



**Zhejiang Hangke Technology
Incorporation Company
2022 Annual General Meeting of
Shareholders
Conference Materials**

May 2023

Notice of General Shareholders' Meeting

These instructions are formulated in accordance with the *Company Law*, the *Articles of Association*, the *Rules of Procedure of the Shareholders' Meeting* and the relevant regulations of the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange (SSE) in order to protect the legitimate rights and interests of all shareholders of Zhejiang Hangke Technology Incorporation Company, maintain the normal order of the shareholders' meeting, ensure the efficiency of the proceedings of the shareholders' meeting and ensure that the shareholders' meeting is held on schedule and smoothly.

1. The shareholders' meeting shall have a meeting affairs group, and the secretary of the Board of Directors shall be responsible for the procedural arrangements and meeting affairs of the meeting.
2. In order to ensure the seriousness and normal order of the shareholders' meeting and to effectively safeguard the legitimate rights and interests of the shareholders (or shareholders' representatives) attending the meeting, the Company shall have the right to refuse the entry of any person other than the shareholders (or shareholders' representatives) the directors, supervisors, senior management, witness lawyers and persons invited by the Board of Directors in accordance with the law.
3. Shareholders (or shareholder's representative) attending the meeting must go to the meeting site 20 minutes before the meeting to sign in and present their securities account card, ID card or legal entity certificate, authorization letter and attendance receipt as required, and receive the meeting materials after verification before attending the meeting.
4. Shareholders (or their representatives) shall enjoy the rights and interests such as the right to speak, consult and vote in accordance with the law. If a shareholder (or shareholder's representative) wishes to speak at the General Meeting, he/she may register with the General Meeting Affairs Group when signing in. The moderator will arrange for the shareholders (or their representatives) to speak at the meeting. Shareholders (or shareholder representatives) should speak on topics related to the meeting; if they wish to learn more about the Company beyond the scope of the topics, they may consult with the Secretary of the Board of Directors after the meeting.

Only the shareholders and their representatives will be allowed to speak or ask

questions during the meeting. The speeches or questions should focus on the topics of the meeting, be brief and concise, and last no more than 5 minutes. The name of the shareholder and the total number of shares held should be stated when the speech or question is asked. Each shareholder and shareholder's representative shall not speak or ask questions more than twice.

Shareholders and shareholders' representatives shall not interrupt the report of the meeting reporter or the speech of other shareholders and shareholders' representatives when they request to speak or ask questions. Shareholders and shareholders' representatives shall not speak while the shareholders' meeting is in voting mode. The moderator shall have the right to refuse or stop any shareholder or shareholder's representative who violates the above rules.

The moderator may arrange for the Company's directors, supervisors, senior management and candidates for directors and supervisors to answer questions from shareholders. The moderator or the person designated by him/her shall have the right to refuse to answer questions that may disclose the Company's trade secrets and/or insider information and harm the common interests of the Company and the shareholders.

5. In order to improve the efficiency of the proceedings of the shareholders' meeting, the on-site voting will be conducted immediately after the answers to the questions on shareholders. Voting at the on-site meeting shall be by registered ballot, with shareholders exercising their voting rights by the amount of shares they hold with voting rights, with each share having one vote. When voting, shareholders shall choose one of the three options of "favor", "against" and "abstain" for each proposal in the voting ballot, and indicate with a "tick" is required. Any votes not filled in, wrongly filled in, illegible or not cast will be regarded as abstentions. Shareholders are requested to fill in the voting form in accordance with the voting requirements, and the votes will be collected by the staff at the General Meeting after completion.
6. Before voting on the proposal, two shareholder representatives will be elected to participate in counting and supervising the votes; when the shareholders' meeting votes on the proposal, the witness lawyers, shareholder representatives and supervisors' representatives will be responsible for counting and supervising the votes; the results of the on-site voting will be announced by the moderator.
7. The Company engaged a lawyer from Beijing JunHe Law Firm to attend the shareholders' meeting and issue legal opinions.

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- 8 Shareholders (or representatives of shareholders) attending the General Meeting shall conscientiously fulfill their legal obligations, set the cell phone ringer to silent mode after the meeting starts, respect and safeguard the legitimate rights and interests of other shareholders and guarantee the normal order of the General Meeting. The Company shall have the right to take necessary measures to stop and report to the relevant authorities to investigate and deal with any acts that interfere with the order of the shareholders' meeting, provoke trouble and violate the legitimate rights and interests of other shareholders.
9. The shareholders (or their representatives) shall bear the expenses incurred for attending the meeting of the General Meeting.

Agenda of the Shareholders' Meeting

I. Meeting time, venue and voting method

1. On-site meeting time: May 23, 2023 (Tuesday) at 14:00 pm
2. Venue of on-site meeting: Hangke Technology, No. 298, Gaoxin No.6 Road, Xiaoshan Economic Development Zone, Hangzhou, Zhejiang Province
3. Meeting Convener: Board of Directors of Zhejiang Hangke Technology Incorporation Company

4. Moderator: Ms. Yan Lei, Chairman of the Board

5. Internet voting system, start and end time and voting time

Internet Voting System: Internet Voting System for the General Meeting of Shareholders of Shanghai Stock Exchange

Internet voting start and end time: from May 23, 2022 to May 23, 2023

The Internet voting system of Shanghai Stock Exchange will be adopted. The voting hours via the trading system voting platform will be the trading hours on the day of the shareholders' meeting, i.e. 9:15-9:25, 9:30-11:30 and 13:00-15:00; the voting hours via the Internet voting platform will be 9:15-15:00 on the day of the shareholders' meeting.

II. Meeting Agenda

- (i) Participants sign in, receive meeting materials, and shareholders register to speak
- (ii) The moderator announces the commencement of the meeting and reports to the General Meeting the number of shareholders present at the on-site meeting and the number of voting rights held
- (iii) The moderator reads out the instructions for the shareholders' meeting

(iv) Selection of counting and supervising members

(v) Consideration of Proposal s

1. *Proposal on Consideration of <Report on the Work of the Board of Directors for the Year 2022>;*

2. *Proposal on Consideration of <Report on Independent Directors for the Year 2022>;*

3. *Proposal on Consideration of <Report on the Work of the Board of Supervisors for the Year 2022>*

4. *Proposal on Consideration of <the Annual Report for 2022> and its Summary*

5. *Proposal on Consideration of <Report on the Financial Accounts for 2022>*

6. *Proposal on Consideration of < Financial Budget Report for 2023>*

7. *Proposal on Consideration of <Profit Distribution and Capital Reserve Conversion to Capital Increase for the Year 2022>*

8. *Proposal on Consideration of <Remuneration Criteria for Directors and Supervisors of the Company for 2023>*

9. *Proposal on the Purchase of Wealth Management Products by the Company's Idle Own Funds in 2023>*

10. *Proposal on Consideration of < Company's Application for a Comprehensive Credit Line for 2023>*

11. *Proposal on the Renewed Appointment of the Company's Auditors for the Year 2023>*

(vi) Statements and questions from shareholders and shareholder representatives

(vii) Voting on the Proposal s by the shareholders and their representatives

(viii)Announcing the results of the meeting voting

(ix) The moderator reads out the resolutions of the shareholders' meeting

(x) Witness lawyer reads legal opinion

(xi) Signing the meeting documents

(xii) The moderator announces the end of the on-site meeting

Proposal I:

Zhejiang Hangke Technology Incorporation Company
Proposal on Consideration of *Report on the Work of the*
Board of Directors for the Year 2022;

Dear Shareholders and Shareholder Representatives:

Based on the summary of the work of the Board of Directors and the overall operation of the Company in 2022, as well as the discussion and analysis of the future development of the Company, the Board of Directors has prepared the *2022 Annual Report on the Work of the Board of Directors of Zhejiang Hangke Technology Incorporation Company*, please refer to Annex I for details.

