

# **Zhejiang Hangke Technology Incorporated**

## **Company**

### **2023 Q3 Report**

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

#### **Important content reminder**

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

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

Are the third quarter financial statements audited?

☐Yes    ☒No

Matters that the auditor issues non-standard opinion

☐Applicable    ☒Not applicable

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#### **I. Main financial data**

(I) Main accounting data and financial indicators

Unit: Yuan Currency: RMB

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

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

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

(II) Non-recurring profit or loss and amount

Unit: Yuan Currency: RMB

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

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

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

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

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

☐Applicable ☒Not Applicable

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

√Applicable □Not Applicable

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

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

## II. Shareholder Information

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

Unit: share

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

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

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

### III. Other reminders

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

☐Applicable ☒Not applicable

#### IV. Quarterly financial statement

##### (I) Type of Audit Opinion

☐ Applicable ☒ Not applicable

##### (II) Financial Statements

#### Consolidated Balance Sheet

September 30, 2023 \_

Prepared by: Zhejiang Hangke Technology Incorporated Company

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

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

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

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

|                                                        |                   |                  |
|--------------------------------------------------------|-------------------|------------------|
| Total Liabilities and Equity (or Shareholders' Equity) | 10,401,548,270.97 | 7,966,087,105.80 |
|--------------------------------------------------------|-------------------|------------------|

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

### Consolidated Income Statement

January to September 2023

Compilation unit: Zhejiang Hangke Technology Incorporated Company

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

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

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

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

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

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

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

### Consolidated Statement of Cash Flows

January to September 2023

Prepared by: Zhejiang Hangke Technology Incorporated Company

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

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

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

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

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

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

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

☐Applicable ☒ Not applicable

Hereby announced!

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