

Company Code: 688006

Company Abbreviation: HangKe Technology

**Zhejiang HangKe Technology Incorporated
Company
Semi-Annual Report 2024**

Important Notes

I. The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of the Company guarantee the truthfulness, accuracy and completeness of the content of the Semi-Annual Report, and that there are no false records, misleading statements or material omissions, and that they shall bear individual and joint legal liabilities.

II. Significant Risk Warning

The Company has set out in detail in this report the various risks that the Company may face in the course of its operations and the measures to deal with them, please refer to "V. Risk Factors" under "Section III. Management Discussion and Analysis" in this report.

III. All the directors of the Company were present at the Board Meeting.

IV. This semi-annual report is unaudited.

V. Yu Pingguang, the person in charge of the company, Fu Fenghua, the person in charge of accounting work, and Yang Zhaodi, the person in charge of the accounting organization (accounting officer in charge), declare that they guarantee the truthfulness, accuracy and completeness of the financial report in the semi-annual report.

VI. Proposals for profit distribution or capitalization of provident fund for the reporting period adopted by resolution of the Board of Directors

After consideration by the Board of Directors, the Company proposes to distribute profits for the semi-annual 2024 based on the total share capital registered on the date of share registration for the implementation of the equity distribution. The profit distribution plan is as follows:

The Company proposes to distribute a cash dividend of RMB 1.1 per 10 shares (tax inclusive) to all shareholders. As at the date of the Board of Directors' meeting to consider the profit distribution and capitalization of capital reserve plan, the total share capital of the Company was 603,672,152 shares, and the total cash dividend to be distributed on this basis amounted to RMB 66,403,936.72 (inclusive of tax). The amount of cash dividend accounted for 24.66 % of the net profit attributable to shareholders of the listed company in the consolidated financial statements of the Company for the semi-annual 2024.

The Company will not carry out any capitalization of Capital reserve or distribution of bonus shares for the semi-annual 2024. If the total share capital of the Company changes as a result of convertible bonds conversion/share repurchase/share repurchase and cancellation of shares granted under equity incentive scheme/share repurchase and cancellation of shares under major asset reorganization during the period from the date of adoption of this announcement to the date of registration of shareholders' rights to implement the equity distribution, it is proposed to keep the distribution ratio per share unchanged and adjust the total amount of distribution accordingly, and the details of such adjustments will be announced separately.

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

VII. Existence of important matters such as special arrangements for corporate governance

☐Applicable ☒Not Applicable

VIII. Risk statements for forward-looking statements

☒Applicable ☐Not Applicable

Forward-looking statements such as the company's future plans and development strategies covered in this report do not constitute a material commitment by the company to investors, and investors are advised to be aware of the investment risks.

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

No

X. Is there any violation of the required decision-making procedures for the provision of external guarantees?

No

XI. Whether more than half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the half-yearly report disclosed by the company

No

XII. Others

☐Applicable ☒Not Applicable

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List of documents available for review	Financial statements containing the signatures and seals of the company's legal head, the person in charge of accounting, and the head of the accounting organization (accounting supervisor).
	The originals of all company documents and announcements that have been publicly disclosed on the websites designated by the CSRC during the reporting period.

Section I Interpretation

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

Interpretation of commonly used words		
The Company, the Company, HangKe Technology	refer to	Zhejiang HangKe Technology Incorporated Company
CHR Japan Co.	refer to	CHR Japan Co., Ltd. - a wholly owned subsidiary of the Company, formerly known as Hong Rui Ke Electronics Trading Japan Co.
Korea HangKe	refer to	HangKe Electronics Corporation (Korea) - a wholly-owned grandson of the Company and a wholly-owned subsidiary of the Company's wholly-owned subsidiary, CHR Japan Co.
Hong Kong HangKe	refer to	HangKe Electronic Trading Hong Kong Limited - a wholly owned subsidiary of the Company
HONRECK (Malaysia)	refer to	HONRECK EQUIPMENT TECHNOLOGY SUPPORT COMPANY SDN.BHD (Malaysia) - a wholly-owned grandson of the Company, a wholly-owned subsidiary of the Company CHR Japan Co.
HONRECK (Poland)	refer to	HONRECKE ELECTRONICS TRADING SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA (Poland) - wholly-owned grandson of the Company, a subsidiary of the Company's wholly-owned subsidiary, Hong Kong HangKe
HangKe Group	refer to	Hangzhou HangKe Intelligent Equipment Group Co., Ltd. (formerly known as Hangzhou HangKe Investment Co., Ltd., or "HangKe Investment") - Shareholders of the Company
Hangzhou Reliability Instrument (1935-), Hong Kong politician, vice-president of the PRC Supreme Court 1998-2003	refer to	Hangzhou Reliability Instrument Factory - a related party of the Company
General Electric Measurement	refer to	Hangzhou General Electric Measurement Co., Ltd-- a related party of the Company
Nanping Precision	refer to	Hangzhou Nanping Precision Instrument Company Limited-- a related party of the Company
Tongce	refer to	Hangzhou Tongce Communication Electronics Co.,Ltd. -- a related party of the Company
Tongce Microelectronics	refer to	Hangzhou Tongce Microelectronics Co., Ltd-- a related party of the Company
Lithium ion	refer to	The substance that generates current in lithium-ion batteries. When charging, it is released from the active substance of lithium at the positive electrode into the negative electrode, and when discharging, it is precipitated from the negative electrode and recombines with the compound at the positive electrode, and the movement of lithium ions generates electric current
Electric core	refer to	Lithium battery consists of a core and a protection circuit board, the core is the power storage part of the rechargeable battery
New energy vehicle	refer to	Refers to all vehicles with energy sources other than gasoline and diesel engines, including fuel cell vehicles, hybrid vehicles, hydrogen-powered vehicles and solar-powered vehicles.

Power cell	refer to	A chemical power source that provides electrical energy for devices such as power tools, electric bicycles and electric vehicles. Commonly used power batteries include lead-acid batteries, nickel-metal hydride batteries, lithium batteries, etc.
Lithium battery back-end equipment, lithium battery after-treatment equipment	refer to	Equipment used in the production process of lithium batteries for the activation and formation of cells, capacity separation and testing, and assembly into battery packs.
LG	refer to	LG Energy Solution.
SK	refer to	SK innovation Co.,Ltd.
Ningde Times	refer to	Ningde Times New Energy Technology Co.,Ltd.
Ningde New Energy	refer to	Ningde New Energy Technology Co.,Ltd.
Yiwei Lithium	refer to	Huizhou EVE EnergyEnergy Co.,Ltd.
Guoxuan Hi-tech	refer to	Hefei Guoxuan Hi-tech Power Energy Co.,Ltd.
BAK POWER	refer to	Shenzhen BAK Power Battery Co.,Ltd.
Tianjin Lishen	refer to	Tianjin Lishen Battery Co.,Ltd.
Murata, Japan	refer to	Subsidiary under Tohoku Murata Manufacturing Co.,Ltd.
Companies Act	refer to	Current Company Law of the People's Republic of China
Securities Act	refer to	Existing Securities Law of the People's Republic of China
China Securities Regulatory Commission CSRC	refer to	China Securities Regulatory Commission (CSRC)
Shanghai Stock Exchange (SSE)	refer to	Shanghai Stock Exchange (SSE)
Swiss Stock Exchange	refer to	Swiss Stock Exchange
GDR	refer to	Global Depositary Receipts (GDRs)
Current reporting period, current period	refer to	January 1, 2024 to June 30, 2024

Section II Company Profile and Key Financial Indicators

I. Basic information of the company

Chinese name of the company	Zhejiang HangKe Technology Incorporated Company
Chinese abbreviation of the company	HangKe Technology
Foreign name of the company	Zhejiang HangKe Technology Incorporated Company
Abbreviation of the company's foreign name	HangKe Technology
Legal representative of the company	Yu Pingguang
Company registered address	No.77, Gaoxin 11 Road, Qiaonan Block, Xiaoshan Economic and Technological Development Zone, Hangzhou, Zhejiang, China
Historical changes in the registered address of the company	N.A.
Company office Address	No.77, Gaoxin 11 Road, Qiaonan Block, Xiaoshan Economic and Technological Development Zone, Hangzhou, Zhejiang, China / No.298, Gaoxin 6 Road, Xiaoshan Economic Development Zone, Hangzhou, China
Postal code of the company's office address	311231
Company Website	http://www.chr-group.net
E-mail address	hq@chr-group.net

II. Contact person and contact information

	Secretary of the Board of Directors (domestic representative)	Securities Representative
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	for information disclosure)	
Name	Fu Fenghua	Wu Cun
Contact address	No.298, Gaoxin Sixth Road, Xiaoshan Economic Development Zone, Hangzhou, Zhejiang, China	No.298, Gaoxin Sixth Road, Xiaoshan Economic Development Zone, Hangzhou, Zhejiang, China
Telephones	0571-82210886	0571-82210886
Telex	Not applicable	Not applicable
E-mail address	hq@chr-group.net	hq@chr-group.net

III. Brief description on information disclosure and filing place

Name of the newspaper selected by the company for disclosure of information	Shanghai Securities News, Securities Daily
Website address for posting the semi-annual report	www.sse.com.cn
Place where the Company's semi-annual report is filed	Corporate Securities Affairs Department

IV. Brief description of the company's stocks/depository receipts

(I) Company stock profile

☒Applicable ☐Not Applicable

Company stock profile				
Stock Type	Stock Exchange and Sector	Stock short form	Stock code	Stock name before change
A-share	Shanghai Stock Exchange (SSE) Science and Technology Board	HangKe Technology	688006	Not applicable

(II) Brief description of Company Depository Receipts

☒Applicable ☐Not Applicable

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

Depository institution	Name	Citibank
	Business address	388 Greenwich Avenue, New York, NY 10013, USA
	Agent	Keith Galfo
Hosting organization	Name	Bank of China (BoC)
	Business address	No.1 Fuxingmennei Street, Beijing
	Agent	Wang Peng (1900-1982), Chinese communist leader

Other relevant information

☐Applicable ☒Not Applicable

VI. Key accounting data and financial indicators of the Company**(I) Key accounting data**

Unit: Yuan Currency: RMB

Key accounting data	Current reporting period (January-June)	Same period last year	Increase/decrease in the current reporting period over the same period of the previous year (%)
Revenues	1,890,804,932.63	2,120,914,382.58	-10.85
Net profit attributable to shareholders of listed companies	269,275,399.75	475,631,938.78	-43.39
Net profit attributable to shareholders of listed companies after extraordinary gains and losses	251,936,040.92	464,454,350.33	-45.76
Net cash flows from operating activities	112,081,433.41	149,304,544.96	-24.93
	End of the reporting period	End of previous year	Increase/decrease at the end of the reporting period over the end of the previous year (%)
Net assets attributable to shareholders of listed companies	5,184,234,170.51	5,119,064,450.08	1.27
Total assets	9,712,842,166.41	10,224,758,500.85	-5.01

(II) Main financial indicators

Main financial indicators	Current reporting period (January-June)	Same period last year	Increase/decrease in the current reporting period over the same period of the previous year (%)
Basic earnings per share (RMB/share)	0.45	0.80	-43.75
Diluted earnings per share (RMB/share)	0.45	0.80	-43.75
Basic earnings per share after extraordinary gains and losses (yuan/share)	0.42	0.78	-46.15
Weighted average return on net assets (%)	5.16	10.98	A decrease of 5.82 percentage points
Weighted average return on net assets after extraordinary gains and losses (%)	4.82	10.72	A decrease of 5.90 percentage points
R&D investment as a percentage of operating income (%)	5.97	5.86	An increase of 0.11 percentage points

Description of the Company's principal accounting data and financial indicators

√Applicable □ Not Applicable

Realized net profit attributable to shareholders of listed companies of 269 million in January-June 2024, down 43.39% compared with the same period of the previous year, realized net profit attributable to shareholders of listed companies after extraordinary gains and losses of 252 million, down 45.76% compared with the same period of the previous year, and realized basic earnings per share and diluted

earnings per share of 0.45 yuan/share in January-June 2024, down 43.75%, and basic earnings per share after extraordinary gains and losses of RMB0.42 per share, down 46.15% from the same period of the previous year. The main reason is due to the intensification of competition in the domestic market and the extension of the acceptance cycle, resulting in a year-on-year decline in operating income and a decline in gross profit margin year-on-year. In addition, due to the impact of exchange rate fluctuations of foreign currencies, foreign exchange lost 8.41 million in the first half of 2024, while due to the impact of the depreciation of the RMB from January to June 2023, exchange gained 96.38 million; the difference in the impact of exchange rate is large, resulting in a larger decline in net profit from January to June 2024 realized. Net profit declined more year-on-year.