The 2022 Annual Report on the Work of the Board of Directors of Zhejiang Hangke Technology Incorporation Company was considered and approved at the 14th meeting of the 3rd session of the Board of Directors of the Company held on April 26, 2023.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Proposal II:

Zhejiang Hangke Technology Incorporation Company
Proposal on Consideration of *Report on Independent*
Directors for the Year 2022

Dear Shareholders and Shareholder Representatives:

Based on the summary of various work in 2022, Chen Linlin, Xu Yaming and Qian Yanmin, the independent directors of the Company, have prepared the *2022 Annual Report of Independent Directors of Zhejiang Hangke Technology Incorporation Company*, which is now reported to the shareholders' meeting.

The 2022 Annual Report of Independent Directors of Zhejiang Hangke Technology Incorporation Company was considered and approved at the 14th meeting of the 3rd session of the Board of Directors of the Company held on April 26, 2023 and was disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 27, 2023.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2022

Proposal III:

Zhejiang Hangke Technology Incorporation Company
Proposal on Consideration of *Report on the Work of the*
Board of Supervisors for the Year 2022

Dear Shareholders and Shareholder Representatives:

Based on the summary of the work of the Board of Supervisors and the overall operation of the Company in 2022, the Board of Supervisors has prepared the *2022 Annual Report on the Work of the Board of Supervisors of Zhejiang Hangke Technology Incorporation Company*. Please refer to Annex II for details.

The Report on the Work of the Board of Supervisors of Zhejiang Hangke Technology Incorporation Company for the Year 2022 was considered and approved at the 12th Meeting of the 3rd Session of the Board of Supervisors of the Company held on April 26, 2023.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Proposal IV:

Zhejiang Hangke Technology Incorporation Company
Proposal on Consideration of *Annual Report for 2022* and its
Summary

Dear Shareholders and Shareholder Representatives:

The 2022 Annual Report of Zhejiang Hangke Technology Incorporation Company and the summary thereof were considered and approved at the 14th Meeting of the 3rd Session of the Board of Directors and the 12th Meeting of the 3rd Session of the Board of Supervisors of the Company held on April 26, 2023 and were disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 27, 2022.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Proposal V:

Zhejiang Hangke Technology Incorporation Company
Proposal on Consideration of *Report on the Financial*
Accounts for 2022

Dear Shareholders and Shareholder Representatives:

Based on the summary of the overall operation of the Company in 2022, the Board of Directors of the Company has prepared the *Financial Report of Zhejiang Hangke Technology Incorporation Company for 2022*. Please refer to Annex III for details.

The Financial Report of Zhejiang Hangke Technology Incorporation Company for 2022 has been considered and approved at the 14th Meeting of the 3rd Session of the Board of Directors and the 12th Meeting of the 3rd Session of the Board of Supervisors of the Company held on April 26, 2023.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Proposal VI:

Zhejiang Hangke Technology Incorporation Company
Proposal on Consideration of *Financial Budget Report for*
2023

Dear Shareholders and Shareholder Representatives:

On the basis of summarizing the operation in 2022 and analyzing the operation situation in 2023, the Company has prepared the *Financial Budget Report for 2023 of Zhejiang Hangke Technology Incorporation Company*. Please refer to Annex IV for details.

The Financial Budget Report for 2023 of Zhejiang Hangke Technology Incorporation Company has been considered and approved at the 14th Meeting of the 3rd Session of the Board of Directors and the 12th Meeting of the 3rd Session of the Board of Supervisors of the Company held on April 26, 2022.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Proposal VII:

Zhejiang Hangke Technology Incorporation Company
Proposal on Consideration of *Profit Distribution and Capital*
Reserve Conversion to Capital Increase for the Year 2022

Dear Shareholders and Shareholder Representatives:

As audited by Pan-China Certified Public Accountants Co., Ltd. (Special General Partnership), as of December 31, 2022, the Company's profit available for distribution at the end of the period was RMB 1,346,492,128.33 and the balance of capital reserve was RMB1,401,737,825.15. After consideration by the Board of Directors, the Company intends to distribute profits and increase capital based on the total share capital registered on the date of registration of the implementation of the equity distribution for the year 2022. The profit distribution and capitalization of capital reserve are as follows:

1. The Company intends to distribute a cash dividend of RMB3.5 (including tax) for every 10 shares to all shareholders. As of the date of the Board of Directors' Meeting to consider the profit distribution and capitalization of capital reserve, the total share capital of the Company was 431,194,394 shares, and the total proposed cash dividend is RMB150,918,037.90 (including tax). The amount of cash dividend for the year represents 30.76% of the net profit attributable to shareholders of the listed Company in the consolidated financial statements of the Company for the year 2022.

2. The Company intends to transfer 4 shares for every 10 shares to all shareholders by capitalization of capital reserve. As of the date of the Board of Directors' Meeting to consider the profit distribution and capitalization of capital reserve, the total share capital of the Company was 431,194,394 shares, and 172,477,758 shares will be increased by this transfer. (The final number of shares transferred is based on the final registration result of Shanghai Branch of China Securities Depository and Clearing

Corporation Limited and any difference is due to rounding).

If the total share capital of the Company changes during the period from the date of adoption of the proposal for profit distribution and capitalization of capital reserve to the date of registration of the implementation of the equity distribution due to the conversion of convertible bonds/ share repurchase/ share buyback and cancellation of shares granted by equity incentive/ share buyback and cancellation of shares of major asset reorganization, it is proposed to maintain the total amount of cash dividend distribution unchanged and adjust the distribution amount per share accordingly; it is proposed to maintain the ratio of conversion per share unchanged and adjust the total amount of capitalization accordingly. The total amount of share capital to be transferred will be adjusted accordingly, and the specific adjustment will be announced separately.

This proposal has been considered and approved at the 14th meeting of the 3rd session of the Board of Directors and the 12th meeting of the 3rd session of the Board of Supervisors of the Company held on April 26, 2022. *The Announcement of Profit Distribution and Capital Reserve Conversion to Capital Increase by Zhejiang Hangke Technology Incorporation Company* (Announcement No. 2023-019) was disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) on April 27, 2022.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Proposal VIII:

Zhejiang Hangke Technology Incorporation Company
Proposal on Consideration of Remuneration Criteria for
Directors and Supervisors of the Company for 2023

Dear Shareholders and Shareholder Representatives:

According to the *Articles of Association*, the *Independent Directors' System*, the *Rules of Procedure of the Remuneration and Evaluation Committee* and other relevant systems of the Company, combined with the actual situation of the Company's scale of operation and with reference to the industry remuneration level, the Remuneration and Evaluation Committee of the Board of Directors of the Company considered the following remuneration standards for the Directors and Supervisors of the Company for the year 2023:

I. Subject of this Proposal : Directors and Supervisors of the Company

II. Applicable date of this Proposal : January 1, 2023 to December 31, 2023

III. Remuneration and allowance standards

(I) Allowance for independent directors

Independent Directors: Mr. Chen Linlin, Ms. Xu Yaming and Mr. Qian Yanmin

The allowance standard for 2022 is 80,000 yuan only (tax included)/year, which will be paid on an average monthly basis.

