,885,990.73
Asset impairment losses (losses are listed with -)		-53,970,846.65	-39,527,676.40
Gains from asset disposal (losses are listed with -)		4,462,821.93	-344,350.15
2. Operating profit (losses are listed with -)		890,499,110.90	525,200,792.87
Add: non-operating income		7,446,755.19	3,121,912.20
Less: Non-operating expenses		6,130,683.59	9,963,808.90

3. Total profit (Total loss is listed with -)		891,815,182.50	518,358,896.17
Deduct: income tax expense		97,457,476.52	53,266,797.35
4. Net profit (net loss is listed with -)		794,357,705.98	465,092,098.82
(1) Net profit from continuing operations (net losses are listed with -)		794,357,705.98	465,092,098.82
(2) Net profit from discontinued operations (net losses are listed with -)			
5. Net after-tax amount of other comprehensive income			
(1) Other comprehensive income that cannot be reclassified into profit or loss			
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in the fair value of the enterprise's own credit risk			
(2) Other comprehensive income that will be reclassified into profit or loss			
1. Other comprehensive income that can be transferred to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. The amount of reclassification of financial assets included in other comprehensive income			
4. Other debt investment credit impairment provision			
5. Cash flow hedge reserves			
6. Foreign currency financial statement conversion differences			
7. Other			
6. Total comprehensive income		794,357,705.98	465,092,098.82
7. Earnings per share:			
(1) Basic earnings per share (Yuan/share)			
(2) Diluted earnings per share (Yuan/share)			

Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting Organization: Yang Zhaodi

Consolidated Statement of Cash Flows

January-December 2023

Unit: Yuan Currency: RMB

Item	Note	FY2023	FY2022
1. Cash flows from operating activities:			
Cash received from sales of		4,422,964,222.52	3,647,124,800.61

goods and rendering of services			
Net increase in customer deposits and interbank deposits			
Net increase in central bank borrowing			
Net increase in borrowing funds from other financial institutions			
Cash received from the original insurance contract premium			
Net cash received from reinsurance business			
Net increase in policyholder deposits and investment funds			
Cash for interest, fees and commissions			
Net increase in borrowed funds			
Net increase in repurchase business funds			
Net cash received by agents for buying and selling securities			
Tax Refund		140,985,247.47	80,384,198.43
Cash received from other operating activities	VII.78	340,918,881.23	280,166,290.43
Subtotal of cash inflow from operating activities		4,904,868,351.22	4,007,675,289.47
Cash paid for goods purchased and services received		3,274,466,153.51	2,325,184,864.21
Net increase in loans and advances to customers			
Net increase in deposits with the central bank and interbank deposits			
Cash paid for compensation under the original insurance contract			
Net increase in lending funds			
Cash for payment of interest, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		572,008,449.65	512,098,241.99
Taxes paid		243,019,429.82	117,463,952.09
Other cash payments related to operating activities	VII.78	600,408,440.61	357,205,413.26
Subtotal of cash outflow from operating activities		4,689,902,473.59	3,311,952,471.55
Net cash flow from operating activities		214,965,877.63	695,722,817.92
2. Cash flows from investing activities:			
Return of cash received on investment	VII.78	272,439,369.87	1,543,023,120.39
Cash received from investment income			145,000.00
Net cash received from disposal of Fixed Assets, Intangible Assets and other long-term assets		1,467,198.08	62,831.85
Net cash received from disposal			

of subsidiaries and other business units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		273,906,567.95	1,543,230,952.24
Cash paid for the purchase and construction of Fixed Assets, Intangible Assets and other long-term assets		412,318,304.80	417,311,743.01
Cash Investment	VII.78	270,000,000.00	1,535,000,000.00
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		682,318,304.80	1,952,311,743.01
Net cash flows from investing activities		-408,411,736.85	-409,080,790.77
3. Cash flows from financing activities:			
Cash received from absorption of investments		1,195,315,292.39	19,316,500.00
Where: cash received by subsidiaries from investment from minority shareholders			
Get cash received from borrowing			
Cash received in connection with other financing activities	VII.78	14,481,760.28	
Subtotal of cash inflows from financing activities		1,209,797,052.67	19,316,500.00
Cash to pay off debts			
Cash paid for distribution of dividends, profits, or interest payments		199,211,810.06	92,712,188.31
Where: Dividends and profits paid by subsidiaries to minority shareholders			
Other cash payments related to financing activities	VII.78	13,343,672.74	4,500,000.00
Subtotal of cash outflows from financing activities		212,555,482.80	97,212,188.31
Net cash flow from financing activities		997,241,569.87	-77,895,688.31
4. Impact of exchange rate changes on cash and cash equivalents		69,558,604.22	68,959,112.16
5. Net increase in cash and cash equivalents		873,354,314.87	277,705,451.00
Add: Opening balance of cash and cash equivalents		1,992,463,562.87	1,714,758,111.87
6. Balance of cash and cash equivalents at the end of the period		2,865,817,877.74	1,992,463,562.87

Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting Organization: Yang Zhaodi

Parent Company Statement of Cash Fows
January-December 2023

Unit: Yuan Currency: RMB

Item	Note	FY2023	FY2022
1. Cash flows from operating activities:			
Cash received from sales of goods and rendering of services		3,867,671,432.90	3,532,159,718.33
Tax Refund		137,858,224.96	80,384,198.43
Cash received from other operating activities		326,821,030.06	279,651,891.83
Subtotal of cash inflow from operating activities		4,332,350,687.92	3,892,195,808.59
Cash paid for goods purchased and services received		3,160,131,932.33	2,325,465,853.97
Cash paid to and for employees		566,979,962.74	510,258,498.88
Taxes paid		239,924,035.44	116,801,027.84
Other cash payments related to operating activities		579,442,165.44	422,055,016.68
Subtotal of cash outflow from operating activities		4,546,478,095.95	3,374,580,397.37
Net cash flow from operating activities		-214,127,408.03	517,615,411.22
2. Cash flows from investing activities:			
Return of cash received on investment		272,439,369.87	1,543,023,120.39
Cash received from investment income			145,000.00
Net cash received from disposal of Fixed Assets, Intangible Assets and other long-term assets		282,090.09	62,831.85
Net cash received from disposal of subsidiaries and other business units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		272,721,459.96	1,543,230,952.24
Cash paid for the purchase and construction of Fixed Assets, Intangible Assets and other long-term assets		286,468,270.06	367,018,930.25
Cash Investment		337,433,066.57	1,586,065,481.59
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		623,901,336.63	1,953,084,411.84
Net cash flows from investing activities		-351,179,876.67	-409,853,459.60
3. Cash flows from financing activities:			

Cash received from absorption of investments		1,195,315,292.39	19,316,500.00
Get cash received from borrowing			
Cash received in connection with other financing activities		14,481,760.28	
Subtotal of cash inflows from financing activities		1,209,797,052.67	19,316,500.00
Cash to pay off debts			
Cash paid for distribution of dividends, profits, or interest payments		199,211,810.06	92,712,188.31
Other cash payments related to financing activities		13,343,672.74	4,500,000.00
Subtotal of cash outflows from financing activities		212,555,482.80	97,212,188.31
Net cash flow from financing activities		997,241,569.87	-77,895,688.31
4. Impact of exchange rate changes on cash and cash equivalents		55,152,315.45	64,592,173.78
5. Net increase in cash and cash equivalents		487,086,600.62	94,458,437.09
Add: Opening balance of cash and cash equivalents		1,779,294,021.74	1,684,835,584.65
6. Balance of cash and cash equivalents at the end of the period		2,266,380,622.36	1,779,294,021.74

Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting Organization: Yang Zhaodi

Consolidated Statement of Changes in Equity
January-December 2023

Unit: Yuan Currency: RMB

Item	FY2023														
	Equity attributable to owners of the parent company													Minor ity intere sts	Total owners' equity
	Paid-in capital (or share capital)	Other instruments equity			Capital reserve	Less: Treas ury stock	Other comprehe nsive income	Special reserves	Surplus reserve	Gener al risk provis ion	Undistribut ed profit	Oth er	Subtotal		
Prefer red stock		Perpet ual bonds	Oth er												
I. Prior year-end balance	405,133,00 0.00				1,401,737,8 25.15		2,419,348. 00		191,755,85 2.88		1,346,492,1 28.33		3,347,538,1 54.36		3,347,538,1 54.36
Add: change in accounting policy															
Correction of prior period errors															
Other															
II. Opening balance for the year	405,133,00 0.00				1,401,737,8 25.15		2,419,348. 00		191,755,85 2.88		1,346,492,1 28.33		3,347,538,1 54.36		3,347,538,1 54.36
III. Amount of increase or decrease during the period (decreases are indicated by a "-")	198,539,15 2.00				958,092,168 .12		4,808,632. 88	207,647. 09	79,435,770 .60		530,442,925 .03		1,771,526,2 95.72		1,771,526,2 95.72

sign)															
(i) Total comprehensive income							4,808,632.88				809,090,505.69		813,899,138.57		813,899,138.57
(ii) Owners' inputs and reductions in capital	26,061,394.00				1,130,569,926.12								1,156,631,320.12		1,156,631,320.12
1. Common shares invested by owners	26,061,394.00				1,155,811,356.09								1,181,872,750.09		1,181,872,750.09
2. Capital contributions by holders of other equity instruments															
3. Share-based payments recognized in equity					-25,241,429.97								-25,241,429.97		-25,241,429.97
4. Other															
(iii) Distribution of profits									79,435,770.60		-278,647,580.66		-199,211,810.06		-199,211,810.06
1. Withdrawal of surplus reserves									79,435,770.60		-79,435,770.60				
2. Provision for general risks															

3. Distribution to owners (or shareholders)											-199,211,810.06		-199,211,810.06		-199,211,810.06
4. Other															
(iv) Internal carry-forward of owners' equity	172,477,758.00				-172,477,758.00										
1. Transfer of capital reserve to capital (or share capital)	172,477,758.00				-172,477,758.00										
2. Transfer of surplus to capital (or share capital)															
3. Coverage of losses by surplus reserve															
4. Carry-over of changes in defined benefit plans to retained earnings															
5. Other comprehensive income carried															

forward to retained earnings															
6. Other															
(v) Special reserves							207,647.09					207,647.09		207,647.09	
1. Withdrawals during the period							6,064,165.11					6,064,165.11		6,064,165.11	
2. Utilization during the period							-5,856,518.02					-5,856,518.02		-5,856,518.02	
(vi) Other															
IV. Closing balance for the period	603,672,152.00				2,359,829,993.27		7,227,980.88	207,647.09	271,191,623.48		1,876,935,053.36		5,119,064,450.08		5,119,064,450.08

Item	FY2022													
	Equity attributable to owners of the parent company												Minority interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	General risk provision	Undistributed profit	Other	Subtotal	
I. Prior year-end balance	403,090,000.00	Preferred stock	Perpetual bond	Other	1,283,796,073.62		-2,633,360.15		145,246,643.00		995,119,114.67		2,824,618,471.14	2,824,618,471.14
Add: change in accounting policy														
Correction of prior														

period errors															
Other															
II. Opening balance for the year	403,090,000.00				1,283,796,073.62		- 2,633,360.15		145,246,643.00		995,119,114.67		2,824,618,471.14		2,824,618,471.14
III. Amount of increase or decrease during the period (decreases are indicated by a "-" sign)	2,043,000.00				117,941,751.53		5,052,708.15		46,509,209.88		351,373,013.66		522,919,683.22		522,919,683.22
(i) Total comprehensive income							5,052,708.15				490,594,411.85		495,647,120.00		495,647,120.00
(ii) Owners' inputs and reductions in capital	2,043,000.00				117,941,751.53								119,984,751.53		119,984,751.53
1. Common shares invested by owners	2,043,000.00				17,273,500.00								19,316,500.00		19,316,500.00
2. Capital contributions by holders of other equity instruments															
3. Share-based					100,668,251.53								100,668,251.53		100,668,251.53

payments recognized in equity															
4. Other															
(iii) Distributio n of profits								46,509,209 .88		- 139,221,398 .19		- 92,712,188. 31		- 92,712,188.31	
1. Withdrawa l of surplus reserves								46,509,209 .88		- 46,509,209. 88					
2. Provision for general risks															
3. Distributio n to owners (or shareholde rs)										- 92,712,188. 31		- 92,712,188. 31		- 92,712,188.31	
4. Other															
(iv) Internal carry- forward of owners' equity															
1. Transfer of capital reserve to capital (or share capital)															
2. Transfer of surplus to capital (or share capital)															
3. Coverage															

of losses by surplus reserve															
4. Carry-over of changes in defined benefit plans to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Other															
(v) Special reserves															
1. Withdrawals during the period															
2. Utilization during the period															
(vi) Other															
IV. Closing balance for the period	405,133,000.00				1,401,737,825.15		2,419,348.00		191,755,852.88		1,346,492,128.33		3,347,538,154.36		3,347,538,154.36

Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting Organization: Yang Zhaodi

Statement of Changes in Owners' Equity of the Parent Company
January-December 2023

Unit: Yuan Currency: RMB

Item	FY2023										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total owners' equity
Preferred stock		Perpetual bond	Other								
I. Prior year-end balance	405,133,000.00				1,401,737,825.15				191,755,852.88	1,314,770,808.43	3,313,397,486.46
Add: change in accounting policy											
Correction of prior period errors											
Other											
II. Opening balance for the year	405,133,000.00				1,401,737,825.15				191,755,852.88	1,314,770,808.43	3,313,397,486.46
III. Amount of increase or decrease during the period (decreases are indicated by a "-" sign)	198,539,152.00				958,092,168.12			207,647.09	79,435,770.60	515,710,125.32	1,751,984,863.13
(i) Total comprehensive income										794,357,705.98	794,357,705.98
(ii) Owners' inputs and reductions in capital	26,061,394.00				1,130,569,926.12						1,156,631,320.12
1. Common shares invested by owners	26,061,394.00				1,155,811,356.09						1,181,872,750.09
2. Capital contributions by holders of other equity instruments											
3. Share-based payments recognized in equity					-25,241,429.97						-25,241,429.97
4. Other											
(iii) Distribution of profits									79,435,770.60	-278,647,580.66	-199,211,810.06
1. Withdrawal of surplus reserves									79,435,770.60	-79,435,770.60	
2. Distribution to owners (or shareholders)										-199,211,810.06	-199,211,810.06
3. Other											

(iv) Internal carry-forward of owners' equity	172,477,758.00				-172,477,758.00						
1. Transfer of Capital reserve to capital (or share capital)	172,477,758.00				-172,477,758.00						
2. Transfer of surplus to capital (or share capital)											
3. Coverage of losses by Surplus reserve											
4. Carry-over of changes in defined benefit plans to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(v) Special reserves								207,647.09			207,647.09
1. Withdrawals during the period								6,064,165.11			6,064,165.11
2. Utilization during the period								-5,856,518.02			-5,856,518.02
(vi) Other											
IV. Closing balance for the period	603,672,152.00				2,359,829,993.27			207,647.09	271,191,623.48	1,830,480,933.75	5,065,382,349.59

Item	FY2022										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total owners' equity
		Preferred stock	Perpetual bond	Other							
I. Prior year-end balance	403,090,000.00				1,283,796,073.62				145,246,643.00	988,900,107.80	2,821,032,824.42
Add: change in accounting policy											
Correction of prior period errors											
Other											
II. Opening balance for the	403,090,00				1,283,796,				145,246,6	988,900,1	2,821,032,

year	0.00				073.62				43.00	07.80	824.42
III. Amount of increase or decrease during the period (decreases are indicated by a "-" sign)	2,043,000.00				117,941,751.53				46,509,209.88	325,870,700.63	492,364,662.04
(i) Total comprehensive income										465,092,098.82	465,092,098.82
(ii) Owners' inputs and reductions in capital	2,043,000.00				117,941,751.53						119,984,751.53
1. Common shares invested by owners	2,043,000.00				17,273,500.00						19,316,500.00
2. Capital contributions by holders of other equity instruments											
3. Share-based payments recognized in equity					100,668,251.53						100,668,251.53
4. Other											
(iii) Distribution of profits									46,509,209.88	-139,221,398.19	-92,712,188.31
1. Withdrawal of surplus reserves									46,509,209.88	-46,509,209.88	
2. Distribution to owners (or shareholders)										-92,712,188.31	-92,712,188.31
3. Other											
(iv) Internal carry-forward of owners' equity											
1. Transfer of Capital reserve to capital (or share capital)											
2. Transfer of surplus to capital (or share capital)											
3. Coverage of losses by Surplus reserve											
4. Carry-over of changes in defined benefit plans to retained earnings											
5. Other comprehensive income carried forward to retained earnings											

6. Other											
(v) Special reserves											
1. Withdrawals during the period											
2. Utilization during the period											
(vi) Other											
IV. Closing balance for the period	405,133,000.00				1,401,737,825.15				191,755,852.88	1,314,770,808.43	3,313,397,486.46

Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting Organization: Yang Zhaodi

III. Basic information about the company

1. Company Overview

√Applicable ☐Not Applicable

Zhejiang Hangke Technology Co.,Ltd.(hereinafter referred to as the Company) was established by Zhejiang Hangke Technology Co.,Ltd.as a whole. It was registered in Hangzhou Administration for Industry and Commerce on November 21, 2011, and its headquarter is located in Hangzhou, Zhejiang Province. The Company currently holds a business license with a unified social credit code of 913301005865048038, a registered capital of 603,672,152.00 Yuan, and a total of 603,672,152.00 shares (par value of 1 Yuan per share), all of which are tradable A shares that are not subject to sales restrictions . The Company's stock was listed on the Shanghai Stock Exchange on July 22, 2019.

The Company belongs to the special equipment manufacturing industry. The main business activities are manufacturing and processing: lithium battery formation, testing equipment and charging and discharging equipment, protective plate products for lithium battery packs, lithium battery automatic production lines; services: technological development of lithium battery production technology, import and export of goods and technologies (Except for items prohibited by laws and administrative regulations, items restricted by laws and administrative regulations may be operated only after obtaining permission).

This financial statement has been approved by the Company at the 19th meeting of the third session of the Board of Directors on April 25, 2024.

IV. Basis of preparation of the financial statements

1. Basis of preparation

The Company's financial statements have been prepared on a lasting operation basis.

2. Lasting operation

√Applicable ☐Not Applicable

There are no matters or circumstances that give rise to significant doubt about the Company's ability to continue as a going concern for a period of 12 months from the end of the reporting period.

V. Critical accounting policies and accounting estimates

Specific Accounting Policies and Accounting Estimates Reminder:

√Applicable ☐Not Applicable

The Company has formulated specific accounting policies and accounting estimates for transactions or events such as impairment of financial instruments, depreciation of property, plant and equipment, Construction in progress, Intangible Assets, and revenue recognition in accordance with the characteristics of actual production and operations.

1. Statement of compliance with enterprise accounting standards

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and give a true and complete picture of the Company's

financial position, results of operations, changes in shareholders' equity and cash flows and other relevant information.

2. Accounting period

The Company's fiscal year begins on January 1 and ends on December 31 of the calendar year.

3. Operating cycle

☒Applicable ☐Not Applicable

The Company operates businesses with short operating cycles and uses 12 months as the standard for classifying the liquidity of its assets and liabilities.

4. Bookkeeping currency

The Company and its domestic subsidiaries use RMB as the bookkeeping currency of accounting. Subsidiaries CHR Japan Corporation, Japan New Energy Equipment Co.,Ltd.,Ltd., Hangke Electronics Co.,Ltd.,Ltd., HK POWER Co.,Ltd., Honreck Equipment Technology Support Company Sdn.Bhd., Hangke Electronics Trading Hong Kong Ltd, Honreck Electronics Trading Spółka Z Ograniczona Odpowiedzialnoscia, Hangke Technology Inc, Hk Technology,Inc, Hangke Technology Germany GmbH, Hangke Technology Hungary KFT and other foreign subsidiaries engage in foreign operations and select the currency of the main economic environment in which they operate as the bookkeeping currency of account.

5. Methodology for determining materiality criteria and basis for selection

☒Applicable ☐Not Applicable

Item	Materiality criteria
Significant changes in construction projects in progress	The Company identifies Construction in progress whose increase or decrease during the period exceeds 0.30% of total assets as significant Construction in progress projects
Significant accounts payable aged over 1 year	The Company identifies accounts payable with ending balances in excess of 0.10% of total assets as significant accounts payable
Significant contractual liabilities older than 1 year	The company identifies contractual liabilities with ending balances exceeding 0.30% of total assets as significant contractual liabilities
Significant cash flows from investing activities	The Company identifies cash flows from investing activities in excess of 4% of total assets as significant cash flows from investing activities

6. Accounting for business combinations under common control and non-common control

☒Applicable ☐Not Applicable

1. Accounting treatment of business combinations under common control

Assets and liabilities acquired by the Company in a business combination are measured at the Book value of the party being combined in the consolidated financial statements of the party ultimately in control at the date of the combination. The Company adjusts its capital reserve by the difference between the share of the Book value of the equity of the parties to be consolidated in the consolidated financial

statements of the party ultimately in control and the Book value of the consideration paid for the consolidation or the total nominal value of the shares issued; if the capital reserve is insufficient to cover the difference, it is adjusted to retained earnings.

2. Accounting treatment of business combinations not under common control

The Company recognizes goodwill at the date of purchase for the difference between the cost of consolidation and the share of fair value of the identifiable net assets of the acquiree acquired in the consolidation; if the cost of consolidation is less than the share of fair value of the identifiable net assets of the acquiree acquired in the consolidation, firstly, the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities as well as the measurement of cost of consolidation shall be reviewed, and if, after the review, the cost of consolidation remains less than the share of fair value of the identifiable net assets, the difference is recognized in profit or loss for the current period.

7. Criteria for judging control and preparation of consolidated financial statements

☒Applicable ☐Not Applicable

1. Judgment of control

Control is recognized as having power over an investee, enjoying variable returns through participation in the investee's relevant activities, and having the ability to use the power over the investee to affect the amount of its variable returns.

2. Presentation of consolidated financial statements

The Parent Company includes all subsidiaries it controls in the scope of consolidation of the consolidated financial statements. The consolidated financial statements are based on the financial statements of the Parent Company and its subsidiaries and are prepared by the Parent Company in accordance with *Accounting Standard for Business Enterprises (ASBE) No. 33, Consolidated Financial Statements*, based on other relevant information.

8. Classification of joint venture arrangements and accounting treatment of joint operations

☐Applicable ☒Not Applicable

9. Criteria for determining cash and cash equivalents

Cash equivalents are investments held by an enterprise that have a short maturity (generally maturing within three months from the date of purchase), are highly liquid, are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value.

10. Foreign currency operations and translation of foreign currency statements

☒Applicable ☐Not Applicable

1. Translation of foreign currency operations

Foreign currency transactions are translated into Renminbi amounts at the time of initial recognition using the exchange rate approximating the spot rate at the date of the transaction. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate at the

balance sheet date, and exchange differences arising from the difference in exchange rates, except for the exchange differences on the principal of and interest on special foreign currency borrowings relating to the acquisition and construction of assets eligible for capitalization, are recognized in profit or loss for the current period; foreign currency non-monetary items measured at historical cost are still translated using the spot exchange rate at the date of the transaction, and the RMB amounts are not changed; non-monetary items measured at fair value in foreign currencies are translated using the spot exchange rate at the date of determination of fair value, with the difference recognized in profit or loss or other comprehensive income for the current period.

2. Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated using the spot exchange rate at the balance sheet date; items in equity, except for "undistributed profits", are translated using the spot exchange rate at the date of the transaction; and items in income statement are translated using the spot exchange rate at the date of the transaction. Differences arising from the translation of foreign-currency financial statements in accordance with the above translation are recognized in other comprehensive income.

11. Financial Instrument

☒Applicable ☐Not Applicable

1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories at initial recognition: (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; and (3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories at initial recognition: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities resulting from transfers of financial assets that do not meet the conditions for derecognition or from continuing involvement in the transferred financial assets; (3) financial guarantee contracts that do not fall under (1) or (2) above and loan commitments that do not fall under (1) above and are made at a below-market interest rate; (4) financial liabilities measured at amortized cost.

2. Basis of recognition, measurement and derecognition of financial assets and financial liabilities

(1) Basis of recognition and initial measurement of financial assets and financial liabilities

The Company recognizes a financial asset or a financial liability when it becomes a party to a financial instrument contract. Upon initial recognition of a financial asset or financial liability, it is measured at fair value; for financial assets and financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss; for other types of financial assets or financial liabilities, the related transaction costs are included in the amount initially recognized. However, if the receivables initially recognized by the Company do not contain significant financing components or if the Company does not consider the financing components in contracts that are not more than one year old, they are initially measured at the transaction price as defined in ASBE No. 14, "Revenue".

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

Subsequent measurement at amortized cost is performed using the effective interest method. Gains or losses arising from financial assets measured at amortized cost that are not part of any hedging relationship are recognized in profit or loss when the asset is derecognized, reclassified, amortized in accordance with the effective interest rate method or recognized as impaired.

2) Investments in debt instruments at fair value through other comprehensive income

Fair value is used for subsequent measurement. Interest, impairment losses or gains and exchange gains or losses calculated using the effective interest rate method are recognized in profit or loss, while other gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss.

3) Investments in equity instruments at fair value through other comprehensive income

Fair value is used for subsequent measurement. Dividends received (except for those attributable to the recovery of investment costs) are recognized in profit or loss, and other gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

4) Financial assets at fair value through profit or loss

Gains or losses arising from subsequent measurement using fair value, including interest and dividend income, are recognized in profit or loss unless the financial asset is part of a hedging relationship.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Such financial liabilities include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. These financial liabilities are subsequently measured at fair value. The amount of change in the fair value of financial liabilities designated as at fair value through profit or loss arising from changes in the company's own credit risk is recognized in other comprehensive income, unless such treatment would create or enlarge an accounting mismatch in profit or loss. Other gains or losses arising from such financial liabilities (including interest expense, changes in fair value other than those arising from changes in the company's own credit risk) are recognized in profit or loss, unless the financial liability is part of a hedging relationship. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is transferred out of other comprehensive income and recognized in retained earnings.