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

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not Applicable

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

☒Applicable ☐Not Applicable

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

☐Applicable ☒Not Applicable

VIII. Items and amounts of non-recurring gains and losses

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB		
Non-recurring profit and loss items	Amount	Notes (if applicable)
Gains and losses on disposal of non-current assets, including elimination of provision for impairment of assets	29,244.47	
Government grants recognized in profit or loss for the current period, except for those government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	17,264,996.28	
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	-2,112,102.79	
Occupancy fees charged to non-financial corporations included in profit or loss for the period		

Gains and losses on entrusted investments or management of assets		
Gains and losses on external entrusted loans		
Losses of assets due to force majeure factors such as natural disasters		
Reversal of provision for impairment of receivables individually tested for impairment		
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the gain arising from the fair value of the investee's identifiable net assets at the time of investment acquisition		
Net profit or loss of subsidiaries for the period from the Beginning of the period to the date of consolidation arising from a business combination under the same control		
Gains and losses on exchange of non-monetary assets		
Debt restructuring gains and losses		
One-time costs incurred by the enterprise due to the fact that the relevant business activities are no longer continuing, such as expenses for relocating employees		
One-time effect on current period's profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercise of the option		
Gains and losses arising from changes in the fair value of investment properties subsequently measured using the fair value model		
Gains arising from transactions at significantly unfair prices		
Gains and losses arising from contingencies unrelated to the Company's normal business operations		
Custodial fee income earned on trusteeship		
Non-operating revenue and expenses	5,337,020.60	

other than those listed above		
Other items of profit or loss that meet the definition of non-recurring profit or loss		
Less: Income tax effect	3,179,799.73	
Impact of minority interests (after tax)		
Total	17,339,358.83	

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

☐Applicable ☒Not Applicable

IX. Description of non-enterprise accounting standards performance indicators

☐Applicable ☒Not Applicable

Section III Management Discussion and Analysis

I. Description of the Company's industry and main business during the reporting period

(i) Industry situation

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

2024 Lithium battery production in the field of battery back-end chemical formation and capacity grading system industry is in a rapid development stage. Each stage reflects the evolution of the industry's technology level and market demand:

- Initial development phase (around 2000-2015):

At this stage, the applications of lithium batteries are mainly focused on the consumer electronics sector, such as cell phones and laptops. The demand for chemical formation and capacity grading systems is mainly driven by these small and medium-sized battery manufacturers. Early chemical composition equipment mainly relied on manual operation, with a low degree of automation, and the accuracy and efficiency of the inspection system was also relatively low. The market concentration at this stage was low, with many small and medium-sized equipment suppliers participating in the market competition, serious product homogenization, and insufficient technological innovation.

- Rapid growth phase (around 2015-2020):

With the rise of new energy vehicles and energy storage market, the demand for lithium batteries has increased dramatically, prompting the chemical formation and capacity grading system industry to enter a rapid development stage. During this period, automated equipment gradually became popular, and production efficiency and testing accuracy were significantly improved. The quality control needs brought about by large-scale production drove technological progress, and a number of leading companies with certain technical accumulation and R&D capabilities began to emerge in the market. At the same time, the concentration of the industry began to increase, large enterprises through technological upgrading and mergers and acquisitions, gradually occupy a dominant position in the market.

- Technology maturity and industry integration stage (2020-2024):

Entering into the 2020s, the chemical formation and capacity grading system industry is gradually moving into a period of technological maturity. With the rapid expansion of the electric vehicle market, the scale of battery production is further expanding, which puts forward higher requirements for the performance, stability and automation level of the testing system. Technological innovation in the industry has accelerated, and technologies such as intelligent manufacturing, big

data analysis, and Internet of Things have begun to be deeply integrated into the inspection system, forming a highly intelligent production and inspection chain.

In addition, the trend of consolidation within the industry is becoming more and more obvious. Large enterprises are further expanding their market share through technological advantages and capital power, while small and technologically backward enterprises are gradually eliminated or merged and acquired. Internationalization development has become a new trend, and major enterprises in the markets of China, the United States, and Europe have begun to lay out their global presence and enhance their competitiveness in the global market through cross-border mergers, acquisitions, and cooperation.

- **Deepening Application and Continuous Innovation Phase (2024 and beyond):**

After 2024, the lithium battery chemical formation and capacity grading system industry has entered a stage of deepening application and continuous innovation. With the further expansion of lithium battery applications, such as electric aircraft, renewable energy storage, large-scale industrial applications, etc., the technical requirements and application scenarios of the testing system become more and more diverse. This stage is characterized by the continuous iterative innovation of technology and the depth of market demand. Enterprises will pay more attention to the flexible design of the system to meet the customized needs of different customers, while also strengthening R&D investment in green and energy management to cope with the increasingly stringent global environmental regulations and market requirements.

At this stage, the market competition will be more intense, but also accompanied by more opportunities for cooperation. Technical cooperation and joint research and development among enterprises will become the main theme of industry development, and jointly promote the technological progress of inspection systems and the expansion of application scenarios. The development of the international market will also continue to deepen. Enterprises in the consolidation of the local market at the same time, will invest more resources in the layout of emerging markets, seeking global market expansion and brand influence.

Through these stages of development, the Lithium Battery chemical formation and capacity grading System industry has become an important field with highly mature technology, fierce market competition and globalization characteristics by 2024. The future development will continue to focus on technological innovation and market expansion, along with the integration within the industry and internationalization layout. The industry has a bright future, full of opportunities and challenges.

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

- **Efficient and automated:**

The 2024 Lithium Battery chemical formation and capacity grading System has gradually realized a high degree of automation and intelligence. The system not only performs large-scale and stable testing tasks, but also optimizes the testing process through intelligent algorithms, reduces energy consumption and improves capacity utilization.

- **Accuracy and Stability:**

As the requirements for battery performance increase, chemical formation and capacity grading systems in 2024 demand more accuracy and system stability. The equipment is able to provide accurate testing data in a shorter period of time and ensure batch-to-batch consistency.

- **Data Acquisition and Analysis:**

Through the use of Internet of Things (IoT) technology, testing systems in 2024 are able to collect, transmit and analyze massive amounts of data in real time. This data contributes to the optimization of production processes, the improvement of product quality and the implementation of predictive maintenance.

- **Safety and environmental protection:**

Due to the high activity of lithium batteries during the formation process, the 2024 system is designed to be more safety-oriented, equipped with multiple safety protection mechanisms. At the

same time, the equipment is more environmentally friendly in terms of energy management and exhaust gas treatment, complying with increasingly stringent environmental protection regulations worldwide.

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

- **High-precision Control and Measurement Technology:** Precise control of voltage and current as well as precise measurement of battery parameters in the process of chemical capacitance is one of the key technologies. In order to realize the uniformity control of each cell in mass production, the precision of measurement equipment needs to reach a very high level, and at the same time need to cope with the challenge of stability under long time and large load.
- **Heat dissipation and energy management:** Chemical composition is a highly energy-consuming process, so how to effectively manage heat dissipation, reduce energy loss and avoid overheating are key issues. Advanced thermal management technology and efficient energy recovery systems are required to ensure the continuous and stable operation of the system.
- **Big data analysis and AI algorithm application:** In the testing system, a large amount of data needs to be processed and analyzed in real time to improve the yield and quality stability of the battery. How to utilize AI algorithms for real-time monitoring, anomaly detection and fault prediction is one of the important technical thresholds in the industry.
- **Modular and scalable design:** Due to the diversity of lithium battery production lines, the modular design and scalability of the chemical formation and capacity grading system has become an important direction of technological development. The system needs to be able to flexibly adapt to the needs of different production lines, while ensuring the consistency and stability of the system when expanding.

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

Hangke Technology Co., Ltd. is one of the leading manufacturers of lithium battery production equipment in China, especially in the field of lithium battery back-end chemicalization and capacity grading equipment, which occupies an important position. The following is a detailed description of Hangke Technology's industry position analysis and its changes:

● Market share:

Hangke Technology has a large market share in the lithium battery chemical formation and capacity grading equipment market, especially in the Chinese market, where it has a significant leading position. The company has strong competitiveness in the production and technological development of chemical formation and capacity grading equipment. Its products are widely used in the back-end process of lithium battery manufacturing, and its customers cover major domestic and international battery producers, including Ningde Times, BYD, EVE, GOTIAN HI-TECH, SUNWODA, SK, SAMSUNG, LG Chem and so on.

● Technological Advantage:

HangKe Technologies continues to invest in technology research and development and has strong independent research and development capabilities. The company focuses on the automation and intelligent development of its equipment and has made breakthroughs in key technology areas such as high-precision control, energy recovery and intelligent data analysis. Its equipment has been widely recognized for its excellent performance in terms of productivity, testing accuracy and stability.

● Brand Influence:

As an important player in the industry, Hangke Technology has established a good brand image through long-term market accumulation and technological innovation. The company has a stable customer base in a number of markets at home and abroad, with high brand awareness and reputation. Especially in the Chinese market, Hangke Technology is regarded as one of the benchmark companies in the field of lithium battery production equipment.

- **Globalization layout:**

Hangke Technology not only has a strong influence in the domestic market, but also actively explores the overseas market. The company has gradually enhanced its competitiveness in the international market through its global market layout and customer service network. Especially in the context of the rapid expansion of the global new energy vehicle market, Hangke Technology's internationalization strategy has further promoted the consolidation and enhancement of its industry position.

- **Increased competition in the market:**

With the rapid growth of the lithium battery market, more and more companies are entering the field of lithium battery production equipment, and the competition in the market has obviously intensified. Although Hangke Technology still occupies a leading position in the market, it faces challenges from emerging enterprises and international giants. In order to maintain its competitive advantage, Hangke Technology keeps upgrading its technology and innovating its products to cope with the changes in the market.

- **Technology continues to be upgraded:**

Hangke Technology has increased its investment in research and development in recent years to promote continuous technological upgrading. The Company has actively introduced emerging technologies such as intelligent manufacturing and big data analysis to enhance the automation level and intelligent capability of its equipment. These technological advances have helped Hangke Technology consolidate its leading position in the industry and maintain its technological advantage in market competition.

- **Market share changes:**

With the expansion of the market and the intensification of competition, Hangke Technology's market share has experienced some fluctuations. Despite facing new competitors, Hangke Technology has maintained a high market share by strengthening cooperation with major customers, expanding into emerging markets, and increasing the added value of its products. In the future, with the expansion and upgrading of more battery production lines, Hangke Technology is expected to continue to expand its market share.

- **International market expansion:**

HangKe Technologies has gradually accelerated its pace of internationalization and made remarkable progress in the global market in recent years. The company has gradually enhanced its visibility and influence in the global market by participating in international exhibitions, establishing overseas branches and strengthening international cooperation. With the layout adjustment of the global lithium battery industry chain, Hangke Technology's international market share is expected to further increase, thus consolidating its global industry position.

HangKe Technologies has strong competitiveness and market influence in the field of lithium battery chemical formation and capacity grading equipment. Its industry position has gradually increased with technological progress and market expansion. However, with the intensification of market competition and the acceleration of technological change, the company is also facing challenges. Through continuous technological innovation and the promotion of its internationalization strategy, Hangke Technology is expected to continue to maintain its leading position in the industry and further consolidate its influence in the global market in the future.

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

① Development of new technologies

a Intelligent and automated technology:

Hangke Technology continued to increase its investment in research and development of intelligent and automation technologies during the reporting period. Through the introduction of artificial intelligence (AI), big data analysis and Internet of Things (IoT) technologies, the Company further enhanced the automation of its equipment. Intelligent inspection systems are able to monitor the production process in real time and automatically adjust process parameters, improving production efficiency and product quality stability. These technological advances have not only increased the company's production capacity, but also helped customers reduce operating costs.

b High-precision control technology:

Precise control of voltage and current is crucial in the chemical formation and capacity grading process of lithium batteries. HangKe Technologies continued to optimize its high-precision control technology during the reporting period, and introduced equipment with higher control precision and stability to ensure that batch-to-batch consistency can be achieved in large-scale production, further enhancing the market competitiveness of the Company's products.

c Energy recovery and environmental technology:

The chemical formation and capacity grading process consumes a high amount of energy, and Hangkee Technology focused on the development of energy recovery technology and environmentally friendly treatment systems during the reporting period. Through highly efficient energy recovery devices, it is able to recover and reuse the energy generated during the chemical formation process to reduce energy consumption. In addition, the Company also developed exhaust gas treatment and environmental protection emission systems to comply with increasingly stringent environmental regulations, reflecting its sense of corporate social responsibility.

② Development of new industries

a Energy storage industry layout:

With the rapid development of the global energy storage market, HangKe Technologies actively laid out the field of energy storage battery production equipment during the reporting period. The company has developed chemical formation and capacity grading equipment suitable for large-scale energy storage batteries, which meets the needs of energy storage batteries in different application scenarios. This initiative not only broadened the company's business field, but also provided a new impetus for future performance growth.

b New material industry expansion:

Hangke Technology also ventured into the field of new materials for lithium batteries during the reporting period, especially conducting forward-looking research and laying out equipment requirements for next-generation battery technologies (such as solid-state batteries). Through cooperation with new material research institutes and battery manufacturers, the company has developed production and testing equipment adapted to new materials, so as to ensure that it can maintain its technological leadership even in the era of new materials.

③ Development of new models

a Full life cycle service model:

During the reporting period, HangKe Technologies further improved its full life cycle service model, covering the whole process from equipment development, manufacturing, sales to after-sales service. Through the establishment of customer data management platform and remote operation and maintenance system, the Company is able to provide customers with real-time monitoring of equipment operation status, fault warning and rapid response technical support services. This model not only enhances customer satisfaction, but also strengthens customer adhesion and dependence.

b Digital platform operating model:

During the reporting period, HangKe Technologies actively explored the operation mode of digital platform, the internal operation of the company imported SAP system, and the R&D team also realized the interconnection and data sharing of equipment by building the equipment cloud platform. Customers can remotely manage production lines through this platform, and obtain real-time equipment operation data and production process parameters, which greatly improves the efficiency of production management. The operation mode of the digital platform also lays the foundation for the company's further development in the field of intelligent manufacturing in the future.

④ Future Development Trends

a Technological innovation continues to deepen:

Hangke Technology will continue to increase its investment in technological research and development in the future, especially in the fields of intelligent, automated and new energy equipment, to further promote technological innovation. The Company expects to continue to optimize the high-precision control, energy recovery and environmental treatment technologies of its equipment in order to respond to the increasingly stringent technical standards and environmental requirements in the industry.

b Globalization expansion and international cooperation:

With the increasing demand for lithium battery equipment in the international market, HangKe Technologies will further accelerate the pace of globalization expansion and enhance its competitiveness in the international market through cooperation with international battery manufacturers, setting up overseas subsidiaries and establishing a global service network. Meanwhile, international cooperation will also become an important means for the company to acquire cutting-edge technology and develop new markets.

c Expanding new application areas:

HangKe Technologies will continue to expand the layout of lithium battery equipment in new applications, including energy storage, electric aviation, smart home and other emerging markets. With the increased demand for lithium batteries in these new fields, the company is expected to further expand its business scope and increase its market share by providing customized production equipment and solutions.

d Digitalization and smart manufacturing development:

Digitalization and intelligent manufacturing will be an important direction for Hangke Technology's future development. The Company will further improve its digitalization platform, promote interconnectivity between equipment, and achieve comprehensive intelligent management of the production process through big data analysis and artificial intelligence algorithms. This will not only help improve the Company's operational efficiency, but also enhance its competitive advantage in the field of intelligent manufacturing.