(II) Remuneration of non-independent directors of the Company

Directors: Ms. Yan Lei, Mr. Sang Hongyu, Mr. Zhao Qunwu and Mr. Yu Pingguang receive remuneration in accordance with the relevant remuneration and performance appraisal management system of the Company in accordance with the specific management positions they hold in the Company, and the Directors do not receive separate allowances.

(III) Remuneration of Supervisors of the Company Supervisors: Supervisors of the Company shall receive remuneration in accordance with the relevant remuneration and performance appraisal management system of the Company according to the specific management positions they hold in the Company, and Supervisors shall not receive separate allowances.

IV. Other provisions

1. The above-mentioned salaries are all pre-tax amounts, and the personal income tax involved in them is uniformly withheld and paid by the Company;

2. The expenses related to the participation of independent directors, directors and supervisors in meetings of the Board of Directors, Meetings of Special Committees of the Board of Directors, Meetings of the Board of Supervisors and General Meetings of Shareholders of the Company shall be borne by the Company.

3. The above remuneration does not include compensation for employee benefits, various insurance premiums and housing provident fund. The annual salary may be adjusted appropriately according to the industry conditions and the actual situation of production and operation of the Company.

This proposal has been considered and approved at the 14th meeting of the 3rd session of the Board of Directors and the 12th meeting of the 3rd session of the Board of Supervisors of the Company held on April 26, 2022.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Proposal IX:

Zhejiang Hangke Technology Incorporation Company
Proposal on the Purchase of Wealth Management Products
by the Company's Idle Own Funds in 2023

Dear Shareholders and Shareholder Representatives:

In order to improve the efficiency of the use of funds, rationalize the use of idle funds and increase the Company's income, the Company intends to use not more than RMB 2.5 billion of idle own funds to purchase short-term low-risk capital preservation financial products and medium and low-risk products with high security and good liquidity issued by banks and other legal financial institutions. The details are as follows:

1. Amount of investment: according to the Company's own funds and the actual amount of financial products previously purchased, the amount of investment to be used to purchase short-term low-risk financial products and medium and low-risk products with high security and good liquidity does not exceed RMB 2.5 billion (within the above-mentioned amount, the funds can be used within one year on a rolling basis, and the total amount of such financial products purchased by the Company at any point in time does not exceed RMB 2.5 billion) .

2. Investment method: Invest in high-safety, low-risk, short-term (not more than one year) capital preservation financial products issued by banks and other legal financial institutions and medium-and low-risk products with high safety and good liquidity, excluding bank financial products with stocks, interest rates, exchange rates and their derivatives as investment targets purchased from banks and other financial institutions.

3. Term of use of financial credit line: valid for one year from the date of approval by the shareholders' meeting. The Company's management will implement the financial

management matters within the above-mentioned credit line within 12 months. The investment period of a single short-term financial product shall not exceed one year.

This proposal has been considered and approved at the 14th meeting of the 3rd session of the Board of Directors and the 12th meeting of the 3rd session of the Board of Supervisors of the Company held on April 26, 2022.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Proposal X:

Zhejiang Hangke Technology Incorporation Company
Proposal on Consideration of Company's Application for a
Comprehensive Credit Line for 2023

Dear Shareholders and Shareholder Representatives:

In order to meet the Company's development needs and daily operation capital requirements, and to improve the capital operation capacity, according to the Company's business objectives and overall development plan, the following financing credit scheme is proposed:

The Company intends to apply for comprehensive credit facilities from various commercial banks and other financial institutions for a total amount not exceeding RMB 5.5 billion in 2023 for comprehensive credit facilities including but not limited to working capital loans, medium and long-term loans, bank acceptance bills, letters of guarantee, letters of credit, mortgages and other comprehensive credit facilities, and requests the shareholders' meeting to authorize the management of the Company to execute and sign relevant documents within the above-mentioned amount in accordance with the actual operational requirements. The authorization period shall be from the date of consideration and approval at the 2022 annual general meeting to the date of the 2023 annual general meeting.

The above credit line is not equal to the actual financing amount of the Company, and the actual credit line is subject to the final approval by the financial institution, and the specific financing amount will be determined according to the actual demand of the Company's operating capital. The financing period is subject to the actual signed contract. Within the credit term, the credit line can be recycled.

This proposal has been considered and approved at the 14th meeting of the 3rd

session of the Board of Directors and the 12th meeting of the 3rd session of the Board of Supervisors of the Company held on April 26, 2022.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Proposal XI:

Zhejiang Hangke Technology Incorporation Company
Proposal on the Renewed Appointment of the Company's
Auditors for the Year 2023

Dear Shareholders and Shareholder Representatives:

Given that Pan-China Certified Public Accountants Co., Ltd. (Special General Partnership) ("Pan-China") is qualified in securities and futures related business and has rich experience in practice, and is familiar with the business development and financial situation of the Company. During the period of acting as the auditor for the listing of the Company on the Science and Technology Venture Exchange Board, it has conscientiously performed its duties, observed professional ethics, followed the independent, objective and impartial practice standards, and demonstrated good professional conduct in issuing audit reports for the Company to reflect the financial situation and operating results of the Company objectively and impartially. The Company intends to continue to engage Pan-China as the Company's auditor for the year 2023 and intends to request the shareholders' meeting to authorize the Board of Directors of the Company to negotiate with Pan-China to determine the audit fee for the year 2023 in accordance with the Company's operational needs and market conditions. The following is the basic information of the accounting firm to be appointed:

(I) Institutional information

1. Basic information

Pan-China Certified Public Accountants Co., Ltd. (Special General Partnership) was established on July 18, 2011, with the registered address of 6/F, No. 128, Xixi Road, Lingyin Street, West Lake District, Hangzhou, Zhejiang Province, and the chief partner

is Mr. Hu Shaoxian, who has the statutory business of certified public accountants, securities and futures related business, audit business of H-share enterprises, auditing shortlisted institutions of central enterprises, financial related audit business, engaged in the special large state-owned enterprises. He is qualified to engage in audit, military industry-related confidential business consulting services, IT audit business, tax agency and consulting, PCAOB registered firm, FRC registered firm, and was engaged in securities service business.

As of the end of 2022, Pan-China had 225 partners, 2,064 certified public accountants and 780 certified public accountants who had signed audit reports for securities service business.

Pan-China's business revenue in 2022 was RMB 3.863 billion, including RMB 3.541 billion from audit business and RMB 2.115 billion from securities business.

In 2022, Pan-China provided annual report auditing services for 612 listed companies in the following industries: manufacturing, information transmission, software and information technology services, wholesale and retail, electricity, heat, gas and water production and supply, water conservancy, environment and public facilities management, leasing and business services, real estate, finance, transportation, storage and postal services, scientific research and technology services, culture, sports and entertainment, construction, mining, agriculture, forestry, animal husbandry and fishery, accommodation and catering, education and comprehensive industry, etc. The total amount of audit fees was RMB 632 million .

2. Investor protection capability

As of the end of 2022, Pan-China has withdrawn a practice risk fund of more than RMB100 million and purchased professional insurance with an accumulated indemnity limit of more than RMB100 million, and the accrual of the professional risk fund and the purchase of professional insurance are in compliance with the relevant provisions of the Ministry of Finance on the *Measures for the Administration of the Professional Risk Fund of Accounting Firms* and other documents.