2) The transfer of a financial asset that does not meet the conditions for derecognition or a financial liability arising from continued involvement in the transferred financial asset

Measured in accordance with the relevant provisions of ASBE 23, "Transfers of Financial Assets".

3) Financial guarantee contracts that do not fall under 1) or 2) above, and loan commitments that do not fall under 1) above and lend at below-market interest rates

Subsequent measurement after initial recognition is based on the higher of: (i) the amount of the provision for losses determined in accordance with the provisions for impairment of financial instruments; and (ii) the amount initially recognized net of the cumulative amortization determined in accordance with the relevant provisions of "Accounting Standard No. 14 - Revenue".

4) Financial liabilities measured at amortized cost

Measured at amortized cost using the effective interest method. Gains or losses arising from financial liabilities measured at amortized cost that are not part of any hedging relationship are recognized in profit or loss when they are derecognized and amortized using the effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when one of the following conditions is met:

① The contractual right to receive cash flows from financial assets has been terminated;

② A financial asset has been transferred and the transfer satisfies the requirements for derecognition of a financial asset under ASBE No. 23, "Transfers of Financial Assets".

2) When the present obligation of a financial liability (or a portion thereof) has been discharged, the financial liability (or the portion thereof) is derecognized accordingly.

3. Basis of recognition and measurement of transfers of financial assets

If the company transfers substantially all the risks and rewards of ownership of a financial asset, it derecognizes the financial asset and separately recognizes the rights and obligations arising from or retained in the transfer as an asset or a liability; if it retains substantially all the risks and rewards of ownership of a financial asset, it continues to recognize the transferred financial asset. If the company neither transfers nor retains substantially all of the risks and rewards of ownership of a financial asset, the company shall deal with the following situations: (1) if it does not retain control of the financial asset, derecognize the financial asset and recognize the rights and obligations arising from or retained in the transfer as a separate asset or liability; (2) if it retains control of the financial asset, recognize the relevant financial asset to the same extent as if it continued to be involved in the transferred financial asset, and recognize the relevant liability accordingly. financial assets and recognize the related liabilities accordingly.

If the transfer of a financial asset meets the conditions for derecognition, the difference between (1) the carrying amount of the transferred financial asset at the date of derecognition and (2) the sum of the consideration received for the transfer of the financial asset and the amount of the derecognition portion of the cumulative change in the fair value of the transferred financial asset that would otherwise have been recognized directly in other comprehensive income (for transfers involving investments in debt instruments that are carried at fair value through other comprehensive income). If a portion of a financial asset is transferred and the transferred portion as a whole satisfies the conditions for derecognition, the carrying amount of the financial asset as a whole before the transfer is apportioned between the

derecognised portion and the part that continues to be recognised based on their respective relative fair values at the date of the transfer, and the difference between the following two amounts is recognised in profit or loss for the period: (1) Book value of the derecognition portion; (2) The sum of the derecognition portion of the consideration and the amount corresponding to the derecognition portion of the cumulative amount of changes in fair value that would have been recognised directly in other comprehensive income (involving the transfer of a financial asset that is an investment in a debt instrument that is measured at fair value with changes in fair value recognised in other comprehensive income).

4. Methods for determining the fair value of financial assets and financial liabilities

The Company determines the fair value of underlying financial assets and financial liabilities using valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information. The Company categorizes the inputs used in the valuation techniques into the following hierarchy and uses them sequentially:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date;

(2) Level 2 inputs are inputs other than Level 1 inputs that are directly or indirectly observable for the underlying asset or liability, including: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; observable inputs other than quoted prices, such as interest rates and yield curves that are observable between normal quoted price intervals; and market-validated inputs;

(3) Level 3 inputs are unobservable inputs for the underlying asset or liability, including interest rates that are not directly observable or cannot be verified by observable market data, equity volatility, future cash flows from abandonment obligations assumed in a business combination, and financial projections made using own data.

5. Impairment of financial instruments

The Company uses expected credit losses as the basis for impairment of financial assets measured at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, lease receivables, loan commitments classified as other than financial liabilities at fair value through profit or loss, financial liabilities that are not classified as financial liabilities at fair value through profit or loss, or financial guarantee contracts that do not Financial guarantee contracts for which the transfer of financial assets does not meet the conditions for derecognition or for which there is a continuing involvement in the financial liability arising from the transferred financial asset are treated as impaired and a loss provision is recognized.

Expected credit losses, the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses are the difference between all contractual cash flows receivable by the company under the contract discounted at the original effective interest rate and all cash flows expected to be collected, i.e. the present value of all cash shortfalls. In particular, for financial assets purchased or

originated by the company that are credit impaired, they are discounted at the credit-adjusted effective interest rate of the financial asset.

For financial assets purchased or originated that have suffered credit impairment, the Company recognizes a loss allowance at the balance sheet date only for the cumulative change in expected credit losses over the entire period of existence since initial recognition.

For receivables and contract assets resulting from transactions governed by ASBE No. 14, Revenue, the Company applies a simplified measurement approach to measure the allowance for losses at an amount equal to the expected credit losses over the entire duration.

For financial assets other than those measured above, the Company assesses at each balance sheet date whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk since initial recognition, the Company measures the allowance for losses as the amount of expected credit losses over the entire duration of the financial instrument; if there has not been a significant increase in credit risk since initial recognition, the Company measures the allowance for losses as the amount of expected credit losses of the financial instrument over the next 12 months.

The Company uses reasonably available and supportable information, including forward-looking information, to determine whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition.

At the balance sheet date, if the company judges that a financial instrument has only a low credit risk, it is assumed that the credit risk of the financial instrument has not increased significantly since initial recognition.

The Company assesses expected credit risk and measures expected credit losses on the basis of individual financial instruments or a portfolio of financial instruments. When a portfolio of financial instruments is used as a basis, the company classifies the financial instruments into different portfolios based on common risk characteristics.

The Company remeasures the expected credit losses at each balance sheet date, and the resulting increase or reversal amount of the loss allowance is recognized as an impairment loss or gain in profit or loss. For financial assets carried at amortized cost, the allowance for losses is offset against the carrying amount of the financial asset as stated in the balance sheet; for debt investments carried at fair value through other comprehensive income, the Company recognizes its allowance for losses in other comprehensive income, without offsetting the carrying amount of the financial asset.

6. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, the company presents the net amount after offsetting each other in the balance sheet if the following conditions are simultaneously met: (1) the company has a legal right to offset the recognized amount and such legal right is currently enforceable; (2) the company plans to settle the net amount, or to realize the financial asset and settle the financial liability at the same time.

For transfers of financial assets that do not meet the conditions for derecognition, the Company does not offset the transferred financial assets and related liabilities.

7 Criteria for recognizing and accruing for expected credit losses on receivables and contract assets

(1) Receivables and contract assets subject to expected credit losses based on a combination of credit risk characteristics

Portfolio category	Basis for determining the portfolio	Methodology for measuring expected credit losses
Bankers' acceptances receivable	Type of instrument	Expected credit losses are calculated by reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, through default exposures and expected credit loss rates over the entire duration
Commercial acceptances receivable		
Accounts receivable - ageing portfolio	Age of accounts	Prepare a table of Accounts Receivable aging versus expected credit loss rates to calculate expected credit losses, taking into account historical credit loss experience, current conditions and projections of future economic conditions
Contract assets -- ageing portfolio	Age of accounts	Calculation of expected credit losses by reference to historical credit loss experience, current conditions and forecasts of future economic conditions by preparing a table of expected credit loss rates for the ageing of contract assets compared to the expected credit loss rates over the life of the contracts
Other Receivables - related transactions portfolio	Nature of payment	Calculate expected credit losses by reference to historical credit loss experience, current conditions and forecasts of future economic conditions through default risk exposures
Other Receivables - margin portfolio	Nature of payment	
Other Receivables -- imprest portfolio	Nature of payment	
Other Receivables -- other portfolio	Nature of payment	

(2) Ageing of the aging portfolio against expected credit loss ratio

Age of accounts	Accounts receivable Expected credit loss ratio (%)	Contract Assets Expected credit loss ratio (%)
Within 1 year (inclusive, same below)	5	5
1-2 years	15	15
2-3 years	30	30
More than 3 years	100	100

The ageing of Accounts Receivable and contract assets is calculated from the month in which the amounts are actually incurred.

(3) Criteria for recognizing receivables and contract assets with expected credit losses on an individual basis

For receivables and contract assets with credit risk significantly different from the portfolio credit risk, the Company accrues expected credit losses on an individual basis.

12. Notes Receivable

√Applicable ☐Not Applicable

Method of determining and accounting for expected credit losses on Notes Receivable

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Categories of portfolios and basis for determining the bad debt provision according to credit risk profile portfolio

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Ageing methodology for recognizing a portfolio of credit risk characteristics based on ageing

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Judgmental criteria for individual accrual of bad debts according to individual items

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

13. Accounts Receivable

√Applicable ☐Not Applicable

Methods of determining and accounting for expected credit losses on Accounts Receivable

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Categories of portfolios and basis for determining the bad debt provision according to credit risk profile portfolio

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Ageing methodology for recognizing a portfolio of credit risk characteristics based on ageing

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Determination of bad debt provision according to individual items Individual item accrual judgment criteria

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

14. Receivables Financing

√Applicable ☐Not Applicable

Methods of determining and accounting for expected credit losses on receivables financing

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Categories of portfolios and basis for determining the bad debt provision according to credit risk profile portfolio

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Ageing methodology for recognizing a portfolio of credit risk characteristics based on ageing

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Judgmental criteria for individual accrual of bad debts according to individual items

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

15. Other Receivables

√Applicable ☐Not Applicable

Method of determining and accounting for expected credit losses on other receivables

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Categories of portfolios and basis for determining the bad debt provision according to credit risk profile portfolio

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Ageing methodology for recognizing a portfolio of credit risk characteristics based on ageing

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Judgmental criteria for individual accrual of bad debts according to individual items

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

16. Inventory

√Applicable ☐Not Applicable

Inventory categories, issue valuation method, inventory system, amortization method for low value consumables and packages

√Applicable ☐Not Applicable

1. Classification of inventories

Inventories include finished goods or merchandise held for sale in the ordinary course of activities, work in progress in the production process, and materials and supplies consumed in the production process or in the provision of services.

2. Method of valuation of inventory issued

The weighted average method is used to issue inventories at the end of the month.

3. Inventory system

The inventory system is a perpetual inventory system.

4. Method of amortization of low-value consumables and packing materials**(1) Low-value consumables**

Amortized in accordance with the lump sum method.

(2) Packaging

Amortized in accordance with the lump sum method.

Criteria for recognizing and providing for provision for decline in value of inventories

☒Applicable ☐Not Applicable

At the balance sheet date, inventories are measured at the lower of cost or net realizable value, and provision for decline in value of inventories is made for the difference between cost and net realizable value. The net realizable value of inventories used directly for sale is determined in the normal course of production and operation by the estimated selling price of the inventories less estimated selling expenses and related taxes; the net realizable value of inventories requiring processing is determined in the normal course of production and operation by the estimated selling price of the finished goods produced less estimated costs to be incurred up to the time of completion, estimated selling expenses and related taxes; At the balance sheet date, if there is a contract price agreed for one part of the same inventory and no contract price exists for the other part, the net realizable value is determined separately and compared with its corresponding cost, and the amount of provision or reversal of allowance for decline in value of inventories is determined separately.

Categories of combinations and the basis for determining the allowance for decline in value of inventories according to the combinations, and the basis for determining the net realizable value of different categories of inventories

☐Applicable ☒Not Applicable

Calculation method and basis for determining the net realizable value of each age group for the purpose of recognizing the net realizable value of inventories based on the age of the inventories

☐Applicable ☒Not Applicable

17. Contract Assets

☒Applicable ☐Not Applicable

Methods and criteria for recognizing contract assets

☒Applicable ☐Not Applicable

The company presents contract assets or contract liabilities in the balance sheet based on the relationship between the fulfillment of performance obligations and payments from customers. The company presents contract assets and contract liabilities under the same contract on a net basis after offsetting them against each other.

The company presents as receivables the right to receive consideration from customers that it owns and that is unconditional (i.e., depends only on the passage of time), and as a contractual asset the right

to receive consideration for merchandise that has been transferred to a customer (which is dependent on factors other than the passage of time).

The Company presents its obligation to transfer merchandise to customers for consideration received or receivable from customers as a contractual liability.

Method of determining and accounting for expected credit losses on contract assets

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Categories of portfolios and basis for determining the bad debt provision according to credit risk profile portfolio

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Ageing methodology for recognizing a portfolio of credit risk characteristics based on ageing

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Determination of bad debt provision according to individual items Individual itemaccrual judgment criteria

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

18. Non-current assets or disposal groups held for sale

☐Applicable √Not Applicable

Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale

☐Applicable √Not Applicable

Recognition criteria and presentation of discontinued operations

☐Applicable √Not Applicable

19. Long-term equity investments

√Applicable ☐Not Applicable

1. Judgment of joint control, significant influence

Common control is recognized when there is shared control over an arrangement in accordance with relevant agreements and the activities related to the arrangement require the unanimous agreement of the participants sharing control before decisions can be made. Significant influence is recognized when there is power to participate in decision-making with respect to the financial and operating policies of the investee, but there is no ability to control, or share control with other parties over, the formulation of those policies.

2. Determination of investment costs

(1) If a business combination under the same control results in a merger in which the merging parties pay cash, transfer non-cash assets, assume liabilities or issue equity securities as consideration for the merger, the initial cost of the investment is recognized as the cost of investment at the date of the merger based on the acquisition of a share of the Book value of the equity interests of the party to be

merged in the consolidated financial statements of the party ultimately in control. The difference between the initial investment cost of a long-term equity investment and the Book value of the merger consideration paid or the total nominal value of the shares issued is adjusted to capital reserve; if capital reserve is insufficient to cover the difference, it is adjusted to retained earnings.

The Company determines whether a long-term equity investment resulting from a business combination under the same control of the Company that is effected in stages through multiple transactions is a "package deal". If it is a "package deal", each transaction is accounted for as a single transaction for the purpose of obtaining control. If it is not a "package deal", the initial investment cost is determined at the date of consolidation based on the consolidated share of the Book value of the net assets of the party to be consolidated in the consolidated financial statements of the party ultimately in control. The difference between the initial investment cost of the long-term equity investment at the date of consolidation and the sum of the Book value of the long-term equity investment before consolidation and the Book value of the new consideration paid for the acquisition of further shares at the date of consolidation is adjusted to capital reserve; if capital reserve is not sufficient to be eliminated, it is adjusted to retained earnings.

(2) If a business combination is formed by a company not under the same control, its initial investment cost is recognized at the purchase date based on the fair value of the merger consideration paid.

The Company distinguishes between individual financial statements and consolidated financial statements for the accounting treatment related to long-term equity investments resulting from non-identical control business combinations achieved in stages through multiple transactions:

1) In the individual financial statements, the sum of the Book value of the previously held equity investment and the cost of the additional investment is recognized as the initial investment cost for the change to the cost method of accounting.

2) In the consolidated financial statements, a judgment is made as to whether or not the transaction is a "package deal". If the transaction is a "package deal", each transaction is accounted for as a single transaction for the acquisition of control. If the transaction is not a "package deal", the equity interest in the acquiree held prior to the date of purchase is remeasured at the fair value of the equity interest on the date of purchase, and the difference between the fair value and its carrying amount is recognized as investment income; if the equity interest in the acquiree held prior to the date of purchase is related to other comprehensive income under the equity method, the difference is recognized as other comprehensive income under the equity method. Other comprehensive income, etc. related to the equity in the investee held prior to the date of purchase is transferred to current income. However, other comprehensive income arising from the remeasurement of net liabilities or changes in net assets of the defined benefit plan by the investee is excluded.

(3) Except for those formed by a business combination: if the acquisition is made by cash payment, its initial investment cost shall be determined according to the actual purchase price paid; if the acquisition is made by the issuance of equity securities, its initial investment cost shall be determined

according to the fair value of the equity securities issued; if the acquisition is made by debt restructuring, its initial investment cost shall be determined in accordance with the Accounting Standards for Business Enterprises (ASBE) No. 12- Debt Restructuring; and the initial investment cost is determined in accordance with ASBE No. 7 - Non-Monetary Asset Exchanges if the acquisition is made through non-monetary asset exchanges.

3. Subsequent measurement and methods of recognizing gains and losses

Long-term equity investments in investees over which control is exercised are accounted for using the cost method; long-term equity investments in associates and joint ventures are accounted for using the equity method.

4. Treatment of stepwise disposal of investments in subsidiaries through multiple transactions to loss of control

(1) Principles for determining whether or not a transaction is a "package deal"

In the case of a step-by-step disposal of equity investments in subsidiaries through multiple transactions until loss of control, the Company determines whether a step-by-step transaction is a "package deal" by taking into account the terms and conditions of the transaction agreement for each step of the step-by-step transaction, the disposal consideration obtained, the target of the disposal, the method of disposal, and the point in time of the disposal, among other information. If the terms, conditions, and economic impacts of each transaction meet one or more of the following conditions, it is generally recognized that multiple transactions are "package deals."

1) The transactions were entered into simultaneously or after taking into account the effects of each other;

2) It is the totality of these transactions that achieves a complete business result;

3) The occurrence of one transaction depends on the occurrence of at least one other transaction;

4) A transaction is uneconomical when viewed in isolation, but economical when considered in conjunction with other transactions.

(2) Accounting treatment for transactions that are not "package deals"

1) Individual financial statements

The difference between the Book value and the actual acquisition price of the disposed equity interest is recognized in profit or loss for the current period. For the remaining equity interest, if it still has significant influence over the investee unit or exercises joint control with other parties, it is transferred to the equity method of accounting; if it can no longer exercise control, joint control or significant influence over the investee unit, it is accounted for in accordance with the relevant provisions of "ASBE No. 22 - Recognition and Measurement of Financial Instruments".

2) Consolidated financial statements

Prior to the loss of control, the difference between the disposal price and the disposal long-term equity investment's corresponding share of the subsidiary's net assets calculated on a continuous basis from the date of purchase or the date of consolidation is adjusted to capital reserve (capital premium), and if capital premium is not sufficient to be eliminated, it is eliminated to retained earnings.

Upon loss of control over Atomics, the remaining equity interest is remeasured at its fair value as of the date of loss of control. The difference between the sum of the consideration obtained from the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the original subsidiary's net assets continuously calculated from the date of purchase or the date of consolidation based on the original shareholding ratio, is recognized as investment income for the period in which control is lost, and goodwill is eliminated. Other comprehensive income, such as other comprehensive income related to equity investments in the original subsidiaries, should be transferred to investment income in the current period when control is lost.

(3) Accounting for "package deals"

1) Individual financial statements

Each transaction is accounted for as a disposal of a subsidiary with loss of control. However, the difference between the disposal price and the carrying amount of the long-term equity investment corresponding to the investment disposed of in each case before the loss of control is recognized as other comprehensive income in the individual financial statements and transferred to profit or loss for the period in which the loss of control occurs.

2) Consolidated financial statements

Each transaction is accounted for as a disposal of a subsidiary with loss of control. However, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the investment disposed of in each case prior to the loss of control is recognized in the consolidated financial statements as other comprehensive income and transferred to profit or loss for the period in which the control is lost when the control is lost.

20. investment property

Not applicable

21. Fixed Assets

(1). Confirmation conditions

☒Applicable ☐Not Applicable

Fixed assets are tangible assets that are held for use in the production of goods, provision of services, leasing or business management and have a useful life of more than one fiscal year. Fixed assets are recognized when both the inflow of economic benefits is probable and the cost can be measured reliably.

(2). Depreciation Method

☒Applicable ☐Not Applicable

Type	Depreciation method	Depreciable life (years)	Salvage rate	Annual depreciation rate
Houses and buildings	Life-cycle averaging (LCA)	5-20	4-5	19-4.75

General equipment	Life-cycle averaging (LCA)	3-5	5	31.67-19
Specialized equipment	Life-cycle averaging (LCA)	3-10	5	31.67-9.5
Transportation tools	Life-cycle averaging (LCA)	3-5	5	31.67-19
Other equipment	Life-cycle averaging (LCA)	3-5	5	31.67-19

22. Construction in progress

√Applicable □Not Applicable

1. Construction in progress is recognized when both the inflow of economic benefits is probable and the cost can be measured reliably. Construction in progress is measured at the actual cost incurred to construct the asset until it reaches its intended use.

2. When Construction in progress reaches its intended state of use, it is transferred to Fixed Assets at the actual cost of construction. If the project has reached the intended state of use but has not yet been finalized, it will be transferred to Fixed Assets at the estimated value first, and the original provisional value will be adjusted according to the actual cost after the finalization of the project, but the depreciation that has already been provided for will not be adjusted again.

Category	Criteria and point in time for carrying forward Construction in progress to Fixed Assets
Houses and buildings	Achievement of acceptance requirements or expected serviceability
General and specialized equipment	After installation and commissioning to meet the design requirements or contractual standards
Transportation tools, other equipment	Assets arrived and were operational

23. Borrowing Cost

√Applicable □Not Applicable

1. Principles for recognition of capitalized Borrowing Costs

Borrowing Costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets eligible for capitalization are capitalized and included in the cost of the related assets; other Borrowing Costs are recognized as expenses when incurred and included in profit or loss for the current period.

2. Period during which Borrowing Costs are capitalized

(1) Capitalization of Borrowing Costs begins when the following conditions are simultaneously met:

1) expenditures for the asset have been incurred; 2) Borrowing Costs have been incurred; and 3) acquisition, construction, or production activities necessary to bring the asset to its intended use or marketable condition have begun.

(2) If there is an abnormal interruption in the acquisition or production of an asset eligible for

capitalization and the interruption lasts for more than three consecutive months, capitalization of Borrowing Costs is suspended; Borrowing Costs incurred during the interruption period are recognized as a current expense until the acquisition or production of the asset recommences.

(3) Capitalization of Borrowing Costs ceases when the assets acquired, constructed, or produced that qualify for capitalization reach their intended use or saleable condition.

3. Borrowing Costs capitalization rate and amount capitalized

If special borrowings are borrowed for the purpose of purchasing, constructing or producing assets eligible for capitalization, the amount of interest to be capitalized shall be determined by taking the actual interest expense incurred during the period of special borrowings (including the amortization of discount or premium determined in accordance with the effective interest rate method), less the interest income obtained from depositing the unused borrowed funds in the bank or the investment income obtained from making temporary investments; if general borrowings are used for the acquisition or production of assets eligible for capitalization, the amount of interest to be capitalized on general borrowings is calculated by multiplying the weighted average number of cumulative asset expenditures in excess of those on special-purpose borrowings by the capitalization rate of the general borrowings used.

24. Biological Asset

☐Applicable ☒Not Applicable

25. Oil and Gas Assets

☐Applicable ☒Not Applicable

26. Intangible Asset

(1). Useful life and the basis for its determination, estimation, amortization methodology or review procedures

☒Applicable ☐Not Applicable

1. Intangible Assets, including land use rights, patents and non-patented technologies, are initially measured at cost.

2. Intangible Assets with a finite useful life are amortized systematically and reasonably over the useful life in accordance with the manner in which the economic benefits associated with the Intangible Asset are expected to be realized, or on a straight-line basis if the manner in which the economic benefits are expected to be realized cannot be reliably determined. The details are as follows:

Item	Useful life and the basis for its determination	Amortization method
Land use right	38, 50	Straight-line amortization
Software	3	Straight-line amortization

Useful life is recognized on the basis of the number of years of expected economic benefits.

(2). The scope of R&D expenditures and the related accounting treatment

√Applicable □Not Applicable

1. Scope of research and development expenditures**(1) Personnel labor costs**

Personnel labor costs include wages and salaries, basic pension insurance premiums, basic medical insurance premiums, unemployment insurance premiums, work injury insurance premiums, maternity insurance premiums and housing fund of the Company's research and development personnel, as well as labor costs of external research and development personnel.

(2) Direct input costs

Direct input costs refer to the relevant expenditures actually incurred by the Company for the implementation of research and development activities. It includes: 1) directly consumed materials, fuel and power costs; 2) the development and manufacturing costs of molds and process equipment used for intermediate tests and product trial production, the acquisition costs of samples, prototypes and general testing means that do not constitute Fixed Assets, and the inspection costs of trial products; and 3) the costs of operation and maintenance, adjustments, inspections, testing and repairs of instruments and equipment used for research and development activities.

(3) Depreciation expense and long-term amortization expense

Depreciation expense refers to the depreciation of instruments, equipment and buildings in use for research and development activities.

Where instruments, equipment and buildings in use are used for research and development activities and are also used for non-research and development activities, necessary records are kept of the use of such instruments, equipment and buildings in use, and depreciation expenses actually incurred are allocated between research and development expenses and production and operating expenses using a reasonable method based on factors such as the actual man-hours worked and the area used.

Long-term amortized expenses are long-term amortized expenses incurred in the course of alterations, modifications, improvements and repairs to research and development facilities, which are summarized based on actual expenditures and amortized equally over a specified period of time.

(4) Amortization expense for Intangible Assets

Amortization expense of Intangible Assets represents the amortization expense of software, intellectual property, and non-patented technologies (know-how, licenses, designs and calculation methods, etc.) used in research and development activities.

(5) Other costs

Other expenses are expenses other than those mentioned above that are directly related to research and development activities, including travel and communication expenses.

2. Expenditures incurred during the research phase of internal research and development projects are recognized in profit or loss when incurred. Expenditures incurred during the development phase of an internal research and development project are recognized as Intangible Assets if the following conditions are met: (1) it is technically feasible to complete the Intangible Asset so that it can be used or sold; (2) there is an intention to complete the Intangible Asset and to use or sell it; (3) the Intangible

Asset generates economic benefits in a manner that demonstrates that there is a market for the products produced by applying the Intangible Asset, or that a market for the Intangible Asset market exists for the Intangible Asset itself, and where the Intangible Asset is to be used internally, the usefulness can be demonstrated; (4) there are sufficient technical, financial and other resources to support the completion of the development of the Intangible Asset and the ability to use or sell the Intangible Asset; and (5) the expenditures attributable to the development phase of the Intangible Asset can be measured reliably.