In summary, Hangke Technology has enhanced its market competitiveness and industry influence through technological innovation, industrial expansion and model transformation during the reporting period. In the future, the Company will continue its strategic layout around technology deepening, global expansion and digital transformation to meet the challenges of industry changes and market demand and maintain its leading position in the field of lithium battery production equipment.

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

The company continues to maintain a leading position in the lithium battery production equipment market, technology, R & D and products have always been at the forefront of the industry. The back-end equipment is a multidisciplinary large-scale comprehensive system, and the company has outstanding core technologies in this field. Lithium-ion battery production line post-processing system involves

mechanical design, hardware circuitry, automation applications, software development, big data applications, AI applications and other multidisciplinary, requiring comprehensive integration of knowledge in multiple fields. The company's core technologies include digital power supply technology, high-frequency PWM converter technology, full-automatic calibration technology, high-temperature pressurized charging and discharging technology, high-precision linear charging and discharging technology, high-frequency SPWM/SVPWM converter technology and energy recovery technology, as well as the energy storage DC distribution system, heat pump management system integrated application and management.

(ii) Main business, main products or services

1. Main operations

Since its inception, the company has always been committed to all kinds of rechargeable batteries, especially lithium-ion battery post-processing system design, research and development, production and sales, currently in the charge and discharge machine, internal resistance tester and other post-processing system of the development of the core equipment, production has the core technology and ability, and can provide lithium-ion battery production line post-processing system overall solutions. The post-processing process is a necessary process for the production of lithium-ion batteries, after post-processing, lithium-ion batteries can reach a usable state, and play a vital role in the manufacture of lithium-ion battery cells and battery packs with high consistency, good stability and excellent performance. Relying on professional technology, refined management and personalized service, the company has been supplying all kinds of lithium-ion battery production line post-processing system equipments for domestic and foreign famous lithium-ion battery manufacturers, such as Samsung, LG, SK, Sony (now Murata), BYD, Ningde Times, Ningde Times New Energy, Byd, EVE Energy Energy, Guoxuan High Tech, Xinwonda, Yuanxing Power and Tianjin Lishen.

2. Main products

The company's main products are charging and discharging equipment and other equipment such as internal resistance tester, where charging and discharging equipment is divided into cylindrical battery charging and discharging equipment, soft pack/polymer battery charging and discharging equipment (including conventional soft pack/polymer battery charging and discharging equipment and high temperature pressurized charging and discharging equipment), square battery charging and discharging equipment.

The company's main products are displayed in the table below:

Product category	Main Product Name		Examples of representative products
Charging and discharging equipment	Cylindrical battery charging and discharging equipment		
	Charge and Discharge Equipment for Soft Pack/Polym er Batteries	High Temperature Pressurized Jig Formation System	

		Soft packages of powered components into a capacity all-in-one machine	
		Square Battery Charging and Discharging Equipment	
Other equipment		Internal resistance and voltage automatic test equipment	
		Grading machine	
		Automatic loading and unloading machine	

(iii) Main business models

1. Research and development model

The company's product development is mainly based on order product design and development and new product development.

(1) The design and development of order products shall first be put forward by the customer regarding the technical requirements, and then the company will arrange technical personnel to communicate with the customer to understand the customer's production process and equipment requirements. The company's management personnel will evaluate the feasibility of the research and development project, and the company will sign a technical agreement with the customer for the project passed by the evaluation, and carry out product design in accordance with the customer's requirements.

Development is a key part of our business process because: (1) product delivery time determines product competitiveness to a certain extent. Since the industry is characterized by non-standardized production, higher R&D efficiency can enhance the competitiveness of the products; ② Good design solutions can enhance the reliability of the products and keep the failure rate low, which are often the decisive factors in the purchasing decision process of the customers.

(2) New product development includes the development of new products for which sales contracts have been signed with customers and the development of the company's strategic R&D products. For new product development, the research institute and the Sales department shall jointly analyze the product development direction according to the annual strategic goals or customer contract requirements. After clarifying the requirements of new model R&D products, the institute shall organize and set up a special project team to submit the feasibility, R&D cycle and cost of the new project to the head of the relevant R&D institution in the form of project analysis report, and the general manager shall examine and approve the R&D project. The R & D project that has been approved is developed as a new product, in which the project team is composed of R & D personnel, sales personnel, production personnel and financial personnel, etc., and adopts the way of parallel work to effectively improve the success rate of R & D, shorten the development cycle, and reduce the development cost.

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

2. Sales Model

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

3. Purchase Model

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

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

II. Core Technology and R&D Progress

1. Core technologies and their sophistication and changes during the reporting period

The company adheres to the concept of technological innovation as the core competitiveness, since its establishment has been committed to the accumulation and development of technology related to lithium-ion battery post-processing, the company's 2023 and the first half of 2024 in the entire back section of the system for the preparation of the technology and the expansion of the application. At present, the company's main core technologies are as follows.

Project category	Technical name	Issuer technology level	Core technology sources	Innovative approaches
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4680 All-in-One Power Supply Normalized Power System	① High-precision charging and discharging performance indexes	① Setting current range/resolution 0.1mA-50A/0.1mA ② Current accuracy/display resolution: $\pm 0.02\% \sim \pm 0.05\% \text{FSmA}/0.1\text{mA}$ ③ Setting charging voltage range/resolution: 0-5V/0.1mV; ④ Setting discharge voltage range/resolution: 1.5-5V/0.1mV; ⑤ Voltage accuracy/display resolution: $\pm 1\text{mV}/0.1\text{mV}$ ⑥ Driving board charging and discharging efficiency: $\geq 90\%$ ⑦ Number of single charge/discharge channels: $n \times 16$ (n is the number of single boards, $n \leq 16$)	Independent research and development	Original innovation
	② Integrated design for charge/discharge control	① Digital inputs and outputs, dynamic configuration of analog inputs and outputs ② Negative pressure control software modularization ③ Dynamic control of battery temperature	Independent research and development	Original innovation
4680 Tandem Formation and Separation Machine	① Series-type charging and discharging technology;	① Charging and discharging full load efficiency ≥ 85 ② Charging and discharging current accuracy of five ten thousandths ③ Charging and discharging voltage accuracy of five ten thousandths of a degree ④ Current response time 0-100% output, 30ms to 90% of the set current, current overshoot $\leq 1\%$ ⑤ Voltage line leakage current, power line leakage current $\leq 100\mu\text{A}$ ⑥ Current resolution 1mA ⑦ Voltage resolution 1mA	Independent research and development	Original innovation
	② DC bus technology	Supports DC bus distribution	Independent research and development	Original innovation
DC Busbar Square Forming and Splitting Machine in one unit	① DC busbar technology	① 700VDC bidirectional DCDC module development; ② All-in-one power supply module development and upgrading; ③ DC bus all-in-one mode, charging efficiency is estimated to be 82%, discharging efficiency is estimated to be 80%.	Independent research and development	Original innovation
	② Negative Pressure Integration Technology	① Constraint tray and negative pressure components integrated design; ② Equipment power supply mechanism integrated design, space utilization rate increased by about 30%;	Independent research and development	Original innovation

BOX type polymer pressurization system	① High-temperature, high-pressure formation technology	① Temperature range: room temperature-110°C (accuracy: $\pm 2^{\circ}\text{C}$) ② Current range: 0.04-300A; (accuracy: $\pm 0.05\%\text{FS}$) ③ Voltage range: 0-5V; (accuracy: $\pm 1\text{mV}$) ④ Pressure range: 0.3-50T; (accuracy: $\pm 1.5\%\text{FS}$)	Independent research and development	Original innovation
	② Fully automatic negative pressure technology	① Negative-pressure exhaust of the chemical formation process; (accuracy: $\pm 0.05\text{kpa}$) ② The fixture channel can be air pressurized; ③ Stacker delivery mode, fully automatic calibration changeover, 18PPM/L;	Independent research and development	Original innovation

During the reporting period, Hangke Technology has achieved a number of important R&D results, which have further consolidated its technological leadership in the field of lithium battery production equipment and promoted the upgrading of the company's products and market expansion. The following are the major R&D achievements of Hangke Technology during the reporting period:

1. A new generation of intelligent formation and capacity grading equipment

Hangke Technology successfully developed a new generation of intelligent chemical formation and capacity grading equipment during the reporting period. The equipment integrates artificial intelligence (AI) and big data analysis technology, and is capable of real-time monitoring and optimizing various parameters in the chemical formation and capacity grading process. This equipment not only improves production efficiency, but also significantly enhances product consistency and quality stability. The launch of the intelligent chemical formation and capacity grading equipment marks a major breakthrough for Hangke Technology in terms of equipment intelligence, which further meets the needs of high-end lithium battery manufacturers.

During the reporting period, Hangke Technology developed a highly efficient energy recovery system, which is applied in the process of lithium battery chemical formation and capacity grading. The system is able to effectively recover energy during the process of chemical condensation and reuse it in the production line, thus significantly reducing energy consumption. The launch of this system is not only in line with the global trend of energy saving and environmental protection, but also helps customers to reduce production costs and enhance the competitiveness of their products in the market.

3. Modular production line design

The modular production line design developed by HangKe Technologies gained wide attention during the reporting period. The design concept allows customers to flexibly configure the production line according to actual production needs, and the modularized equipment can be quickly adjusted or expanded to accommodate the production of different types and specifications of lithium batteries. This innovation significantly improves the flexibility and adaptability of the production line, enabling customers to respond faster to changes in market demand.

4. Advanced thermal management technology

In response to the high heat generated in the process of lithium battery chemical formation and capacity grading, Hangke Technology developed advanced thermal management technology during the reporting period. The technology, which includes a highly efficient heat dissipation design and temperature control system, is capable of ensuring production efficiency while avoiding equipment failure or battery performance degradation due to overheating. The application of this technology has greatly enhanced the stability and safety of the equipment.

5. Digital management platform

Hangke Technology successfully launched a digital management platform during the reporting period, through which customers can monitor the operation of production lines in real time and obtain detailed production data and analysis reports. Based on Internet of Things (IoT) technology, the platform

supports remote management and maintenance of equipment, effectively improving the efficiency of production management and the stability of equipment operation. This R&D achievement marks an important step in Hangke Technology's digital transformation.

6. Production equipment adapted to new battery technologies

With the rise of new battery technologies such as solid-state batteries, Hangke Technology has developed equipment adapted to the production of these new batteries during the reporting period. These equipment has significant advantages in handling new materials and processes, and can meet the needs of future battery technology development, laying the foundation for the company to compete in the field of next-generation battery technology.

7. Environmentally friendly equipment

Against the background of increasingly stringent environmental protection policies, Hangke Technology has developed a series of environmentally friendly equipment. These equipment excel in energy consumption, exhaust gas treatment, noise control, etc., and comply with international environmental standards, helping customers to meet local environmental regulations and reduce the impact on the environment.

The R&D achievements made by Hangke Technology during the reporting period not only enriched the company's product line and enhanced the technical content and market competitiveness of its products, but also laid a solid foundation for the company's future development. Through continuous innovation in the fields of intellectualization, energy saving and environmental protection, adaptability of new materials and digital management, HangKe Technologies has demonstrated its strong R&D capability and market foresight, and is expected to continue to lead the development direction of the lithium battery production equipment industry in the future.

National Science and Technology Award Winners

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

2. R&D results obtained during the reporting period

As of June 30, 2024, the company had 338 patents, including 80 invention patents, 254 utility model patents, 4 design patents, and 20 computer software copyrights.