In the past three years, Pan-China has concluded civil litigation related to the practice of law without civil liability.

3. Integrity record

Pan-China Certified Public Accountants Co., Ltd. (Special General Partnership) has been subject to administrative penalties once, supervisory and management measures 13 times and self-regulatory measures once in the past three years (from

January 1, 2020 to December 31, 2022) for its practice, and has not been subject to criminal penalties and disciplinary actions. Practitioners have been subject to administrative penalties 3 times, supervision and management measures 31 times, self-regulatory measures 2 times and disciplinary actions 3 times for their practice in the past three years, and have not been subject to criminal penalties, involving a total of 39 persons.

(II) Project information

1. Basic information

Projects	Name	CPA practice time	Date of commencement of audit of listed companies	Date of commencement of practice at the firm	Commencement of audit services for the Company	Signing or reviewing audit reports of listed companies in the past three years
Project Partners	Zhao Li	2003	2003	2003	2022	In the past three years, we have signed the annual reports of listed companies such as Hangke Technology, Microvent, Narada Power, BroadChip, Zhejiang Cayi, Nacity Service.
Signatory CPAs	Zhao Li	2003	2003	2003	2022	
Signatory CPAs	Gong Jing	2015	2015	2015	2015	Signed the annual reports of listed companies such as Minfeng Special Paper and Hangke Technology in the past three years
Quality Control Reviewer	Huang Cankun	1998	1997	1998	Not applicable	In the past three years, we have reviewed the annual audit reports of listed companies such as Mango Excellent Media, TV& Broadcast Intermediary, Valin Steel, Bank of

						Changsha.
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2. Integrity record

The project partners, signing CPAs and project quality control reviewers have not been subject to criminal penalties for their practice, administrative penalties and supervisory and management measures by the China Securities Regulatory Commission and its dispatching agencies, industry authorities, etc., and self-regulatory measures and disciplinary actions by the stock exchange, industry associations and other self-regulatory organizations in the past three years.

3. Independence

Pan-China Certified Public Accountants Co., Ltd. , the project partner, the signing CPAs and the project quality control reviewer do not have any circumstances that may affect their independence.

(III) Audit fees

The Company's annual report audit fee for 2022 is RMB1.2 million and the internal control audit fee is RMB0.3 million.

In 2023, the Board of Directors authorized the Company's management to determine the project team members involved in the audit in accordance with the general market conditions, taking into account a combination of experience, level, time commitment and quality of work.

This proposal has been considered and approved at the 14th meeting of the 3rd session of the Board of Directors and the 12th meeting of the 3rd session of the Board of Supervisors of the Company held on April 26, 2022. *Announcement on the Renewed Appointment of Accounting Firm by Zhejiang Hangke Technology Incorporation Company* (Announcement No. 2023-021) was published and disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) on April 27, 2022.

The proposal is hereby submitted to the shareholders' meeting for consideration.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Annex I:

Zhejiang Hangke Technology Incorporation Company

Report on the Work of the Board of Directors for the Year 2022

I. Discussion and Analysis of Business Conditions

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 various types of lithium-ion battery production line post-processing system equipment for domestic and foreign famous lithium-ion battery manufacturers such as SK (Korea), Samsung (Korea), LG (Korea), Sony (now Murata) (Japan), EVE Energy, BYD, Gotion Hi-Tech, Sunwoda, Envision, Tianjin Lishen and CATL. It is one of the very few post-processing equipment manufacturers in China that can export complete sets of equipment and work closely with major lithium-ion battery manufacturers such as 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+personnel development + intelligent innovation" functional structure system, building the top one brand in lithium intelligent equipment industry to become "the world's first-class provider of overall solutions for lithium smart factories".

1. Financial performance

In 2022, the Company achieved operating revenue of RMB3,454,133,088.43, an increase of 39.09% over the previous year, and net profit attributable to owners of the parent Company of RMB490,594,411.85, an increase of 108.66% over the previous year. During the reporting period, the new energy industry developed

rapidly and the market demand was strong. As the leading back-end equipment for lithium batteries, the Company actively explored the domestic and international markets, actively promoted the development of new products and experienced rapid growth in orders. As the Company has a cycle of 9 to 12 months to recognize revenue, most of the orders to recognize revenue in 2022 were signed in 2021, and the quality of orders has improved compared to 2020, so the gross profit margin of the Company in 2022 has improved compared to that in 2021.

2. Technology research and development

The Company always takes technological innovation as the driving force for development and continuously strengthens investment in research and development. The Company established a technology center to engage in the research and development of basic technology and the construction of underlying architecture, and a product center to conduct targeted research and development for specific customer needs by product. During the reporting period, the number of R&D personnel increased by 94 to 975, accounting for 22.56% of the total number of employees of the Company. R&D expenses amounted to RMB207,303,600, representing an increase of 57.92% over the previous year. In 2022, the Company obtained 2 patents for invention, 77 patents for utility models, 1 patent for design and 2 software copyrights. The Company has always been oriented to the value of customer achievement first, solving customer needs, keeping up with front-line customers and meeting their demands for product and technology upgrades in a timely manner.

3. Market development

In 2022, the Company will continue to implement the "dual" strategy in accordance with the economic situation and market conditions, with equal emphasis on domestic and overseas markets. In the overseas market, orders from overseas customers increased compared to those in 2021. The Company continued to consolidate the advantageous position as a strategic supplier of Korean customers, and made a major breakthrough in SK- the charge/discharge machine entered SK for

the first time, and successfully obtained orders for projects in Hungary and Yancheng. It supplied lithium battery post processing system equipment globally with the global layout and establishment of factories by major Korean customers; the Company has continued to actively carry out cooperation with Japanese customers, such as Panasonic and Toyota, and make more efforts to explore Europe and other emerging markets. In the domestic market, the Company continues to strengthen cooperation with the first and second-tier domestic battery enterprises, such as EVE Energy, BYD, Gotion Hi-Tech and Sunwoda. With the increasing demand for energy storage batteries, in addition to the demand for equipment for traditional consumer batteries and power batteries, the demand for domestic energy storage battery equipment has also increased, and the Company is actively exploring relevant energy storage customers.

4. Capacity building

In the face of the strong market demand and changes in the situation, the Company continues to promote the construction of domestic and international production capacity. In China, we have invested in the construction of the fifth and sixth factories, of which the "intelligent manufacturing project of lithium-ion battery charging and discharging equipment" of the fifth factory has been partially put into use in July this year, and the production capacity is being released gradually, while the sixth factory is at the construction stage. Overseas, the Company invested in Japan and South Korea to build local factories respectively. The factory in Japan is located in Osaka, mainly for responding to the small-scale demands of customers; the Korean factory is located in Buyeo County, mainly responsible for the expansion demand of Korean customers in the U.S. market. By building factories in Japan and Korea, the Company can not only increase the scale of production capacity, but also get closer to customers' needs, maintain closer communication with them, and consolidate and enhance the Company's dominant position with major customers.

II. Major operations

During the reporting period, the Company achieved operating revenue of RMB3,454.1331 million, representing a year-on-year increase of 39.09% compared with 2021; net profit attributable to owners of the parent Company of RMB490.594400 million, representing a year-on-year increase of 108.66%. Excluding the effect of structural deposit income and government subsidies, net profit attributable to owners of the parent Company for the reporting period amounted to RMB 473.0145 million, representing a year-on-year increase of 185.52%.