27. Impairment of long-lived assets

√Applicable ☐Not Applicable

For long-lived assets such as long-term equity investments, property, plant and equipment, Construction in progress, right-of-use assets, and Intangible Assets with finite useful lives, the recoverable amount is estimated if there is any indication of impairment at the balance sheet date. Goodwill and Intangible Assets with indefinite useful lives arising from business combinations are tested for impairment annually, regardless of whether there is any indication of impairment. Goodwill is tested for impairment in conjunction with the asset group or combination of asset groups to which it relates.

If the recoverable amount of the above long-lived assets is less than their carrying amount, a provision for asset impairment is recognized for the difference and recognized in profit or loss.

28. Long-term amortized expenses

√Applicable ☐Not Applicable

Long-term amortized expenses account for expenses that have been expensed and amortized over a period of one year or more (excluding one year). Long-term amortized expenses are recorded at the actual amount incurred and are amortized equally over the period of benefit or over a specified period of time. If a long-term amortized expense item does not benefit a future accounting period, the unamortized amortized value of the item is transferred to profit or loss for the current period.

29. Contractual liabilities

√Applicable ☐Not Applicable

Contractual liabilities are obligations to transfer goods or services to customers for consideration received or receivable from customers, such as payments received by an enterprise prior to the transfer of promised goods or services.

30. Employee compensation

(1). Accounting treatment of short-term remuneration

√Applicable ☐Not Applicable

1. Employee compensation includes short-term compensation, post-employment benefits, termination benefits and other long-term employee benefits.

2. Accounting treatment of short-term remuneration

In the accounting period in which employees provide services to the company, the actual short-term

compensation incurred is recognized as a liability and included in profit or loss or the cost of the related assets.

(2). Accounting treatment of post-employment benefits

√Applicable ☐Not Applicable

Post-employment benefits are categorized into defined contribution plans and defined benefit plans.

(1) During the accounting period in which employees provide services to the Company, the amount of contributions payable calculated in accordance with the defined contribution plan is recognized as a liability and charged to current profit or loss or the cost of the related assets.

(2) The accounting treatment of a defined benefit plan typically includes the following steps:

1) Measurement of the obligation arising from the defined benefit plan and determination of the period over which the obligation falls, based on the projected accumulated benefit unit method, using unbiased and mutually consistent actuarial assumptions for estimating the relevant demographic and financial variables, among others. At the same time, the obligations arising from the defined benefit plans are discounted to determine the present value of the defined benefit plan obligations and the current service cost;

(2) Where there are assets in the defined benefit plan, the deficit or surplus resulting from the present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognized as a net defined benefit plan liability or net asset. Where a defined benefit plan has a surplus, the net defined benefit plan asset is measured at the lower of the surplus of the defined benefit plan or the asset limit;

3) At the end of the period, employee compensation costs arising from defined benefit plans are recognized as service costs, net interest on net liabilities or net assets of the defined benefit plans, and changes arising from the remeasurement of net liabilities or net assets of the defined benefit plans, with service costs and net interest on net liabilities or net assets of the defined benefit plans recognized in profit or loss or in the cost of the related assets, and changes arising from the remeasurement of net liabilities or net assets of the defined benefit plans recognized in other comprehensive income, and are not allowed to be reversed to profit or loss in subsequent periods, but these amounts recognized in other comprehensive income can be transferred within equity.

(3). Accounting for termination benefits

√Applicable ☐Not Applicable

For severance benefits provided to employees, an employee compensation liability arising from severance benefits is recognized in profit or loss at the earlier of (1) when the Company is unable to unilaterally withdraw severance benefits provided as a result of a plan of termination or a proposal for downsizing, and (2) when the Company recognizes costs or expenses related to a restructuring that involves the payment of severance benefits.

(4). Accounting treatment of other long-term employee benefits√Applicable ☐Not Applicable

Other long-term benefits provided to employees are accounted for in accordance with the relevant provisions of the defined contribution plan if they are eligible for the defined contribution plan; other than that, they are accounted for in accordance with the relevant provisions of the defined benefit plan, and for the purpose of simplifying the relevant accounting treatment, the employee compensation costs incurred thereof are recognized as service costs, the net interest on the net liability or net asset for other long-term employee benefits, and the total net amount of the component items, such as the change arising from the measurement of the net liability or net asset for other long-term employee benefits, is recognized in profit or loss for the period or in the cost of the related assets.

31. Projected liability☐Applicable √Not Applicable**32. Share-based payment**√Applicable ☐Not Applicable**1. Types of share-based payments**

Includes equity-settled share-based payments and cash-settled share-based payments.

2. Accounting treatment related to the implementation, modification and termination of share-based payment plans**(1) Equity-settled share-based payments**

Equity-settled share-based payments in exchange for employee services that are exercisable immediately after grant are recognized at the grant date in the relevant cost or expense at the fair value of the equity instrument, with a corresponding adjustment to capital reserve. For equity-settled share-based payments in exchange for employee services that are exercisable only upon completion of the services within the waiting period or upon fulfillment of specified performance conditions, at each balance sheet date during the waiting period, based on the best estimate of the number of equity instruments that will become exercisable, the services acquired in the current period are recognized in the relevant cost or expense at the fair value of the equity instruments at the date of grant, with a corresponding adjustment to capital reserve.

Equity-settled share-based payments in exchange for services from other parties are measured at the fair value of the services from other parties at the date of acquisition if the fair value of the services from other parties can be measured reliably; if the fair value of the services from other parties cannot be measured reliably but the fair value of the equity instruments can be measured reliably, the equity instruments are measured at the fair value of the equity instruments at the date of acquisition of the services, which is included in the related costs or expenses, and correspondingly increase the owners' equity.

(2) Cash-settled share-based payments

Cash-settled share-based payments in exchange for employee services that are exercisable immediately after the grant are recognized at the grant date at the fair value of the liability assumed by the company in the related cost or expense, with a corresponding increase in the liability. For cash-settled share-based payments in exchange for employee services that are exercisable upon completion of the waiting period or fulfillment of specified performance conditions, the services acquired during the period are recognized in the relevant cost or expense and the corresponding liability at the fair value of the liability assumed by the Company at each balance sheet date during the waiting period, based on the best estimation of the circumstances under which the rights will become exercisable.

(3) Modification and termination of share-based payment plans

If the modification increases the fair value of the equity instruments granted, the company recognizes the increase in acquired services accordingly to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the company recognizes the increase in the fair value of the equity instruments accordingly to the increase in the acquisition of services; and if the company modifies the conditions of feasibility in a manner that is favorable to the employee, the company treats the conditions of feasibility in, the company considers the modified feasibility conditions.

If the modification reduces the fair value of the equity instrument granted, the company continues to recognize the amount of services acquired based on the fair value of the equity instrument at the date of grant without regard to the reduction in the fair value of the equity instrument; if the modification reduces the number of equity instruments granted, the company treats the reduction as a cancellation of the equity instrument granted; and if the feasibility condition is modified in a manner that is unfavorable to the employees conditions, the modified feasibility conditions are not taken into account in the treatment of the feasibility conditions.

If the Company cancels an equity instrument granted or settles an equity instrument granted during the waiting period (except for cancellations due to failure to satisfy the conditions for exercisability), the cancellation or settlement is treated as an acceleration of exercisability, with immediate recognition of the amount that would otherwise have been recognized over the remaining waiting period.

33. Preferred shares, perpetual bonds and other financial instruments

☐Applicable ☒Not Applicable

34. Incomes

(1). Disclosure of accounting policies used for revenue recognition and measurement by type of business

☒Applicable ☐Not Applicable

1. Revenue recognition principles

On the commencement date of a contract, the Company evaluates the contract, identifies each individual performance obligation included in the contract and determines whether each individual performance obligation is to be performed within a certain time period or at a certain point in time.

A performance obligation is satisfied at a point in time if one of the following conditions is met; otherwise, it is satisfied at a point in time if (1) the customer acquires and consumes the economic benefits of the company's performance concurrently with the company's performance; (2) the customer is able to control the commodities being constructed by the company in the course of the company's performance; and (3) the commodities produced by the company in the course of the company's performance have a non-substitutable use and the company is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period.

For performance obligations that are to be fulfilled within a certain period of time, the company recognizes revenue over that period of time based on the progress of performance. When the progress of performance is not reasonably determinable, revenue is recognized at the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred are expected to be reimbursed. For performance obligations that are fulfilled at a point in time, revenue is recognized at the point in time when the customer obtains control of the related goods or services. In determining whether the customer has obtained control of the merchandise, the Company considers the following indications: (1) the Company has a present right to receive payment for the merchandise, which means that the customer has a present obligation to pay for the merchandise; (2) the Company has transferred legal title of the merchandise to the customer, which means that the customer has legal title to the merchandise; (3) the Company has physically transferred the merchandise to the customer, which means that the customer has physical possession of the merchandise; and (4) the company has transferred to the customer the principal risks and rewards of ownership of the commodity, i.e., the customer has acquired the principal risks and rewards of ownership of the commodity; (5) the customer has accepted the commodity; and (6) other indications that the customer has acquired control of the commodity.

2. Principles of income measurement

(1) The Company measures revenue based on the transaction price apportioned to each individual performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled as a result of the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer.

(2) Where variable consideration exists in a contract, the company determines the best estimate of the variable consideration on the basis of the expectation or the most likely amount to be incurred, provided that the price of the transaction incorporating the variable consideration does not exceed the amount by which it is highly probable that the cumulative amount of recognized revenue will not be materially reversed by the time the related uncertainty is removed.

(3) Where there is a significant financing element in a contract, the Company determines the transaction price on the basis of the amount payable that is assumed to be paid in cash by the customer as soon as the customer obtains control of the goods or services. The difference between this transaction price and the contract consideration is amortized over the term of the contract using the effective interest method. If, on the commencement date of the contract, the Company expects that the interval between

the customer's acquisition of control over the goods or services and the customer's payment of the price will not exceed one year, the significant financing element of the contract is not considered.

(4) If the contract contains two or more performance obligations, the company apportions the transaction price to each individual performance obligation on the contract start date in relative proportion to the individual selling price of the goods promised under each individual performance obligation.

3. Specific methods of revenue recognition

The sale and modification of the Company's equipment and related accessories is the fulfillment of a performance obligation at a certain point in time. For the sale of equipment and related accessories subject to commissioning and acceptance, all contracted goods are delivered to the buyer and installed, commissioned and put into trial operation in accordance with the time, delivery method and delivery location agreed in the contract, and revenue is recognized after the buyer's acceptance and obtaining the acceptance certificate confirmed by the buyer. Sales of equipment and related accessories that require only inspection and delivery are shipped in accordance with the delivery time confirmed in the contract, and revenues are recognized after the buyer has inspected and accepted the quantity, model, specifications and packaging status of the products.

(2). Different operating models for the same type of business involve different revenue recognition and measurement methods

☐Applicable ☒Not Applicable

35. Contract Cost

☒Applicable ☐Not Applicable

Incremental costs incurred by the Company to acquire a contract that are expected to be recovered are recognized as an asset as contract acquisition costs. If contract acquisition costs are amortized over a period of not more than one year, they are recognized directly in profit or loss when incurred.

Costs incurred by the Company for the performance of a contract, which are not subject to the scope of regulation of the relevant standards on inventories, Fixed Assets or Intangible Assets, and which simultaneously meet the following conditions, are recognized as an asset as contract performance costs:

1. The cost is directly related to a current or anticipated contract and includes direct labor, direct materials, manufacturing overhead (or similar), costs explicitly attributable to the customer, and other costs incurred solely as a result of the contract;
2. The cost increases the resources available to the company to meet its performance obligations in the future;
3. The cost is expected to be recovered.

The Company amortizes assets related to contract costs on the same basis as revenue recognition for the goods or services to which the asset relates, through profit or loss.

If the carrying amount of an asset related to contract costs is greater than the remaining consideration expected to be obtained for the transfer of goods or services related to that asset, less estimated costs to be incurred, the Company makes an allowance for impairment and recognizes an asset impairment loss for the excess. If there is a subsequent change in the factors that impaired the asset in a prior period, such that the remaining consideration expected to be obtained for the transfer of goods or services related to the asset, less estimated costs to be incurred, is greater than the carrying amount of the asset, the reversal of the provision for impairment is recognized in profit or loss for the current period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset as of the date of the reversal assuming that no provision for impairment had been made.

36. Government grant

☒Applicable ☐Not Applicable

1. Government grants are recognized when the following conditions are simultaneously met: (1) the company is able to meet the conditions attached to the government grant; and (2) the company is able to receive the government grant. If a government grant is a monetary asset, it is measured at the amount received or receivable. If the government grants are non-monetary assets, they are measured at fair value; if the fair value cannot be reliably obtained, they are measured at a nominal amount.

2. Basis of judgment and accounting treatment of government grants related to assets

Government grants that are stipulated in government documents to be used for the purchase, construction or other formation of long-term assets are classified as asset-related government grants. If government documents are unclear, government grants are judged on the basis of the basic conditions that must be met in order to obtain the grants, and those that are based on the basic conditions of purchasing, constructing or otherwise forming long-term assets are classified as asset-related government grants. Government grants related to assets are offset against the carrying amount of the related assets or recognized as deferred income. If the government grants related to assets are recognized as deferred income, they are recognized in profit or loss in a reasonable and systematic manner over the useful lives of the related assets. Government grants that are measured at nominal amounts are recognized directly in profit or loss. If the related assets are sold, transferred, retired or destroyed before the end of their useful lives, the unallocated balance of the related deferred income is transferred to profit or loss in the period in which the assets are disposed of.

3. Basis of judgment and accounting treatment of government grants related to revenue

Government grants other than asset-related government grants are classified as revenue-related government grants. For government grants that contain both asset-related and revenue-related components, if it is difficult to distinguish between asset-related and revenue-related government grants, the entire government grant is categorized as revenue-related government grants. Government grants related to income that are used to compensate for related costs or losses in future periods are recognized as deferred income and are credited to current profit or loss or charged to current cost in the period in which the related costs or losses are recognized; those that are used to compensate for related costs or

losses that have already been incurred are directly credited to current profit or loss or charged to current cost.

4. Government grants related to the Company's daily operating activities are recognized in other income or offset against related costs and expenses in accordance with the substance of the economic operations. Government grants that are not related to the Company's daily activities are recognized as non-operating income and expenses.

37. Lease

☒Applicable ☐Not Applicable

Judgemental basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees

☒Applicable ☐Not Applicable

On the commencement date of the lease term, the Company recognizes as short-term leases those leases that have a term of no more than 12 months and do not include an option to purchase, and recognizes as low-value asset leases those leases that would have a lower value if the individual leased asset were a brand-new asset. Where the Company subleases or expects to sublease a leased asset, the original lease is not recognized as a low-value asset lease.

For all short-term leases and leases of low-value assets, the Company recognizes the lease payments as part of the cost of the related asset or in profit or loss on a straight-line basis in each period during the lease term.

Except for short-term leases and leases of low-value assets, for which the simplified treatment is applied as described above, the Company recognizes a right-of-use asset and a lease liability for leases on the lease term commencement date.

(1) Right-of-use assets

A right-of-use asset is initially measured at cost, which consists of 1) the amount of the initial measurement of the lease liability, 2) the amount of lease payments made on or before the commencement date of the lease term, net of the amount relating to lease incentives already taken, if any; 3) the initial direct costs incurred by the lessee; and 4) the costs expected to be incurred by the lessee to dismantle and remove the leased asset, to rehabilitate the site on which the leased asset is located, or to restore the leased asset to the condition agreed in the terms of the lease. the lease terms.

The Company depreciates right-of-use assets on a straight-line basis. If it is reasonably certain that the Company will obtain ownership of the leased asset by the end of the lease term, the Company depreciates the leased asset over its remaining useful life. If it is not reasonably certain that the Company will obtain ownership of the leased asset by the end of the lease term, the Company depreciates the asset over the shorter of the lease term or the remaining useful life of the leased asset.

(2) Lease liabilities

On the commencement date of the lease term, the Company recognizes the present value of the outstanding lease payments as a lease liability. The present value of the lease payments is calculated using the interest rate implicit in the lease as the discount rate, or if the interest rate implicit in the lease

cannot be determined, the Company's incremental borrowing rate is used as the discount rate. The difference between the lease payments and their present value is recognized as unrecognized financing expense, and interest expense is recognized in profit or loss over the lease term at the rate that discounts the present value of the lease payments recognized. Variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss when they are actually incurred.

After the commencement date of the lease term, when there is a change in the amount of substantive fixed payments, a change in the amount expected to be payable for the residual value of the guarantee, a change in the index or ratio used to determine the amount of lease payments, or a change in the appraisal results of or actual exercise of the option to purchase, renew or terminate the lease, the Company re-measures the lease liability based on the present value of the lease payments after the change and adjusts the Book value of the right-of-use asset accordingly. If the Book value of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, the remaining amount is recognized in profit or loss for the current period.

Criteria for classification and accounting treatment of leases as lessors

☒Applicable ☐Not Applicable

At the inception date of a lease, the Company classifies leases that transfer substantially all of the risks and rewards associated with ownership of the leased asset as finance leases, and all other leases as operating leases.

(1) Operating leases

The Company recognizes lease receipts as rental income on a straight-line basis in each period of the lease term, and initial direct costs incurred are capitalized and amortized on the same basis as rental income recognition and recognized in profit or loss in the current period. Variable lease payments made by the Company in connection with operating leases that are not recognized as lease receipts are recognized in profit or loss when they are actually incurred.

(2) Financial leases

At the inception date of the lease term, the Company recognizes a finance lease receivable based on the net investment in the lease (the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the inception date of the lease term discounted at the interest rate embedded in the lease) and derecognizes the asset under the finance lease. During each period of the lease term, the Company calculates and recognizes interest income based on the interest rate embedded in the lease.

Variable lease payments acquired by the Company that are not included in the measurement of the net investment in leases are recognized in profit or loss when they are actually incurred.

38. Deferred income tax assets/deferred income tax liabilities

☒Applicable ☐Not Applicable

1. Deferred income tax assets or deferred income tax liabilities are recognized for the difference between the carrying amount of an asset or liability and its tax base (or, if the tax base of an item not recognized as an asset or liability can be determined in accordance with the provisions of the Tax Act,

the difference between that tax base and its carrying amount) calculated using the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled.

2. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Deferred tax assets not recognized in prior periods are recognized when, at the balance sheet date, it is probable that sufficient taxable income will be available in future periods to allow the deductible temporary differences to be utilized.

3. The carrying amount of deferred tax assets is reviewed at the balance sheet date and written down to the extent that it is more likely than not that sufficient taxable income will not be available to offset the benefit of deferred tax assets in future periods. The amount of the write-down is reversed when it is more likely than not that sufficient taxable income will be available.

4. The Company's current and deferred income taxes are recognized as income tax expense or benefit in profit or loss for the current period, excluding income taxes arising from: (1) business combinations; and (2) transactions or events that are recognized directly in owners' equity.

5) Deferred income tax assets and deferred income tax liabilities are stated at net amounts after offsetting when the following conditions are simultaneously met: (1) there is a legal right to settle current income tax assets and current income tax liabilities on a net basis; (2) the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxpaying entity, or relate to different taxpaying entities but are not realized or settled during each significant future period in which the deferred income tax assets and deferred income tax liabilities are reversed to the extent that the Taxpayer involved intends to either settle the current income tax assets and current income tax liabilities on a net basis or to acquire the assets and settle the liabilities at the same time.

39. Other significant accounting policies and accounting estimates

☐Applicable ☒Not Applicable

40. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

☐Applicable ☒Not Applicable

(2). Significant changes in accounting estimates

☐Applicable ☒Not Applicable

(3). First-time implementation of new accounting standards or interpretations, etc. from 2023 onwards involves adjustments to the financial statements at the beginning of the year of first implementation

☐Applicable ☒Not Applicable

41. Other

√Applicable □Not Applicable

Safety production fees extracted by the Company in accordance with the *Administrative Measures for the Extraction and Use of Enterprise Production Safety Expenses* (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Response are included in the cost of the relevant products or in current profit or loss, and are also recorded in the account of "special reserve". When the safety production fee is used, if it is an expense, it is directly deducted from the special reserve. If a fixed asset is formed, the expenditure incurred is summarized under the "Construction in progress" account and recognized as a fixed asset when the safety project is completed and reaches its intended state of use; at the same time, the special reserve is reduced according to the cost of forming the fixed asset and accumulated depreciation of the same amount is recognized, and no depreciation will be provided for the fixed asset in the subsequent period.

VI. Tax items**1. Major taxes and rates**

Major tax types and rates

√Applicable □Not Applicable

Tax types	Taxable basis	Tax rate
Value-added tax (VAT)	Calculate output tax on the basis of income from the sale of goods and taxable services calculated in accordance with the provisions of the Tax Law, and after deducting the input tax allowed for deduction in the current period, the difference will be the value-added tax payable	13%, 9%, 6%, exported goods enjoy the "exemption, credit, refund" policy, the tax refund rate is 13%.
Sales tax	/	/
Business tax	/	/
Urban maintenance and construction tax	Actual amount of turnover tax paid	7%
Corporate income tax	Taxable income	For details, please refer to "Explanation of Income Tax Rates for Different Taxable Entities".
Property tax	For ad valorem levies, 1.2% of the residual value of the property after a one-time deduction of 30% of the original value of the property; for rent-based levies, 12% of the rental income.	1.2%, 12%
Education surcharge	Actual amount of turnover tax paid	3%
Local education surcharge	Actual amount of turnover tax paid	2%

Disclosure of the existence of taxable entities with different corporate income tax rates

√Applicable □Not Applicable

Name of Taxpayer	Income tax rate (%)
The Company	15%
CHR Japan Corporation, Japan New Energy	

Equipment Co.,Ltd.	
Hangke Electronics Co.,Ltd.	
HK POWER Co.,Ltd.	
HangKe Electronic Trading Hong Kong Limited	8.25%, 16.50%
HONRECK EQUITY TECHNOLOGY SUPPORT COMPANY SDN.BHD.	24%
HONRECK ELECTRONICS TRADING SPÓŁKA Z ORGRANICZONA ODPOWIEDZIALNOSCIA	19%
Hangke Technology Inc	
Hangke Technology Germany GmbH	15.825%
Hangke Technology Hungary KFT	9.00%
HK TECHNOLOGY, INC	

[Note 1: This is the comprehensive tax rate for small and medium-sized businesses, which includes corporate tax and corporate business tax, etc. The comprehensive tax rate is 22.46% for taxable income of less than 4 million yen, 24.90% for taxable income of more than 4 million yen and less than 8 million yen, and 36.81% for taxable income of more than 8 million yen. HORECA Electronics Trading Japan Co.,Ltd.and Japan New Energy Equipment Co.,Ltd. make losses for the current period.

[Note 2] The tax rate is 10% for taxable income of less than KRW 200 million, 20% for taxable income of more than KRW 200 million and less than KRW 20 billion, and 22% for taxable income of more than KRW 20 billion. Hangke Electronics Co.,Ltd.and HK POWER Co.,Ltd. make losses for the current period.

[Note 3] Income tax returns are filed with the U.S. Federal Internal Revenue Service and the California Department of Revenue, respectively, at a federal income tax rate of 21% and a California income tax rate of 8.84%

[Note 4] Income tax returns are filed with the U.S. Federal Internal Revenue Service and the Georgia Department of Revenue, respectively, with a federal income tax rate of 21% and a Georgia state income tax rate of 5.75%

2. Tax incentives

√Applicable □Not Applicable

1. According to the High and New Technology Enterprise Certificate issued by the Science and Technology Department of Zhejiang Province, the Finance Bureau of Zhejiang Province and the Tax Bureau of Zhejiang Province of the State Administration of Taxation, the Company has been recognized as a High and New Technology Enterprise, and the qualification will be valid for three years (2021-2023), and the Company is subject to enterprise income tax at a rate of 15%.

2. Pursuant to the Circular on Value-added Tax Policies for Software Products (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Administration of Taxation, the Company is entitled to the preferential policy of immediate tax reimbursement for the portion of the actual negative

tax on value-added tax in excess of 3% on the sale of software products that are self-developed and produced by the Company and are subject to a value-added tax ("VAT") at the rate of 13%.

3. Other

☐Applicable ☒Not Applicable

VII. Notes to items of consolidated financial statements

1. Monetary funds

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	86,185.18	521,994.63
Cash in bank	2,969,651,114.24	2,036,446,354.70
Other monetary funds	293,412,004.65	168,011,760.44
Deposits with finance companies		
Total	3,263,149,304.07	2,204,980,109.77
Where: total deposits abroad	605,379,573.29	212,671,971.26

Other notes

Monetary funds at the end of the period included bank acceptance deposit of RMB97,025,152.51, guarantee deposit of RMB196,386,852.14, time deposits used for opening guarantee due to pledge and interest thereon of RMB6,685,013.48, frozen funds in bank deposits of RMB10,000.00, and demand deposits used for opening note pledge of RMB97,224, 408.20 yuan, totaling 397,331,426.33 Yuan, which are not cash and cash equivalents.

2. Financial assets held for trading

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Reasons and basis for designation
Financial assets at fair value through profit or loss	5,925,509.48	8,470,694.76	/
Where:			
Investments in equity instruments	5,925,509.48	8,470,694.76	/
			/
Financial assets designated at fair value through profit or loss			
Where:			
Total	5,925,509.48	8,470,694.76	/

Other notes:

☐Applicable ☒Not Applicable

3. Derivative financial asset

☐Applicable ☒Not Applicable

4. Notes Receivable**(1). Notes receivable are presented in a categorized manner**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Banker's acceptance	90,155,576.33	58,049,060.67
Commercial promissory note		
Total	90,155,576.33	58,049,060.67

(2). Notes receivable pledged by the Company at the end of the period

□Applicable √Not Applicable

(3). Notes receivable that have been endorsed or discounted by the company at the end of the period and are not yet due at the balance sheet date

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amounts derecognized at the end of the period	Amounts not derecognized at the end of the period
Banker's acceptance	24,218,583.40	49,438,493.19
Commercial promissory note		
Total	24,218,583.40	49,438,493.19

(4). Disclosure by bad debt accrual method

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book Value	Carrying amount		Provision for bad debts		Book Value
	Amount	Percentage (%)	Amount	Accrual ratio (%)		Amount	Percentage (%)	Amount	Accrual ratio (%)	
Provision for bad debts on an individual basis										
Where:										
Bankers acceptance										
Commercial promissory note										

Provision for bad debts by portfolio	90,155,576.33	100.00			90,155,576.33	58,049,060.67	100.00			58,049,060.67
Where:										
Bankers' acceptance	90,155,576.33	100.00			90,155,576.33	58,049,060.67	100.00			58,049,060.67
Commercial promissory note										
Total	90,155,576.33	/		/	90,155,576.33	58,049,060.67	/		/	58,049,060.67

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V(11) for details.