List of intellectual property rights acquired during the reporting period

	New for this period		Cumulative number	
	No. of applications (pcs)	Number of acquisitions (pcs)	No. of applications (pcs)	Number of acquisitions (pcs)
Patents for inventions	20	31	164	80
Utility Model Patent	25	12	365	254
Design Patents	0	0	5	4
Software copyright	2	2	20	20
Others	0	0	0	0
Total	47	45	554	358

3. Table of R&D investment

Unit: Yuan

	Current period	Same period last year	Magnitude of change (%)
Expensed research and development investment	112,826,137.60	124,320,990.17	-9.25
Capitalized R&D investment			
Total R&D investment	112,826,137.60	124,320,990.17	-9.25
Total R&D investment as a percentage of operating	5.97	5.86	0.11

revenue (%)			
Share of R&D inputs capitalized (%)			

Reasons for the significant change in total R&D investment from the previous year☐Applicable ☒Not Applicable**Reasons for the significant change in the proportion of R&D inputs capitalized and its justification**☐Applicable ☒Not Applicable

4. Status of ongoing research projects

√Applicable □Not Applicable

Unit: Yuan

No.	Item Name	Projected total investment size	Amount invested during the period	Cumulative amount invested	Progress or milestones	Proposed target	Technical level	Specific application prospects
1	4680 Tandem Chemical Divider All-in-One	18,500,000.00	9,223,729.28	16,445,940.07	1.4680 64CH series connection 4680 prototype commissioning completed; 2.64CH series connection equipment to achieve constant current, constant voltage mode of operation; 3.Charging and discharging full-load efficiency of 85% and above, the current and voltage accuracy of five ten thousandths of a percent; 4.Complete technical status of the equipment, safety measures meet customer demand. 5.144CH, 256CH prototype design is completed,the technical indicators	1.64CH, 144CH and 256CH series charging and discharging equipment all realize constant current and constant voltage working mode; 2.Charging and discharging full load efficiency reaches 85% and above, current and voltage accuracy of five ten thousandths of a percent; 3.Complete technical status of the equipment, safety measures to meet the needs of customers.	1. The driver board adopts the latest silicon carbide technology, single-board power input can withstand 350V high voltage, 2. Exit components through the high-precision pwm adjustment of the current input to achieve the constant voltage function; 3. With software, hardware constant voltage dual function (configurable)	1. After Tesla's large-scale promotion of 4680 batteries, domestic and foreign battery companies have also accelerated the research and development of 4680/95 series batteries, expanding production capacity, market demand has increased dramatically, and application scenarios are broad; according to industry forecasts, 4680/95 series batteries are expected to become the standard model of cylindrical power batteries. 2.

					are under test			International first-class battery manufacturers have gradually adopted the tandem charging and discharging equipment.
2	4680 Large Cylinder Overseas Standard All-in-One	18,000,000.00	8,425,938.81	8,425,938.81	1.Hardware single board commissioning is completed, waiting for the installation test; 2.All-in-one tray molding is completed, the first sampling is completed; 3. Integrated embedded water-cooling components sampling is completed.	1.Adopting tray cavity negative pressure process to remove the negative pressure drying room environment; 2. Vacuum environment replaces the storage space fire; 3. Tray integrated water-cooling; 4.Circuit board integrated one-piece.	1.The circuit board adopts the latest third-generation semiconductor technology and digital circuits; 2. Integrated embedded water cooling, completely get rid of the air-cooled mode; 3. Vacuum environment, the safety performance is greatly improved.	At present, most of the 4680 cylinder batteries in overseas markets use the negative pressure process.The cost investment is huge in explosion-proof measures, cost investment in drying room, and complex process requirements. The newly developed integrated function not only solves the technical problems, but also greatly reduces the cost and improves the safety of the equipment. The prospect is widely used, which is a milestone innovation and upgrading of 4680

								cylindrical charging and discharging equipment.
3	256CH Large Cylinder Negative Pressure Chemical Formation Into Water Heating Thermostat Integral Machine	15,000,000.00	7,019,273.42	7,019,273.42	The 3D design was completed 20%,;	1. 1256CH negative pressure leakage rate $\leq$ 0.3Kpa; 2. equipment self-heating temperature uniformity 45 ± 3 °C; 3. Stability verification of 256CH single cylinder mode mechanism;	Pre-study device development; validation of water cooling temperature uniformity	It has been verified by the overseas Grand Cylinder 4680 project, and the program of eliminating high-temperature rooms is far more promising; It is possible to realize the design of a one-piece formation machine without a partition wall.
4	Normalized charge/discharge control system for large cylinders	5,000,000.00	2,348,311.00	2,348,311.00	1. The needle board components form 8-channel, 12-channel, 14-channel, 16-channel serialization;through a flexible combination of equipment, achieve 64-channel, 144-channel, 196-channel, 256-channel scenarios and realize the diversification of component	1. Reduce the cost of equipment control system, the cost of the control system reduced by 50% 2, reduce the equipment space occupancy: 40% less space than the existing split charging and discharging equipment 3.charging and discharging efficiency: through	Internationally leading	It has been verified and recognized by many domestic and foreign first-class customers, and has obtained scale orders for batch delivery.

					installation mode, to meet the negative voltage into, sub-capacity and other scenarios 2. Achieve the drive plate DC bus DC350-800V power supply, directly to the battery charging and discharging, reduce the input side bus power supply loss, improve the overall efficiency of the single board, achieve the multi-splitter unit switching 3. multi-mode operating modes, including constant-current charging and discharging, constant-voltage charging and discharging, constant-power charging and discharging, constant-resistance charging, Pulse charging and discharging, working condition	the application of high-voltage DC bus design, the driver board charging and discharging efficiency is increased by at least 5% 4. Through the design of high-efficiency calibration tooling, so that the whole machine calibration time is reduced by at least 50% 5. The pin board assembly Internal air duct design, circuit board efficiency, improve the temperature rise and temperature uniformity of the battery	
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					simulation, waveform superposition, EIS, etc. 4. The formation of series and parallel control system, parallel to achieve multi-channel parallel expansion, the synchronization time between the channels is less than milliseconds, the series is divided into simple series, composite series, software constant voltage series, etc., which greatly expands the application scenario.			
5	Cell self-discharge parameter test system	13,000,000.00	6,259,342.98	6,259,342.98	All testing has been completed and meets the expected set objectives	1. Shorten the resting time after the cell dividing process, and greatly improve the efficiency. 2. Search for the battery special curve that cannot be recognized in the current conventional scheme, and predict the NG	1. Fully verify the feasibility through a large number of experiments. Continuously revise and improve on the existing technical program. 2. Use different stresses to stimulate	At present, it has received an order from a Korean customer and has been shipped to the customer's site for testing. In addition, the system scheme is also under negotiation with customers in Japan, South Korea, Europe and the United States

						cells in advance.	different failure modes to eliminate defective batteries. Adopt precision measurement technology, combined environmental stress (temperature, time, electric pulse, etc.), to stimulate the failure mode of defective batteries, the use of big data computing to replace the long-term storage of the new program for the safety prediction of big data software to form the NG model.	
6	High and low temperature integrated cycle test equipment	5,000,000.00	2,061,891.28	2,061,891.28	At present, the prototype of the square all-in-one machine has been completed, and the	Test Temperature Range:-40°C~85°C Temperature accuracy:±2°C Applicable: Square	Few similar products in China, with leading performance in	Suitable for high temperature, high and low temperature testing and cycle aging

					commissioning of the various performance of the equipment has been completed. The prototype of the cylindrical all-in-one machine has been completed, and the performance test has been completed.	battery, Cylindrical battery Voltage:0-5V Current:0-600A Accuracy:0.02%FS	the industry	testing of square and cylindrical batteries.
7	500V300A pack test system	5,000,000.00	2,005,804.45	2,005,804.45	500V300A power supply commissioning completed whole power cabinet structure processing completed	Voltage:0-500V Current:0-300A Power:150KW/CH Accuracy:0.02%FS Integrated ARM control system CAN communication	The technical level of the equipment can reach the domestic first-line module test equipment, which can meet the needs of most customers.	Suitable for 300-500v battery module testing,A Korean front-line customer has a batch demand for charging and discharging 300V600A modules
8	Blade hydrothermal negative-pressure chemical formation integrated machine	10,000,000.00	4,205,293.82	4,205,293.82	All testing has been completed and meets the expected set objectives	1.Adopt hot water temperature control to achieve high temperature $45\pm3^{\circ}\text{C}$ temperature control 2. Negative pressure components are separated from the equipment to ensure that the battery is in a sealed state after	1.The integrated design of the restraint tray and the negative pressure assembly ensures that the cells remain sealed when they leave the unit.The pallet is equipped	Hangke hydrothermal negative pressure chemical formation integrated machine has been recognized by European and American customers, forming batch export orders for square equipment,

						leaving the equipment 3.Using one-piece design to achieve the chemical formation process does not require environmental control effects	with a negative-pressure sealing device, and the open cell storage environment does not require dew-point control. 2. With the equipment power supply mechanism integrated design, the space utilization rate increased by about 30%; 3.the use of hydrothermal solutions to control the temperature, high-temperature negative pressure into the process does not need to control the temperature of the environment, the uniformity	generating a lot of economic benefits at the same time. It has comprehensively enhanced Hangke's popularity in the field of square equipment and paved the way for the subsequent fight for overseas projects.
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							of the temperature control in the 45 ± 3 °C. 4. negative pressure components and equipment separation mode, negative pressure does not need to do the process in a dry environment;	
9	High Voltage Tandem Formation Machine	20,000,000.00	9,911,033.88	9,911,033.88	1.The prototype is delivered to the customer for use and is under joint commissioning on site 2. The filling and deflating verification of the 104 channel airbag tray was completed, and the PLC program was optimized. 3、 The liquid injection module is integrated with charging and discharging equipment. The structure has been installed and is waiting for the	1. 104 channel airbag tray is automatically inflated and deflated, and the airbag pressure is detected during the process 2. The charging and discharging integrated machine of the liquid injection module can inject liquid before charging and refill liquid after completing the process 3. The liquid injection module follows the function to be	1. 104 channel airbag tray is used for the first time 2.Collection of integrated liquid injection module and charging and discharging3. The liquid injection module follows the function to meet the incoming material error and ensure the air tightness of the suction nozzle	Suitable for use in blade batteries without the need for a separate station and dispenser.

					verification stage of liquid addition. 4.Liquid injection module follower structure installation completed, pending practical verification phase	compatible with assembly error and incoming material error, and meet the positioning of the nozzle to ensure air tightness		
10	Square High Voltage DC Busbar Distribution System	12,000,000.00	5,894,007.71	5,894,007.71	Test objectives have been accomplished and have been applied to project shipments	1. Completed the square high voltage DC busbar distribution system 2. The whole machine discharge energy utilization rate reaches 80% (to meet the public customers) 3. Several domestic clients have completed the project shipment, and the high voltage busbar equipment has been put into batch production and use.	1. The charging and discharging efficiency has reached the international leading level.	1. It can make the customer further save the power, the customer inverter configuration capacity can be reduced, so as to achieve to the customer to save the production line investment, the use of cost.
11	Artificial Intelligence Based Embedded Controller	3,000,000.00	1,502,445.94	1,502,445.94	1. Based on the functional requirements of the existing four-generation machine, combined with the functional requirements of the	1. Realize platformization, generalization and standardization, and be able to realize a variety of services for the business layer; 2.	Industry leading	It can be fully applied to formation, capacity grading, loop testing equipment and back-end processing equipment such as

					cyclic test equipment, the communication protocol between the six-generation machine and the upper computer was formulated, and the upper and lower computer codes were reconstructed according to this protocol, and are now in the process of coding; 2. With full consideration of the real-time nature of the data, the completeness and the need for synchronization, the communication protocol between the six-generation machine and the DSP was formulated, and the lower computer and the DSP codes were all reconstructed according to the protocol. Reconstructed, the code has been implemented and verified; 3. design	Possess the characteristics of high availability, strong scalability, easy maintenance, etc., and provide flexible, fast and simple execution and commissioning solutions for business applications; 3. Meet the demand for mass-production-type equipment, and also serve as a controller for cyclic testing-type equipment; 4. Improve the system's degree of intelligence through the application of machine learning, and then Reduce the cost of production and improve efficiency;	DCIR and OCV.
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					and development of remote IO modules: DI module has been implemented and tested in software and hardware, DO / AIO / temperature acquisition / thermocouple modules have completed device selection and schematic design, is currently undergoing PCB design and development; 4. development of industrial Ethernet EtherCAT: ported the master protocol stack, and in the routine to achieve the control of servo motors on the Machine learning: temperature control has been taken as the control objective, and an adaptive temperature control algorithm based on deep reinforcement learning has been designed, which			
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					automatically adjusts the pwm parameters by learning the historical data to adapt to the temperature control needs under different environmental conditions;			
12	Soft pack battery loading and unloading system based on stacker crane mode	20,000,000.00	9,300,217.72	9,300,217.72	1.Stacker mode gripper part of the design has been completed, the relevant information has been submitted to the customer; 2. Stacker body and fork design scheme has completed the preliminary review, continue to be refined	1.PPM>20; 2, full load (1000Kg), cantilever 1.5m, deflection control in full load within 10mm, no load, control within 5mm	With air pressure fixture management in the form of storage, operation and maintenance costs are lower and efficiency is higher	At present, a Korean customer has launched the stacker mode fixture machine in batches to complete the design of this part. Hangke may introduce this part of equipment to overseas first line clients.
13	Soft pack high voltage DC busbar battery capacity integrated machine	26,500,000.00	13,168,827.92	13,168,827.92	1.Complete the development and testing of equipment prototype whole equipment. 2. Improve the overall efficiency of the equipment through the application of high-voltage DC 570V bus and third-generation	1The fourth generation of semiconductor GAN use, the whole charging efficiency should reach more than 82%, discharge efficiency should reach more than 80%. 2.Through the PWM fan and	Significantly improve the overall efficiency of charging and discharging of soft package equipment. Miniaturization of volume and application of water cooling	Develop this equipment for technical verification, preparing for the subsequent line bidding by Korean customers, and also prepare for the industry power soft pack market competition,

					semiconductor GAN.	water-cooling system, control the temperature uniformity of the battery inside the warehouse, required to control within ± 2.5 °C. 3.Development of a new all-in-one 100A DC/DC module to meet the voltage and current accuracy within 0.05% FS, stable module performance.	increase the utilization rate of plant by more than 40%. Improve the temperature difference between storage spaces and reduce the influence of temperature on capacity.	realize the first soft pack high voltage DC bus battery capacity integrated machine in the market for mass production application.。
14	Negative Pressure Formation System for EV Power Battery	16,000,000.00	7,653,512.46	7,653,512.46	1.Complete clamps left and right adjustable 2. Complete the production of tooling 3. Double overhead crane plus a venting robot linkage, has passed the LG stage acceptance	1.Complete clamps left and right adjustable 2. Completion of the workpiece production 3. Double overhead crane plus a venting robot linkage, 4.Adoption of explosion-proof vacuum system 5.Improvement of suction cup sealing	Industry leading	Promotion of negative pressure formation of soft pack batteries for Japanese and Korean customers.
15	Pre-pressure self-discharge tester	15,000,000.00	7,057,419.86	7,057,419.86	1. In an overseas client project, the plan has been changed several	Preliminary pressurization, OCV data detection,	Currently in the validation phase of the new	Subsequent awards for mass production on customer projects

					times according to customer requirements, waiting for the customer to issue the contract for mass production equipment; 2. Transformed and verified in a client project in North America in the United States, and passed the preliminary approval of customers	prognosis of battery defects and advance screening of batteries prior to formation in accordance with customer requirements	technology program	in Japan, Korea and North America.
16	Solid State Battery High Pressure Jig Machine	16,000,000.00	7,776,757.25	7,776,757.25	1. 40T fixture has completed the design order; procurement, processing is in progress, to be installed and tested; 2. The preliminary design scheme of 80T (100T) fixture has been completed;	1. Pressure meets customers' high pressure requirements. 2. Pressure uniformity is $\pm 2\%$ RD or less; 3. Ongoing verification improves the flatness;	Currently in the experimental validation stage, mass production application feasibility assessment; The invention relates to a new type of high pressure clamping machine for solid state battery production	Solid-state battery is a subsequent mainstream battery technology research and development direction, the current major battery factories have a demand for large pressure fixtures, the project's R & D for the subsequent solid-state battery production equipment to provide a pre-study, the market

								prospect is broad.
17	Steel Shell Negative Pressure Chemical Divider	18,000,000.00	9,012,329.82	9,012,329.82	The batch line contract of a domestic customer has been obtained, and the corresponding contract project is currently being designed	Completed the development of the steel shell negative pressure compression and capacity grading machine for different types of steel shell batteries, and communicated with Samsung, LG, and Guanyu about the new project plan simultaneously.	Industry leading	Negative pressure chemical formation and capacity grading integrated machine for steel shell batteries, responding to the requirements of the new European and American battery regulations.
Total	/	236,000,000.00	112,826,137.60	120,048,348.39	/	/	/	/

