

2024 First Quarterly Report

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 first quarter financial statements audited?

☐ Yes ☒ No

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 (%)
Operating Income	883,915,482.34	-7.01
Net profit attributable to shareholders of listed companies	172,974,407.05	-17.74
Net profit attributable to shareholders of listed companies after deduction	169,611,457.73	-18.74

of non-recurring gains and losses			
Net cash flow from operating activities	35,511,369.28		118.04
Basic earnings per share (Yuan/share)	0.29		-19.44
Diluted earnings per share (Yuan/share)	0.29		-19.44
Weighted average return on net assets (%)	3.32		Decrease by 2.15%
Total R&D investment	52,538,171.03		3.95
The ratio of R&D investment to operating income (%)	5.94		Increase by 0.62%
	At the end of the current reporting period	At the end of last year	Increase/decrease (%) at the end of the current reporting period compared with the end of the previous year
Total assets	10,111,433,805.42	10,224,758,500.85	-1.11
Ownership equity attributable to shareholders of listed companies	5,290,277,839.54	5,119,064,450.08	3.34

(II) Non-recurring profit or loss and amount

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Non-recurring Profit and Loss Items	Current Amount	Note
Gains and losses on disposal of non-current assets, including the write-off portion of the provision for impairment of the accrued assets		
Government subsidies included in the current profit and loss, except for government subsidies that are closely related to the Company's normal business operations, comply with national policies and regulations, and are enjoyed in	1,060,385.15	

accordance with certain standards or that have a lasting impact on a company's profit or loss		
Gains and losses from changes in the fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	-1,153,287.08	
Fund occupancy fees charged to non-financial enterprises included in current profit and loss		
Gains and losses on entrusted investments or management of assets		
Gains and losses on external entrusted loans		
Losses of assets due to force majeure factors such as natural disasters		
Reversal of provision for impairment of receivables individually tested for impairment		
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		
Net profit or loss of subsidiaries for the period from the beginning of the period to the date of consolidation arising from a business combination under the same control		
Non-monetary asset exchange gains and losses		
Profit and loss from debt restructuring		
One-time costs incurred by the enterprise due to the fact that the relevant business activities are no longer continuing, such as expenses for relocating employees		
One-time effect on current period's profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercise of options		
Profit and loss arising from changes in the fair value of investment real estate that adopts the fair value model for subsequent measurement		
Profit and loss exceeding the fair value of a transaction whose transaction price is obviously unfair		
Profit and loss arising from contingencies unrelated to the normal business operations of the Company		
Custody fee income from entrusted operations		
Other non-operating income and expenses other than those listed above	4,214,385.87	
Other profit and loss items that meet the definition of non-recurring profit and loss		
Less: income tax impact amount	758,534.62	

Amount affected by minority shareholders' equity (after tax)		
Total	3,362,949.32	

For non-recurring profit and loss items not listed in *Interpretative Announcement No. 1 on Information Disclosure of Companies Issuing Public Securities - Non-Recurring Profit and Loss* that the company identifies as such and the amount of which is material, as well as non-recurring profit and loss items listed in *Interpretative Announcement No. 1 on Information Disclosure of Companies Issuing Public Securities - Non-Recurring Profit and Loss* that the company defines as recurring profit and loss items, the company shall explain the reasons for the definition.

☐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	-7.01	Mainly due to the decline in demand for domestic lithium battery production expansion since the second half of 2023, as well as the decline in operating income due to prolongation of the acceptance cycle
Net profit attributable to shareholders of listed companies- during the current reporting period	-17.74	Mainly due to the year-on-year decrease in operating income and the decrease in gross profit margins of domestic customers as a result of intensified competition in the domestic market
Net profit attributable to shareholders of listed companies after deduction of non-recurring gains and losses- during the current reporting period	-18.74	
Net cash flow from operating activities	118.04	Mainly due to the significant increase in overseas performance bond deposits issued by the Company in the same period last year, resulting in a negative net cash flow from operating activities in the same period last year, and smaller overseas performance bond deposits in the current period compared to the same period last year.
Basic earnings per share (Yuan/share)	-19.44	Mainly as a result of the year-on-year decrease in the Company's net profit for the period
Diluted earnings per share (Yuan/share)	-19.44	

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	13,628			Total number of preferred shareholders with voting rights restored at the end of the current reporting period (if any)	0		
Top 10 shareholders (excluding lending of shares through the refinancing)							
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
Bank of Communications Co., Ltd. - HSBC Jintrust Low Carbon Pioneer Stock Securities Investment Fund	Other	11,185,325	1.85	0	0	N.A.	0
HKSCC	Overseas legal person	5,956,247	0.99	0	0	N.A.	0
Bank of Communications - HSBC Jintrust Dynamic Strategy Hybrid Securities Investment Fund	Other	5,902,630	0.98	0	0	N.A.	0