A description of significant changes in the carrying amount of Accounts Receivable for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

(5). Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(6). Actual write-off of Notes Receivable during the period

☐Applicable ☒Not Applicable

Among the significant Notes Receivable write-offs:

☐Applicable ☒Not Applicable

Notes on the write-off of Notes Receivable:

☐Applicable ☒Not Applicable

Other notes

√Applicable □Not Applicable

The Company's notes receivable include bank acceptance and trade acceptance, and the acceptors of bank acceptance include large commercial banks, listed joint-stock banks, other commercial banks and financial companies. According to the principle of prudence, the Company divided the credit levels of the acceptors of the bank acceptance. Those with higher credit levels are six large commercial banks including Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications and Postal Savings Bank of China, and nine listed joint-stock banks including China Merchants Bank, Shanghai Pudong Development Bank, China CITIC Bank, China Everbright Bank, Huaxia Bank, China Minsheng Bank, Ping An Bank, Industrial Bank and China Zheshang Bank. Other commercial banks and financial companies are those with general credit levels.

Bank acceptance and trade acceptance accepted by commercial banks and financial companies with general credit levels are not derecognized while being endorsed or discounted and would be derecognized after the maturity of notes.

5. Accounts Receivable**(1). Disclosure by age**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance	Opening book balance
Within 1 year		
Where: less than 1 year sub-item		
Within 1 year	1,001,227,757.49	1,455,151,487.70
Subtotal less than 1 year	1,001,227,757.49	1,455,151,487.70
1 to 2 years	1,015,547,518.83	317,522,055.35
2 to 3 years	202,298,540.92	29,824,662.23
More than 3 years	88,085,581.63	58,291,216.72
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	2,307,159,398.87	1,860,789,422.00

(2). Disclosure by bad debt accrual method

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Amount		Provision for bad debts		Book Value	Amount		Provision for bad debts		Book Value
	Amount	Percentage (%)	Amount	Accrual ratio (%)		Amount	Percentage (%)	Amount	Accrual ratio (%)	

Provisi on for bad debts on an individ ual basis	143,218, 910.67	6.21	135,43 1,910.6 7	94. 56	7,787,00 0.00	36,726,4 95.73	1.97	36,726, 495.73	100	
Where:										
Provisi on for bad debts on an individ ual basis	143,218, 910.67	6.21	135,43 1,910.6 7	94. 56	7,787,00 0.00	36,726,4 95.73	1.97	36,726, 495.73	100	
Provisi on for bad debts by portfoli o	2,163,94 0,488.20	93.7 9	268,93 1,141.0 8	12. 43	1,895,00 9,347.12	1,824,06 2,926.27	98.0 3	150,89 8,002.3 5	8.2 7	1,673,16 4,923.92
Where:										
Accou nts receiva ble with Provisi on for bad debts aggreg ated by credit risk charact eristics	2,163,94 0,488.20	93.7 9	268,93 1,141.0 8	12. 43	1,895,00 9,347.12	1,824,06 2,926.27	98.0 3	150,89 8,002.3 5	8.2 7	1,673,16 4,923.92
Total	2,307,15 9,398.87	/	404,36 3,051.7 5	/	1,902,79 6,347.12	1,860,78 9,422.00	/	187,62 4,498.0 8	/	1,673,16 4,923.92

Provision for bad debts is made on an individual basis:

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Accrual ratio (%)	Reasons for the provision

Jiangxi Velo Battery Co.,Ltd.	12,590,000.00	9,442,500.00	75	Tight client liquidity and low likelihood of recovery of payments
Wanxiang One Two Three Co.,Ltd.	15,465,000.00	10,825,500.00	70	Not expected to be fully recovered
Norwegian Power Industries Jiaxing Co.,Ltd.	955,000.00	955,000.00	100	Tight client liquidity and low likelihood of recovery of payments
Jeve New Energy Technology (Huzhou) Co.,Ltd.	2,792,000.00	2,792,000.00	100	Tight client liquidity and low likelihood of recovery of payments
Tianjin Jiewei Power Industry Co.,Ltd.	24,618,860.54	24,618,860.54	100	Tight client liquidity and low likelihood of recovery of payments
Jeve Power Industry Jiangsu Co.,Ltd.	16,596,554.40	16,596,554.40	100	Tight client liquidity and low likelihood of recovery of payments
Jiangsu Weifeng Power Industry Co.,Ltd.	33,475,000.00	33,475,000.00	100	Tight client liquidity and low likelihood of recovery of payments
Hubei Xingquan Machinery Equipment Co.,Ltd.	36,726,495.73	36,726,495.73	100	Tight client liquidity and low likelihood of recovery of payments
Total	143,218,910.67	135,431,910.67	94.56	/

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☒Applicable ☐Not Applicable

Portfolio accruals: Accounts receivable for which bad debt provisions are made based on a combination of credit risk characteristics

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts Receivable	Provision for bad debts	Accrual ratio (%)
Within 1 year	987,648,937.49	49,382,446.86	5.00
1-2 years	980,532,869.26	147,079,930.39	15.00
2-3 years	176,128,453.74	52,838,536.12	30.00
More than 3 years	19,630,227.71	19,630,227.71	100.00
Total	2,163,940,488.20	268,931,141.08	12.43

A description of the Provision for bad debts by portfolio:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

None

A description of significant changes in the carrying amount of accounts receivable for which a change in the provision for losses occurred during the period:

☐Applicable ☒Not Applicable

(3). Provision for bad debts

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Amount of change during the period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Individual Provision for bad debts	36,726,495.73	101,145,384.94		2,439,970.00		135,431,910.67
Provision for bad debts by portfolio	150,898,002.35	118,033,138.73				268,931,141.08
Total	187,624,498.08	219,178,523.67		2,439,970.00		404,363,051.75

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(4). Actual accounts receivable written off during the period

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	2,439,970.00

Where significant accounts receivable write-offs

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of accounts receivable	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the amount arises from a related transaction
Apex (Wuxi) Co.,Ltd.	Payment for goods	2,000,000.00	Supplementary agreements have been signed confirming non-recoverability	Management Approval	No

Sichuan WKF Rare Earth New Energy Technology Co.,Ltd.	Payment for goods	368,500.00	Supplementary agreements have been signed confirming non-recoverability	Management Approval	No
FALUOSI (Suzhou) Energy Technology Co.,Ltd.	Payment for goods	71,470.00	Supplementary agreements have been signed confirming non-recoverability	Management Approval	No
Total	/	2,439,970.00	/	/	/

Accounts receivable write-off instructions:

☐Applicable ☒Not Applicable

(5). Top five accounts receivable and contract assets with closing balances, grouped by party owed money

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance of accounts receivable	Closing balance of contractual assets	Closing balance of accounts receivable and contract assets	Percentage in closing balance of combined accounts receivable and contract assets (%)	Closing balance of Provision for bad debts
First place	653,613,747.29	107,117,601.00	760,731,348.29	27.71	64,571,339.67
Second place	539,291,867.96	18,055,000.00	557,346,867.96	20.30	82,152,431.16
Third place	134,179,575.20	25,835,998.40	160,015,573.60	5.83	13,793,267.08
Fourth place	107,939,998.40	15,780,000.00	123,719,998.40	4.51	12,245,999.76
Fifth place	108,878,000.00	12,679,000.00	121,557,000.00	4.43	16,471,100.00
Total	1,543,903,188.85	179,467,599.40	1,723,370,788.25	62.78	189,234,137.67

Other notes

The total number of accounts receivable and contract assets (including contract assets reported in other non-current assets) in the top 5 of the closing balance was RMB1,723,370,788.25, accounting for 62.78% of the total number of Accounts Receivable and contract assets (including contract assets reported in other non-current assets) (the total number of the closing balance), and the total number of the corresponding Provision for bad debts on accounts receivable and impairment of contract assets was 189,234,137.67 yuan.

Other notes:

☐Applicable ☒Not Applicable

6. Contract Assets**(1). Status of contract assets**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for bad debts	Book value	Carrying amount	Provision for bad debts	Book value
Warranty receivables	361,068,746.75	20,037,637.34	341,031,109.41	323,871,765.42	16,193,588.27	307,678,177.15
Total	361,068,746.75	20,037,637.34	341,031,109.41	323,871,765.42	16,193,588.27	307,678,177.15

(2). Amounts and reasons for significant changes in Book value during the reporting period

□Applicable √Not Applicable

(3). Disclosure by bad debt accrual method

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book Value	Carrying amount		Provision for bad debts		Book Value
	Amount	Percentage (%)	Amount	Accrual ratio (%)		Amount	Percentage (%)	Amount	Accrual ratio (%)	
Provision for bad debts on an individual basis	3,036,000.00	0.84	2,136,000.00	70.36	900,000.00					
Where:										
Provision for bad debts on an individual basis	3,036,000.00	0.84	2,136,000.00	70.36	900,000.00					

Provision for bad debts by portfolio	358,032,746.75	99.16	17,901,637.34	5.00	340,131,109.41	323,871,765.42	100.00	16,193,588.27	5.00	307,678,177.15
Where:										
Provision for impairment by portfolio	358,032,746.75	99.16	17,901,637.34	5.00	340,131,109.41	323,871,765.42	100.00	16,193,588.27	5.00	307,678,177.15
Total	361,068,746.75	/	20,037,637.34	/	341,031,109.41	323,871,765.42	/	16,193,588.27	/	307,678,177.15

Provision for bad debts is made on an individual basis:

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Accrual ratio (%)	Reasons for the provision
Wanxiang One Two Three Co.,Ltd.	3,000,000.00	2,100,000.00	70.00	Not expected to be fully recovered
Jewe Power Industry Jiaying Co.,Ltd.	36,000.00	36,000.00	100.00	Provision based on repurchase agreements
Total	3,036,000.00	2,136,000.00	70.36	/

A description of the provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☒Applicable ☐Not Applicable

Portfolio accrual items: contract assets for which portfolio accrual for impairment has been applied

Unit: Yuan Currency: RMB

Name	Closing balance		
	Contract Assets	Provision for bad debts	Accrual ratio (%)
Within 1 year	358,032,746.75	17,901,637.34	5.00
Total	358,032,746.75	17,901,637.34	5.00

Explanation of bad debt provision by portfolio

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of contract assets for which a change in the provision for losses has occurred during the period:

☐Applicable ☒Not Applicable

(4). Provision for bad debts on contract assets for the period

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Provision for the current period	Recovered or reversed during the period	Write-offs/cancellations during the period	Reason
Individual provision for impairment	2,136,000.00			
Provision for impairment by portfolio	1,708,049.07			
Total	3,844,049.07			/

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5). Actual contractual assets written off during the period

☐Applicable ☒Not Applicable

of which significant contractual assets were written off

☐Applicable ☒Not Applicable

Notes on write-off of contract assets:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

7. Receivables Financing

(1) Presentation of receivable financing classifications

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Banker's acceptance	18,205,751.49	17,904,210.81
Total	18,205,751.49	17,904,210.81

(2) Receivable financing pledged by the Company at the end of the period

☐Applicable ☒Not Applicable

(3) Receivable financing at the end of the period that has been endorsed or discounted by the Company and is not yet due at the balance sheet date

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Amounts derecognized at the end of the period	Amounts not derecognized at the end of the period
Banker's acceptance	239,577,584.78	
Total	239,577,584.78	

(4) Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of receivables financing for which a change in the allowance for losses has occurred during the period:

☐Applicable ☒Not Applicable

(5) Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(6) Receivables financing actually written off during the period

☐Applicable ☒Not Applicable

Where significant receivables financing write-offs

☐Applicable ☒Not Applicable

Write-off instructions:

☐Applicable ☒Not Applicable

(7) Changes in receivables financing during the period and changes in fair value:

☐Applicable ☒Not Applicable

(8) Other notes:

☒Applicable ☐Not Applicable

The acceptors of bankers' acceptances are commercial banks with high creditworthiness, and the probability of non-payment of bankers' acceptances accepted by them at maturity is relatively low; therefore, the Company will derecognize those bankers' acceptances that have been endorsed or discounted. However, if the notes are not paid when due, the Company will still be jointly and severally liable to the bearer in accordance with the provisions of the *Bills of Exchange Act*.

8. Prepayments**(1). Prepayments by age**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	35,503,770.40	82.87	12,673,297.22	70.10
1 to 2 years	4,773,270.22	11.15	3,874,682.83	21.43
2 to 3 years	1,815,309.52	4.23	1,075,985.52	5.95
More than 3 years	749,102.44	1.75	455,016.73	2.52
Total	42,841,452.58	100.00	18,078,982.30	100.00

A description of the reasons why prepayments aged more than one year and of significant amounts have not been settled in a timely manner:

None

(2). Top five prepayments with closing balances, grouped by prepayment recipient

√Applicable □Not Applicable

Name of unit	Closing balance	Percentage of total closing balance of prepayments (%)
First place	13,148,228.00	30.70
Second place	3,630,000.00	8.47
Third place	3,600,000.00	8.40
Fourth place	3,012,780.00	7.03
Fifth place	2,361,600.00	5.51
Total	25,752,608.00	60.11

Other notes

None

Other notes

□Applicable √Not Applicable

9. Other Receivables**Item presentation**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	40,784,568.93	20,752,014.90
Total	40,784,568.93	20,752,014.90

Other notes:

□Applicable √Not Applicable

Interest receivable**(1). Classification of interest receivable**

□Applicable √Not Applicable

(2). Significant overdue interest

□Applicable √Not Applicable

(3). Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

(4). Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of interest receivable for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

(5). Provision for bad debts

☐Applicable ☒Not Applicable

of which the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(6). Actual write-off of interest receivable during the period

☐Applicable ☒Not Applicable

of which significant write-offs of interest receivable

☐Applicable ☒Not Applicable

Write-off instructions:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Dividends receivable

(1). Dividends receivable

☐Applicable ☒Not Applicable

(2). Significant dividends receivable aged over 1 year

☐Applicable ☒Not Applicable

(3). Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

(4). Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of dividends receivable for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

(5). Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(6). Actual write-off of dividends receivable during the period

☐Applicable ☒Not Applicable

Significant write-offs of dividends receivable therein

☐Applicable ☒Not Applicable

Write-off instructions:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Other Receivables**(1). Disclosure by age**

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance	Opening balance
Within 1 year		
Where: less than 1 year sub-item		
Within 1 year	34,921,335.65	12,308,372.13
Subtotal less than 1 year	34,921,335.65	12,308,372.13
1 to 2 years	3,458,720.60	8,651,898.38

2 to 3 years	6,670,553.64	2,435,639.64
More than 3 years	6,531,978.08	5,164,448.99
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	51,582,587.97	28,560,359.14

(2). Breakdown by nature of funds

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing balance	Opening balance
Deposit Guarantee	41,052,652.37	16,798,375.10
Reserve fund	5,195,171.77	5,318,575.33
Other	5,334,763.83	6,443,408.71
Total	51,582,587.97	28,560,359.14

(3). Provision for bad debts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) over lifetime	Expected credit losses over lifetime (credit impairment incurred)	
Balance on January 1, 2023	615,418.59	1,297,784.76	5,895,140.89	7,808,344.24
January 1, 2023 Balance in the current period				
--Transfer to Phase II	-172,936.03	172,936.03		
--Transfer to Phase III		-1,000,583.05	1,000,583.05	
--Reversal to phase II				
-- Reversal to phase I				
Provision for the current period	1,303,584.22	48,670.35	1,637,420.23	2,989,674.80
Reversal during the period				
Write-offs during the period				
Cancellations during the period				
Other changes				
Balance on December 31, 2023	1,746,066.78	518,808.09	8,533,144.17	10,798,019.04

Basis of classification of stages and percentage of Provision for bad debts

The stages are based on the following: stage 1 for accounts up to 1 year old, stage 2 for accounts 1-2 years old and stage 3 for accounts over 2 years old.

A description of significant changes in the carrying amount of other receivables for which a change in the provision for losses has occurred during the period:

☐Applicable ☒Not Applicable

The amount of Provision for bad debts in the current period and the basis used to assess whether there is a significant increase in the credit risk of a financial instrument:

☐Applicable ☒Not Applicable

(4). Provision for bad debts

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Amount of change during the period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Individual bad debt provision make a separate Provision for bad debts	4,330,000.00					4,330,000.00
Provision for bad debts by portfolio	3,478,344.24	2,989,674.80				6,468,019.04
Total	7,808,344.24	2,989,674.80				10,798,019.04

Of these, the amount of the Provision for bad debts reversed or recovered during the period is significant:

☐Applicable ☒Not Applicable

Other notes

None

(5). Other Receivables actually written off during the period

☐Applicable ☒Not Applicable

Where significant write-offs of other receivables:

☐Applicable ☒Not Applicable

Note on write-off of other receivables:

☐Applicable ☒Not Applicable

(6). Top five other Accounts Receivable with closing balances, grouped by party owed

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance	Percentage in total closing balance of other receivables (%)	Nature of payments	Age of accounts	Provision for bad debts closing balance
TIANSHI LOGISTICS CO.,LTD., LIMITED	21,248,100.00	41.19	Security deposit	Within 1 year	1,062,405.00
PACIFIC GLOBAL LOGISTICS INC	2,871,920.00	5.57	Security deposit	1-2 years	430,788.00
Fujian River Energy Technology Co.,Ltd.	2,384,920.00	4.62	Security deposit	Within 1 year	119,246.00
Zhejiang Zhixin Holding Group Co.,Ltd.	2,280,000.00	4.42	Security deposit	More than 3 years	2,280,000.00
Zhejiang Oceanus Power Systems Co.,Ltd.	2,050,000.00	3.97	Security deposit	More than 3 years	2,050,000.00
Total	30,834,940.00	59.77	/	/	5,942,439.00

(7). Reported in other accounts receivable due to centralized management of funds

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

10. Inventory

(1). Inventory classification

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for decline in value of inventories/impairment of contractual performance costs	Book value	Carrying amount	Provision for decline in value of inventories/impairment of contractual performance costs	Book value
Raw materials	294,307,561.47		294,307,561.47	325,602,393.42		325,602,393.42
In product	487,770,519.39	7,928,894.74	479,841,624.65	730,734,350.62	633,908.93	730,100,441.69
Merchandise in stock	429,660,268.83	37,652,707.90	392,007,560.93	256,862,178.61	20,139,967.93	236,722,210.68

Revolvi ng material s						
Expenda ble Biologic al Assets						
Contract perform ance costs	128,878,86 6.95		128,878,86 6.95	11,222,257. 40		11,222,257. 40
Issuance of goods	1,654,492,5 59.83	48,051,256.47	1,606,441,3 03.36	1,119,263,3 34.67	42,233,338.56	1,077,029,9 96.11
Total	2,995,109,7 76.47	93,632,859.11	2,901,476,9 17.36	2,443,684,5 14.72	63,007,215.42	2,380,677,2 99.30

(2). Provision for decline in value of inventories and impairment of contractual performance costs

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision	Other	Reversal or write-off	Other	
Raw materials						
Product under process	633,908.93	7,928,894. 74		633,908.93		7,928,894. 74
Merchandise in stock	20,139,967 .93	18,080,881 .56		568,141.59		37,652,707 .90
Revolving materials						
Expendable Biological Assets						
Contract performance costs						
Issuance of goods	42,233,338 .56	10,223,460 .47		4,405,542. 56		48,051,256 .47
Total	63,007,215 .42	36,233,236 .77		5,607,593. 08		93,632,85 9.11

Reasons for reversal or write-off of provision for decline in value of inventories during the period

√Applicable □Not Applicable

Item	Determination of net realizable value Specific basis	Write-off of inventory write-downs Reasons for preparation
Product under process	Net realizable value is determined as the estimated selling price of the relevant finished goods, less costs estimated to be incurred to completion, estimated selling expenses and related taxes.	Consumption/sale of inventories for which provision for decline in value of inventories has been made during the period
Merchandise in stock	Determined on the basis of the estimated selling price of inventories less estimated selling expenses and related taxes	
Issuance of goods		

Provision for decline in value of inventories by portfolio

☐Applicable ☒Not Applicable

Provisioning criteria for provision for inventory decline by portfolio

☐Applicable ☒Not Applicable

(3). Amount of Borrowing Costs capitalized included in the closing balance of inventories and the criteria and basis for their calculation

☐Applicable ☒Not Applicable

(4). Explanation of the amount of amortization of contract performance costs for the period

☒Applicable ☐Not Applicable

Item	Beginning amount	Increase during the period	Amortization for the period	Impairment for the period	Closing amount
Freight and lifting costs	11,222,257.40	82,800,084.41	57,621,470.32		36,400,871.49
Tariffs		92,477,995.46			92,477,995.46
Subtotal	11,222,257.40	175,278,079.87	57,621,470.32		128,878,866.95

Other notes

☐Applicable ☒Not Applicable

11. Assets held for sale

☐Applicable ☒Not Applicable

12. Non-current assets due within one year

☐Applicable ☒Not Applicable

Debt investments maturing within one year

☐Applicable ☒Not Applicable

Other debt investments maturing within one year

☐Applicable ☒Not Applicable

(1). Other debt investments maturing within one year

☐Applicable ☒Not Applicable

Movement during the period in provision for impairment of other debt investments maturing within one year

☐Applicable ☒Not Applicable

(2). Significant other debt investments maturing within one year at the end of the period

☐Applicable ☒Not Applicable

(3). Provision for impairment

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts
See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of the allowance for losses that occurred during the period:

☐Applicable ☒Not Applicable

The amount of the provision for impairment for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instrument

☐Applicable ☒Not Applicable

(4). Other debt investments maturing within one year actually written off during the period

☐Applicable ☒Not Applicable

Of which significant other debt investments maturing within one year Write-offs

☐Applicable ☒Not Applicable

Description of write-offs of other debt investments maturing within one year:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Other notes on non-current assets due within one year

None

13. Other current assets

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Contract acquisition costs		
Returns receivable cost		
Advance payment of VAT	5,799,666.36	17,233,890.21
GDR issuance costs		4,598,869.56
Prepayment of enterprise income tax	83,846.29	47,907.04
Input tax to be offset	2,356,983.39	329,023.20
Other amortized expenses	2,230,139.98	
Total	10,470,636.02	22,209,690.01

Other notes

None

14. Debt investment**(1). Status of debt investments**

☐Applicable ☒Not Applicable

Movement in provision for impairment of debt investments during the period

☐Applicable ☒Not Applicable

(2). Significant debt investments at the end of the period

☐Applicable ☒Not Applicable

(3). Provision for impairment

☐Applicable ☒Not Applicable

The basis for the classification of each stage and the percentage of provision for impairment:
See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of debt investments for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

The amount of the provision for impairment for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instrument

☐Applicable ☒Not Applicable

(4). Actual write-off of debt investments during the period

☐Applicable ☒Not Applicable

of which significant write-offs of debt investments

☐Applicable ☒Not Applicable

Description of write-offs of debt investments:

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

15. Other debt investments**(1). Other debt investments**

☐Applicable ☒Not Applicable

Movement in provision for impairment of other debt investments during the period

☐Applicable ☒Not Applicable

(2). Significant other debt investments at the end of the period

☐Applicable ☒Not Applicable

(3). Provision for impairment

☐Applicable ☒Not Applicable

The basis for the classification of each stage and the percentage of provision for impairment:
See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of other debt investments for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

The amount of the provision for impairment for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instrument

☐Applicable ☒Not Applicable

(4). Other debt investments actually written off during the period

☐Applicable ☒Not Applicable

Write-offs of significant other debt investments therein

☐Applicable ☒Not Applicable

Description of write-offs of other debt investments:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

16. Long-term receivables

(1). Long-term receivables

☐Applicable ☒Not Applicable

(2). Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

(3). Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of long-term receivables for which a change in the allowance for losses has occurred during the period:

☐Applicable ☒Not Applicable

The amount of Provision for bad debts for the period and the basis used to assess whether there is a significant increase in the credit risk of a financial instrument

☐Applicable ☒Not Applicable

(4). Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5). Long-term receivables actually written off during the period

☐Applicable ☒Not Applicable

Where significant write-offs of long-term receivables

☐Applicable ☒Not Applicable

Note on write-off of long-term receivables:

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

17. Long-term equity investments

(1). Long-term equity investments

☐Applicable ☒Not Applicable

(2). Impairment testing of long-term equity investments

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes

None

18. Investments in other equity instruments

(1). Investments in other equity instruments

☐Applicable ☒Not Applicable

(2). Explanation of the existence of derecognition during the period

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

19. Other non-current financial assets

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

20. Investment property

Investment property measurement model

Not applicable

(1). Impairment testing of investment properties using the cost measurement model

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

21. Fixed Assets**Item presentation**

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed Assets	1,264,096,156.79	954,337,911.33
Liquidation of Fixed Assets		
Total	1,264,096,156.79	954,337,911.33

Other notes:

☐Applicable ☒Not Applicable

Fixed Assets**(1). Fixed assets**

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	General equipment	Machinery and equipment	Transportation tools	Other equipment	Total
i. Original Book value:						
1. Opening balance	775,312,987.29	20,693,843.37	287,092,115.22	23,411,049.33	30,788,782.56	1,137,298,777.77
2. Increase during the period	352,924,734.24	16,532,565.77	16,175,509.41	3,900,383.50	16,471,543.73	406,004,736.65
(1) Acquisition	48,316,046.17	16,532,565.77	8,564,800.61	3,939,780.16	756,508.77	78,109,701.48
(2) Transfer from Construction in progress	301,334,524.34		7,610,708.80		15,715,034.96	324,660,268.10