5. Research and development personnel

Unit: RMB 10,000 Currency: RMB

Basic Information		
	Current period	Same period last year
Number of R&D personnel in the company (persons)	1,076	1078
Number of R&D personnel as a percentage of total company headcount (%)	26.92	23.22
Total R&D staff remuneration	8,261.71	8,801.72
Average salary of R&D staff	7.68	8.16

Educational attainment		
Academic composition	Number (persons)	Proportion (%)
PhD	0	0
Master's degree	42	3.90
Bachelor	539	50.09
Specialized training school	407	37.83
High school and below	88	8.18
Total	1,076	100
Age structure		
Age range	Number (persons)	Proportion (%)
Under 30 years of age (not including 30 years of age)	763	70.91
30-40 years old (including 30 years old and excluding 40 years old)	262	24.35
40-50 years old (including 40 years old, excluding 50 years old)	43	4.00
50-60 years old (including 50 years old and excluding 60 years old)	7	0.65
60 and over	1	0.09
Total	1,076	100

6. Other notes

□Applicable √Not Applicable

III. Analysis of core competencies during the reporting period

(i) Core Competitiveness Analysis

√Applicable □Not Applicable

1.Core technology advantage

The company takes technology and R&D as its core competitiveness, and has been committed to the accumulation and development of technologies related to lithium-ion battery post-processing since its establishment. At present, the company's main core technologies are as follows.

Project category	Technical name	Issuer technology level	Core technology sources	Innovative approaches
4680 All-in-One Power Supply Normalized Power	①High-precision charging and discharging performance indexes	①Setting current range/resolution 0.1mA-50A/0.1mA ②Current accuracy/display resolution:	Independent research and development	Original innovation

System		$\pm 0.02\% \sim \pm 0.05\% \text{FSmA}/0.1\text{mA}$ ③ Setting charging voltage range/resolution: 0-5V/0.1mV ④ Setting discharge voltage range/resolution: 1.5-5V/0.1mV ⑤ Voltage accuracy/display resolution: $\pm 1\text{mV}/0.1\text{mV}$ ⑥ Driving board charging and discharging efficiency: $\geq 90\%$ ⑦ Number of single charge/discharge channels: $n \times 16$ (n is the number of single boards, $n \leq 16$)		
	② Integrated design for charge/discharge control	① Digital inputs and outputs, dynamic configuration of analog inputs and outputs ② Negative pressure control software modularization ③ Dynamic control of battery temperature	Independent research and development	Original innovation
4680 Tandem Formation and Separation Machine	① Series-type charging and discharging technology;	① Charging and discharging full load efficiency ≥ 85 ② Charging and discharging current accuracy of five ten thousandths of a degree ③ Charging and discharging voltage accuracy of five ten thousandths of a degree ④ Current response time 0-100% output, 30ms to 90% of the set current, current overshoot $\leq 1\%$ ⑤ Voltage line leakage current, power line leakage current $\leq 100\mu\text{A}$ ⑥ Current resolution 1mA ⑦ Voltage resolution 1mA	Independent research and development	Original innovation
	② DC bus technology	Supports DC bus distribution	Independent research and development	Original innovation
DC Busbar Square Forming and	① DC busbar technology	① 700VDC bidirectional DCDC module development; ② All-in-one power supply module development and	Independent research and development	Original innovation

Splitting Machine in one unit		upgrading; ③ DC DC bus all-in-one mode, charging efficiency is expected to be 82% and discharging efficiency is expected to be 80%.		
	②Negative Pressure Integration Technology	①Integrated design of detention tray and negative pressure components; ②Equipment power supply mechanism integrated design, space utilization rate increased by about 30%;	Independent research and development	Original innovation
BOX type polymer pressurization system	① High-temperature, high-pressure formation technology	① Temperature range: room temperature-110°C (accuracy: $\pm 2^{\circ}\text{C}$) ② Current range: 0.04-300A; (accuracy: $\pm 0.05\%\text{FS}$) ③ Voltage range: 0-5V; (accuracy: $\pm 1\text{mV}$) ④ Pressure range: 0.3-50T; (accuracy: $\pm 1.5\%\text{FS}$)	Independent research and development	Original innovation
	② Fully automatic negative pressure technology	①Negative-pressure exhaust of the chemical formation process; (accuracy: $\pm 0.05\text{kpa}$) ②The fixture channel can be air pressurized; ③Stacker delivery mode, fully automatic calibration changeover, 18PPM/L;	Independent research and development	Original innovation

2. Advantage of R&D mechanism and technology innovation mechanism

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

①Accurately grasp the market demand - product development on demand

As lithium-ion battery reprocessing systems are basically customized systems, differences in battery type, anode and cathode material systems, plant conditions, automation degree, investment budget scale and end-use applications of lithium-ion batteries will all affect the design details of the reprocessing system. The R&D centers of each institute have specific product directions and customer groups, therefore, the institute starts to intervene in the negotiation at the early stage of the project

contact, to directly understand the customer's needs and concepts, to accurately grasp the segmentation characteristics and needs of the specific project, and to make the best solution on the basis of satisfying the customer's needs and combining with the characteristics of the company's product line. The Institute's responsibilities cover the entire process of initial technical communication, development of technical solutions, determination of technical agreements, design, product manufacturing, on-site installation and acceptance. Through the product on-demand development, the development of the project are targeted. At the same time, direct technical intervention throughout the process minimizes project risks and shortens the project execution cycle to maximize execution efficiency.

② Leading the market trend - standardized and universal design

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

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

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

④ Internal incentives - management by objectives

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

3. Market Advantage

The company has gradually gained customer recognition by virtue of product design that meets customer needs, advanced technology advantages, stable and reliable product quality, and excellent after-sales service. In the field of consumer electronics, we have high-quality customer resources, including Samsung of Korea, LG of Korea, Murata of Japan, Everest Lithium, Xinwanda, etc. In the field of power battery, we have high-quality customer resources, such as LG of Korea, SK of Korea, BYD and Guoxuan Hi-tech. With the wave of electrification to Europe, the United States and India and other emerging markets, the international first-tier lithium-ion battery manufacturers have been in the United States, Europe and other international markets to put forward the expansion plan, the company as a leading technology and has a large-scale production and manufacturing capacity, globalization and configuration capacity of the lithium battery reprocessing system suppliers, with years of globalization and development experience, the layout of the overseas market and the basis of capacity building, the future is expected to further development in the future.

4. The advantage of production scale

The company has always adhered to the production route of large-scale self-manufacturing. The self-manufacturing rate is comparatively high. As of the end of the reporting period, the company has six factories in China (including the sixth factory under construction), with a floor area of about 550,000 square meters, and has invested in the construction of a Korean factory and a Japanese factory in overseas countries. The Japanese factory is located in Osaka, which is mainly used to cope with the small-scale demand of customers; the Korean factory is located in Buyeo County, which is mainly used to face the demand of the expansion of the production of the Korean customers in the U.S. market. By building factories in Japan and South Korea, the company can not only increase the scale of production capacity, but also get closer to the needs of customers, maintain closer communication with customers,

and consolidate and enhance the company's advantageous position in the major customers. The company's advantage of large-scale production capacity at home and abroad is conducive to undertaking large-scale customer orders, and at the same time brings about a scale effect, which is conducive to reducing production costs.

5.Team Management Advantage

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

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

☐Applicable ☒Not Applicable

IV. Discussion and analysis of the business situation

In the first half of 2024, the company's overall operating conditions are good. During the reporting period, it has achieved operating income of [1,890,804,932.63] yuan, a year-on-year decline of [10.85%], net profit of [269,275,399.75] yuan, a year-on-year decline of [43.39%], the overall operating results have been under pressure. During the reporting period, the company continued to focus on the main industry, increase research and development efforts to promote the lithium-ion battery post-processing system equipment update iteration. According to the market situation and customer demand, it provides customers with the back section of the entire line of equipment. At the same time, in the face of shrinking domestic demand, it actively expands outward, and unswervingly takes the globalization of the development strategy.

I. Market analysis

From the domestic market, with the increasing penetration of new energy vehicles, new energy vehicle production and sales growth has slowed down,. The domestic lithium battery industry transits from the high-speed development stage to the production capacity of the digestion stage. From the second half of 2023, the domestic battery factory enters into the production capacity of the digestion stage, resulting in a reduction in demand for the equipment industry, and competition has intensified. From the international market, from 2023 onwards, the U.S. and European market demand increases, led by Japan and South Korea's global expansion of battery factory has brought more orders for equipment demand. Although some of the construction of joint venture factories progress is less than expected, the planning of production time extension and other negative news occur, but in the medium to long term, the overseas market has a broad and long-term market demand. On one hand, Japan and South Korea-led lithium battery companies continue to increase production capacity expansion in the United States, Europe and Southeast Asia, overseas OEMs are also actively engaged in self-built battery production capacity, such as Volkswagen, Toyota, Tesla, etc., and there are also some local battery producers have emerged. In addition, although Europe and the United States took turns to introduce new trade protectionist regulations, setting up heavy restrictions on China's lithium enterprises, but in the face of the current situation of domestic overcapacity, China's lithium enterprises speeding up the overseas layout has become its global layout of the road to be taken. The future internationalization of China's lithium products will gradually change from export to overseas, and gradually change from trade-based to overseas investment in localized development. According to EVTank data, as of June 2024, China's lithium industry chain enterprises announced overseas investment amounted to 564.8 billion yuan, of which Europe accounted for 37%, and others are mainly in Southeast Asia, the United States and other regions. China's lithium industry overseas has become a general trend, so the center of gravity of the

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

II. Progress in research and development

The company has always taken technological innovation as the driving force for development, and has continuously strengthened its investment in R&D. The company has set up a technology center with a basic technology research institute. The company set up a technology center, under which the Institute of Basic Technology is engaged in the research and development of basic technology and the construction of the underlying architecture. A product center is set up to conduct targeted research and development of products according to the three battery forms of cylindrical, square, and soft-packed, which are oriented to specific customer needs. During the reporting period, the company's R&D personnel amounted to 1,076, accounting for 26.92% of the company's total headcount. Invested in R & D expenses [112,826,137.60] yuan, compared with the same period last year [down 9.25%]. During the reporting period, the company obtained 31 invention patents, 12 utility model patents and 2 software copyrights. The R&D achievements are mainly reflected in the new generation of intelligent formation and capacity grading equipment, high efficiency energy recovery system, modular production line design, advanced thermal management technology, digital management platform, production equipment adapted to new battery technology and environment-friendly equipment. The company always takes the value of customer achievement as the first priority, and endeavors to provide technical research and development to enrich the product line, improve the product technology level and market competitiveness, and meet the customer's demand for product update and technology upgrade in a timely manner.

III. Financial situation

In the first half of 2024, the Company realized operating revenue of RMB [1,890,804,932.63], a year-on-year decrease of [10.85%], net profit attributable to owners of the parent company of RMB [269,275,399.75], a year-on-year decrease of [43.39%], and net cash flow from operating activities of RMB [112,081,433.41], a year-on-year decrease of [24.93%]. As the Company has a 9-month to 12-month cycle for recognizing revenues, most of the orders for which revenues were recognized during the reporting period were signed in FY2023, while the market situation in FY2023 was poorer and the competition was more intense, and [the gross profit margin declined year-on-year]. In terms of revenue, the Company's revenue from main business in the first half of 2024 amounted to RMB [1,876,611,028.52], accounting for [99.25%] of the operating revenue, which was mainly charging and discharging equipment and accounted for [76.95%] of the operating revenue, while other equipment accounted for [21.62%] of the operating revenue, which was mainly automated logistics equipment, stand-alone testing equipment, and so on.

Significant changes in the Company's operating conditions during the reporting period, as well as matters occurring during the reporting period that have had a significant impact on the Company's operating conditions and are expected to have a significant impact in the future

☐Applicable ☒Not Applicable

V. Risk Factors

☒Applicable ☐Not Applicable

1. Risk of technology and product substitution

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

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

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

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

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

The company's main product lithium-ion battery production line after-treatment system is the main source of the company's operating income. As the products are customized production, at the same time the company's products in the technical level, reliability and other aspects of the core competitiveness of the company has a strong, and thus has been to maintain a high gross margin of the main business. However, on the one hand, with the large-scale application of lithium-ion batteries and large-scale production, lithium-ion batteries, there is a gradual reduction in the cost of selling price pressure, and lithium-ion battery manufacturers, but also inevitably will reduce the cost of the pressure to be transferred to a part of the upstream equipment suppliers; on the other hand, lithium-ion batteries large-scale application of the large-scale production of lithium-ion batteries brought about by a large number of needs for production equipment, but also to stimulate the industry's development, and there are constantly On the other hand, the large demand for lithium-ion battery production equipment caused by the large-scale application of lithium-ion batteries has also stimulated the development of the industry, and there are constantly new manufacturers entering the field of post-processing systems, which has led to increasing competition. At the same time, with the end of the global expansion tide, bringing the worry of overcapacity, if the market demand is reduced, it will inevitably bring the situation of low-price competition. As a result, the Company's main products are always under pressure from market competition and customers' requests for price reductions, which may lead to a decrease in orders for the Company's main products or a further decline in gross profit margin if the Company is unable to maintain the competitive advantages it has already achieved and further improve its cost control capabilities. In addition, the Company has gradually started to sell fully automated reprocessing system production lines to its customers in the form of an integrator since 2016, and some of the orders may contain outsourced automated logistics line products, which may also pull down the Company's gross profit margin on sales.