National Social Security Fund (NSSF) 413	Other	4,440,000	0.74	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
Agricultural Bank of China Limited - ICBC Credit Innovation Power Equity Fund	Other	3,990,091	0.66	0	0	N.A.	0
Cao Guanqun	Domestic natural person	3,509,376	0.58	0	0	N.A.	0
Sang Hongyu	Domestic natural person	3,340,656	0.55	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				
Bank of Communications Co., Ltd. - HSBC Jintrust Low Carbon Pioneer Stock Securities Investment Fund	11,185,325	RMB common stock	11,185,325				
HKSCC	5,956,247	RMB common stock	5,956,247				
Bank of Communications - HSBC Jintrust Dynamic Strategy Hybrid Securities Investment Fund	5,902,630	RMB common stock	5,902,630				
National Social Security Fund (NSSF) 413	4,440,000	4,440,000	4,440,000				

Bank of Communications - HSBC Jintrust Core Growth Hybrid Securities Investment Fund	4,068,996	RMB common stock	4,068,996
Agricultural Bank of China Limited - ICBC Credit Innovation Power Equity Fund	3,990,091	RMB common stock	3,990,091
Cao Guanqun	3,509,376	RMB common stock	3,509,376
Sang Hongyu	3,340,656	RMB common stock	3,340,656
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 and Cao Guanqun, Yu Pingguang and Sang Hongyu 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)			

Shareholders holding more than 5%, the top 10 shareholders and the top 10 shareholders of

unlimited tradable shares participating in the refinancing business to lend shares

☐Applicable ☒Not Applicable

The top 10 shareholders and the top 10 shareholders with unlimited outstanding shares have changed from the previous period due to the loan/return of the refinancing

☐Applicable ☒Not Applicable

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

March 31, 2024 _

Prepared by: Zhejiang Hangke Technology Incorporated Company

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

Item	March 31, 2024	December 31, 2023
Current assets:		
Monetary funds	2,821,183,227.68	3,263,149,304.07
Settlement funds		
Lending funds		
Held-for-trading financial assets	4,772,222.40	5,925,509.48
Derivative financial assets		
Notes receivable	84,611,675.29	90,155,576.33
Accounts receivable	2,109,499,616.66	1,902,796,347.12
Receivables financing	13,812,187.38	18,205,751.49
Advances paid	64,851,187.31	42,841,452.58
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	52,287,895.03	40,784,568.93
Including: Interest receivable		
Dividend receivable		
Financial assets purchased under agreements to resell		
Inventory	2,881,364,887.96	2,901,476,917.36
Where: data resources		
Contract assets	332,513,642.88	341,031,109.41
Assets held for sale		
Non-current assets due within one year		
Other current assets	156,891,251.23	10,470,636.02
Total current assets	8,521,787,793.82	8,616,837,172.79
Non-current assets:		
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	1,238,191,657.42	1,264,096,156.79
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use asset	1,265,196.26	2,214,093.56
Intangible assets	182,556,221.18	184,872,136.46
Where: data resources		
Development expenditure		
Where: data resources		
Goodwill		
Long-term prepayments	10,903,616.05	11,181,004.43
Deferred tax assets	84,488,992.28	78,015,221.68
Other non-current assets	72,240,328.41	67,542,715.14
Total non-current assets	1,589,646,011.60	1,607,921,328.06
Total assets	10,111,433,805.42	10,224,758,500.85
Current liabilities:		
Short-term borrowings	12,135,000.00	14,516,000.00
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	914,999,326.57	1,015,562,136.25
Accounts payable	1,406,935,040.02	1,562,586,492.08
Advances received	245,648.00	560,000.00
Contract liabilities	2,213,349,109.19	2,239,109,626.13
Funds used to sell and repurchase financial assets		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	9,056,578.02	34,353,950.98
Taxes and rates payable	76,699,917.12	86,784,440.43
Other payables	19,956,810.87	8,469,552.89
Including: Interest payable		
Dividends payable		
Handling fee and commission		

payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year		2,028,014.09
Other current liabilities	132,631,990.30	117,860,346.15
Total current liabilities	4,786,009,420.09	5,081,830,559.00
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liability		
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	35,146,545.79	23,863,491.77
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	35,146,545.79	23,863,491.77
Total Liabilities	4,821,155,965.88	5,105,694,050.77
Equity (or Shareholders' Equity):		
Share capital	603,672,152.00	603,672,152.00
Other Equity Instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	2,359,829,993.27	2,359,829,993.27
Less: Treasury shares		
Other comprehensive income	5,466,963.29	7,227,980.88
Special reserves	207,647.09	207,647.09
Surplus reserve	271,191,623.48	271,191,623.48
General risk preparation		
Undistributed profit	2,049,909,460.41	1,876,935,053.36
Total equity attributable to the parent Company	5,290,277,839.54	5,119,064,450.08
Minority shareholders' equity		
Total Equity (or Shareholders' Equity)	5,290,277,839.54	5,119,064,450.08
Total Liabilities and Equity (or Shareholders' Equity)	10,111,433,805.42	10,224,758,500.85