III. Company Development Strategy

The Company's development strategy is to follow the development direction of the global new energy industry and lithium equipment industry, follow the relevant national policy guidance, deepen cooperation with key customers, increase investment in research and development and technological innovation, improve the lithium back-end product line, promote the continuous iteration and upgrade of existing products, achieve cost reduction and efficiency, integrate upstream and downstream resources of the industry chain, provide customers with overall solutions for lithium intelligent manufacturing. At the same time, the company carries out technology reserve and pre-research for solid state batteries, etc., to achieve the continued healthy growth of company performance and employee income, build the top one brand in the lithium-ion smart equipment industry, and become an "overall solution provider for global first-class lithium-ion smart factories".

IV. Corporate Governance Related Information

In accordance with the requirements of the *Company Law*, the *Securities Law*, the *Code of Governance for Listed Companies* and other relevant laws, regulations and regulatory documents, the Company strictly complies with the *Rules of Procedure of the General Meeting of Shareholders*, the *Rules of Procedure of the Board of Directors*, the *Rules of Procedure of the Board of Supervisors*, the *Decision-making System for Related Transactions*, the *Management System for Foreign Investments*, the *System for Independent Directors*, the *Rules for the Work of the*

General Manager, the Rules for the Work of the Secretary to the Board of Directors and Decision-making System for External Guarantees. The Board of Directors has set up four special committees, namely, the Strategic Decision-making Committee, the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee, to provide consultation and advice to the Board of Directors on major decisions, so as to ensure the professionalism and efficiency of the Board of Directors' deliberations and decisions. Since the establishment of the restructuring, the Company has established the operational mechanisms of the shareholders' meeting, the Board of Directors, the Board of Supervisors and the management. The independent directors and the secretary of the Board of Directors can effectively enhance the fairness and reasonableness of the Board's decision-making, and the corporate governance structure can operate effectively in accordance with the relevant laws and regulations and the *Articles of Association*.

(I) Operation of the shareholders' meeting

The Company has formulated the *Rules of Procedure for General Meetings of Shareholders* in accordance with laws, regulations, regulatory documents and the *Articles of Association* to effectively ensure that the General Meetings of Shareholders exercise their powers and functions in accordance with the law. 5 General Meetings of Shareholders were held in 2022, and the convening, proposal, convening, voting, resolution and minutes of the General Meetings were in compliance with laws, regulations, regulatory documents and the relevant provisions of the *Articles of Association and the Rules of Procedure for General Meetings of Shareholders*. The relevant provisions of the *Articles of Association* and the Rules of Procedure of the General Meeting of Shareholders have fully protected the rights of shareholders in accordance with the law, fully respected the rights and interests of small and medium-sized shareholders, and no infringement of the rights and interests of small and medium-sized shareholders occurred. The establishment and implementation of the institutions and systems of the shareholders' meetings have played a positive role in improving the corporate governance structure and regulating

the operation of the Company.

(II) Operation of the Board of Directors

The Company has formulated the *Rules of Procedure of the Board of Directors* in accordance with the laws, regulations and normative documents and the provisions of the *Articles of Association* of the Company to regulate the decision-making procedures of the Board of Directors, to enable the Directors and the Board of Directors to effectively perform their duties and to improve the standardized operation and scientific decision-making of the Board of Directors. The convening, proposing, holding, voting and recording of all the meetings of the Board of Directors of the Company in 2022 were in compliance with the laws, regulations and normative documents as well as the relevant provisions of the *Articles of Association* and the *Rules of Procedure of the Board of Directors*, and the Directors performed their duties and obligations diligently and conscientiously in accordance with the laws and regulations and the *Articles of Association*.

The Company's Board of Directors has established four special committees, namely the Strategic Decision-making Committee, the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee, and has formulated the working rules of each special committee accordingly, specifying their powers and responsibilities, decision-making procedures and rules of procedure, so as to ensure the objectivity and scientific nature of the Board's decision-making.

(III) Performance of duties by independent directors

In 2022, the independent directors performed their duties as independent directors in good faith and diligently in accordance with the relevant provisions of the *Company Law* and other laws and regulations, the *Articles of Association* and the *Work System for Independent Directors*, actively participated in the work of the special committees, carefully considered the board proposals and exercised their voting rights prudently. At the same time, the independent directors actively verified important matters such as the operation and management of the Company, the

construction of major projects, the construction and implementation of the internal control system, the preparation of the Company's annual audit and annual report, and related transactions, supervised the implementation of the resolutions of the Board of Directors and put forward constructive opinions, playing their due role in safeguarding the legitimate rights and interests of the Company and all shareholders.

(IV) Information Disclosure

During the reporting period, the Board of Directors of the Company strictly complied with the relevant regulations on information disclosure, completed the disclosure of periodic reports on time in accordance with the guidelines of the CSRC and the Shanghai Stock Exchange on information disclosure format and other relevant regulations on information disclosure, and issued interim announcements such as resolutions of meetings and material matters in a true, accurate, complete and timely manner in accordance with the actual situation of the Company, and faithfully performed its information disclosure obligations to ensure that investors are informed of material matters of the Company in a timely manner and to protect the interests of investors to the maximum extent.

(V) Management for Informed Persons of Insider Information

The Company endeavors to control the persons with knowledge of insider information to the minimum extent in accordance with the *Management System for Informed Persons of Insider Information*, and registers the informed persons of insider information in all aspects of reporting, transmission, preparation, review and disclosure of insider information before disclosure, and will report the list of informed persons of relevant insider information to the record in accordance with regulatory requirements.

V. Work Plan of the Board of Directors in 2022

In 2023, the Board of Directors will focus on the following:

- (i) Fully support the Company's centers to jointly accomplish the business

objectives of 2023

According to the analysis and judgment of the Company's management on the form of the market, the operation target in 2023 will have a substantial increase compared with the operation result in 2022. To this end, the Company's Board of Directors will fully support the work of the five centers: Technology Center, Delivery Center, Marketing Center, Product Center and Administrative Center, and the Management Team will increase the development and exploration of new technologies, new products and new customers, improve production efficiency and increase the Company's production capacity level.

(ii) Further optimize the governance structure

In 2023, the Board of Directors of the Company will further optimize the governance structure and improve the compliance management system of the Company by comparing with the latest revised laws, regulations and rules in accordance with the requirements of the regulatory authorities and the development objectives of the Company, promote the implementation of the Company's decision-making deployments, build an efficient communication and decision-making mechanism, and improve the scientific, efficient and forward-looking nature of the Company's decision-making.

(iii) Active fulfillment of information disclosure obligations

In 2023, the Board of Directors of the Company will continue to perform its information disclosure obligations in strict accordance with the relevant laws and regulations, do a good job in information disclosure, ensure the truthfulness, accuracy, timeliness and completeness of the Company's information disclosure and continuously improve the standard operation of the Company.

(iv) Active investor relations management and protection work

In 2023, the Board of Directors of the Company will earnestly do a good job in investor relations management, strengthen contact and communication with investors

through various channels, deepen investors' understanding and trust in the Company, and further consolidate a good, harmonious and stable relationship between the two parties.