3. Risk of uneven distribution of operating results

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

4. Risk of higher customer concentration

The Company's customers are mainly well-known lithium-ion battery manufacturers such as Samsung of Korea, LG of Korea, SK of Korea, , EVE Energy, BYD, SUNWODA, GXG, etc., and the main customers are relatively concentrated. The Company's sales revenue to its major customers accounts for a high proportion of its main business revenue, and if the operating conditions of some of its customers are unfavorable, or if the demand for the Company's products is substantially reduced, the Company's operating results will be adversely affected.

5. Risk of exchange rate fluctuations

A portion of the Company's sales revenue is derived from export sales, which are mainly denominated in U.S. dollars, euros and therefore exchange rate fluctuations, in particular the appreciation of the RMB, will have a certain impact on the Company's financial position. If the exchange rate of RMB continues to appreciate, on the one hand, an increase in the price of export products denominated in foreign currencies will affect the competitiveness of the Company's export products in the market, and there is a risk of loss of customers or transfer of orders to other countries; on the other hand, the assets held by the Company in foreign currencies due to export will depreciate as a result of the appreciation of RMB, which will affect the operating profit.

6. Customer acceptance risk

The lithium battery reprocessing equipment industry in which the Company is located mainly recognizes revenue by equipment acceptance, and according to past experience, the overall acceptance cycle can be estimated to be generally from 9 months to 1 year or so, but due to the equipment installation and commissioning time of some of the downstream customers and their operating conditions and financial conditions, the said cycle may be extended to more than 1 year. In the event of severe fluctuations in the industry in the future, some of the downstream lithium battery manufacturers with low start-up rates or in a state of closure, and a significant drop in operating results and financial constraints may delay or refuse to accept the equipment, and part of the Company's revenues may not be recognized, which will have a material adverse impact on the Company's results of operations.

7. Lithium-ion battery industry fluctuation risk

During the reporting period, the profit of the Company's main business mainly came from the lithium-ion battery production line reprocessing system, and the Company's customers were mainly well-known domestic and foreign lithium-ion battery manufacturers. In recent years, with technological advances and national policies to vigorously promote the lithium-ion battery in the consumer electronics products continue to upgrade, new energy vehicles continue to popularize the situation, lithium-ion battery demand is growing rapidly. In this context, lithium-ion battery manufacturers continue to expand production capacity, new or remodeled lithium-ion battery production line, which led to a high growth in demand for post-processing system-related equipment. In the future, with the gradual replacement of traditional cars by new energy vehicles, the demand for consumer electronics products is rising steadily, and the application of lithium-ion batteries in energy storage is also promising, so in the long run, the production capacity of lithium-ion batteries will still be further expanded, and the demand for equipment related to the reprocessing system will also remain high. However, with the increasing maturity of the market, power batteries have experienced a wave of rapid expansion and entered a period of capacity digestion, and the industrial concentration is increasing. At present, some domestic power battery manufacturers have low capacity utilization, low-end overcapacity, and more difficult capital turnover. If the domestic new energy vehicle manufacturers appear large-scale stagnant sales, the domestic lithium-ion battery manufacturers capacity utilization rate continues to be low, capacity expansion continues to reduce, and the company's development of overseas power battery manufacturers is not effective, the company's future sales revenue faces the risk of decline.

8. Risk of international political and trade changes

The Company's major foreign customers include Samsung (South Korea), LG (South Korea), SK (South Korea), and Sony (now Murata (Japan)), Volkswagen, while some of them have set up factories in the United States, Europe, Southeast Asia and other markets. Therefore, changes in relations between China and South Korea, China and Japan, and China and the U.S. may result in a reduction or even interruption of the Company's cooperation with several of these customers, which will likely have an adverse effect on the Company's operating results. With the emergence of the U.S. and European markets, changes in the relationship between China and the U.S. and China-European countries may have an impact on the Company's development of the U.S. and European markets and business development. In addition, some of the Company's electronic components are also procured from abroad. China and the United States are currently engaged in a trade dispute and have responded to each other by imposing tariffs, etc. If the trade dispute expands in the future and affects the trade policies of Japan, South Korea, and other countries towards China, it may likewise adversely affect the Company's operating results.

VI. Major operations during the reporting period

The company realized operating income of 1.891 billion yuan, a decrease of 10.85% over the same period of the previous year; realized net profit attributable to shareholders of listed companies of 269 million yuan, a decrease of 43.39% over the same period of the previous year; and net cash flow from operating activities was 112 million yuan, a decrease of 24.93% over the same period of the previous year.

(i) Main business analysis

1 Analysis of changes in the financial statements by relevant accounts

Unit: Yuan Currency: RMB

Items	Current period	Same period last	Percentage change
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		year	(%)
Revenues	1,890,804,932.63	2,120,914,382.58	-10.85
Business costs	1,324,979,513.62	1,278,904,889.62	3.6
Sales expense	45,746,820.63	57,012,231.55	-19.76
Overhead	82,109,029.85	121,571,550.43	-32.46
Financial cost	-33,494,322.89	-129,921,885.06	-74.22
R&D costs	112,826,137.60	124,320,990.17	-9.25
Net cash flows from operating activities	112,081,433.41	149,304,544.96	-24.93
Net cash flows from investing activities	-48,283,053.70	-392,145,375.18	-87.69
Net cash flows from financing activities	-178,181,033.52	1,033,290,833.63	-117.24

Reasons for changes in operating income: Mainly due to the intensified competition in the domestic lithium industry, the overall equipment acceptance cycle has been extended, and the corresponding sales revenue has declined year-on-year.

Explanation for changes in operating costs: This is mainly due to the intensified competition in the industry and the decrease in gross margin. In addition, the increase in operating costs is caused by the settlement of some overseas DDP mode orders and the inclusion of sea freight and tariffs into operating costs.

Description of changes in selling expenses: Mainly due to the decline in domestic industry demand in recent years

Reasons for changes in administrative expenses: mainly due to the decrease in the recognized share incentive expense compared with the previous year.

Description of changes in finance costs: Mainly due to the impact of foreign currency exchange rates resulting in the current period of exchange income significantly decreased year-on-year.

Description of changes in R&D expenses: Mainly due to that there are more system research and development projects in the current period, and the corresponding research and development materials are used less than the same period last year.

Reasons for the change in net cash flows from operating activities: Mainly due to the intensification of competition in the domestic lithium battery industry, the slowdown in domestic sales receipts during the current period.

Reasons for the change in net cash flows from investing activities: Mainly due to the reduction of new construction projects in the current period compared with the same period last year, and the cash paid for the purchase and construction of fixed assets in the current period decreased year-on-year.

Reasons for the change in net cash flows from financing activities: Mainly due to the large amount of funds raised by the company's issuance of GDR at the beginning of last year, and the lack of such funds in this period, and the increase of the company's dividend in this period.

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

☐Applicable ☒Not Applicable

(i) Description of significant changes in profit due to non-principal activities

☐Applicable ☒Not Applicable

(ii) Analysis of assets and liabilities

☒Applicable ☐Not Applicable

3 Assets and liabilities

Unit: Yuan

Item	Closing Balance of the period	Percentage of total assets at the end of the period (%)	Prior year end	Ratio of prior year end number to total	Percentage change in the amount at the end of the period	Note
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				assets (%)	over the end of the previous year (%)	
Notes receivable	59,511,134.28	0.61	90,155,576.33	0.88	-33.99	
Receivables financing	7,405,760.69	0.08	18,205,751.49	0.18	-59.32	Mainly due to the reduction in the collection of notes of this period
Prepayments	73,454,166.55	0.76	42,841,452.58	0.42	71.46	Mainly due to the increase in prepayment for materials in the current period
Other current assets	125,402,997.43	1.29	10,470,636.02	0.1	1097.66	Mainly due to the increase in pre-paid value-added tax in the current period
Short term loan	29,400,000.00	0.3	14,516,000.00	0.14	102.54	Mainly due to the increase in discounted and unmatured bank acceptance bills
Employee compensation payable	7,031,288.40	0.07	34,353,950.98	0.34	-79.53	Mainly due to the issuance of the year-end bonus accrued in the previous year at the beginning of this year
Taxes payable	21,784,464.19	0.22	86,784,440.43	0.85	-74.9	Mainly due to the final settlement of enterprise income tax at the

						beginning of this year
Other current liabilities	201,676,468.86	2.08	117,860,346.15	1.15	71.11	Mainly due to the increase in value-added tax on accounts received in advance this year
Deferred income	43,560,987.42	0.45	23,863,491.77	0.23	82.54	Mainly due to an increase in government grant funds received in relation to assets during the period

Other notes
N.A.

1. Foreign assets

☒Applicable ☐Not Applicable

2. Asset size

Where: 1,286,560,759.58 (in yuan Currency: RMB) of foreign assets, accounting for 13.25% of total assets.

3. Description of the relatively high proportion of foreign assets

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

Item	Ending Amount	Opening Amount	Reasons for not being cash and cash equivalents
Bank deposits -- current		10,000.00	Freezing of bank deposits
Bank deposits -- current		97,224,408.20	Demand deposits for the opening of pledges of notes
Bank deposits -- time deposits		6,685,013.48	Time deposits pledged for the issuance of letters of guarantee and interest thereon

Item	Ending Amount	Opening Amount	Reasons for not being cash and cash equivalents
Bank deposits -- current		10,000.00	Freezing of bank deposits
Bank deposits -- current		97,224,408.20	Demand deposits for the opening of pledges of notes
Other monetary funds - guarantee deposits	140,164,665.24	196,386,852.14	Guarantee Bond Pledge
Other monetary funds - bankers' acceptance deposits	13,147,117.81	97,025,152.51	Banker's margin pledge
Subtotal	153,311,783.05	397,331,426.33	

5. Other notes

☐Applicable ☒Not Applicable

(iv) Analysis of the investment situation**1. Overall analysis of outward equity investments**2. ☐Applicable ☒Not Applicable**3. Significant equity investments**☐Applicable ☒Not Applicable**4. Significant non-equity investments**☐Applicable ☒Not Applicable**5. Financial assets at fair value**☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Asset type	Opening amount	Gains and losses on fair value changes during the period	Accumulated fair value changes recognized in equity	Impairment provided for during the period	Amount purchased during the period	Amount sold/redemption during the period	Other changes	Closing Amount
Stock	5,925,509.48	-3,121,828.82						2,803,680.66
Total	5,925,509.48	-3,121,828.82						2,803,680.66

Investments in securities

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Type of securities	Stock code	Short form	Initial investment cost	Source of funds	Opening Book Value	Gains and losses on fair value changes during the period	Accumulated fair value changes recognized in equity	Amount purchased during the period	Amount sold during the period	Gains and losses on disposal	Closing Book Value	Accounting subjects
Domestic and foreign	000980	Zotye Automobile	7,874,166.96	debt restructuring	5,925,509.48	-3,121,828.82					2,803,680.66	Financial assets

stocks												held for trading
Total	/	/	7,874,166.96	/	5,925,509.48	-3,121,828.82					2,803,680.66	/

Derivatives investments

☐Applicable ☒Not Applicable

1. Private equity fund investments

☐Applicable ☒Not Applicable

Other notes

None

(V) Sale of significant assets and equity

☐Applicable ☒Not Applicable

(VI) Analysis of major holdings and participation

☒Applicable ☐Not Applicable

Company name	Main business	Registered capital	Percentage of shareholding	Total assets	Net assets	Revenues	Net profit
CHR Japan Co.,Ltd.	1. Production, sales and procurement of battery-related equipment and battery-related products; 2, maintenance, management and repair of battery-related equipment and battery-related products; 3, development and transfer of battery production technology; 4, development, sales and import/export of various products, software and technologies; 5, all businesses incidental to and related to the above.	5 million yen	100%	60,212,988.51	55,136,722.18	249,631.07	-169,265.93
HangKe	Manufacturing and sales of battery-related	USD5	100%	1,030,568,59	94,151,124.9	509,519,016	74,114,042.3