(3) Increase in business combinati ons						
(4) Foreign currency translation	3,274,163.73			-39,396.66		3,234,767.07
3. Decrease during the period		1,060,442.4 7	11,545,517. 50	382,535.58		12,988,495.55
(1) Disposal or scrapping		1,060,442.4 7	11,545,517. 50	382,535.58		12,988,495.55
4. Closing balance	1,128,237,721 .53	36,165,966. 67	291,722,107 .13	26,928,897. 25	47,260,326. 29	1,530,315,018 .87
II. Accumulated depreciation						
1. Opening balance	77,812,461.75	9,085,536.3 4	69,421,680. 47	12,604,005. 74	14,037,182. 14	182,960,866.4 4
2. Increase during the period	44,946,637.56	3,376,848.1 4	27,194,161. 23	4,027,197.0 6	8,611,679.3 0	88,156,523.29
(1) Provision	44,668,172.67	3,443,448.0 9	27,195,907. 40	3,933,821.6 2	8,611,679.3 0	87,853,029.08
(2) Foreign currency translation	278,464.89	-66,599.95	-1,746.17	93,375.44		303,494.21
3. Decrease during the period		189,775.10	4,460,453.8 5	248,298.70		4,898,527.65
(1) Disposal or scrapping		189,775.10	4,460,453.8 5	248,298.70		4,898,527.65
4. Closing balance	122,759,099.3 1	12,272,609. 38	92,155,387. 85	16,382,904. 10	22,648,861. 44	266,218,862.0 8
III. Provision for impairment						
1. Opening balance						
2. Increase during the period						
(1) Provision						
3. Decrease during the period						

(1) Disposal or scrapping						
4. Closing balance						
IV. Book value						
1. Closing Book value	1,005,478,622 .22	23,893,357. 29	199,566,719 .28	10,545,993. 15	24,611,464. 85	1,264,096,156 .79
2. Opening Book value	697,500,525.5 4	11,608,307. 03	217,670,434 .75	10,807,043. 59	16,751,600. 42	954,337,911. 33

(2). Status of temporarily idle fixed assets
☐Applicable ☒Not Applicable
(3). Fixed assets leased out through operating leases
☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Book value
Houses and buildings	19,865,815.73
Subtotal	19,865,815.73

(4). Status of fixed assets for which certificates of title have not been issued
☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Book value	Reasons for non-completion of title deeds
13-channel lithium-ion battery charge/discharge equipment capacity expansion project	181,132,630.33	Completion of the current period, not yet applied for
Intelligent Manufacturing Expansion Project for 12-way Lithium-ion Battery Production Equipment	180,402,259.02	Completion of the current period, not yet applied for
Subtotal	361,534,889.35	

(5). Impairment testing of Fixed Assets
☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Liquidation of Fixed Assets

☐Applicable ☒Not Applicable

22. Construction in progress

Item presentation

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress		35,503,214.70
Engineering materials		
Total		35,503,214.70

Other notes:

☐Applicable ☒Not Applicable

Construction in progress

(1). Status of construction in progress

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Lithium-ion Battery Charging and Discharging Equipment Capacity Expansion Project				18,204,314.48		18,204,314.48
Korea Power Plant Project				17,298,900.22		17,298,900.22
Total				35,503,214.70		35,503,214.70

(2). Changes in significant construction-in-progress projects during the period

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Project name	Budgeted number	Opening balance	Increase during the period	Amounts transferred to fixed assets during the period	Other decreases during the period	Closing balance	Cumulative investment in works as a percentage of budget (%)	Project Progress	Accumulated amount of interest capitalized	Where: Amount of interest capitalized during the period	Current interest capitalization rate (%)	Source of funds
Lithium-ion Battery Charging and Discharging Equipment Capacity Expansion Project	1,182,689,900.00	18,204,314.48	176,903,773.76	195,108,088.24			16.50	20.00				Own funds
Korea Power Plant Project	89,100,000.00	17,298,900.22	66,520,646.24	83,819,546.46			94.07	100.00				Own funds
Total		35,503,214.70	243,424,420.00	278,927,634.70			/	/			/	/

(3). Provision for impairment of Construction in progress during the period
☐Applicable ☒Not Applicable
(4). Impairment testing of Construction in progress
☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

Engineering materials

(1). Status of engineering materials

☐Applicable ☒Not Applicable

23. Productive Biological Assets

(1). Produced Biological Assets using the cost-measurement model

☐Applicable ☒Not Applicable

(2). Impairment testing of productive biological assets using the cost measurement model

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

(3). Produced biological assets using the fair value measurement model

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

24. Oil and Gas Assets

(1) Status of oil and gas assets

☐Applicable ☒Not Applicable

(2) Impairment testing of oil and gas assets

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

None

25. Right-to-use assets

(1) Status of right-to-use assets

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Building	Total
I. Original Book value		
1. Opening balance	11,386,767.46	11,386,767.46
2. Increase during the period		
3. Decrease during the period		
4. Closing balance	11,386,767.46	11,386,767.46
II. Accumulated depreciation		
1. Opening balance	5,377,084.70	5,377,084.70
2. Increase during the period	3,795,589.20	3,795,589.20
(1) Provision	3,795,589.20	3,795,589.20
3. Decrease during the period		
(1) Disposal		
4. Closing balance	9,172,673.90	9,172,673.90
III. Provision for impairment		
1. Opening balance		
2. Increase during the period		
(1) Provision		

3. Decrease during the period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Closing Book value	2,214,093.56	2,214,093.56
2. Opening Book value	6,009,682.76	6,009,682.76

(2) Impairment testing of right-of-use assets

□Applicable √Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

□Applicable √Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

□Applicable √Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

□Applicable √Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

□Applicable √Not Applicable

Other notes:

None

26. Intangible Asset**(1). Status of Intangible Assets**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Land use right	Patent right	Non-patented technology	Software	Total
I. Original Book value					
1. Opening balance	187,924,390.46			12,104,872.33	200,029,262.79
2. Increase during the period				16,143,850.82	16,143,850.82
(1) Acquisition				16,143,850.82	16,143,850.82
(2) In-house R&D					
(3) Increase in business combinations					
(4) Transfer from Construction in progress					

3. Decrease during the period					
(1) Disposal					
4. Closing balance	187,924,390.46			28,248,723.15	216,173,113.61
II. Accumulated amortization					
1. Opening balance	14,967,005.76			9,560,726.01	24,527,731.77
2. Increase during the period	4,067,881.80			2,705,363.58	6,773,245.38
(1) Provision	4,067,881.80			2,705,363.58	6,773,245.38
3. Decrease during the period					
(1) Disposal					
4. Closing balance	19,034,887.56			12,266,089.59	31,300,977.15
III. Provision for impairment					
1. Opening balance					
2. Increase during the period					
(1) Provision					
3. Decrease during the period					
(1) Disposal					
4. Closing balance					
IV. Book value					
1. Closing Book value	168,889,502.90			15,982,633.56	184,872,136.46
2. Opening Book value	172,957,384.70			2,544,146.32	175,501,531.02

The proportion of Intangible Assets formed through in-house research and development to the balance of Intangible Assets at the end of the period was 0%

(2). Status of land-use rights with outstanding title deeds

☐Applicable ☒Not Applicable

(3) Impairment testing of Intangible Assets

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

27. Goodwill

(1). Original carrying amount of goodwill

☐Applicable ☒Not Applicable

(2). Provision for impairment of goodwill

☐Applicable ☒Not Applicable

(3). Information about the asset group or combination of asset groups in which the goodwill is located

☐Applicable ☒Not Applicable

Changes in asset groups or combinations of asset groups

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

(4). Specific determination of recoverable amount

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

(5). Performance commitments and corresponding goodwill impairment

Performance commitments existed at the time goodwill was formed and are within the performance commitment period for the reporting period or the previous period of the reporting period

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

28. Long-term amortized expenses

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Amortization for the period	Other decreases	Closing balance
Renovation cost	7,003,767.94	8,399,666.79	4,222,430.30		11,181,004.43
Total	7,003,767.94	8,399,666.79	4,222,430.30		11,181,004.43

Other notes:

None

29. Deferred income tax assets/deferred income tax liabilities**(1). Deferred tax assets not offset**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income taxes liabilities	Deductible temporary differences	Deferred income taxes liabilities
Provision for impairment of assets	531,936,576.69	79,981,196.25	268,311,152.81	40,246,672.91
Unrealized profit on internal transactions				
Deductible losses				
Equity incentive expense			27,990,831.90	4,198,624.79
Deferred income	23,863,491.77	3,579,523.77	28,438,576.97	4,265,786.55
Lease liabilities	2,169,004.49	325,350.67		
Fair value changes	1,948,657.48	292,298.62		
Total	559,917,730.43	84,178,369.31	324,740,561.68	48,711,084.25

(2). Deferred tax liabilities not offset

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income taxes be in debt	Taxable temporary differences	Deferred income taxes be in debt
Appraisal of appreciation of assets in non-same-control business combinations				
Changes in fair value of other debt investments				
Changes in fair value of investments in other equity instruments				
Fair value changes			596,527.80	89,479.17
Differences in depreciation of Fixed Assets	35,827,319.83	5,374,097.97	80,567,683.41	12,085,152.51

Differences in depreciation of right-of-use assets	2,214,093.56	332,114.03		
Equity incentive expense	3,046,237.49	456,935.63		
Total	41,087,650.88	6,163,147.63	81,164,211.21	12,174,631.68

(3). Deferred tax assets or liabilities, net of offsets

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amounts of deferred tax assets and liabilities offset at the end of the period	Closing balance of deferred tax assets or liabilities after offsetting	Deferred tax assets and liabilities offset at beginning of period	Opening balance of deferred tax assets or liabilities after offsetting
Deferred income tax assets	6,163,147.63	78,015,221.68	12,174,631.68	36,536,452.57
Deferred income tax liabilities	6,163,147.63		12,174,631.68	

(4). Breakdown of unrecognized deferred tax assets

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	11,128,153.09	7,933,493.20
Deductible losses	41,717,362.30	28,071,434.81
Total	52,845,515.39	36,004,928.01

(5). The deductible losses for which no deferred tax assets have been recognized will expire in the following years

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Note
2027		50,997.39	
2028		402,315.99	
2029	714,849.78	951,989.85	
2030	5,614,937.89	5,614,937.89	
2031	8,133,964.16	8,200,270.08	
2032	12,660,193.11	12,850,923.61	
2032 and beyond	14,593,417.36		
Total	41,717,362.30	28,071,434.81	/

Other notes:

□Applicable √Not Applicable

30. Other non-current assets

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying	Provision	Book value	Carrying	Provision	Book value

	amount	for impairment		amount	for impairment	
Contract acquisition costs						
Contract performance costs						
Returns receivable cost						
Contract Assets						
Prepayments for acquisition of long-term assets	4,212,626.81		4,212,626.81	8,620,381.89		8,620,381.89
Contract assets	77,563,250.87	14,233,162.54	63,330,088.33	32,220,000.00	1,611,000.00	30,609,000.00
Total	81,775,877.68	14,233,162.54	67,542,715.14	40,840,381.89	1,611,000.00	39,229,381.89

Other notes:

None

31. Assets with restricted ownership or use right

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	End of the Period				Beginning of the period			
	Carrying amount	Book value	Type of restriction	Restrictions	Carrying amount	Book value	Type of restriction	Restrictions
Monetary funds	397,331,426.33	397,331,426.33	pledges	Guarantee and bankers' acceptance deposits and pledges of time deposits	212,516,546.90	212,516,546.90	pledges	Guarantee and bankers' acceptance deposits and pledges of time deposits
Notes Receivable								
Inventory								
Fixed Assets								
Intangible Asset								
Total	397,331,426.33	397,331,426.33	/	/	212,516,546.90	212,516,546.90	/	/

Other notes:

None

32. Short-term loan

(1). Classification of short-term loans

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Loan on pledge		
Secured loan		
Guaranteed Borrowing		
Credit loan		
Discounted outstanding bankers' acceptances	14,516,000.00	
Total	14,516,000.00	

A note on the classification of short-term borrowings:

None

(2). Status of overdue short-term loans

☐Applicable ☒Not Applicable

Significant of these overdue short-term borrowings are shown below:

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

33. Financial liabilities held for trading

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

34. Derivative financial liabilities

☐Applicable ☒Not Applicable

35. Notes payable

(1). Presentation of notes payable

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial promissory note	30,323,265.62	88,693,221.04
Banker's acceptance	985,238,870.63	1,228,210,692.70
Total	1,015,562,136.25	1,316,903,913.74

Notes payable totaling RMB0 were due and unpaid at the end of the period. The reason for the due and unpaid amount is: none

36. Accounts payable**(1). Presentation of accounts payable**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Purchase of materials	1,487,550,264.77	1,562,950,273.91
Payment for equipment work	61,845,477.39	24,656,252.20
Other	13,190,749.92	9,034,630.22
Total	1,562,586,492.08	1,596,641,156.33

(2). Significant accounts payable older than one year or past due

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-reimbursement or carry-over
Hefei Guosheng Battery Technology Co.,Ltd.	17,699,115.04	Not yet settled
Shanghai Yongqian Mechanical & Electrical Co.,Ltd.	10,503,133.87	Not yet settled
Total	28,202,248.91	/

Other notes

□Applicable √Not Applicable

37. Advance receipts**(1). Presentation of accounts receivable in advance**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Rent	560,000.00	560,000.00
Total	560,000.00	560,000.00

(2). Significant advance receipts aged over 1 year

□Applicable √Not Applicable

(3). Amounts and reasons for significant changes in Book value during the reporting period

□Applicable √Not Applicable

Other notes

□Applicable √Not Applicable

38. Contractual liabilities**(1). Contractual liabilities**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payment for goods	2,239,109,626.13	1,501,881,384.48
Total	2,239,109,626.13	1,501,881,384.48

(2). Significant contractual liabilities aged over 1 year

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-reimbursement or carry-over
TTI PARTNERS SPC - MPV SPC-O MAPLES CORPORATE SERVICESLIMITED	105,581,509.50	Project not yet accepted
Hive Energy Technology (Maanshan) Co.,Ltd.	67,725,600.00	Project not yet accepted
Hive Energy Technology (Huzhou) Co.,Ltd.	53,250,720.00	Project not yet accepted
Tianneng New Energy (Huzhou) Co.,Ltd.	52,260,000.00	Project not yet accepted
Hive Energy Technology (Yancheng) Co.,Ltd.	43,970,460.00	Project not yet accepted
Total	322,788,289.50	/

(3). Amounts and reasons for significant changes in Book value during the reporting period

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

39. Employee remuneration payable

(1). Presentation of employee compensation payable

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term remuneration	25,250,952.24	547,077,852.04	537,974,853.30	34,353,950.98
II. Post-employment benefits -- defined contribution plans		34,456,162.02	34,456,162.02	
III. Termination benefits				
IV. Other benefits due within one year				
Total	25,250,952.24	581,534,014.06	572,431,015.32	34,353,950.98

(2). Presentation of short-term remuneration

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses, allowances and subsidies	25,250,952.24	496,402,801.37	487,306,121.21	34,347,632.40
II. Employee benefit costs		2,653,469.39	2,653,469.39	
III. Social security contributions		25,575,111.41	25,568,792.83	6,318.58
Where: medical insurance premiums		23,864,184.74	23,857,866.16	6,318.58
Employment		1,710,926.67	1,710,926.67	

injury insurance premiums				
Maternity insurance premiums				
IV. Housing Provident Fund		15,679,973.78	15,679,973.78	
V. Funds for trade unions and staff education		6,766,496.09	6,766,496.09	
VI. Short-term paid absences				
VII. Short-term profit-sharing schemes				
Total	25,250,952.24	547,077,852.04	537,974,853.30	34,353,950.98

(3). Presentation of the defined benefit plan

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension insurance		33,268,018.50	33,268,018.50	
2. Unemployment insurance premiums		1,188,143.52	1,188,143.52	
3. Contributions to enterprise annuities				
Total		34,456,162.02	34,456,162.02	

Other notes:

□Applicable √Not Applicable

40. Taxes payable

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	302,078.31	
Sales tax		
Business tax		
Corporate income tax	75,189,390.31	8,731,076.49
Personal income tax	478,550.42	55,984.75
Urban maintenance and construction tax	957,920.52	698,770.71
Property tax	7,392,022.70	4,356,128.08
Education surcharge	410,537.36	299,473.16
Local education surcharge	273,691.58	199,648.77
Stamp tax	1,779,737.23	
Land use tax	512.00	
Total	86,784,440.43	14,341,081.96

Other notes:

None

41. Other accounts payable**(1). Item presentation**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividend payable		
Other accounts payable	8,469,552.89	3,002,923.42
Total	8,469,552.89	3,002,923.42

Other notes:

☐Applicable ☒Not Applicable

(2). Interest payable

Categorized presentation

☐Applicable ☒Not Applicable

Significant overdue interest payable:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

(3). Dividend payable

Categorized presentation

☐Applicable ☒Not Applicable

(4). Other accounts payable

Presentation of other accounts payable by nature of payment

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deposit Guarantee	687,937.19	1,141,512.19
Costs payable	2,503,407.60	1,255,644.85
Suspense accounts payable	941,634.74	605,766.38
Refund receivable in suspense	2,967,786.09	
Late payment of taxes payable	1,368,787.27	
Total	8,469,552.89	3,002,923.42

Significant other accounts payable older than 1 year or past due

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

42. Liabilities held for sale

☐Applicable ☒Not Applicable

43. Non-current liabilities due within 1 year

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within 1 year		
Bonds payable due within 1		

year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year	2,028,014.09	3,840,678.51
Total	2,028,014.09	3,840,678.51

Other notes:

None

44. Other current liabilities

Other current liabilities

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Returns payable		
Sales tax to be transferred	66,695,840.81	84,744,908.78
Endorsed outstanding Notes Receivable (not derecognized)	34,922,493.19	26,970,439.07
Accruals	16,242,012.15	13,944,922.15
Total	117,860,346.15	125,660,270.00

Increase or decrease in short-term bonds payable:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

45. long term loan

(1). Classification of long-term loans

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

46. bonds payable

(1). bonds payable

☐Applicable ☒Not Applicable

(2). Details of bonds payable: (excluding other financial instruments such as preferred shares and Perpetual bonds classified as financial liabilities)

☐Applicable ☒Not Applicable

(3). Description of convertible bonds

☐Applicable ☒Not Applicable

Accounting for transfers of equity and basis of judgment

☐Applicable ☒Not Applicable

(4). Description of other financial instruments classified as financial liabilities

Basic information on other financial instruments such as preferred shares and Perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Statement of changes in preferred shares, Perpetual bonds and other financial instruments issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Description of the basis on which other financial instruments are classified as financial liabilities:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

47. Lease liabilities

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Outstanding lease payments	2,142,857.14	6,428,571.44
Less: unrecognized financing costs	114,843.05	559,879.14
Reclassification to non-current liabilities due within one year	2,028,014.09	3,840,678.51
Total		2,028,013.79

Other notes:

None

48. Long-term accounts payable**Item presentation**

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Long-term accounts payable**(1). Long-term accounts payable by nature of payment**

☐Applicable ☒Not Applicable

Specialized accounts payable**(1). Specialized accounts payable by nature of payment**

☐Applicable ☒Not Applicable

49. Long-term employee compensation payable

☐Applicable ☒Not Applicable

(1). Statement of long-term employee compensation payable

☐Applicable ☒Not Applicable

(2). Changes in defined benefit plans

Present value of defined benefit plan obligations:

☐Applicable ☒Not Applicable

Plan assets:

☐Applicable ☒Not Applicable

Net liability (net assets) of defined benefit plans

☐Applicable ☒Not Applicable

A description of the content of the defined benefit plan and the risks associated with it, its impact on the company's future cash flows, timing and uncertainty:

☐Applicable ☒Not Applicable

Statement of significant actuarial assumptions and sensitivity analysis results for defined benefit plans

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable**50. Estimated liability**☐Applicable ☒Not Applicable**51. Deferred income**

Status of deferred income

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reasons for formation
Government grant	28,438,576.97		4,575,085.20	23,863,491.77	Government grants related to assets are amortized over the useful life of the assets
Total	28,438,576.97		4,575,085.20	23,863,491.77	/

Other notes:

☐Applicable ☒Not Applicable**52. Other non-current liabilities**☐Applicable ☒Not Applicable**53. Capital stock**☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

	Opening balance	Increase/decrease in current period (+, i)					Closing balance
		Issuance of new share	Share grant	Provident fund transfer stock	Other	Subtotal	

Total number of shares	405,133,000.00	26,061,394.00		172,477,758.00		198,539,152.00	603,672,152.00
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Other notes:

1) Pursuant to the resolutions of the 10th meeting of the 3rd session of the Board of Directors and the 4th Extraordinary General Meeting of 2022 of the Company, and approved by the Prospectus Office of the Supervisory Authority of the SIX Swiss Exchange (hereinafter referred to as the SIX Swiss Exchange) No. ZA11-000000005W1O7 and the Approval Reply of the China Securities Regulatory Commission regarding the approval of the Initial Public Offering of GDRs and Listing on the SIX Swiss Exchange by Zhejiang Hangke Technology Incorporated Company Ltd.'s Initial Public Offering of Global Depository Receipts and Listing on the SIX Swiss Exchange" (Securities and Regulatory Commission License [2022] No. 3149), the Company actually issued 12,625,697 GDRs to qualified investors, which corresponded to 25,251,394 A-share base shares of the Company, and raised gross proceeds of US\$172,845,791.93 (equivalent to RMB1,188,470,380.73). After deducting the issue expenses of RMB29,091,330.64, the net proceeds were RMB1,159,379,050.09, of which RMB25,251,394.00 was credited to the share capital and RMB1,134,127,656.09 was credited to the capital reserve (share capital premium). The aforesaid capital increase has been audited by Tianjian Certified Public Accountants (Special Ordinary Partnership), which has issued the Capital Verification Report (Tianjian Verification [2023] No. 75).

2) Pursuant to the resolutions of the Twentieth Session of the Second and Thirteenth Session of the Board of Directors and the Second Extraordinary General Meeting of 2021 of the Company, the Company granted 810,000 restricted RMB ordinary shares (A shares) of Class II with a par value of RMB1 per share to its employees at a grant price of RMB27.77 per share, with a total subscription amount of RMB22,493,700.00, of which RMB810,000.00 was credited to share capital and RMB21,683,700.00 was credited to capital reserve (share premium). The aforesaid capital increase has been audited by Tianjian Certified Public Accountants (Special Ordinary Partnership), which has issued the Capital Verification Report (Tianjian Verification [2023] No. 90).

3) Pursuant to the resolution of the 2022 annual general meeting of the Company, the Company will pay a cash dividend of RMB0.35 (tax included) per share based on the total share capital of 431,194,394 shares and transfer 0.4 shares per share to all shareholders out of the capital reserve, resulting in a total cash dividend of RMB150,918,037.90 and an increase in the number of shares by 172,477,758 shares; RMB172,477,758.00 is credited to the share capital. The aforesaid capital increase has been audited by Tianjian Accounting Firm (Special Ordinary Partnership), which has issued the Capital Verification Report (Tianjian Verification [2023] No. 770).

54. Other equity instruments

(1). Basic information on other financial instruments such as preferred shares and Perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

(2). Statement of changes in preferred shares, Perpetual bonds and other financial instruments issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Changes in other equity instruments during the period, explanation of the reasons for such changes, and the basis for the related accounting treatment:

☐Applicable ☒Not Applicable

Other notes.

☐Applicable ☒Not Applicable

55. Capital reserve

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium (equity premium)	1,291,603,017.41	1,232,661,617.30	181,277,735.18	2,342,986,899.53
Other capital reserve	110,134,807.74	10,986,113.76	104,277,827.76	16,843,093.74
Total	1,401,737,825.15	1,243,647,731.06	285,555,562.94	2,359,829,993.27

Other explanations, including increases or decreases during the period and explanations of the reasons for the changes:

1) Explanation of changes in equity premium

(1) Capital reserve (premium on capital stock) was increased by RMB1,134,127,656.09 during the period, as explained in Note 1) to "VII. Notes to Consolidated Financial Statements" in "Section X. Financial Reports" of this report.

(ii) Increase in capital reserve (premium on capital stock) by RMB21,683,700.00 during the period, as explained in Note 2) to "VII. Notes to Consolidated Financial Statements" in "Section X. Financial Reports" of this report.

(iii) The first tranche of the Company's 2021 Equity Incentive Plan was exercised during the current period, and the equity incentive expense of RMB76,850,261.21, which was originally recorded in other capital reserve, was adjusted from other capital reserve to equity premium, and the amount deductible before tax was lower than the income tax effect of the costs and expenses recognized in accordance with the provisions of the Accounting Standards for Business Enterprises (ASBEs) by RMB-8,799,977.18, which was recorded in equity premium.

(iv) Decrease in capital reserve (premium on capital stock) by RMB172,477,758.00 during the period, as explained in Note 3) to "VII. Notes to Consolidated Financial Statements" in "Section X. Financial Reports" of this report.

2) Description of changes in other capital reserve

① The Company implemented equity-settled share-based payment and recognized share-based payment expense of RMB-27,427,566.55 during the period.

② The increase of RMB10,986,113.76 for the current period was due to the fact that the pre-tax deductible amount of share-based payment was higher than the current income tax effect of costs and

expenses recognized in accordance with the provisions of the Accounting Standards for Business Enterprises.

(iii) Decrease of RMB76,850,261.21 during the period, as explained in Note (iii) to the Explanation of Changes in Equity Premium.