(v) Further enhance the ability of directors and senior management to perform their duties

In 2023, the Board of Directors of the Company will actively organize directors and senior management to participate in various types of training, study in depth various newly promulgated laws and regulations, and further improve the awareness of compliance, self-discipline and business ability, so as to improve the scientific and standardized decision-making of directors and senior management and to guarantee the sustainable development of the Company.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Annex II:

Zhejiang Hangke Technology Incorporation Company
Report on the Work of the Board of Supervisors for the Year
2022

In 2022, the Board of Supervisors of Zhejiang Hangke Technology Incorporation Company (hereinafter referred to as the "Company") conscientiously performed its duties in accordance with the *Company Law, Articles of Association, Rules of Procedure of the Board of Supervisors* and other relevant provisions. During the year, the Board of Supervisors held 8 meetings and members of the Board of Supervisors attended the board meetings and shareholders' meetings held by the Company during the year, supervised and reviewed the formation and voting procedures of major decisions and resolutions of the Company, inspected the operation of the Company in accordance with the law, especially in respect of the Company's business activities, financial status, the procedures for holding shareholders' meetings and the performance of duties by directors and senior management. The effective supervision has better protected the rights and interests of the shareholders, the interests of the Company and the legitimate rights and interests of the employees, and promoted the standardized operation of the Company. The main work of the Board of Supervisors of the Company in 2022 is reported as follows:

I. Meeting of the Board of Supervisors

During the reporting period, the Board of Supervisors of the Company held eight meetings, as follows:

Meeting time	Sessions	Meeting Proposals
March 18, 2022	2 nd meeting of the 3 rd session	Proposal on the Company's <2022 Restricted Stock Incentive Plan (Draft)> and its Summary Proposal on the Company's < Implementation Assessment Management Measures for 2022 Restricted Stock Incentive Plan>.

		Proposal on Verifying the List of Incentive Recipients of the Company's <2022 Restricted Stock Incentive Plan>.
April 6, 2022	3 rd meeting of the 3 rd session	<i>Proposal on the First Grant of Restricted Shares to Incentive Recipients</i> <i>Proposal on Closing of Part of the Fund Raising Investment Project and Permanent Supplementation of Working Capital with the Surplus Fund Raised</i> <i>Proposal on Use of Part of the Over-raised Funds to Permanently Replenish Working Capital</i>
April 29, 2022	4 th meeting of the 3 rd session	<i>Proposal on Consideration of <Report on the Work of the Board of Supervisors for the Year 2021></i> <i>Proposal on Consideration of <Report on the Financial Accounts for 2021></i> <i>Proposal on Consideration of < Financial Budget Report for 2022></i> <i>Proposal on Consideration of <Proposal for Profit Distribution for the Year 2021</i> <i>Proposal to Consider the Special Report on the Deposit and Use of Funds Raised for the Year 2021</i> <i>Proposal on Consideration of <Fiscal Year 2021 Internal Control Evaluation Report</i> <i>Proposal on Consideration of <the Annual Report for 2022> and its Summary</i> <i>Proposal on Consideration of <First Quarter</i>

		<i>Report for 2022</i> <i>Proposal on the Renewed Appointment of the Company's Auditors for the Year 2022</i> <i>Proposal on the Lease of Property from Related Parties and Related Transactions</i>
May 23, 2022	5 th meeting of the 3 rd session	<i>Proposal on the Second Vesting Period of the Initial Grant Part of the Company's 2020 Restricted Stock Incentive Plan Meeting the Vesting Conditions</i>
August 29, 2022	6 th meeting of the 3 rd session	<i>Proposal on Consideration of the Company's Half-Year Report for 2022 and its Summary</i> <i>Proposal on Consideration of the Special Report on the Deposit and Actual Use of Funds Raised in the Half Year of 2022</i> <i>Proposal on Adjustment of the Reserved Grant Price of the 2020 Restricted Stock Incentive Plan</i> <i>Proposal on the Second Vesting Period of the Reserved Grant Portion of the Company's 2020 Restricted Stock Incentive Plan Meeting the Vesting Conditions</i>
September 19, 2022	7 th meeting of the 3 rd session	<i>Proposal on Termination of the Issuance of A Shares to Certain Subjects in 2021</i>
September 28, 2022	8 th meeting of the 3 rd session	<i>Proposal on the Issuance of GDRs and Listing of the Company on the SIX Swiss Exchange and Conversion to a Foreign Raised Stock Company</i>

		<i>Proposal on the Company's Proposal to Issue GDRs and List Them on the SIX Swiss Exchange</i> <i>Proposal on the Report on the Use of the Company's Previously Raised Funds</i> <i>Proposal on the Plan for the Use of Funds Raised by the Company's GDR Issue</i> <i>Proposal on the Validity of the Resolution on the Issuance of GDRs and Listing of the Company on the SIX Swiss Exchange</i> <i>Proposal for Distribution of Rollover Profits Prior to the Issuance of GDRs and Listing on the SIX Swiss Exchange</i> <i>Proposal on the Draft (applicable after listing on the SIX Swiss Exchange) Rules of Procedure of the Board of Supervisors of Zhejiang Hangke Technology Incorporation Company</i>
October 27, 2022	9 th meeting of the 3 rd session	<i>Proposal for the Company's Third Quarterly Report for 2022</i>

II. Verification opinions of the Board of Supervisors on matters related to the Company

During the reporting period, in order to standardize the operation of the Company and ensure the scientific and reasonable business decisions, the Board of Supervisors of the Company focused on the following aspects to strengthen supervision and faithfully perform its supervisory functions.

(I) The verification opinion of the Board of Supervisors on the operation of the Company according to the law

During the reporting period, the Board of Supervisors of the Company performed its duties conscientiously in strict accordance with the provisions of the *Company Law*, *the Securities Law* and *the Articles of Association* and other relevant laws and regulations, actively participated in the general meeting of shareholders, attended each meeting of the Board of Directors and supervised and inspected the standardized operation of the Company in accordance with the law in 2022. The Board of Supervisors believes that: during the reporting period, the General Meeting of Shareholders and the Board of Directors of the Company exercised their powers in strict accordance with the relevant state laws and regulations and the *Articles of Association* of the Company. The procedures of convening, holding, voting and resolution of the meetings were legal and effective. The directors and senior management performed their duties with due diligence in carrying out their duties for the Company and strictly implemented the national laws and regulations, the *Articles of Association* and the resolutions of the General Meeting and the Board of Directors, and no violation of laws and regulations and the Articles of Association or any act detrimental to the interests of the Company was found.

(II) The Board of Supervisors' verification opinion of the Company's financial work

During the reporting period, the Board of Supervisors inspected the financial system and financial position of the Company and considered that the financial management of the Company was standardized. The Board of Supervisors has carefully considered the periodic reports of the Company and believes that the preparation and consideration procedures of the periodic reports of the Company are in compliance with the relevant regulations, the content and format of the reports are in compliance with the regulations of the CSRC and the Shanghai Stock Exchange, the information contained therein truly reflects the financial position and operating results of the Company for the reporting period and there are no false records, misleading statements or material omissions, and no violation of confidentiality by the personnel involved in

the preparation and consideration of the periodic reports has been found. No breach of confidentiality by the personnel involved in the preparation and review of the periodic reports has been found.

(III) Verification of the use of raised funds by the Board of Supervisors

During the reporting period, the deposit and use management of the Company's fund-raising capital strictly followed the provisions of the *Fund Raising Capital Management System*, and the Company disclosed the deposit and actual use of the fund-raising capital timely, accurately and completely, and there was no disguised change in the use of the fund-raising capital, the feasibility and economic benefits of the fund-raising projects, and there were no cases of damage to the interests of shareholders and no irregular use of the fund-raising capital.