Electronic Trading Hong Kong Limited	equipment and products, development and sales of various product applications and technologies, and import and export business.	million		2.92	7	.62	3
HangKe Electronics Corporation (Korea)	Battery-related equipment industry, manufacturing, sales and purchasing of battery-related products, wholesale and retail sales, import and export of battery-related products, battery-related maintenance management, development and transfer of battery-related production technology, development and sales of battery-related products and software technology, and trading.	100 million won	CHR Japan Ltd. contributes 100 million won as 100% of the capital.	6,192,950.43	-1,837,703.43	435,769.49	-434,096.57
HK POWER Co., Ltd	Primary batteries, secondary batteries manufacturing and wholesale, retail, import and export industry; storage batteries, chargers manufacturing and wholesale, retail, import and export industry; battery equipment related manufacturing, trading industry; battery-related equipment industry; battery-related products manufacturing, sales and purchasing industry; battery-related products wholesale, retail, import and export industry; battery-related equipment, maintenance, repair, management industry; battery-related production facilities development and Transfer; battery-related products and software technology development and sales of various products, trading industry; active lithium batteries, testing equipment and charging and discharging equipment manufacturing, processing, wholesale and retail trade, import and export industry; lithium battery pack protection plate products manufacturing, processing, wholesale and retail trade, import and export business; lithium battery automated production line manufacturing, processing, wholesale and retail trade, import and export business; lithium battery production	3 billion won	Hong Kong HangKe holds 100% of the shares.	150,248,373.94	6,735,738.94	0.00	-3,232,456.09

	technology development, import and export business; lithium battery related goods and technology import and export industry; all kinds of battery related equipment import and export, service industry; cutting-edge equipment installation, repair, manufacturing, import and export industry; lithium battery related equipment installation, repair, manufacturing industry; ion battery related equipment installation, maintenance; real estate leasing and trading industry; the incidental business involved in the above items.						
HONRECK EQUIPMENT TECHNOLOGY SUPPORT COMPANY SDN. BHD. (Malaysia)	Manufacture of battery-related equipment and battery-related products; maintenance, management and repair of battery-related equipment and battery-related products; development of battery-related production technology; development of various products, software and technology; all businesses incidental to the above.	RM2	CHR Japan Ltd. contributed RM2, representing 100% of the registered capital	0	-3,919.79	0	79.31
HONRECK ELECTRONICS TRADING SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ (Poland)	Manufacture of batteries and accumulators; repair and maintenance of electrical appliances; manufacture of other spare parts for motor vehicles (except motorcycles); electrical installations; wholesaling of spare parts for motor vehicles (except motorcycles); retailing of spare parts for motor vehicles (except motorcycles); sale, maintenance and repair of motorcycles and related spare parts; exclusive representation of other specified products; wholesaling of household electrical appliances; wholesaling of electronic equipment and communication equipment and related accessories; wholesaling of other machinery and equipment; retailing of new products in specialized shops; retailing through mail-order	5,000 PLN	HangKeung Hong Kong contributes 5,000 PLN or 100% of the registered capital.	32,856,724.11	- 21,442,185.31	0.00	-3,090,791.28

	shops or the Internet; warehousing and storage of other goods; other financial services, not classified, except insurance pension funds Wholesale of household appliances; wholesale of other machinery and equipment; retail sale of new products in specialized stores; retail sale through mail-order stores or via the Internet; transportation of goods by road; warehousing and storage of other commodities; other financial services, except insurance and pension funds, not elsewhere classified; buying and selling of own real estate; renting and operating of own or leased real estate; engineering activities and related technical consultancy; other technical tests and analyses; research and analysis on other research and experimental development in natural sciences and engineering; advertising agency activities.						
HangKe Technology Inc	The purpose of the corporation is to engage in any lawful act or activity to incorporate under the General Corporation Law of the State of California, except the business of banking, the business of a trust company, or a professional practice permitted to be formed under the California Corporations Code	USD 10 million.	Hong Kong HangKe holds 100% of the shares.	73,021,356.72	70,831,773.28	404,565.71	90,789.64
HangKe Technology Germany GmbH	The objects of the Company are lithium battery formation, testing equipment and charging/discharging equipment; protection board products for lithium battery packs; sales, technical development, installation of goods, commissioning and after-sales service of automated production lines for lithium batteries, import and export of technology; the right to engage in other businesses that directly or indirectly serve the purposes of the Company; and the possibility of establishing or acquiring other companies as well as setting up branch offices or subsidiaries in Germany and	Euro 2.5 million	Hong Kong HangKe holds 100% of the shares.	58,650,699.56	51,238,710.53	372,909.60	-4,496,360.79

	abroad.						
CHR Japan Co., Ltd.	1.Manufacture, sale and purchase of battery-related equipment and products; 2. Repair, management and maintenance of battery-related equipment and products; 3. Development and transfer of battery production technology; 4. Development, sale and import/export of various products, software and technology; 5. International trade and import/export brokerage; 6. Import, export, and sales of operating equipment, food processing equipment, refrigeration and air-conditioning equipment, household electrical equipment, automobiles, motorcycles, dockyards, and similar products and second-hand products of these types; 7. Import, export, and sales of medical equipment and supplies, second-hand vehicles and accessories, tools, construction equipment, building materials, and construction materials; 8. Overseas business, overseas expansion of businesses, and trade-related consultancy and advisory services; 9. All businesses ancillary to the above businesses, and all businesses related thereto.	9 million yen	CHR Japan Co., Ltd. contributed 9 million yen, representing 100% of the capital	402,262.27	402,262.27	0	-40.05
HK TECHNOLOGY, INC	Machinery, equipment maintenance and repair	One million dollars	Hong Kong HangKe contributes US\$1 million, accounting for 100% of the capital.	29,756,670.79	12,715,822.07	705,932.93	-911,381.02
Hangke Technology Hungary KFT	Trading of lithium battery testing equipment, charging and discharging equipment, and production lines	2 million Euros	Hong Kong Hangke holds 100% of the shares and	1,186,755.13	-187,202.93	0.00	-41,557.49

			has not yet made any capital contribution .				
HANGKE ELECTRO NICS TECHNOL OGY(SING APORE) PTE.LTD.	Sales and R&D of lithium-ion equipment	\$8 million	100%	56,931,863.4 9	56,931,863.4 9	0.00	-318,660.66

(vii) Situation of structured subjects controlled by the company

☐Applicable ☒Not Applicable

VII. Other disclosures

☐Applicable ☒Not Applicable

Section IV Corporate Governance**I. Briefing on the General Meeting of Shareholders**

Session of the Conference	Date of convening	Search index of designated websites where resolutions are published	Disclosure date of publication of resolution	Conference resolution
2023 Annual General Meeting	May 17, 2024	Announcement of Resolutions of the 2023 Annual General Meeting (Announcement No. 2024-015) disclosed on the Shanghai Stock Exchange (www.sse.com.cn) and in the Shanghai Securities News and Securities Daily	May 18, 2024	All motions were considered and passed at this meeting, and there were no cases of rejection of motions.

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

☐Applicable ☒Not Applicable

Information note on the general meeting of shareholders

☒Applicable ☐Not Applicable

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

II. Changes in directors, supervisors, senior management and core technical personnel of the Company

☐Applicable ☒Not Applicable

Description of changes in directors, supervisors, senior management and core technical personnel of the Company

☐Applicable ☒Not Applicable

Description of the identification of the company's core technical personnel

☐Applicable ☒Not Applicable

III. Profit Distribution or Capitalization of Capital Reserve Proposal**Proposals for profit distribution and capitalization of provident fund for the half-year**

Whether to distribute or convert	Yes
Number of bonus shares per 10 shares (shares)	/
Dividend per 10 shares (RMB) (inclusive of tax)	/
Number of shares transferred per 10 shares (shares)	/
Description of information relating to proposals for profit distribution or capitalization of capital reserves	
The Company proposes to distribute profit for the half-year 2024 on the basis of the total share capital registered on the date of share registration for the implementation of the equity distribution. The profit	

distribution plan is as follows: the Company proposes to distribute cash dividend of [1.1] Yuan (including tax) per 10 shares to all shareholders. As of the date of the Board of Directors' meeting to consider this profit distribution and capitalization of capital reserve, the total share capital of the Company is 603,672,152 shares, which is calculated as the total proposed cash dividend of RMB [66,403,936.72] (including tax). The amount of cash dividend accounts for [24.66]% of the net profit attributable to shareholders of listed companies in the consolidated financial statements of the Company for the half-year of 2024.

The Company will not carry out any capitalization from capital surplus or bonus shares for the first half of 2024. If the total share capital of the Company changes as a result of convertible bonds conversion/share repurchase/share repurchase and cancellation of shares granted under equity incentive scheme/share repurchase and cancellation of shares under major asset reorganization during the period from the date of adoption of this announcement to the date of registration of shares for the implementation of equity distribution, it is proposed to keep the distribution ratio per share unchanged and adjust the total amount of distribution accordingly, and the details of such adjustments will be announced separately.

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

IV. Status of the Company's equity incentive plan, employee stock ownership plan or other employee incentives and their impacts

(i) Where the relevant share incentive matters have been disclosed in an interim announcement and there is no progress or change in subsequent implementation

☐Applicable ☒Not Applicable

(ii) Incentives not disclosed in interim announcements or with subsequent developments

Status of equity incentives

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

Employee Stock Ownership Plan Status

☐Applicable ☒Not Applicable

Other incentives

☐Applicable ☒Not Applicable

Section V Environmental and Social Responsibilities

I. Environmental information

Whether mechanisms related to environmental protection have been established	Yes
Invested in environmental protection during the reporting period (Unit: 10,000 yuan)	-

(i) Description of the environmental protection status of the company and its major subsidiaries that are key emission units announced by the environmental protection department

☐Applicable ☒Not Applicable

(ii) Environmental profile of companies other than priority emission units

☐Applicable ☒Not Applicable

(iii) Description of subsequent progress or changes in the content of environmental information disclosed during the reporting period

☐Applicable ☒Not Applicable

(iv) Relevant information conducive to the protection of ecology, prevention of pollution and fulfillment of environmental responsibility

☒Applicable ☐Not Applicable

Upholding the concept of harmony between man and nature, the company has been committed to promoting green environmental protection and practicing sustainable development. In the course of operation, the Company focuses on energy saving, emission reduction and green ecological construction in order to minimize the negative impact on the natural environment. At the same time, the company also actively carries out green activities to promote the popularization and promotion of environmental protection awareness.

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

Whether or not carbon reduction measures have been taken	Yes
Reduction of carbon dioxide equivalent emissions (in tons)	Not applicable
Types of carbon reduction measures (e.g., use of clean energy for power generation, use of carbon reduction technologies in production processes, development and production of new products that contribute to carbon reduction, etc.)	The Company adheres to the concept of green operation and continuously improves the efficiency of resource use through awareness promotion, management optimization, equipment upgrading and process improvement, in order to reduce the consumption of water, electricity, natural gas and other resources in the course of business operation.

Detailed explanation

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

Section VI Important Matters

I. Implementation of commitments

(i) Commitments of the Company's de facto controllers, shareholders, related parties, acquirers and the Company and other commitment-related parties during the reporting period or continuing into the reporting period

√Applicable □Not Applicable

Background to the commitments	Commitments type	Committed party	Promise content	Commitment time	Whether there is a time limit for performance	Term of Commitment	Timely and strict compliance	Failure to perform in a timely manner should be accompanied by a statement of the specific reasons why performance has not been completed.	Failure to comply in a timely manner should result in an explanation of the next steps
Commitments related to the initial public offering	Others	HangKe Technology, Cao Ji, Cao Zheng	For details of the share repurchase undertakings in relation to the fraudulent issuance of shares, please refer to the relevant contents of "(III) Share Repurchase Undertakings in relation to the Fraudulent Issuance of Shares" under "VI. Important	April 10, 2019	No	Long term	Yes	Not applicable	Not applicable

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

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

			Unfulfilled Commitments" in "Section X. Investor Protection" of the prospectus						
		HangKe Technology, Cao Ji, Cao Zheng, directors and senior management of the Company	For details of the measures and undertakings for filling the diluted immediate returns, please refer to "(4)" of "Section X Investor Protection" of "VI Important Undertakings" in the prospectus disclosed on the website of the Shanghai Stock Exchange. (IV) Measures and undertakings for filling the diluted immediate returns" in section X "Investor Protection" of the prospectus.	April 10, 2019		Long term		Not applicable	Not applicable
		HangKe Technology	For details of the commitment to the profit distribution policy, please refer to "III. Dividend Distribution Policy after Listing" in the "Reminder of	April 10, 2019		Long term		Not applicable	Not applicable

			Material Matters" of the prospectus disclosed by the Company on the website of Shanghai Stock Exchange.						
		HangKe Technology, Cao Ji, Cao Zheng, directors, supervisors and senior management of the Company	For details of the undertakings to bear compensation or liability in accordance with the law, please refer to the relevant contents of "(V) Undertakings to bear compensation or liability in accordance with the law" under "VI. Important Undertakings" in "Section X. Investor Protection" of the prospectus disclosed by the Company on the website of the Shanghai Stock Exchange. (V) Commitment to bear compensation or liability in accordance with the law" in "Section X. Investor Protection" of the prospectus	April 10, 2019		Long term		Not applicable	Not applicable

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

			respect of the payment of social insurance and housing fund, please refer to the relevant contents of "Section V. Basic Information of the Issuer" under "XVII. Employees of the Issuer and their Social Security" under "3. (2) Employees' social security and welfare", "3. Commitments made by the controlling shareholders and de facto controllers of the issuer".						
	Others	Cao Ji	During the period when Li Zhen held the equity interest of HangKe Technology indirectly in his capacity as the de facto controller of Guoxuan Hi-Tech Company Limited (hereinafter referred to as "Guoxuan Hi-Tech"), any bad debt loss of Guoxuan Hi-Tech and its	June 2, 2019	No	Yes	During the period when Li Zhen indirectly held the equity of HangKe Technology as the actual controller of Guoxuan Hi-Tech Co.,Ltd.	Not applicable	Not applicable

			subsidiaries in respect of the Accounts Receivable of HangKe Technology shall be compensated by me in full for HangKe Technology, so as to ensure that HangKe Technology will not suffer any loss as a result of such loss.						
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II. Non-operational appropriation of funds by controlling shareholders and other connected parties during the reporting period

☐Applicable ☒Not Applicable

III. Non-compliance guarantees

☐Applicable ☒Not Applicable

IV. Audit of semi-annual reports

☐Applicable ☒Not Applicable

V. Changes in matters covered by the non-standard audit opinion in the previous year's annual report and their treatment

☐Applicable ☒Not Applicable

VI. Matters relating to insolvency reorganization

☐Applicable ☒Not Applicable

VII. Significant litigation and arbitration matters

☐ The Company had significant litigation and arbitration matters during the reporting period ☒ The Company had no significant litigation and arbitration matters during the reporting period

VIII. Listed companies, their directors, supervisors, senior management, controlling shareholders and de facto controllers suspected of violating laws and regulations, being punished and rectifying the situation

☐Applicable ☒Not Applicable

IX. Description of the integrity status of the Company and its controlling shareholders and de facto controllers during the reporting period

☐Applicable ☒Not Applicable

X. Significant Connected Transactions**(i) Connected transactions related to ordinary operations****1. Matters that have been disclosed in an interim announcement and there is no progress or change in subsequent implementation**

☐Applicable ☒Applicable ☐Not Applicable

Overview of matters	Query Index
On April 25, 2024, the Nineteenth Meeting of the Third Session of the Board of Directors of the Company considered and passed the <i>Proposal on the Signing of Housing Lease Contract and Related Transaction</i> , agreeing that in order to satisfy the needs of daily production, the Company would lease the industrial workshop of Hangzhou Tongce Communication & Electronics Co., Ltd. which is an affiliated company, located at No. 157, Hongda Road, Xiaoshan Economic and Technological Development Zone, for a lease term of one year.	For detailed information, please refer to the <i>'Announcement of Zhejiang HangKe Technology Co., Ltd. on the Signing of Housing Lease Contract and Related Transaction'</i> (Announcement No. 2024-003), which was publicly disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on April 26, 2024.