56. Treasury stock

☐Applicable ☒Not Applicable

57. Other comprehensive income

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount incurred during the period						Closing balance
		Occurrence before income tax for the period	Less: Transfer to profit or loss for the period from prior period to other comprehensive income	Less: Prior period included in other comprehensive income Current period transfer to retained earnings	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified to profit or loss								
Where: remeasurement of changes in defined benefit plans								
Other comprehensive income not transferable to profit or loss under the equity method								
Changes in fair								

value of investments in other equity instruments								
Changes in fair value of the enterprise's own credit risk								
II. Other comprehensive income to be reclassified to profit or loss	2,419,348.00	4,808,632.88				4,808,632.88		7,227,980.88
Where: Other comprehensive income available for transfer to profit or loss under the equity method								
Changes in fair value of other debt investments								
Amounts reclassified from financial assets to other comprehensive income								
Provision for credit impairment of other debt investments								

Cash flow hedge reserve								
Translation differences on foreign currency financial statements	2,419,348.00	4,808,632.88				4,808,632.88		7,227,980.88
Total other comprehensive income	2,419,348.00	4,808,632.88				4,808,632.88		7,227,980.88

Other notes, including adjustments to the effective portion of cash flow hedge gains and losses transferred to the initial recognized amount of the hedged item:

None

58. Special reserves

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Safety production costs		6,064,165.11	5,856,518.02	207,647.09
Total		6,064,165.11	5,856,518.02	207,647.09

Other explanations, including increases or decreases during the period and explanations of the reasons for the changes:

Pursuant to the requirements of Circular Cai Capital [2022] 136 "On the Issuance of Administrative Measures for the Extraction and Use of Enterprise Safe Production Expenses" issued by the Ministry of Finance and the Ministry of Emergency Response, which became effective on November 21, 2022, the Group is required to make accruals for safe production expenses in accordance with the relevant provisions.

59. Surplus reserve

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory Surplus reserve	191,755,852.88	79,435,770.60		271,191,623.48
Arbitrary surplus reserves				
Reserve fund				
Enterprise Development Fund				
Other				
Total	191,755,852.88	79,435,770.60		271,191,623.48

A description of Surplus reserve, including any increase or decrease during the period, and a description of the reasons for the change:

The increase was due to the provision of legal surplus reserve of RMB79,435,770.60 at 10% of the net profit realized by the parent company for the period.

60. Undistributed profit

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	The current period	Previous period
Undistributed profit at the end of the previous period before adjustments	1,346,492,128.33	995,119,114.67
Adjustments to the total Undistributed profits at the Beginning of the period (upward +, downward -)		
Adjustments to opening unappropriated profit after the period	1,346,492,128.33	995,119,114.67
Add: Net profit attributable to owners of the parent company for the period	809,090,505.69	490,594,411.85
Less: Withdrawal of legal surplus reserve	79,435,770.60	46,509,209.88
Withdrawal of Surplus reserve at will		
Provision for general risks		
Dividends payable on ordinary shares	199,211,810.06	92,712,188.31
Dividends on ordinary shares transferred to equity		
Undistributed profit at the end of the period	1,876,935,053.36	1,346,492,128.33

Adjust the breakdown of unappropriated earnings at the Beginning of the period:

1. Retrospective adjustments due to the Accounting Standards for Business Enterprises (ASBE) and its related new regulations affected the unappropriated profit at the Beginning of the period by RMB0.
 2. As a result of the change in accounting policy, the impact on the undistributed profit at the Beginning of the period was RMB0.
 3. As a result of the correction of significant accounting errors, the impact on the undistributed profit at the Beginning of the period was RMB0.
 4. The change in the scope of consolidation due to the same control affected the unappropriated earnings at the Beginning of the period by RMB0.
 5. Other adjustments in total affected the Undistributed profit at the Beginning of the period by RMB0.
- Dividends payable to common stock: according to the resolution of the Company's 2022 annual shareholders' meeting held on May 24, 2023, cash dividends for the year of 2022 were distributed, and the number of shares distributed was 431,194,394, with a cash dividend of RMB0.35 per share, for a total of RMB150,918,037.90 in cash dividends; and according to the resolution of the Company's second extraordinary shareholders' meeting held on November 11, 2023, cash dividends for the first three quarters of 2023 were distributed, and the number of shares distributed was 603,672,152, with a cash dividend of RMB0.08 per share, totaling RMB48,293,772.16 in cash dividends, and in summary, a total of RMB199,211,810.06 in cash dividends were distributed.

61. Operating income and operating costs

(1). Operating revenues and operating costs

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period		Occurring amount in previous period	
	Incomes	Costs	Incomes	Costs

Main business	3,891,013,361.75	2,455,135,066.12	3,417,018,838.97	2,317,442,211.96
Other business	40,705,669.72	698,874.13	37,114,249.46	188,886.80
Total	3,931,719,031.47	2,455,833,940.25	3,454,133,088.43	2,317,631,098.76

(2). Information on the breakdown of operating income and operating costs

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Contract classification	Total	
	Operating revenues	Operating costs
Commodity Type		
Charging and discharging equipment	3,194,136,336.96	2,004,049,766.13
Other equipment	664,382,466.55	436,837,571.05
Fittings	32,494,558.24	14,247,728.94
Other	40,705,669.72	698,874.13
By Business Area		
Domestic	3,163,476,818.30	2,075,561,653.69
Overseas	768,242,213.17	380,272,286.56
Type of market or customer		
Type of contract		
Classification by time of transfer of goods		
Commodities (transferred at a point in time)	3,928,241,961.22	2,455,642,934.29
Revenue recognition based on progress of performance	3,477,070.25	191,005.96
Classification by contract duration		
By Sales Channel		
Total	3,931,719,031.47	2,455,833,940.25

Other notes

√Applicable □Not Applicable

Revenue recognized in the current period included in the opening Book value of contract liabilities was RMB887,488,383.36.

(3). Description of performance obligations

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Time for fulfilling performance obligations	Important payment terms	The nature of the company's commitment to transfer the goods	Whether or not the person is primarily responsible	Company's share of expected refunds to customers	Types of quality assurance offered by the company and related obligations
Sales of specialized equipment for lithium-ion	Upon acceptance	Payment for shipment, acceptance, warranty	Specialized equipment for lithium batteries	be	0	Contractual guarantee

batteries						
Provision of services	Upon completion of service	Service acceptance payment	Provide mainly value-added modification on services	be	0	None
Total	/	/	/	/	/	/

(4). Statement of apportionment to remaining performance obligations

☐Applicable ☒Not Applicable

(5). Significant contract changes or significant transaction price adjustments

☐Applicable ☒Not Applicable

Other notes:

None

62. Taxes and surcharges

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Sales tax		
Business tax		
Urban maintenance and construction tax	12,882,074.99	5,168,999.68
Education surcharge	5,520,889.28	2,215,285.58
Resource tax		
Property tax	10,343,197.45	4,999,444.64
Land use tax	512.00	-561,335.00
Vehicle use tax (VUT)	20,074.95	30,712.62
Non-residential property	4,197,748.54	1,085,965.12
Local education surcharge	3,680,592.88	1,476,857.05
Other		11,587.00
Total	36,645,090.09	14,427,516.69

Other notes:

None

63. Sales expense

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Remuneration of employees	51,568,800.63	46,691,743.60
After-sales service fee	27,725,211.59	21,493,836.80
Travel costs	13,864,328.00	10,561,591.58
Rent and utilities	8,163,475.06	5,102,998.50
Business hospitality	5,471,551.99	5,232,136.00
Advertising and exhibition costs	828,357.96	563,570.43

Office expenses	475,824.34	984,106.71
Other	6,474,855.48	701,400.10
Total	114,572,405.05	91,331,383.72

Other notes:

None

64. Overhead

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Remuneration of employees	87,939,418.32	82,854,553.00
Depreciation and amortization expense	34,301,669.03	25,013,625.85
Travel costs	21,378,426.03	15,545,638.40
Office expenses	13,791,203.08	24,460,386.29
Intermediary service fees	12,770,043.65	14,523,197.30
Rent and utilities	6,870,441.23	4,095,661.75
Employment Guarantee Fund for Persons with Disabilities	5,621,704.03	3,645,200.73
Business hospitality	4,676,823.26	3,683,526.75
Transportation and car expenses	927,880.45	590,983.28
Share-based payment	-27,427,566.55	126,902,448.62
Other	8,313,998.46	5,356,423.65
Total	169,164,040.99	306,671,645.62

Other notes:

None

65. R&D costs

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Remuneration of employees	161,662,964.88	131,289,358.26
Materials and testing fees	55,133,629.78	54,945,137.92
Travel costs	20,742,031.93	16,899,481.04
Other	6,024,931.88	4,169,603.72
Total	243,563,558.47	207,303,580.94

Other notes:

None

66. Financial cost

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Interest income	-92,479,510.29	-22,082,313.61
Operating interest rate subsidy	137,689.72	
Currency exchange losses	-70,434,610.77	-65,733,512.42
Commission	4,143,410.24	1,599,205.63
Unrecognized financing costs	445,036.05	670,804.78
Total	-158,187,985.05	-85,545,815.62

Other notes:

None

67. Other gains

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Classification by nature	Occuring amoun in current period	Occuring amoun in previous period
Government grants related to assets [Note]	4,575,085.20	4,084,889.12
Government grants related to revenue [Note]	116,181,595.90	60,176,764.62
Reimbursement of handling fee for personal income tax withholding	553,563.20	466,130.58
Total	121,310,244.30	64,727,784.32

Other notes:

None

68. Investment income

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Income from long-term equity investments accounted for by the equity method		
Investment income from disposal of long-term equity investments		
Investment income from trading financial assets during the holding period		
Dividend income earned on investments in other equity instruments during the holding period		
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of financial assets held for trading		
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		-3,330,905.47
Income from financial products	2,439,369.87	8,023,120.39
Loss on discounting of receivables financing	-2,025,381.87	-1,349,028.93
Loss on discounted Notes Receivable	-131,234.45	
Investment income on options	-5,313,254.44	-1,712,400.00
Total	-5,030,500.89	1,630,785.99

Other notes:

None

69. Investment gains

☐Applicable ☒Not Applicable

70. Gain on change in fair value

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Sources that generate gains from changes in fair value	Occuring amoun in current period	Occuring amoun in previous period
Financial assets held for trading	-2,545,185.28	596,527.80
Where: Gain on changes in fair value arising from derivative financial instruments		
Financial liabilities held for trading		
Investment properties measured at fair value		
Gain on changes in fair value arising from financial assets classified as at fair value through profit or loss (FVTPL)		
Total	-2,545,185.28	596,527.80

Other notes:

None

71. Credit impairment losses

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Bad debt losses on Notes Receivable		
Bad debt losses on Accounts Receivable	-219,178,523.67	-79,636,877.17
Bad debt losses on other receivables	-2,989,674.80	1,029,055.03
Impairment losses on debt investments		
Impairment loss on other debt investments		
Bad debt losses on long-term receivables		
Impairment losses related to financial guarantees		
Total	-222,168,198.47	-78,607,822.14

Other notes:

None

72. Impairment losses on assets

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
I. Impairment losses on contract	-3,844,049.07	-4,689,764.32

assets		
II. Loss on decline in value of inventories and impairment loss on contract performance costs	-36,233,236.77	-35,164,912.88
III. Impairment losses on long-term equity investments		
IV. Impairment losses on investment properties		
V. Impairment losses on Fixed Assets		
VI. Impairment losses on engineering materials		
VII. Impairment losses on Construction in progress		
VIII. Impairment losses on productive Biological Assets		
IX. Impairment losses on Oil and Gas Assets		
X. Impairment losses on Intangible Assets		
XI. Impairment loss on goodwill		
XII. Other		
XIII. Impairment losses on other non-current assets	-12,622,162.54	327,000.80
Total	-52,699,448.38	-39,527,676.40

Other notes:

None

73. Gain on disposal of assets

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Gain on disposal of Fixed Assets	670,184.65	-344,350.15
Total	670,184.65	-344,350.15

Other notes:

None

74. Non-operating income

Non-operating income

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period	Amounts included in non-recurring gains and losses for the period
Total gain on disposal of non-current assets	10,000.00		10,000.00
Where: Gain on disposal of Fixed Assets	10,000.00		10,000.00
Gains on disposal of Intangible Assets			
Gain on exchange of			

non-monetary assets			
Acceptance of donations			
Government grant			
Income from fines	1,518,043.04	2,333,437.19	1,518,043.04
GDR Custodian Fee Handling Fee	5,918,712.15		5,918,712.15
Other	1,064.64	788,475.01	1,064.64
Total	7,447,819.83	3,121,912.20	7,447,819.83

Other notes:

☐Applicable ☒Not Applicable

75. Non-operating expenses

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period	Amounts included in non-recurring gains and losses for the period
Total loss on disposal of non-current assets			
Where: Loss on disposal of Fixed Assets			
Loss on disposal of Intangible Assets			
Loss on exchange of non-monetary assets			
External donations	280,000.00	255,000.00	280,000.00
Expenditure on fines	3,422,878.53	9,710,333.81	3,422,878.53
late fine on taxes	2,100,371.13		2,100,371.13
Other	327,919.55		327,919.55
Total	6,131,169.21	9,965,333.81	6,131,169.21

Other notes:

None

76. Income tax expense

(1). Schedule of income tax expense

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Current income tax expense	132,383,877.88	22,287,745.84
Deferred income tax expense	-30,492,655.35	31,063,348.44
Total	101,891,222.53	53,351,094.28

(2). Process of adjusting accounting profit to income tax expense

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period
------	----------------------------------

total profit	910,981,728.22
Income tax expense at statutory/applicable rates	136,647,259.21
Effect of applying different tax rates to subsidiaries	-580,192.92
Effect of adjustments to prior periods' income taxes	3,559,532.61
Impact of non-taxable income	-426,165.95
Impact of non-deductible costs, expenses and losses	1,650,063.31
Effect of deductible losses on the use of unrecognized deferred tax assets in prior periods	-308,388.82
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognized in the current period	3,583,939.13
Impact of additional deduction for R&D expenses	-36,187,217.55
Other	-6,047,606.49
Income tax expense	101,891,222.53

Other notes:

☒Applicable ☐Not Applicable

None

77. Other comprehensive income

☒Applicable ☐Not Applicable

For details of other comprehensive income, net of tax, see Section X, Financial Reports, Notes to Consolidated Balance Sheet Items VII, Note 57, Description of Other Comprehensive Income.

78. Cash flow statement items

(1). Cash related to operating activities

Other cash received related to operating activities

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Recovery of note guarantee deposits	167,925,760.44	135,438,885.90
Government grants received	22,372,200.00	26,962,561.86
Maturity of time deposits pledged for the issuance of notes	44,590,786.46	91,394,300.48
Bank interest income	92,938,387.27	21,454,507.15
Other	13,091,747.06	4,916,035.04
Total	340,918,881.23	280,166,290.43

Description of other cash received related to operating activities:

None

Other cash paid in relation to operating activities

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Payment of note bond deposit	293,412,004.65	167,925,760.44
Time deposits pledged for the opening of notes	104,368,298.66	43,877,028.40

Encashment	173,388,310.65	137,749,218.04
Bid and performance bonds	25,410,874.02	1,189,646.61
Other	3,828,952.63	6,463,759.77
Total	600,408,440.61	357,205,413.26

Description of other cash paid related to operating activities:

None

(2). Cash related to investing activities

Significant cash received in connection with investing activities

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Redemption of financial products and financial gains	272,439,369.87	1,543,023,120.39
Total	272,439,369.87	1,543,023,120.39

Significant cash received in connection with investing activities

None

Significant cash paid in connection with investing activities

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Purchase of financial products	270,000,000.00	1,535,000,000.00
Total	270,000,000.00	1,535,000,000.00

Significant cash paid in connection with investing activities

None

Other cash received related to investing activities

☐Applicable ☒Not Applicable

Other cash paid related to investing activities

☐Applicable ☒Not Applicable

(3). Cash related to financing activities

Other cash received relating to financing activities

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Cash received on acceptance of notes	14,481,760.28	
Total	14,481,760.28	

Description of other cash received related to financing activities:

None

Other cash paid in connection with financing activities

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
GDR issuance costs	8,843,672.74	
Rental payments	4,500,000.00	4,500,000.00

Total	13,343,672.74	4,500,000.00
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Description of other cash paid in connection with financing activities:

None

Changes in liabilities arising from financing activities

☐Applicable ☒Not Applicable

(4). Notes to the presentation of cash flows on a net basis

☐Applicable ☒Not Applicable

(5). Significant activities and financial effects that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future

☐Applicable ☒Not Applicable

79. Supplementary information on the statement of cash flows

(1). Supplementary information on the statement of cash flows

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Additional information	Amount in the current period	Amount in the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	809,090,505.69	490,594,411.85
Add: Provision for impairment of assets	52,699,448.38	39,527,676.40
Credit impairment losses	222,168,198.47	78,607,822.14
Depreciation of Fixed Assets, depletion of Oil and Gas Assets, depreciation of productive Biological Assets	87,853,029.08	62,712,596.81
Amortization of right-of-use assets	3,795,589.20	3,795,589.20
Amortization of Intangible Assets	6,773,245.38	6,247,205.82
Amortization of long-term amortized expenses	4,222,430.30	4,907,579.81
Loss on disposal of property, plant and equipment, Intangible Assets and other long-lived assets (Gain is represented by a "-" sign)	-670,184.65	344,350.15
Loss on retirement of Fixed Assets (gain is recognized by "-" sign)	-10,000.00	
Loss on changes in fair value (gains are recognized with a "-" sign)	2,545,185.28	-596,527.80
Finance costs (gains are recognized with a "-" sign)	-69,851,885.00	-65,062,707.64
Losses on investments (gains are recognized with a "-" sign)	5,030,500.89	-1,630,785.99
Decrease in deferred income tax assets (increase is recognized by a "-" sign)	-41,478,769.11	31,073,251.31
Increase (decrease) in deferred income tax liabilities (recorded as a "-")		-9,902.87
Decrease in inventories (increase is indicated by a "-" sign)	-557,032,854.84	-993,155,668.75
Decrease in operating receivables (increase is recognized by a "-" sign)	-732,996,239.42	-787,221,846.23

Increase (decrease) in operating accounts payable	447,861,460.86	1,724,921,522.18
Other	-25,033,782.88	100,668,251.53
Net cash flows from operating activities	214,965,877.63	695,722,817.92
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Debt to capitalization		
Convertible bonds due within one year		
Fixed assets under finance leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	2,865,817,877.74	1,992,463,562.87
Less: opening balance of cash	1,992,463,562.87	1,714,758,111.87
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	873,354,314.87	277,705,451.00

(2). Net cash paid during the period for acquisition of subsidiaries
☐Applicable ☒Not Applicable
(3). Net cash received for disposal of subsidiaries during the period
☐Applicable ☒Not Applicable
(4). Composition of cash and cash equivalents
☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	2,865,817,877.74	1,992,463,562.87
Where: cash on hand	86,185.18	521,994.63
Bank deposits readily available for payment	2,865,731,692.56	1,991,941,568.24
Other monetary funds readily available for disbursement		
Central bank deposits available for disbursement		
Interbank deposits		
Interbank placings		
II. Cash equivalents		
Where: Investments in bonds maturing within three months		
III. Cash and cash equivalents balance at the end of the period	2,865,817,877.74	1,992,463,562.87
Where: use of restricted cash and cash equivalents by the parent	1,450,125,891.74	281,346,743.71

company or group subsidiaries		
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(5). Restricted use but still presented as cash and cash equivalents

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Reason
Bank deposit	850,726,594.14	Accounts in which the collection of funds is regulated
Bank deposit	599,399,297.60	Cash subject to foreign exchange controls of foreign operating subsidiaries
Total	1,450,125,891.74	/

(6). Monetary funds not classified as cash and cash equivalents

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period	Reason
Bank deposits -- call	10,000.00	86,000.00	Freezing of bank deposits
Bank deposits -- call	97,224,408.20		Demand deposits for the opening of pledges of notes
Bank deposits -- time deposits	6,685,013.48	44,504,786.46	Time deposits pledged for the issuance of letters of guarantee and interest thereon
Other monetary funds - guarantee deposits	196,386,852.14	73,568,275.79	Guarantee Bond Pledge
Other monetary funds - bankers' acceptance deposits	97,025,152.51	94,357,484.65	Banker's margin pledge
Total	397,331,426.33	212,516,546.90	/

Other notes:

□Applicable √Not Applicable

80. Notes to the Statement of Changes in Owners' Equity Items

State the name of the "Other" item and the amount of adjustment made to the closing balance of the previous year:

□Applicable √Not Applicable

81. Foreign currency monetary items**(1). Foreign currency monetary items**

√Applicable □Not Applicable

Unit: Yuan

Item	Foreign currency balance at end of period	Conversion rate	Converted to RMB at the end of the period balances
Monetary funds	-	-	1,535,874,594.82
Where: USD	137,382,772.12	7.0827	973,040,960.09
Euro	68,762,732.91	7.8592	540,420,070.49
Hong Kong dollar	3,235.12	0.9062	2,931.67

Forint	362,758.15	0.0205	7,436.54
Won	2,282,354,587.00	0.0055	12,552,950.23
Japanese yen	189,178,162.00	0.0502	9,496,743.73
Zloty	195,229.51	1.8107	353,502.07
Accounts Receivable	-	-	25,987,724.08
Where: USD	2,252,570.55	7.0827	15,954,281.43
Euro	1,276,649.36	7.8592	10,033,442.65
Hong Kong dollar			
Long term loan	-	-	
Where: USD			
Euro			
Hong Kong dollar			
Contract Assets	-	-	49,384,142.04
USD	6,972,502.30	7.0827	49,384,142.04
accounts payable	-	-	85,184,723.04
USD	12,009,728.03	7.0827	85,061,300.72
Won	17,944,000.00	0.0055	98,692.00
Zloty	13,657.88	1.8107	24,730.32
Other Receivables	-	-	21,736,700.48
USD	3,010,410.00	7.0827	21,321,830.91
Euro	26,000.00	7.8592	204,339.20
Won	19,931,390.00	0.0055	109,622.65
Japanese yen	2,010,114.00	0.0502	100,907.72
Other accounts payable	-	-	2,986,928.40
USD	2,767.75	7.0827	19,603.14
Japanese yen	59,110,065.00	0.0502	2,967,325.26

Other notes:

None

(2). A description of the foreign operating entity, including, in the case of a significant foreign operating entity, a disclosure of its principal place of business outside the country, the bookkeeping currency of its accounts and the basis for its selection, and the reasons for any change in the bookkeeping currency of its accounts

√Applicable □Not Applicable

Significant offshore operating entities	Principal place of business outside the country	Bookkeeping currency	Selection basis
CHR Japan Co.,Ltd.	Japanese	Japanese yen	Selecting the currency of the primary economic environment in which it operates as the bookkeeping currency of account
HangKe Electronic Trading Hong Kong Limited	Hong Kong	Hong Kong Dollar	
Hangke Technology Germany GmbH	German	Euro	
HK POWER Co.,Ltd.	South Korea	Won	
Hangke Technology Inc	United States of America	USD	
Hangke Technology Hungary KFT	Hungary	Forint	
HK TECHNOLOGY, INC	United States of America	USD	
HONRECK EQUITY TECHNOLOGY SUPPORT COMPANY SDN.BHD.	Malaysia	Rinjit	

HONRECK ELECTRONICS TRADING SPÓŁKA Z ODPOWIEDZIALNOSCIA	Polish	Zloty
Japan New Energy Equipment Co.,Ltd.	Japanese	Japanese yen
Hangke Electronics Co.,Ltd.	South Korea	Won

82. Leasing

(1) As lessee

☒Applicable ☐Not Applicable

1) Information on right-of-use assets is described in Note V(I)13 of the Notes to the Financial Statements.

2) The Company's accounting policies for short-term leases and leases of low-value assets are described in the notes to the financial statements in note III (XXVII). The amounts of short-term lease charges and low-value asset lease charges recognized in profit or loss are as follows:

Item	Current period	Same period last year
Short-term rental costs	10,029,678.02	10,412,459.95
Lease costs for low-value assets (other than short-term leases)		
Total	10,029,678.02	10,412,459.95

3) Current profit or loss and cash flows related to leases

Item	Current period	Same period last year
Interest expense on lease liabilities	445,036.05	670,804.78
Variable lease payments not included in the measurement of the lease liability included in current profit or loss		
Income from sublease of right-to-use assets		
Total cash outflows related to leases	12,495,157.66	15,849,581.35

4) The maturity analysis of lease liabilities and the corresponding liquidity risk management are described in the notes to the financial statements in note IX (II).

Variable lease payments not included in the measurement of the lease liability

☐Applicable ☒Not Applicable

Lease costs for short-term leases or low-value assets with simplified treatment

☐Applicable ☒Not Applicable

Sale and leaseback transactions and basis of judgment

☐Applicable ☒Not Applicable

Total cash outflows related to leases 12,495,157.66 (Unit: Yuan Currency: RMB)

(2) Lessor

Operating leases as lessor

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Rental income	Where: Income relating to variable lease payments not recognized as lease receipts
Rental of houses and buildings	3,477,070.25	
Total	3,477,070.25	

Financial leases as lessor

☐Applicable ☒Not Applicable

Reconciliation of undiscounted lease receipts to net investment in leases

☐Applicable ☒Not Applicable

Undiscounted lease receipts for the next five years

☐Applicable ☒Not Applicable**(3) Recognize gains and losses on sales under finance leases as a producer or distributor**☐Applicable ☒Not Applicable

Other notes

None

83. Other☐Applicable ☒Not Applicable**VIII. R&D expenditures****(1). By nature of costs**☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
salary of employees	161,662,964.88	131,289,358.26
Materials and testing fees	55,133,629.78	54,945,137.92
travel costs	20,742,031.93	16,899,481.04
Other	6,024,931.88	4,169,603.72
Total	243,563,558.47	207,303,580.94
Where: Expensed research and development expenditure	243,563,558.47	207,303,580.94
Capitalized research and development expenditure		

Other notes:

None

(2). Development expenditure on R&D projects eligible for capitalization☐Applicable ☒Not Applicable

Significant capitalized research and development projects

☐Applicable ☒Not Applicable

Provision for impairment of development expenditure

☐Applicable ☒Not Applicable

Other notes

None

(3). Significant outsourced in-process research projects

☐Applicable ☒Not Applicable

IX. Change in scope of consolidation

1. Non-same control business combinations

☐Applicable ☒Not Applicable

(1). Non-same control business combination transactions occurring during the period

☐Applicable ☒Not Applicable

(2). Cost of consolidation and goodwill

☐Applicable ☒Not Applicable

(3). Identifiable assets and liabilities of the acquiree at the date of purchase

☐Applicable ☒Not Applicable

(4). Gains or losses arising from the remeasurement of equity interests held prior to the date of purchase at fair value

Whether there are transactions in which a business combination is realized in steps through multiple transactions and control is obtained during the reporting period.