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 March 2024

Compilation unit: Zhejiang Hangke Technology Incorporated Company

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

Item	Q1 2024	Q1 2023
I. Total operating revenue	883,915,482.34	950,517,680.93
Including: Operating revenue	883,915,482.34	950,517,680.93
Interest income		
Premium earned		
Revenue from handling charges and commission		
II. Total operating cost	674,883,611.13	664,909,916.35
Including: Operating cost	583,682,352.28	546,323,973.26
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	15,613,777.43	7,958,577.30
Selling expense	20,067,772.41	19,525,204.15
Administrative expenses	31,128,578.54	50,746,042.34
R & D costs	52,538,171.03	50,539,728.05
Financial expenses	-28,147,040.56	-10,183,608.75
Including: Interest expense	157,742.25	
Interest income	22,931,643.08	11,381,036.13
Add: Other income	13,850,074.38	13,970,843.61
Investment income (indicate loss with "-")	-385,688.50	
Including: Investment income from associates and joint ventures		
Gains from de-recognition 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 "-")	-1,153,287.08	-1,352,129.68
Credit impairment losses (indicate loss with "-")	-36,362,343.95	-54,164,339.59
Asset impairment losses (indicate loss with "-")	2,216,774.29	-7,224,252.38

Gains from asset disposal (indicate loss with “-”)		10,000.00
III. Operating profit (indicate loss with “-”)	187,197,400.35	236,847,886.54
Add: non-operating income	5,779,404.07	97,910.75
Less: Non-operating expenses	1,565,018.20	401,922.00
IV. Total profit (indicate total loss with “-”)	191,411,786.22	236,543,875.29
Less: income tax expense	18,437,379.17	26,257,889.99
V. Net profit (indicate net loss with “-”)	172,974,407.05	210,285,985.30
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations (indicate net loss with “-”)	172,974,407.05	210,285,985.30
2. Net profit from discontinued operations (indicate net loss with “-”)		
(II) Classification by Ownership		
1. Net profit attributable to owners of parent Company (indicate net loss with “-”)	172,974,407.05	210,285,985.30
2. Net profit attributable to minority shareholders (indicate net loss with “-”)		
VI. Other comprehensive income after tax	-1,761,017.59	-1,851,926.63
(I) After-tax net amount of other comprehensive income attributable to owners of the parent Company	-1,761,017.59	-1,851,926.63
1. Not to be reclassified subsequently to profit or loss		
(1) Re-measurements 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	-1,761,017.59	-1,851,926.63
(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	-1,761,017.59	-1,851,926.63
(7) Others		
(II) Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	171,213,389.46	208,434,058.67
(I) Items attributable to the owners of the parent Company	171,213,389.46	208,434,058.67
(II) Total comprehensive income attributable to minority		

shareholders		
VIII. Earnings per share:		
(I) Basic EPS (Yuan/share)	0.29	0.36
(II) Diluted EPS (Yuan/share)	0.29	0.36

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 March 2024

Prepared by: Zhejiang Hangke Technology Incorporated Company

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

Item	Q1 2024	Q1 2023
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	633,237,924.98	1,045,296,609.65
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	20,661,149.70	50,894,299.98
Other cash receipts related to operating activities	480,220,131.51	244,704,085.53
Subtotal of cash inflows from operating activities	1,134,119,206.19	1,340,894,995.16
Cash payments for goods purchased and	683,370,397.68	988,733,339.27

services received		
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	150,289,932.09	151,564,098.07
Cash payments for taxes and rates	62,648,110.39	54,175,930.82
Other cash payments related to operating activities	202,299,396.75	343,293,410.20
Subtotal of cash outflows from operating activities	1,098,607,836.91	1,537,766,778.35
Net cash flows from operating activities	35,511,369.28	-196,871,783.19
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income		
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		10,000.00
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		10,000.00
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	64,254,454.79	140,657,259.84
Cash payments for investments	150,000,000.00	150,000,000.00
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	214,254,454.79	290,657,259.84

Net cash flows from investing activities	-214,254,454.79	-290,647,259.84
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		1,181,872,750.09
Including: Cash received by subsidiaries from minority shareholders as investments		
Cash receipts from borrowings		
Other cash receipts related to financing activities	12,135,000.00	
Subtotal of cash inflows from financing activities	12,135,000.00	1,181,872,750.09
Cash payments for the repayment of borrowings		
Cash payments for distribution of dividends or profits and for interest expenses	157,742.25	
Including: Cash paid by subsidiaries to minority shareholders as dividend or profit		
Other cash payments related to financing activities	16,614,989.73	2,250,000.00
Subtotal of cash outflows from financing activities	16,772,731.98	2,250,000.00
Net cash flow from financing activities	-4,637,731.98	1,179,622,750.09
IV. Effect of foreign exchange rate changes on cash & cash equivalents	-7,693,298.95	-4,463,394.92
V. Net increase in cash and cash equivalents	-191,074,116.44	687,640,312.14
Add: Opening balance of cash and cash equivalents	2,865,817,877.74	1,992,463,562.87
VI. Closing balance of cash and cash equivalents	2,674,743,761.30	2,680,103,875.01

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 2024; or in case of the standard involves in adjustment, the financial statements at the beginning of the year will be implemented.

☐Applicable ☒Not applicable

Hereby announced!

 Board of Directors of Zhejiang Hangke Technology Incorporated Company

April 25, 2024