(IV) Implementation of the Company's internal control system

During the reporting period, the Board of Supervisors supervised the construction and operation of the internal control system of the Board of Directors on the Company for the year 2022 and considered that the Company had established a relatively sound system of internal control system and was able to implement it effectively.

In 2023, the Board of Supervisors of the Company will continue to strictly comply with the *Company Law*, *the Articles of Association*, *the Rules of Procedure of the Board of Supervisors* and other relevant regulations, faithfully perform its duties and promote the standardized operation of the Company. At the same time, the Board of Supervisors will continue to strengthen its ability to perform its duties, effectively improve its supervision work and actively safeguard the legitimate rights and interests of the Company and its shareholders.

Board of Supervisors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Annex III:**Zhejiang Hangke Technology Incorporation Company****FY2022 Financial Accounts****Directors:**

The Company has performed the audit procedures and issued a standard unqualified audit report by Pan-China Certified Public Accountants Co., Ltd. (Special General Partnership) for FY2022. The financial accounts for the year 2022 are reported as follows:

I. Audit of the Company's financial statements for fiscal year 2022

The Company's 2022 financial statements have been audited by Pan-China Certified Public Accountants Co., Ltd. (Special General Partnership), which has issued an audit report with standard unqualified opinion T.J.S [2023] No.5098. The auditor's opinion of the accountant is:

"We have audited the financial statements of Zhejiang Hangke Technology Incorporation Company (hereinafter referred to as Hangke Technology Company), which comprise the Consolidated and Parent Company Balance Sheets as of December 31, 2022, the Consolidated and Parent Company Income Statements, the Consolidated and Parent Company Cash Flow Statements, the Consolidated and Parent Company Statements of Changes in Owners' Equity for the year 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Consolidated and Parent Company financial position of Hangke Technology as of December 31, 2022, and the Consolidated and Parent Company results of operations and cash flows for the year 2022, prepared in accordance with the provisions of the Accounting Standards for Business Enterprises."

II. Key Financial Data

Unit: Yuan Currency: RMB

Key Accounting	2022	2021	Increase or decrease in the	2020
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Data			current period compared with the same period of the previous year (%)	
Operating income	3,454,133,088. 43	2,483,313,053. 45	39.09	1,492,867,989. 37
Net profit attributable to shareholder s of listed companies	490,594,411.85	235,117,881.75	108.66	371,938,769.07
Net profit after extraordina ry gain or loss attributable to shareholder s of the listed Company	473,014,461.86	165,667,066.05	185.52	318,204,382.97
Net cash flows from operating activities	695,722,817.92	481,661,447.27	44.44	292,316,221.48
	End of 2022	End of 2021	Increase or decrease at the end of the period compared with the end of the same period of the previous year (%)	End of 2020
Net assets attributable to shareholder s of listed companies	3,347,538,154. 36	3,347,538,154. 36	3,347,538,154. 36	3,347,538,154. 36

Total Assets	7,966,087,105.80	5,766,406,983.91	38.15	3,875,799,623.73
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Operating income increased by 39.09% year-on-year, mainly due to the rapid development of the lithium industry. The Company's business also increased, with corresponding sales revenue growing steadily;

Net profit attributable to owners of the Parent Company increased by 108.66% year-on-year, mainly due to the rapid expansion of production capacity in 2022. Under the scale effect brought by the expansion of production capacity scale, the Company's cost control ability was further improved and product gross margin gradually rebounded.

Net cash flow from operating activities increased by 44.44% year-on-year, mainly due to the increase in sales return from customers in this reporting period.

The 38.15% year-over-year increase in total assets was mainly due to the rapid growth of business scale and the consequent rapid growth of accounts receivable and inventories.

III. Key Financial Indicators

Key Financial Indicators	2022	2021	Increase or decrease in the current period compared with the same period of the previous year (%)	2020
Basic earnings per share (Yuan/share)	1.21	0.58	108.62	0.93
Diluted earnings per share (Yuan/share)	1.21	0.58	108.62	0.92
Basic earnings per share after non-recurring gains and losses (Yuan/share)	1.17	0.41	185.37	0.79
Weighted average return on net assets (%)	15.90%	8.80%	7.10 percentage points increase	15.56%
Weighted average return on net assets after non-recurring gains and losses (%)	15.33%	6.20%	Increase of 9.13 percentage points	13.31%
Ratio of R&D investment to operating revenue (%)	6.00%	5.29%	0.71 percentage point increase	6.94%

IV. Analysis of financial position, operating results and cash flow

1. The Company's assets and liabilities at the end of 2022:

As of December 31, 2022, the Company's total assets were RMB7,966,087,105.80, an increase of 38.15% year-over-year, and total liabilities were RMB4,618,548,951.44, an increase of 57.00% year-over-year. The gearing ratio was 57.98%, an increase of 6.96 percentage points year-on-year. The main changes of assets and liabilities are as follows:

Unit: Yuan Currency: RMB

Project Name	Balance at the end of the current period	Percentage of balance of current period to total assets (%)	Balance at the end of previous period	Percentage of balance of previous period to total assets (%)	Percentage of change in amount at the end of the current period from the end of the previous period (%)	Remarks
Notes receivable	58,049,060.67	0.73	38,313,387.50	0.66	51.51	Increase mainly from notes receivable
Accounts Receivable	1,673,164,923.92	21	988,281,856.86	17.14	69.3	Mainly due to the increase in the scale of business during the year and the consequent increase in the balance of accounts receivable from customers
Receivables financing	17,904,210.81	0.22	101,554,995.05	1.76	-82.37	Mainly due to the collection of bankers' acceptances due during the year
Advance payment	18,078,982.30	0.23	50,490,262.42	0.88	-64.19	Mainly due to the decrease in advances for materials in the current period
Inventory	2,380,677,299.30	29.88	1,422,686,543.43	24.67	67.34	Mainly due to the increase in orders

						and raw material preparation, as well as the increase in work-in-process and goods delivered
Contract Assets	307,678,177.15	3.86	218,572,654.95	3.79	40.77	Mainly due to the growth of the Company's sales scale during the period and the subsequent increase in the balance of the warranty period
Other current assets	22,209,690.01	0.28	10,254,580.74	0.18	116.58	Mainly due to the increase in input tax credits to be deducted at the end of the period
Fixed Assets	954,337,911.33	11.98	528,350,584.27	9.16	80.63	The change in the current period was mainly due to the transfer of the expansion project and the construction of the No. 12 Road project to fixed assets in the current period
Construction in progress	35,503,214.70	0.45	165,575,054.00	2.87	-78.56	The change in the current period was mainly due to the transfer of the expansion project and the construction of the No. 12 Road project to fixed assets in the current period
Right-of-use assets	6,009,682.76	0.08	9,805,271.96	0.17	-38.71	Mainly due to amortization of

						right-of-use assets during the period
Other non-current assets	39,229,381.89	0.49	59,392,199.53	1.03	-33.95	Mainly due to the decrease in the amount of advances for the purchase of long-term assets
Notes Payable	1,316,903,913.74	16.53	977,330,876.19	16.95	34.74	Mainly due to the rapid growth of business and increase in the amount of banker's acceptances used for payment in the period.
Accounts Payable	1,596,641,156.33	20.04	956,227,075.33	16.58	66.97	Mainly due to the rapid growth of business and large increase in material purchases in the current period
Contractual Liabilities	1,501,881,384.48	18.85	870,054,262.23	15.09	72.62	Mainly due to increase in business expansion and the Company's advance order payments and shipment payments
Employee compensation payable	25,250,952.24	0.32	12,665,279.77	0.22	99.37	Mainly due to the increase in year-end bonus at the end of the current period
Taxes Payable	14,341,081.96	0.18	3,840,739.14	0.07	273.39	Mainly due to the increase in the balance of income tax payable in the current period
Other current liabilities	125,660,270.00	1.58	89,798,179.18	1.56	39.94	Mainly due to the rapid growth of business , an increase in