☐Applicable ☒Not Applicable

(5). Notes related to the purchase date or the end of the period in which the fair value of the merger consideration or the acquiree's identifiable assets and liabilities cannot be reasonably determined

☐Applicable ☒Not Applicable

(6). Other notes

☐Applicable ☒Not Applicable

2. Same-control business combinations

☐Applicable ☒Not Applicable

3. Reverse purchase

☐Applicable ☒Not Applicable

4. Disposal of subsidiaries

Whether there were any transactions or events during the period in which control of subsidiaries was lost

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Whether there is a step-by-step disposal of investments in subsidiaries through multiple transactions and loss of control during the period

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

5. Changes in scope of consolidation for other reasons

Describe changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and their related circumstances:

☒Applicable ☐Not Applicable

Company Name	Methods of equity acquisition	Time point of equity acquisition	Amount contributed	Percentage of contribution
HK POWER Co.,Ltd.	Establishment	January 2023	3 billion won	100.00%
Hangke Technology Hungary KFT	Establishment	March 2023	Euro2 million [Note]	100.00%
HK TECHNOLOGY, INC	Establishment	March 2023	USD 1 million	100.00%

[Note] As of the balance sheet date, the company has not yet made actual capital contributions

6. Other

☐Applicable ☒Not Applicable

X. Interests in other subjects

1. Interests in subsidiaries

(1). Composition of enterprise groups

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Subsidiary Name	Principal place of business	Registered capital	Registered office	Nature of business	Shareholding (%)		Acquisition way
					Direct	Indirect	
CHR Japan Co.,Ltd.	Japan	5 million yen	Japanese	Commerce	100.00		Establishment
Japan New Energy Equipment Co.,Ltd.	Japan	9 million yen	Japanese	Commerce		100.00	Establishment
Hangke Electronics Co.,Ltd.	South Korea	100 million won	South Korea	Commerce		100.00	Establishment
HONRECK EQUITY TECHNOLOGY SUPPORT COMPANY SDN.BHD.	Malaysia	2 Rinjit	Malaysia	Commerce		100.00	Establishment
HangKe Electronic Trading Hong Kong Limited	Hongkong	\$5 million	Hongkong	Commerce	100.00		Establishment
HONRECK ELECTRONICS TRADING SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Polish	5,000 Zloty	Polish	Commerce		100.00	Establishment
Hangke Technology Inc	United	\$10	United	Commerce		100.00	Establishment

	States of America	million.	States of America	ce		0	nt
Hangke Technology Germany GmbH	German	Euro 2.5 million	German	Commer ce	100.00		Establishme nt
HK POWER Co.,Ltd.	South Korea	3 billion won	South Korea	Industry		100.00	Establishme nt
Hangke Technology Hungary KFT	Hungary	Euro2 million	Hungary	Commer ce		100.00	Establishme nt
HK TECHNOLOGY, INC	United States of America	USD 1 million	United States of America	Commer ce		100.00	Establishme nt

Explanation of the percentage of shareholding in subsidiaries that differs from the percentage of voting rights:

None

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

None

For significant structured subjects included in the scope of consolidation, the basis of control:

None

The basis for determining whether a company is an agent or a principal:

None

Other notes:

None

(2). Significant non-wholly owned subsidiaries

☐Applicable ☒Not Applicable

(3). Key financial information of significant non-wholly owned subsidiaries

☐Applicable ☒Not Applicable

(4). Significant restrictions on the use of enterprise group assets and the discharge of enterprise group liabilities

☐Applicable ☒Not Applicable

(5). Financial or other support provided to structured subjects included in the scope of the consolidated financial statements

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

☐Applicable ☒Not Applicable

(1). Description of changes in share of ownership interests in subsidiaries

☐Applicable ☒Not Applicable

(2). Effect of the transaction on minority interests and equity attributable to owners of the parent company

☐Applicable ☒Not Applicable

3. Interests in joint ventures or associates

☐Applicable ☒Not Applicable

(1). Significant joint ventures or associates

☐Applicable ☒Not Applicable

(2). Key financial information of significant joint ventures

☐Applicable ☒Not Applicable

(3). Key financial information of significant associates

☐Applicable ☒Not Applicable

(4). Summarized financial information for immaterial joint ventures and associates

☐Applicable ☒Not Applicable

(5). Description of significant limitations on the ability of a joint venture or associate to transfer funds to the Company

☐Applicable ☒Not Applicable

(6). Excess losses incurred in joint ventures or associates

☐Applicable ☒Not Applicable

(7). Unrecognized commitments relating to investments in joint ventures

☐Applicable ☒Not Applicable

(8). Contingent liabilities relating to investments in joint ventures or associates

☐Applicable ☒Not Applicable

4. Important joint operations

☐Applicable ☒Not Applicable

5. Interests in structured subjects not included in the scope of the consolidated financial statements

Relevant notes on structured subjects not included in the scope of the consolidated financial statements:

☐Applicable ☒Not Applicable

6. Other

☐Applicable ☒Not Applicable

XI. Government grant**1. Government grants recognized at the end of the reporting period based on amounts receivable**

☐Applicable ☒Not Applicable

Reasons for not receiving the projected amount of government grants at the projected point in time

☐Applicable ☒Not Applicable

2. Liability items involving government grants

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Financial statement items	Opening balance	Amount of new grants for the period	Amount included in non-operating income for the period	Transfer to other gains for the period	Other changes during the period	Closing balance	Asset/revenue relevance
Deferred income	28,438,576.97			4,575,085.20		23,863,491.77	Asset-related
Total	28,438,576.97			4,575,085.20		23,863,491.77	/

Government grants recognized in profit or loss

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

typology	Occuring amount in current period	Occuring amount in previous period
Asset-related	4,575,085.20	4,084,889.12
Revenue-related	116,181,595.90	60,176,764.62
Total	120,756,681.10	64,261,653.74

Other notes:

None

XII. Risks associated with financial instruments**1. Risks of financial instruments**

☒Applicable ☐Not Applicable

The Company's objective in engaging in risk management is to strike a balance between risk and return, minimize the negative impact of risk on the Company's operating results, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the Company's basic strategy for risk management is to identify and analyze the various risks faced by the Company, establish an appropriate risk tolerance floor and conduct risk management, and monitor the various risks in a timely and reliable manner in order to keep the risks within limits.

The Company is exposed to a variety of risks associated with financial instruments in its day-to-day activities, primarily credit risk, liquidity risk and market risk. Management has reviewed and approved policies to manage these risks, which are summarized below.

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to meet its obligations, causing the other party to incur a financial loss.

1. Credit risk management practices

(1) Evaluation methods for credit risk

The company assesses at each balance sheet date whether the credit risk of the relevant financial instrument has increased significantly since initial recognition. In determining whether there has been a significant increase in credit risk since initial recognition, the Company considers information that is reasonably available and supportable without undue additional cost or effort, including qualitative and quantitative analyses based on historical data, external credit risk ratings and forward-looking information. The Company determines the change in the risk of default over the expected life of the financial instrument by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition on the basis of a single financial instrument or a combination of financial instruments with similar credit risk characteristics.

The Company considers that a significant increase in the credit risk of a financial instrument has occurred when one or more of the following quantitative and qualitative criteria are triggered:

- 1) The quantitative criterion is mainly the increase in the probability of default over a certain percentage of the remaining life of the balance sheet date compared to the initial recognition;
- 2) Qualitative criteria are, among other things, significant adverse changes in the debtor's business or financial situation, and changes in the existing or expected technological, market, economic or legal environment that will have a material adverse effect on the debtor's ability to repay the Company.

(2) Definition of defaulted and impaired credit assets

The Company defines a financial asset as having been in default when one or more of the following conditions are met for the financial instrument, based on criteria consistent with the definition of having been credit-impaired:

- 1) The debtor is experiencing significant financial difficulties;
- 2) the debtor violates the terms of the contract binding the debtor;
- 3) The debtor is likely to go into bankruptcy or other financial reorganization;
- 4) the creditor grants concessions to the debtor that the debtor would not have made in any other case because of economic or contractual considerations relating to the debtor's financial difficulties.

2. Measurement of expected credit losses

The key parameters of expected credit loss measurement include default probability, default loss rate and default risk exposure. The Company models the probability of default, loss given default rate and exposure to default risk by considering quantitative analysis of historical statistics (e.g., counterparty ratings, security methods and types of collateral, repayment methods, etc.) and forward-looking information.

3. A detailed reconciliation of the opening and closing balances of the provision for losses on financial instruments is provided in notes V (I) 3, V (I) 4, V (I) 5, V (I) 7, V (I) 9 and V (I) 17 to the present financial statements.

4. Credit risk exposure and concentration of credit risk

The Company's credit risk is mainly from currency funds and receivables. In order to control the above related risks, the Company has taken the following measures respectively.

(1) Currency funds

The Company's bank deposits and other monetary funds are placed with financial institutions with high credit ratings; therefore, their credit risk is low.

(2) Receivables and contract assets

The Company periodically performs credit evaluations of its customers who trade on credit. Based on the results of the credit evaluations, the Company selects to transact with recognized and creditworthy customers and monitors their receivable balances to ensure that the Company is not exposed to significant risk of bad debts.

No collateral is required as the Company only deals with approved and creditworthy third parties. Credit risk concentrations are managed on a customer-by-customer basis. As of December 31, 2023, the Company has some concentration of credit risk, with 62.78% of the Company's Accounts Receivable and contract assets (December 31, 2022 Accounts Receivable: 62.92%) originating from the top five customers on the balance. The Company does not hold any collateral or other credit enhancements on its Accounts Receivable and contract asset balances.

The Company's maximum exposure to credit risk is the carrying amount of each financial asset in the balance sheet.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will experience a shortage of funds to meet its obligations that are settled by delivery of cash or other financial assets. Liquidity risk may arise from the inability to sell financial assets at fair value as soon as possible; or from the inability of the counterparty to repay its contractual obligations; or from early maturity of obligations; or from the inability to generate expected cash flows.

In order to control this risk, the Company makes comprehensive use of a variety of financing means, such as bill settlement and bank borrowings, and adopts an appropriate combination of long-term and short-term financing methods to optimize the financing structure and maintain a balance between the continuity and flexibility of financing.

Financial liabilities by remaining maturity

Unit: Yuan Currency: RMB

Item	Closing amount				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	More than 3 years
Short term loan	14,516,000.00	14,516,000.00	14,516,000.00		
Notes payable	1,015,562,136.25	1,015,562,136.25	1,015,562,136.25		
Accounts payable	1,562,586,492.08	1,562,586,492.08	1,562,586,492.08		

Item	Closing amount				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	More than 3 years
Other accounts payable	8,469,552.89	8,469,552.89	8,469,552.89		
Other current liabilities	51,164,505.34	51,164,505.34	51,164,505.34		
Non-current liabilities due within one year	2,028,014.09	2,142,857.14	2,142,857.14		
Lease liabilities					
Subtotal	2,654,326,700.65	2,654,441,543.70	2,654,441,543.70		

(Continued)

Item	Prior year-end				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	More than 3 years
Short-term loan					
Notes payable	1,316,903,913.74	1,316,903,913.74	1,316,903,913.74		
Accounts payable	1,596,641,156.33	1,596,641,156.33	1,596,641,156.33		
Other accounts payable	3,002,923.42	3,002,923.42	3,002,923.42		
Other current liabilities	40,915,361.22	40,915,361.22	40,915,361.22		
Non-current liabilities due within one year	3,840,678.51	4,285,714.28	4,285,714.28		
Lease liabilities	2,028,013.79	2,142,857.16		2,142,857.16	
Subtotal	2,963,332,047.01	2,963,891,926.15	2,961,749,068.99	2,142,857.16	

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists mainly of interest rate risk and foreign exchange risk.

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest-bearing financial instruments with fixed interest rates expose the Company to fair value interest rate risk, and interest-bearing financial instruments with floating interest rates expose the Company to cash flow interest rate risk. The Company determines the proportion of fixed-rate to variable-rate financial instruments based on market conditions and maintains an appropriate mix of financial instruments through regular review and monitoring.

2. Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to changes in foreign exchange rates relates primarily to the Company's foreign currency monetary assets and liabilities. For foreign currency assets and liabilities, in the event of a short-term imbalance, the Company buys and sells foreign currencies at market exchange rates when necessary to ensure that the net exposure is maintained at an acceptable level.

The monetary assets and liabilities in foreign currencies at the end of the period are described in the notes to these financial statements in note V(4)1.

2. Hedge

(1) The company conducts hedging operations for risk management

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

(2) Company conducts qualifying hedging operations and applies hedge accounting

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

(3) The Company conducts hedging operations for risk management, expects to achieve its risk management objectives, but does not apply hedge accounting.

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

3. Transfer of financial assets

(1) Classification of transfer modalities

☐Applicable ☒Not Applicable

(2) Financial assets derecognized as a result of a transfer

☐Applicable ☒Not Applicable

(3) Transferred financial assets that continue to be involved

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

XIII. Fair value disclosures

1. Closing fair value of assets and liabilities measured at fair value

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Fair value at end of period			
	Level 1 fair value	Level 2 fair	Level 3 fair value	Total

	measurements	value measurements	measurements	
I. Ongoing fair value measurements	5,925,509.48		18,205,751.49	24,131,260.97
(i) Financial assets held for trading	5,925,509.48			5,925,509.48
1. Financial assets at fair value through profit or loss	5,925,509.48			5,925,509.48
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(ii) Other debt investments				
(iii) Investments in other equity instruments				
(iv) Investment properties				
1. Land use rights for lease				
2. Rented buildings				
3. Land use rights held and intended to be transferred after appreciation in value				
(v) Biological Assets				
1. Expendable Biological Assets				
2. Productive Biological Assets				
(vi) Receivables Financing			18,205,751.49	18,205,751.49
Total assets measured at fair value on an ongoing basis	5,925,509.48		18,205,751.49	24,131,260.97
(vi) Financial liabilities held for trading				
1. Financial liabilities at fair value through profit or loss				
Where: Exchangeable bonds issued				
Derivative financial liabilities				
Other				

2. Financial liabilities designated at fair value through profit or loss				
Total liabilities measured at fair value on an ongoing basis				
II. Discontinued fair value measurements				
(i) Assets held for sale				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. Basis for determining the market value of continuing and discontinued Level 1 fair value measurements

☐Applicable ☒Not Applicable

3. Continuing and discontinued Level 2 fair value measurements, valuation techniques used and qualitative and quantitative information on significant parameters

☐Applicable ☒Not Applicable

4. Continuing and discontinued Level 3 fair value measurements, valuation techniques used and qualitative and quantitative information on significant parameters

☐Applicable ☒Not Applicable

5. Ongoing Level 3 fair value measurements, information on reconciliations between opening and closing Book values and sensitivity analysis of unobservable parameters

☐Applicable ☒Not Applicable

6. Ongoing fair value measurements that were converted between levels during the period, the reason for the conversion and the policy for determining the point of conversion

☐Applicable ☒Not Applicable

7. Changes in valuation techniques that occurred during the period and reasons for the changes

☐Applicable ☒Not Applicable

8. Fair value position of financial assets and financial liabilities not measured at fair value

☐Applicable ☒Not Applicable

9. Other

☐Applicable ☒Not Applicable

XIV. Related parties and related transactions**1. Parent company status of the enterprise**

☐Applicable ☒Not Applicable

2. Subsidiaries of the Company

Details of the Company's subsidiaries are set out in the notes

☒Applicable ☐Not Applicable

For details of the Company's subsidiaries, please refer to "Section X. Financial Reports" under "X. Interests in Other Entities 1. Interests in Subsidiaries".

3. Joint ventures and associates of the enterprise

Details of significant joint ventures or associates of the enterprise are set out in the accompanying notes

☐Applicable ☒Not Applicable

Other joint ventures or associates that had related party transactions with the Company during the current period or had balances arising from related party transactions with the Company in prior periods are as follows

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

4. Other related parties

☒Applicable ☐Not Applicable

Name of other related parties	Relationship between other related parties and the Company
Hangzhou Tongce Communication Electronics Co.,Ltd.	Under the control of the same beneficial owner
Hangzhou Reliability Instrument Co.,Ltd.	Under the control of the same beneficial owner

Other notes

None

5. Related Transactions**(1). Purchase and sale of goods, provision and acceptance of labor related transactions**

Statement of purchases of goods/acceptance of services

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Related party	Contents of related transactions	Occuring amoun in current period	Amount of approved transactions (if applicable)	Whether the transaction limit is exceeded (if applicable)	Occuring amoun in previous period
Hangzhou Reliability Instrument Co.,Ltd.	Purchase of Fixed Assets	4,179,116.80			

Statement of sale of goods/provision of services

☐Applicable ☒Not Applicable

Explanation of related transactions for the purchase and sale of goods, provision and acceptance of services

☐Applicable ☒Not Applicable

(2). Affiliated Fiduciary Management/Contracting and Delegated Management/Contracting Out

The Company's fiduciary/contracting schedule:

☐Applicable ☒Not Applicable

Affiliated hosting/contracting statement

☐Applicable ☒Not Applicable

Table of the Company's entrusted management/contracting

☐Applicable ☒Not Applicable

Affiliated management/contracting statement

☐Applicable ☒Not Applicable

(3). Affiliated leases

The Company acts as lessor:

☐Applicable ☒Not Applicable

The Company as lessee:

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of lessor	Types of leased assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased right-to-use assets	
		Occurring amount in current period	Occurring amount in previous period	Occurring amount in current period	Occurring amount in previous period	Occurring amount in current period	Occurring amount in previous period	Occurring amount in current period	Occurring amount in previous period	Occurring amount in current period	Occurring amount in previous period
Hangzhou Tongce Communication Electronics Co.,Ltd.	building	9,423,040.36	6,118,857.44								

Description of related leases

☐Applicable ☒Not Applicable

(4). Related guarantees

The Company as Guarantor

☐Applicable ☒Not Applicable

The Company as a guaranteed party

☐Applicable ☒Not Applicable

Description of related guarantees

☐Applicable ☒Not Applicable**(5). Related party funds borrowing**☐Applicable ☒Not Applicable**(6). Transfer of assets and restructuring of liabilities by related parties**☐Applicable ☒Not Applicable**(7). Key management compensation**☒Applicable ☐Not Applicable

Unit: RMB 10,000 Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Key management compensation	454.54	559.62
Executive equity incentive income	7.13	54.32

(8). Other related transactions☒Applicable ☐Not Applicable

As of December 31, 2023, the balance of Accounts Receivable transferred from business combinations that have not yet been paid by customers was RMB8,272,023.37, which is over three years old and 100% of which has been provided for bad debts.

6. Status of unsettled items such as receivables and payables to related parties**(1). Items receivable**☐Applicable ☒Not Applicable**(2). Items payable**☐Applicable ☒Not Applicable**(3). Other items**☐Applicable ☒Not Applicable**7. Related Party Commitments**☐Applicable ☒Not Applicable**8. Other**☐Applicable ☒Not Applicable**XV. Share-based payment****1. Various equity instruments**☒Applicable ☐Not Applicable

Quantity: Shares Amount: RMB Currency: RMB

Category of grant recipient	Awarded in the period		Exercised in the period		Unlocked in this period		Lapsed for the period	
	Quantities	Amount	Quantities	Amount	Quantities	Amount	Quantities	Amount
Manager			35,000.0	971,982.55			114,500.0	3,179,771.4

ial staff			0				0	9
R&D staff			369,000.00	10,247,473.17			942,000.00	26,160,216.06
Sales person			69,000.00	1,916,194.17			157,500.00	4,373,921.48
Production staff			337,000.00	9,358,803.41			562,500.00	15,621,148.12
Total			810,000.00	22,494,453.30			1,776,500.00	49,335,057.15

Stock options or other equity instruments issued and outstanding at the end of the period

☒Applicable ☐Not Applicable

Category of grant recipients	Stock options issued and outstanding at the end of the period		Other equity instruments issued and outstanding at the end of the period	
	Range of exercise prices	Remaining duration of the contract	Range of exercise prices	Remaining duration of the contract
Managerial staff			27.77	45 months
R&D staff			27.77	45 months
Sales person			27.77	45 months
Production staff			27.77	45 months

Other notes

(1) On September 27, 2021, the Second Extraordinary Shareholders' General Meeting of the Company in 2021 considered and passed the "Proposal for Consideration of the Company's <2021 Restricted Stock Incentive Plan (Draft) and its Summary>" which was reviewed and approved by the China Securities Regulatory Commission without objection. Pursuant to the Plan, The Company intends to grant 3 million restricted shares to the incentive recipients, including a total of 465 senior management personnel and technical and business backbone personnel of the Company; the source of the underlying shares shall be the 3 million RMB ordinary shares of the Company issued by the Company in a directional manner to the incentive recipients, which accounted for 0.74% of the total share capital of the Company of 403.09 million shares at the time of the announcement of the Draft Incentive Plan. The validity period of the restricted shares shall be 48 months from the date of authorization, and the grant price of each restricted share shall be RMB28. The incentive recipients shall exercise the authorized stock options in three phases, which shall be from the first trading day after 12 months from the date of grant to the last trading day of 24 months from the date of grant, from the first trading day after 24 months from the date of grant to the last trading day of 36 months from the date of grant, and from the first trading day of 36 months from the date of grant to the last trading day of 36 months from the date of grant, respectively. If the unlocking conditions of the restricted shares stipulated in the Plan are met, the incentive recipients may unlock (or the Company may repurchase and cancel) one-third, one-third and one-third of the total number of restricted shares granted to them in installments after the expiration of the respective lock-up periods. On November 24, 2021, the Twenty-fourth Meeting of the Second Session of the Board of Directors of the Company considered and passed the

"Proposal on the Granting of Reserved Restricted Shares to Incentive Recipients", and determined the date for the granting of the equity interests as November 24, 2021.

(2) On April 6, 2022, the First Extraordinary Shareholders' General Meeting of 2022 of the Company considered and passed the "Proposal for Consideration of the Company's <2022 Restricted Stock Incentive Plan (Draft) and its Summary>", which was reviewed and approved by the China Securities Regulatory Commission without objection. Pursuant to the Plan, the Company intends to grant 3.2 million restricted shares to the incentive recipients, including a total of 245 technical and business backbone personnel of the Company; the source of the underlying shares shall be 3.2 million RMB ordinary shares of the Company to be issued by the Company to the incentive recipients on a directional basis, which accounted for 0.79% of the Company's total share capital of 403.09 million at the time of the announcement of the Draft Incentive Plan. The validity period of the restricted shares is 60 months from the date of authorization, and the grant price of each restricted share is RMB28. The incentive recipients shall exercise the authorized stock options in four phases, namely, from the first trading day after 12 months from the date of grant to the last trading day within 24 months from the date of grant, from the first trading day after 24 months from the date of grant to the last trading day within 36 months from the date of grant, from the first trading day after 36 months from the date of grant to the last trading day within 48 months from the date of grant, and from the first trading day after 48 months from the date of grant to the last trading day within 60 months from the date of grant,. If the unlocking conditions of the restricted shares stipulated in the Plan are met, the incentive recipients may unlock (or be repurchased and canceled by the Company) one-fourth, one-fourth and one-fourth of the total number of restricted shares granted to them in installments after the expiration of the respective lock-up periods. On April 6, 2022, the Company's Third Session of the Board of Directors considered and passed the "Proposal on the First Grant of Restricted Shares to Incentive Recipients" at the Third Session of the Board of Directors" meeting, and set the date of the share grant as April 6, 2022 .

2. Equity-settled share-based payments

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Method of determining the fair value of equity instruments at the grant date	See other notes for details
Significant parameters of grant date fair value of equity instruments	See other notes for details
Basis for determining the number of equity instruments for which options are exercisable	Determined by estimated performance conditions for each unlocking period
Reasons for significant differences between current and prior period estimates	FY2023 performance conditions assumed to be met in prior period estimates, not actually met in current period
Cumulative amount of equity-settled share-based payments recognized in capital reserve	253,742,706.22

Other notes

In accordance with the relevant provisions of ASBE 22, "Recognition and Measurement of Financial Instruments," regarding the determination of fair value, since there is no current market price for the Company's Class II restricted stock grants, nor is there a market price for restricted stock under

the same trading conditions, the Company uses the Black-Scholes Scholes option pricing model for valuation.

(1) 2021 Restricted Stock Incentive Plan

The parameters of the stock price on the grant date, the exercise price, the remaining term of each period, the risk-free interest rate and the expected volatility determined by the option pricing model estimates are as follows:

Stock price on grant date: RMB122.46.

Exercise price: RMB 27.77.

Remaining term of each period: one-third of the total number of shares granted may be exercised from the first trading day after 12 months from the date of authorization to the last trading day within 24 months from the date of grant, one-third of the total number of shares granted may be exercised from the first trading day after 24 months from the date of authorization to the last trading day within 36 months from the date of grant, and one-third of the total number of shares granted may be exercised from the first trading day after 36 months from the date of authorization to the last trading day within 48 months from the date of grant,

Risk-free rates: 1.50%, 2.10%, 2.75%.

Expected volatility: 14.11%, 17.46%, 17.73%.

Based on the parametric assumptions and the B-S model described above, the results of calculating the fair value of the Company's restricted stock grants for fiscal 2021 are presented below:

Exercise period	Number of shares of restricted stock (ten thousand) [Note]	Fair value per unit	Fair value (Ten Thousand Yuan)
First batch (one third)	81.00	94.88	7,685.03
Second batch (one third)			
Third batch (one third)			
Total	81.00		7,685.03

[Note] The original number of shares granted was 3,000,000 shares, the first batch (one-third) was actually exercised on March 13, 2023 for 810,000 shares due to the departure of the incentive recipients, unqualified appraisal, non-payment, etc., and the second batch (one-third) and the third batch (one-third) have lapsed due to the failure to meet the conditions for the exercise of the rights.