						contractual payments received in advance and a simultaneous increase in value-added tax corresponding to the amount of output tax to be transferred in the current period
Lease liabilities	2,028,013.79	0.03	5,923,001.31	0.1	-65.76	Mainly due to lease payments in the current period
Deferred revenue	28,438,576.97	0.36	18,523,466.09	0.32	53.53	Mainly due to the increase in government subsidies received in the current period
Other comprehensive income	2,419,348.00	0.03	-2,633,360.15	-0.05	-191.87	Mainly due to the increase in translation differences in foreign currency statements as a result of fluctuations in foreign currency exchange rates in the current period
Surplus reserves	191,755,852.88	2.41	145,246,643.00	2.52	32.02	Mainly due to the provision of statutory surplus reserve at 10% of the net profit of the parent Company in the current period
Undistributed earnings	1,346,575,070.83	16.9	995,119,114.67	17.26	35.32	Mainly due to the increase in net profit attributable to owners of the parent Company in the current period

2.Profit realization of the Company in 2022:

In FY2022, the Company achieved a total operating revenue of RMB3,454,133,088.43, an increase of 39.09% year-on-year. The increase was mainly due to the increase in demand for power lithium batteries and the rise in demand for related chemical formation equipment as a result of the growth in production of new energy vehicles; it achieved a total profit of RMB543,945,506.13, an increase of 111.66% year-on-year; achieved a net profit attributable to net profit attributable to owners of the Parent Company of RMB490,677,354.35, down 108.69% year-on-year.

The main profits are shown in the table:

Unit: Yuan Currency: RMB

Income Statement Items	Year 2022	Year 2021	Change (%)	Explanation of reasons for change
Operating income	3,454,133,088.43	2,483,313,053.45	39.09	Mainly due to the rapid development of the lithium industry, increase in the Company's business and the steady increase in corresponding sales revenue
Operating Costs	2,317,631,098.76	1,831,483,335.32	26.54	Mainly due to the growth of revenue scale, and due to the rapid expansion of production capacity in 2022, improvement in the Company's cost control ability under the scale effect brought by the expansion of production capacity and gradual recovery in product gross margin
Selling expenses	91,331,383.72	48,103,862.28	89.86	Mainly due to the increase in salary expenses as a result of staff growth , as well as the increase in after-sales service expenses with the rapid growth of sales scale in the current period.
Overhead	306,671,645.62	201,393,305.42	52.27	Mainly due to the increase of RMB35,993,200 in share-based payment expenses corresponding to the execution of equity incentive, as well as the rapid growth of sales business scale, which led to the increase of personnel salaries, and the increase of depreciation and amortization year-on-year due to the growth of the Company's asset scale, and the increase of office expenses in the current period.
R&D expenses	207,303,580.94	131,272,111.35	57.92	Mainly due to the increase in employee compensation as a result of the increase in R&D projects and personnel
Finance costs	-85,545,815.62	42,483,603.93	-301.36	Mainly due to exchange gains of RMB122,668,200 resulting from fluctuations in foreign currency exchange rates

Credit impairment losses	- 78,60 7,822. 14	3,359,293.4 1	-2440.01	Mainly due to the increase in accounts receivable with the growth in revenue in the current period, resulting in an increase in the provision for bad debts based on the ageing of the accounts
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4. Cash flow in FY2022

In FY2021, the net cash flow from operating activities of the Company was RMB695,722,817.92, up 44.44% from the previous year, mainly due to the increase in sales receipts in the current period; the net cash flow from investing activities was RMB-409,080,790.77, down RMB103,366,976.56 from the same period of the previous year. This was mainly due to the increase in investment in construction in the current period. Net cash flow from financing activities was -RMB77,895,688.31, an increase of RMB16,779,311.69 compared with the same period of the previous year, mainly due to the cash dividend of RMB92,712,200 paid in the current period, which was RMB19,567,800 less than the dividend paid in the previous year.

The details of the cash flow statement are as follows:

Unit: Yuan Currency: RMB

Subjects	Number of current period	Previous period	Percentage of change (%)
Net cash flows from operating activities	695,722,817.92	481,661,447.27	44.44
Net cash flows from investing activities	- 409,080,790.77	- 305,713,814.21	33.81
Net cash flows from financing activities	- 77,895,688.31	-94,675,000.00	-17.72
Net increase in cash and cash equivalents	277,705,451.00	26,652,264.15	941.96

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023

Annex IV:

Zhejiang Hangke Technology Incorporation Company

FY2023 Financial Budget Report

On the basis of summarizing the operation in 2022 and analyzing the operation situation in 2023, combined with the its operation target and strategic development plan in 2023, it is expected to complete the operating revenue in 2023 with an expected growth of not less than 50% compared with that of last year. Considering that the market demand will grow faster in 2022, and the cost of sales and management expenses will be lower than the growth rate of revenue due to the influence of fixed costs, which will lead to a decrease in the cost rate, and the integrated gross profit margin of the Company is expected to rise compared with 2022. Therefore, it is planned that the total profit and net profit in 2023 is expected to increase not less than 60% compared with 2022.

The financial budget is based on the following expectations:

Operating income:

Due to the rapid growth of domestic new energy vehicles and new energy vehicles in Europe and the United States in recent years, domestic and foreign battery manufacturers are rapidly increasing their investment, while the energy storage battery market is also gradually increasing, the contract orders are expected to grow faster, and the completed operating income is expected to grow by no less than 50% compared to that of last year.

Operating costs:

The investment amount of overseas customers is expected to rise rapidly in 2023, and the percentage of overseas contracts will pick up in 2023, which will be superimposed on the further enhancement and release of the Company's production capacity, and the Company's comprehensive gross margin is expected to pick up.

Cost of sales:

The Company will further promote marketing and execute marketing strategies,

with equal emphasis on overseas and domestic markets.

Overhead:

The Company will further promote the refinement of management in the system and control the overhead expenses, and at the same time carry out the equity incentive. The share-based payment expenses will increase.

R&D costs:

The Company will continue to increase its investment in research and development. As the Company's global research and development strategy continues to advance, research and development expenses will continue to grow.

Investment income:

Due to the expansion of the Company's own sales, the total amount available for temporary purchase of structured deposits will increase, and the corresponding investment income will be higher than in 2022.

Total profit and net profit: With the combined effect of all the above factors, total profit and net profit are expected to increase by no less than 60% compared with 2022.

Special Note: The above financial budget is only a forward-looking statement of the Company's business plan for 2023 and does not constitute a material commitment by the Company to investors, nor does it represent the Company's profit forecast for 2023, the realization of which depends on various factors such as changes in market conditions and is subject to a high degree of uncertainty, investors should be aware of the risks involved and should understand the differences between the business plan and performance commitments. Investors should be aware of the risks and understand the differences between the business plan and performance commitments.

Board of Directors of Zhejiang Hangke Technology Incorporation Company

May 23, 2023