The estimated cost of apportioning the fair value of restricted stock under the Company's 2021 Restricted Stock Incentive Plan over the years based on the percentage of exercise in each period is calculated as follows:

Unit: Ten Thousand Yuan

2021	2022	2023	2024	Total amortization
1,538.55	9,235.37	-3,088.89	0.00	7,685.03

Note: The performance appraisal target of the third tranche (one-third) of the 2021 Restricted Stock Incentive Plan at the corporate level is "based on 2020 operating revenue; the growth rate of 2023

operating revenue shall not be less than 300% or based on 2020 net profit; the growth rate of 2023 net profit shall not be less than 280%". As the growth rate of the Company's operating income and net profit in 2023 did not meet the exercise conditions, resulting in the lapse of that part of the Company's restricted share incentives, in accordance with the relevant provisions of the "Accounting Standards for Business Enterprises - Share-based Payment", the Company recognized in the current period the cumulative prior period of the third tranche of the Restricted Share Incentive Plan for the year 2021 (one third of the) equity. The amount of RMB308.8889 million for the settlement of share-based payment in exchange for employee services was eliminated as administrative expenses, and capital reserve (other capital reserve) was also reduced.

(2) 2022 Restricted Stock Incentive Plan

The parameters of the stock price on the grant date, the exercise price, the remaining term of each period, the risk-free interest rate and the expected volatility determined by the option pricing model estimates are as follows:

Stock price on grant date: RMB56.02.

Exercise price: RMB 27.77.

Remaining term of each period: one-fourth of the total number of shares granted are exercisable from the first trading day after 12 months from the date of authorization to the last trading day within 24 months from the date of grant, one-fourth of the total number of shares granted are exercisable from the first trading day after 24 months from the date of authorization to the last trading day within 36 months from the date of grant, one-fourth of the total number of shares granted are exercisable from the first trading day after 36 months from the date of authorization to the last trading day within 48 months from the date of grant, and one-fourth of the total number of shares granted are exercisable from the first trading day after 48 months from the date of authorization to the last trading day within 60 months from the date of grant.

Risk-free rates: 1.50%, 2.10%, 2.75%, 2.75%.

Expected volatility: 14.11%, 17.46%, 17.73%, 17.73%.

Based on the parametric assumptions and the B-S model described above, the results of calculating the fair value of the Company's restricted stock grants for fiscal 2022 are presented below:

Exercise period	Number of shares of restricted stock (ten thousand) [Note]	Fair value per unit	Fair value (Ten Thousand Yuan)
First batch (quarter)			
Second batch (quarter)			
Third batch (quarter)	70.10	30.47	2,135.95
Fourth batch (quarter)	70.10	31.19	2,186.42
Total	140.20		4,322.37

[Note] The original number of shares granted was 3,200,000, the first (one-quarter) and second (one-quarter) tranches have lapsed due to failure to meet the conditions for exercise, and due to the

departure of the incentive recipients, the third (one-quarter) and fourth (one-quarter) tranches are expected to be exercised for 701,000 shares in both tranches.

The estimated cost of spreading the fair value of restricted stock under the Company's 2022 Restricted Stock Incentive Plan over the years based on the percentage of exercise in each period is as follows:

Unit: Ten Thousand Yuan

2022	2023	2024	2025	2026	Total amortization
1,838.86	346.14	1,258.56	734.50	144.31	4,322.37

Note: The company-level performance appraisal target for the second tranche (one-quarter) of the 2022 Restricted Stock Incentive Plan is "based on 2020 operating income, the growth rate of operating income in 2023 shall not be less than 300% or based on 2020 net profit, the growth rate of net profit in 2022 shall not be less than 280%". As the growth rate of business revenue and net profit of the Company in 2023 did not meet the conditions for exercising the right, resulting in the expiration of this part of the Company's restricted stock incentive.

3. Cash-settled share-based payments

☐Applicable ☒Not Applicable

4. Share-based payment expense for the period

☒Applicable ☐Not Applicable

Unit: Ten thousand yuan

Awarded to	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Management staff	-109.27	
R&D staff	-1,206.44	
Sales staff	-220.91	
Production staff	-1,206.13	
Total	-2,742.75	

5. Modification and termination of share-based payment

☐Applicable ☒Not Applicable

6. Other

☐Applicable ☒Not Applicable

XVI. Commitments and contingencies

1. Important commitments

☒Applicable ☐Not Applicable

Existence, nature and amount of significant external commitments at the balance sheet date

As of the balance sheet date, the Company had outstanding guarantees in the amount of RMB438,775,323.73.

2. Contingency**(1). Significant contingencies existing at the balance sheet date**

☐Applicable ☒Not Applicable

(2). There are no material contingencies that the company is required to disclose, which should also be stated:

☐Applicable ☒Not Applicable

3. Other

☐Applicable ☒Not Applicable

XVII. Events after the balance sheet date**1. Significant non-adjusting items**

☐Applicable ☒Not Applicable

2. Distribution of profits

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Profit or dividend to be distributed	205,248,531.68
Profits or dividends declared after consideration and approval	205,248,531.68

According to the "Proposal on the Company's 2023 Profit Distribution Proposal" considered and approved at the 19th meeting of the Third Session of the Board of Directors of the Company held on April 25, 2024, the Company proposed to distribute a cash dividend of RMB3.4 per 10 shares (tax included) to all shareholders for the year 2023 based on the total share capital as at the date of registration of the shareholders to implement the dividend distribution for the year 2023, which is calculated as the total number of 603,672,152 shares to be distributed to all shareholders. As at the date of the Board of Directors' meeting to consider the profit distribution and capitalization of capital reserve plan, the total share capital of the Company was 603,672,152 shares, and the total cash dividend to be distributed on this basis amounted to RMB205,248,531.68 (inclusive of tax). The amount of cash dividend accounted for 25.37% of the net profit attributable to shareholders of the listed company in the consolidated financial statements of the Company for the year 2023, and the total dividend paid by the Company for the equity distribution in the first three quarters of 2023 amounted to RMB48,293,772.16, which was implemented and was completed on December 6, 2023. The total cash dividend amount of the Company for the year was RMB253,542,303.84, accounting for 31.34% of the net profit attributable to shareholders of the listed company in the consolidated financial statements of the Company for the year 2023. The Company's profit distribution plan for 2023 is subject to the approval of the Company's shareholders' meeting.

3. Sales returns

☐Applicable ☒Not Applicable

4. Description of other post-balance sheet events

☒Applicable ☐Not Applicable

1. Pursuant to the resolution of the 19th meeting of the 3rd session of the Board of Directors of the Company held on 25 April 2024, the Board of Directors of the Company proposed to the shareholders' general meeting to authorize the Board of Directors to decide on the issuance of shares by the Company to specific targets with a total amount of financing of not more than RMB300 million and not exceeding 20% of the net assets as at the end of the most recent year for a period of time from the date of the approval of the annual shareholders' general meeting of 2023 to the date of the annual general meeting

of 2024, which The proposal is yet to be submitted to the annual general meeting for consideration and approval.

2. Pursuant to the resolution of the Third Nineteenth Meeting of the Board of Directors of the Company held on April 25, 2024, the Company proposed to use the remaining over-raised funds from the Initial Public Offering amounting to RMB 69,936,400 (being the amount as at the end of 2023, inclusive of the interest income, and the actual amount shall be based on the remaining amount after calculating the interest income on the date of transfer of the funds) for the purpose of permanently replenishing the liquidity for the operational activities related to the main business of the Company.

XVIII. Other important matters

1. Correction of prior-period accounting errors

(1). Retrospective approach

☐Applicable ☒Not Applicable

(2). Prospective application law

☐Applicable ☒Not Applicable

2. Significant debt restructuring

☐Applicable ☒Not Applicable

3. Asset replacement

(1). Non-monetary exchange of assets

☐Applicable ☒Not Applicable

(2). Other asset replacement

☐Applicable ☒Not Applicable

4. Pension plan

☐Applicable ☒Not Applicable

5. Close down

☐Applicable ☒Not Applicable

6. Segment information

(1). Basis for determining reportable segments and accounting policies

☒Applicable ☐Not Applicable

The Company's principal business is the manufacture and sale of specialized equipment. The Company treats this business as a whole to implement management and evaluate operating results. Therefore, the Company is not required to disclose segment information.

Detailed information on the breakdown of the Company's revenue is provided in the notes to note V(ii)1 to these financial statements.

(2). Financial information on reportable segments

☐Applicable ☒Not Applicable

(3). If the company has no reportable segments, or if it cannot disclose total assets and total liabilities for each reportable segment, it should explain why

☐Applicable ☒Not Applicable

(4). Other notes

☐Applicable ☒Not Applicable

7. Other significant transactions and events affecting investors' decisions

☐Applicable ☒Not Applicable

8. Other

☐Applicable ☒Not Applicable

XIX. Notes to the main items of the parent company's financial statements**1、Accounts Receivable****(1). Disclosure by age**

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance	Opening balance
Within 1 year		
Where: less than 1 year sub-item		
Within 1 year	1,115,408,880.85	1,455,718,635.41
Subtotal less than 1 year	1,115,408,880.85	1,455,718,635.41
1 to 2 years	1,016,260,184.13	318,341,846.22
2 to 3 years	202,298,540.92	29,824,662.23
More than 3 years	88,085,581.63	58,291,216.72
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	2,422,053,187.53	1,862,176,360.58

(2). Disclosure by bad debt accrual method

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book Value	Carrying amount		Provision for bad debts		Book Value
	Amount	Percentage (%)	Amount	Accrual ratio (%)		Amount	Percentage (%)	Amount	Accrual ratio (%)	

Provision for bad debts on an individual basis	143,218,910.67	5.91	135,431,910.67	94.56	7,787,000.00	36,726,495.73	1.98	36,726,495.73	100.00	
Where:										
Individually significant and individually bad debt provisioned	143,218,910.67	5.91	135,431,910.67	94.56	7,787,000.00	36,726,495.73	1.98	36,726,495.73	100.00	
Provision for bad debts by portfolio	2,278,834,276.86	94.09	274,747,097.05	12.06	2,004,087,179.81	1,825,449,864.85	98.02	151,049,328.36	8.27	1,674,400,536.49
Where:										
Accounts receivable with bad debt provision based on a combination of credit risk characteristics	2,278,834,276.86	94.09	274,747,097.05	12.06	2,004,087,179.81	1,825,449,864.85	98.02	151,049,328.36	8.27	1,674,400,536.49
Total	2,422,053,187.53	/	410,179,007.72	/	2,011,874,179.81	1,862,176,360.58	/	187,775,824.09	/	1,674,400,536.49

Provision for bad debts is made on an individual basis:

√Applicable □Not Applicable

Bit: Yuan Currency: RMB

Name	Closing balance			Reasons for the provision
	Carrying amount	Provision for bad debts	Accrual ratio (%)	
Jeve Power Industry Jiaxing Co.,Ltd.	955,000.00	955,000.00	100.00	Tight client liquidity and low likelihood of recovery of payments
Jiangxi Velo Battery Co.,Ltd.	12,590,000.00	9,442,500.00	75.00	Tight client liquidity and low likelihood of recovery of payments
Wanxiang One Two Three Co.,Ltd.	15,465,000.00	10,825,500.00	70.00	Not expected to be fully recovered
Jeve New Energy Technology (Huzhou) Co.,Ltd.	2,792,000.00	2,792,000.00	100.00	Tight client liquidity and low likelihood of recovery of payments
Tianjin Jiewei Power Industry Co.,Ltd.	24,618,860.54	24,618,860.54	100.00	Tight client liquidity and low likelihood of recovery of payments
Jeve Power Industry Jiangsu Co.,Ltd.	16,596,554.40	16,596,554.40	100.00	Tight client liquidity and low likelihood of recovery of payments
Jiangsu Weibi Power Industry Co.,Ltd.	33,475,000.00	33,475,000.00	100.00	Tight client liquidity and low likelihood of recovery of payments
Hubei Xingquan Machinery Equipment Co.,Ltd.	36,726,495.73	36,726,495.73	100.00	Tight client liquidity and low likelihood of recovery of payments
Total	143,218,910.67	135,431,910.67	94.56	/

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☒Applicable ☐Not Applicable

Portfolio accruals: Accounts Receivable for which bad debt provisions are made based on a combination of credit risk characteristics

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts Receivable	Provision for bad debts	Accrual ratio (%)
Within 1 year	1,101,830,060.85	55,091,503.04	5.00
1-2 years	981,245,534.56	147,186,830.18	15.00
2-3 years	176,128,453.74	52,838,536.12	30.00
More than 3 years	19,630,227.71	19,630,227.71	100.00
Total	2,278,834,276.86	274,747,097.05	12.06

A description of the Provision for bad debts by portfolio:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of Accounts Receivable for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

(3). Provision for bad debts

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

form	Opening balance	Amount of change during the period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Individual Provision for bad debts	36,726,495.73	101,145,384.94		2,439,970.00		135,431,910.67
Provision for bad debts by portfolio	151,049,328.36	123,697,768.69				274,747,097.05
Total	187,775,824.09	224,843,153.63		2,439,970.00		410,179,007.72

of which the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes

None

(4). Actual accounts receivable written off during the period

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	2,439,970.00

of which significant Accounts Receivable write-offs

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of Accounts Receivable	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the amount arises from a related transaction
Apex (Wuxi) Co.,Ltd.	Payment for goods	2,000,000.00	Supplementary agreements have been signed confirming non-	Management Approval	No

			recoverability		
Sichuan WKF Rare Earth New Energy Technology Co.,Ltd.	Payment for goods	368,500.00	Supplementary agreements have been signed confirming non-recoverability	Management Approval	No
FALUOSI (Suzhou) Energy Technology Co.,Ltd.	Payment for goods	71,470.00	Supplementary agreements have been signed confirming non-recoverability	Management Approval	No
Total		2,439,970.00			

(5). Top five accounts receivable and contract assets with ending balances, grouped by party owed money

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance of Accounts Receivable	Closing balance of contractual assets	Closing balance of Accounts Receivable and contract assets	Percentage of combined Accounts Receivable and contract assets closing balance (%)	Closing balance of Provision for bad debts
First place	653,613,747.29	107,117,601.00	760,731,348.29	26.36	64,571,339.67
Second place	539,291,867.96	18,055,000.00	557,346,867.96	19.31	82,152,431.16
Third place	134,179,575.20	25,835,998.40	160,015,573.60	5.54	13,793,267.08
Fourth place	107,939,998.40	15,780,000.00	123,719,998.40	4.29	12,245,999.76
Fifth place	96,141,445.61	25,427,965.41	121,569,411.02	4.21	6,078,470.55
Total	1,531,166,634.46	192,216,564.81	1,723,383,199.27	59.71	178,841,508.22

Other notes

The total Accounts Receivable and contract assets (including contract assets reported in other non-current assets) of the top 5 in the ending balance amounted to RMB1,723,383,199.27, which accounted for 59.71% of the total Accounts Receivable and contract assets (including contract assets reported in other non-current assets) in the closing balance, and the corresponding total Provision for bad debts on Accounts Receivable and impairment of contract assets amounted to 178,841,508.22 yuan.

Other notes:

□Applicable √Not Applicable

2. Other Receivables

Item presentation

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
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Interest receivable		
Dividends receivable		
Other Receivables	102,004,409.49	97,885,479.26
Total	102,004,409.49	97,885,479.26

Other notes:

☐Applicable ☒Not Applicable

Interest receivable

(1). Classification of interest receivable

☐Applicable ☒Not Applicable

(2). Significant overdue interest

☐Applicable ☒Not Applicable

(3). Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of interest receivable for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

(4). Provision for bad debts

☐Applicable ☒Not Applicable

of which the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5). Actual write-off of interest receivable during the period

☐Applicable ☒Not Applicable

of which significant write-offs of interest receivable

☐Applicable ☒Not Applicable

Write-off instructions:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Dividends receivable

(1). Dividends receivable

☐Applicable ☒Not Applicable

(2). Significant dividends receivable aged over 1 year

☐Applicable ☒Not Applicable

(3). Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of dividends receivable for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

(4). Provision for bad debts

☐Applicable ☒Not Applicable

of which the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5). Actual write-off of dividends receivable during the period

☐Applicable ☒Not Applicable

Significant write-offs of dividends receivable therein

☐Applicable ☒Not Applicable

Write-off instructions:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Other Receivables

(1). Disclosure by age

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance	Opening balance
Within 1 year		
Where: less than 1 year sub-item		
Within 1 year	28,327,924.37	89,448,865.63
Subtotal less than 1 year	28,327,924.37	89,448,865.63
1 to 2 years	80,841,396.90	11,143,333.51
2 to 3 years	9,110,991.38	4,910,319.19
More than 3 years	60,844,456.99	56,551,038.98
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	179,124,769.64	162,053,557.31

(2). Breakdown by nature of funds

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing balance	Opening balance
Amounts from related parties in consolidation	149,279,012.46	134,240,759.92
Deposit Guarantee	19,536,647.50	16,031,473.50
reserve fund	5,178,512.18	5,318,575.33
Other	5,130,597.50	6,462,748.56
Total	179,124,769.64	162,053,557.31

(3). Provision for bad debts

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

	Phase I	Phase II	Phase III	
Provision for bad debts	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) over lifetime	Expected credit losses over lifetime (credit impairment incurred)	Total
Balance on January 1, 2023	4,472,443.29	1,671,500.02	58,024,134.74	64,168,078.05
January 1, 2023 Balance in the current period				
--Transfer to Phase II	-4,042,069.85	4,042,069.85		
--Transfer to Phase III		-1,366,648.71	1,366,648.71	
--Reversal to phase II				
-- Reversal phase I				
Provision for the current period	986,022.77	7,779,288.38	4,186,970.95	12,952,282.10

Reversal during the period				
Write-offs during the period				
Cancellation during the period				
Other changes				
Balance on December 31, 2023	1,416,396.21	12,126,209.54	63,577,754.40	77,120,360.15

Basis of classification of stages and percentage of Provision for bad debts

The stages are based on the following criteria: stage 1 for accounts up to 1 year old, stage 2 for accounts 1-2 years old, and stage 3 for accounts older than 2 years old.

A description of significant changes in the carrying amount of other receivables for which a change in the provision for losses has occurred during the period:

☐Applicable ☒Not Applicable

The amount of Provision for bad debts in the current period and the basis used to assess whether there is a significant increase in the credit risk of a financial instrument:

☐Applicable ☒Not Applicable

(4). Provision for bad debts

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Amount of change during the period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Individual Provision for bad debts	4,330,000.00					4,330,000.00
Provision for bad debts by portfolio	59,838,078.05	12,952,282.10				72,790,360.15
Total	64,168,078.05	12,952,282.10				77,120,360.15

Of these, the amount of the Provision for bad debts reversed or recovered during the period is significant:

☐Applicable ☒Not Applicable

Other notes

None

(5). Other Receivables actually written off during the period

☐Applicable ☒Not Applicable

of which significant write-offs of other receivables:

☐Applicable ☒Not Applicable

Note on write-off of other receivables:

☐Applicable ☒Not Applicable

(6). Top five other Accounts Receivable with closing balances, grouped by party owed

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of payments	Age of accounts	Provision for bad debts Closing balance
Hangke Hong Kong electronic trading Co.,Ltd.	80,827,000.00	45.12	current account	Within 1 year 11,181,000.00 1-2 years 69,646,000.00	11,005,950.00
HONRECK ELECTRONICS TRADING SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	68,329,668.88	38.15	loan sharks	Within 1 year 3,785,906.35 1-2 years 7,736,676.30 2-3 years 2,440,437.74 More than 3 years 54,366,648.49	56,448,576.58
PACIFIC GLOBAL LOGISTICS INC	2,871,920.00	1.60	margin (in derivative trading)	1-2 years	430,788.00
Fujian River Energy Technology Co.,Ltd.	2,384,920.00	1.33	margin (in derivative trading)	Within 1 year	119,246.00
Zhejiang Zhixin Holding Group Co.,Ltd.	2,280,000.00	1.27	margin (in derivative trading)	More than 3 years	2,280,000.00
Total	156,693,508.88	87.48	/	/	70,284,560.58

(7). Reported in other Accounts Receivable due to centralized management of funds

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

3. Long-term equity investments

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
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	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Investments in subsidiaries	132,131,762.24		132,131,762.24	64,699,481.59		64,699,481.59
Investments in associates, joint ventures						
Total	132,131,762.24		132,131,762.24	64,699,481.59		64,699,481.59

(1). Investments in subsidiaries

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision for impairment for the period	Closing balance of Provision for impairment
CHR Japan Co.,Ltd.	55,078,400.00	14,354,400.00		69,432,800.00		
HangKe Electronic Trading Hong Kong Limited	650,000.00			650,000.00		
Hangke Technology Germany GmbH	8,971,081.59	53,077,880.65		62,048,962.24		
Total	64,699,481.59	67,432,280.65		132,131,762.24		

(2). Investments in associates, joint ventures

□Applicable √Not Applicable

(3). Impairment testing of long-term equity investments

□Applicable √Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal

□Applicable √Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

□Applicable √Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

□Applicable √Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

None

4. Operating income and operating costs

(1). Operating revenues and operating costs

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period		Occuring amoun in previous period	
	Income	Cost	Income	Cost
Main business	3,878,525,193.99	2,455,189,867.97	3,417,050,860.45	2,317,968,531.05
Other business	40,681,558.79	698,874.13	37,114,249.46	188,886.80
Total	3,919,206,752.78	2,455,888,742.10	3,454,165,109.91	2,318,157,417.85

(2). Information on the breakdown of operating income and operating costs

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Contract classification	Total	
	Operating income	Operating costs
Product Type		
Charging and discharging equipment	3,187,641,584.40	2,002,924,177.61
Other equipment	662,140,859.66	441,382,740.24
Fittings	28,742,749.93	10,882,950.12
Other	40,681,558.79	698,874.13
By Business Area		
Domestic	3,163,476,818.30	2,075,561,653.69
Overseas	755,729,934.48	380,327,088.41
Type of market or customer		
Type of contract		
Classification by time of transfer of goods		
Revenue recognition at a point in time	3,915,729,682.53	2,455,697,736.14
Revenue recognition based on progress of performance	3,477,070.25	191,005.96
Classification by contract duration		
By Sales Channel		
Total	3,919,206,752.78	2,455,888,742.10

Other notes

√Applicable □Not Applicable

Revenue recognized in the current period included in the opening book value of contract liabilities was RMB770,915,394.14.

(3). Description of performance obligations

□Applicable √Not Applicable

(4). Statement of apportionment to remaining performance obligations

□Applicable √Not Applicable

(5). Significant contract changes or significant transaction price adjustments

□Applicable √Not Applicable

Other notes:

None

5. investment income

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occuring amoun in current period	Occuring amoun in previous period
Income from long-term equity investments accounted for under the cost method		
Income from long-term equity investments accounted for by the equity method		
Investment income from disposal of long-term equity investments		
Investment income from trading financial assets during the holding period		
Dividend income earned on investments in other equity instruments during the holding period		
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of financial assets held for trading		
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		-3,330,905.47
income from financial products	2,439,369.87	8,023,120.39
Loss on discounting of receivables financing	-2,025,381.87	-1,349,028.93
Loss on discounted Notes Receivable	-131,234.45	
Investment income on options	-5,313,254.44	-1,712,400.00

Interest income on current loans	2,841,106.35	3,025,476.30
Total	-2,189,394.54	4,656,262.29

Other notes:

None

6. Other

☐Applicable ☒Not Applicable

XX. Additional information

1. Breakdown of non-recurring gains and losses for the period

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Amount	clarification
Gains and losses on disposal of non-current assets, including elimination of Provision for impairment of assets	680,184.65	
Government grants recognized in profit or loss for the current period, except for those government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	25,499,222.51	
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	-5,419,069.85	
Occupancy fees charged to non-financial corporations included in profit or loss for the period		
Gains and losses on entrusted investments or management of assets		
Gains and losses on external entrusted loans		
Losses of assets due to force majeure factors such as natural disasters		
Reversal of Provision for impairment of receivables individually tested for impairment		
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the gain arising from the fair value of the investee's identifiable net assets at the time of investment acquisition		
Net profit or loss of subsidiaries for the period from the Beginning of the period to the date of consolidation arising from business combinations under the same control		
Gains and losses on exchange of non-monetary assets		
Debt restructuring gains and losses		
One-time costs incurred by the enterprise due to the fact that the relevant business activities are no		

longer continuing, such as expenses for relocating employees		
One-time effect on current period's profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercise of the option		
Gains and losses arising from changes in the fair value of investment properties subsequently measured using the fair value model		
Gains arising from transactions at significantly unfair prices		
Gains and losses arising from contingencies unrelated to the Company's normal business operations		
Custodial fee income earned on trusteeship		
Non-operating income and expenses other than those listed above	1,306,650.62	
Other items of profit or loss that meet the definition of non-recurring profit or loss		
Less: Income tax effect	3,553,098.35	
Impact of minority interests (after tax)		
Total	18,513,889.58	

The Company shall explain the reasons for defining non-recurring profit and loss items that are not listed in "Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-recurring Profit and Loss" as non-recurring profit and loss items and the amount of such non-recurring profit and loss items that are material, and for defining non-recurring profit and loss items that are not listed in "Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-recurring Profit and Loss" as recurring profit and loss.

☐Applicable ☒Not Applicable

Other notes

☒Applicable ☐Not Applicable

Effect of the implementation of "Interpretative Announcement No. 1 on Disclosure of Information by Companies Offering Public Securities - Non-recurring Gains and Losses (Revised in 2023)" on the amount of non-recurring gains and losses in fiscal year 2022

Item	Amount
Net non-recurring gains and losses attributable to owners of the parent company in fiscal 2022	17,579,949.99
Net non-recurring gains and losses attributable to owners of the parent company calculated in accordance with "Interpretative Announcement for Information Disclosure by Public Securities Issuers No. 1 - Non-recurring Gains and Losses (Revised in 2023)" for fiscal year 2022	14,858,257.84
discrepancy	-2,721,692.15

2. Return on net assets and earnings per share

√Applicable □Not Applicable

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	17.51	1.35	1.35
Net profit attributable to ordinary shareholders of the Company after extraordinary gains and losses	17.11	1.32	1.32

3. Differences in accounting data under domestic and foreign accounting standards

□Applicable √Not Applicable

4. Other

□Applicable √Not Applicable

Chairman: Yan Lei

Date of submission approved by the Board of Directors: April 25, 2024

Revision information

□Applicable √Not Applicable