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

☐Applicable ☒Not Applicable

3. Matters not disclosed in the interim announcement

☐Applicable ☒Not Applicable

(ii) Connected transactions arising from asset acquisitions or equity acquisitions or disposals**1. Matters that have been disclosed in an interim announcement and there is no progress or change in subsequent implementation**

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

3. Matters not disclosed in the interim announcement☐Applicable ☒Not Applicable**4. Where performance covenants are involved, performance realization for the reporting period should be disclosed**☐Applicable ☒Not Applicable**(iii) Significant connected transactions for joint outward investment****1. Matters that have been disclosed in an interim announcement and there is no progress or change in subsequent implementation**☐Applicable ☒Not Applicable**2. Matters that have been disclosed in an interim announcement but with subsequent progress or changes in implementation**☐Applicable ☒Not Applicable**3. Matters not disclosed in the interim announcement**☐Applicable ☒Not Applicable**(iv) Related debt transactions****1. Matters that have been disclosed in an interim announcement and there is no progress or change in subsequent implementation**☐Applicable ☒Not Applicable**2. Matters that have been disclosed in an interim announcement but with subsequent progress or changes in implementation**☐Applicable ☒Not Applicable**3. Matters not disclosed in the interim announcement**☐Applicable ☒Not Applicable**(v) Financial operations between the Company and finance companies with which it has a relationship, and between the Company's holding finance companies and related parties**☐Applicable ☒Not Applicable**(vi) Other significant connected transactions**☐Applicable ☒Not Applicable**(vii) Others**☐Applicable ☒Not Applicable**XI. Major contracts and their performance****(i) Fiduciary, contractual and leasing matters**☐Applicable ☒Not Applicable**(ii) Significant guarantees honored and outstanding during the reporting period**☐Applicable ☒Not Applicable**(iii) Other major contracts**☐Applicable ☒Not Applicable

XII. Note on the utilization of raising funds

√Applicable □Not Applicable

(I) Overall Utilization of raising funds

√Applicable □Not Applicable

Unit: Yuan

Source of funds raised	Time to raise funds	Total funds raised	Net raising funds after issue expenses (1)	Total committed investment of proceeds in the prospectus or offering memorandum (2)	Total amount of over-raised funds (3) = (1) - (2)	Cumulative total amount of funds invested in fundraising as of the end of the reporting period (4)	Where: Total cumulative investment of over-raised funds as of the end of the reporting period (5)	Cumulative investment progress of raised funds as of the end of the reporting period (%) (6) = (4)/(1)	Accumulated progress of over-raised funds as of the end of the reporting period (%) (7) = (5)/(3)	Amount invested during the year (8)	Percentage of current year's input amount (%) (9) = (8)/(1)	Total amount of proceeds from change of use
IPO	July 9, 2019	1,124,630.00	1,019,924.24	546,860,000.00	473,064.24	1,044,655.80	490,126.81	102.42	103.61	70,126.81	6.88	
Other	February 22, 2023	1,188,470.38	1,172,821.59	1,172,821.59		455,311,377.35		38.82		9,450,000.00	0.81	
Total	/	2,313,100.38	2,192,745.83	1,719,681.59	473,064.24	1,499,967.18	490,126.81	/	/	79,576.81	/	
		0.73	7.67	2.39	5.28	3.56	3.83			3.83		

(II) Details of the investment projects

□Applicable √Not Applicable

1. Detailed use of raised funds

√Applicable □Not Applicable

Unit: Yuan

S o u r c e o f r a i s e d f u n d s	Proje ct nam e	Proje ct natur e	Wheth er it is a commi tted invest ment project in the prospe ctus or offerin g prospe ctus	Wheth er a chang e of directi on is involv ed	Total planned investmen t of fund raising (1)	Amo unt invest ed this year	Total accumulat ed funds invested and raised as of the end of the reporting period (2)	Cumul ative invest ment progres s by the end of the reporti ng period (%) (3)= (2)/(1)	Date of the project to the expect ed conditi ons for use	Whe ther an entry has been close d	Whet her the input progr ess is in line with the plann ed progr ess	Specifi c reasons why the invest ment schedu le is not up to the plan	Benefi ts achiev ed this year	Realize d benefits or research and develop ment results of the project	Whether the feasibility of the project has changed significan tly, if so, please specify the details	Amount saved
I P O	Lithi um ion batter y intellig ent producti on line man	Prod uctio n and const ructi on	Yes	No	426,460,0 00.00		376,181,3 35.51	88.21	2020/1 2/31	Yes	Yes	N.A	11,88 0.14	N.A	No	50,278,6 64.49

	ufacturing expansion project															
I P O	R&d center construction project	R&D	Yes	No	120,400,000.00		105,895,227.69	87.95	2021/12/31	Yes	Yes	N.A	N.A	N.A	No	14,504,772.31
T o t a l	/	/	/	/	546,860,000.00		482,076,563.20	/	/	/	/	/		/	/	64,783,436.80

2. Detailed use of over-raised funds

√Applicable □Not Applicable

Use	Nature	Total amount of over-subscription funds to be invested (1)	Total cumulative investment of over-subscribed funds as of the end of the reporting period (2)	Progress of cumulative inputs as of the end of the reporting period (%) (3) = (2)/(1)	Note
Permanent replenishment	Catch-up flows/loan	47,306.42	49,012.68	103.61	The excess

of working capital	repayments				is mainly interest income
Total	/	47,306.42	49,012.68	103.61	/

Other notes

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

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

On April 6, 2022, the Company held the third meeting of the third Board of Directors and the third meeting of the third Board of Supervisors, reviewed and approved the *Proposal on Using Over-raised Funds to Permanently Supplement Working Capital*, and approved the Company to use part of the over-raised funds. A

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

On April 25, 2024, the Company held the 19th meeting of the third session of the Board of Directors and the 16th meeting of the third session of the Board of Supervisors, and considered and passed the *Proposal on the Use of the Remaining over-raised fund From the Initial Public Offering to Permanently Supplement Liquidity*, and agreed that the Company would use the remaining over-raised fund from the initial public offering amounting to RMB69,936,400 (as the amount at the end of 2023, including the interest income, and the actual amount is subject to the remaining amount after calculating the interest income on the date of fund transfer) to permanently supplement liquidity. The actual amount shall be based on the remaining amount after calculating the interest income on the date of fund transfer) to permanently supplement the liquidity, which accounted for 14.78% of the total amount of over-raised fund of initial public offering of RMB473,064,200. After the use of the remaining over-raised fund of initial public offering to permanently supplement the liquidity, the balance of the account of the Company's over-raised fund of initial public offering shall be RMB0. The matter has been considered and approved by the first extraordinary General meeting of the Company in 2024 held on May 17, 2024. The Company has permanently replenished its working capital with the remaining overraised funds on May 21, 2024, and closed the special account for the funds raised through the relevant initial public offering on June 17, 2024 in accordance with regulations. For details, please refer to the *Announcement of Zhejiang Hangke Technology Co., Ltd. on Permanent Replenishment of Working Capital by Using the Remaining Overraised Funds of the Initial Public Offering* (Announcement No. 2024-006) published on the website of Shanghai Stock Exchange (www.sse.com.cn) on April 26, 2024.

(iii) Changes or terminations of fundraising during the reporting period

☐Applicable ☒Not Applicable

(iv) Other use of raising funds during the reporting period

1. Advance Investment and Replacement of raising funds Investment Projects

☐Applicable ☒Not Applicable

2. Temporary replenishment of working capital with idle raising funds

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

4. Others

☒Applicable ☐Not Applicable

Section VII Changes in Shares and Shareholders

I. Changes in equity

(i) Statement of Changes in Shares

1. Statement of Changes in Shares

During the reporting period, the total number of common shares and the capital structure of the company did not change.

2. Statement of changes in shares

☐ Applicable ☒ Not Applicable

3. Impact on financial indicators such as earnings per share and net assets per share, if any, as a result of share changes occurring after the reporting period and up to the date of disclosure of the half-yearly report

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

(ii) Changes in restricted shares

☐ Applicable ☒ Not Applicable

II. Shareholders**(I) Total number of shareholders.**

Total number of common shareholders as of the end of the reporting period (households)	13,373
Total number of preferred shareholders with voting rights restored as of the end of the reporting period (households)	0
Total number of shareholders holding special voting shares as of the end of the reporting period (households)	0

Number of Depositary Receipt Holders

☐ Applicable ☒ Not Applicable

(ii) Shareholdings of the top ten shareholders and the top ten shareholders with unlimited rights to sell as of the end of the reporting period

When the top ten shareholders hold shares through both ordinary securities accounts and customer credit transaction guarantee securities accounts of securities companies

☐Applicable ☒Not Applicable

Unit: share

Shareholding of top ten shareholders(excluding shares lent through refinancing)								
Name of Shareholder (full name)	Increase/decrease during the reporting period	Number of shares held at the end of the period	Proportion (%)	Number of shares held under limited selling conditions	Number of restricted shares including shares lent on transfer facility	Pledged, marked or frozen		Stockholder nature
						Stock state	Quantities	
Cao Ji	0	262,663,234	43.51	0	262,663,234	N.A.	0	Domestic natural persons
Hangzhou HangKe Intelligent Equipment Group Co.,Ltd.	0	134,975,968	22.36	0	134,975,968	N.A.	0	Domestic non-state legal persons
Bank of Communications Co., LTD.—HSBC Jinxin low-carbon pioneer equity securities investment fund	580,233	11,765,558	1.95	0	11,765,558	N.A.	0	Others

Bank of Communications — HSBC Jinxin dynamic strategy mixed type security investment fund	713,430	6,963,828	1.15	0	6,963,828	N.A.	0	Others
National Social Security Fund 413 combination	5,010,000	5,010,000	0.83	0	5,010,000	N.A.	0	Others
Bank of Communications Co., LTD. — HSBC Jinxin core growth mixed security investment fund	541,453	4,610,449	0.76	0	4,610,449	N.A.	0	Others
Bank of Communications Co., LTD. — HSBC Jinxin intelligent pioneer stock - based securities investment fund	1,000,951	4,103,625	0.68	0	4,103,625	N.A.	0	Others
Agricultural bank of China Co., Ltd. — ICBC Credit Suisse innovation-driven stock securities investment fund	3,690,091	3,990,091	0.66	0	3,990,091	N.A.	0	Others
Cao Guanqun	0	3,509,376	0.58	0	3,509,376	N.A.	0	Domestic natural persons

China Construction Bank—ICBC Credit Suisse selected balanced mixed securities investment fund	2,700,000	3,450,000	0.57	0	3,450,000	N.A.	0	Others
Shareholding of top ten shareholders(excluding shares lent through refinancing)								
Name of Shareholder			Number of shares held in circulation with unlimited selling conditions	Type and number of shares				
				Type	Quantities			
Cao Ji			262,663,234	Renminbi ordinary shares		262,663,234		
Hangzhou HangKe Intelligent Equipment Group Co.			134,975,968	Renminbi ordinary shares		134,975,968		
Bank of Communications Co., LTD—HSBC Jinxin low-carbon pioneer equity securities investment fund			11,765,558	Renminbi ordinary shares		11,765,558		
Bank of Communications —HSBC Jinxin dynamic strategy mixed type security investment fund			6,963,828	Renminbi ordinary shares		6,963,828		
National Social Security Fund 413 combination			5,010,000	Renminbi ordinary shares		5,010,000		
Bank of Communications Co., LTD.—HSBC Jinxin core growth mixed security investment fund			4,610,449	Renminbi ordinary shares		4,610,449		
Bank of Communications Co., LTD.—HSBC Jinxin intelligent pioneer stock - based securities investment fund			4,103,625	Renminbi ordinary shares		4,103,625		
Agricultural bank of China Co., Ltd.—ICBC Credit Suisse innovation-driven stock securities investment fund			3,990,091	Renminbi ordinary shares		3,990,091		
Cao Guanqun			3,509,376	Renminbi ordinary shares		3,509,376		
China Construction Bank—ICBC Credit Suisse selected balanced mixed securities investment fund			3,450,000	Renminbi ordinary shares		3,450,000		
Description of repurchase special accounts among the top ten shareholders			Not applicable					

Description of the above shareholders' proxy voting rights, entrusted voting rights and waiver of voting rights	N.A.
Description of the above shareholders' affiliation or concerted action	Among the above shareholders, Cao Ji is the controlling shareholder and actual controller of the company. HangKe Group is an employee shareholding platform controlled by Cao Ji, and Cao Ji, Cao Guanqun, Sang Hongyu and Yu Pingguang are shareholders of HangKe Group. Cao Ji and Cao Guanqun are brothers. Apart from the above, the Company does not know whether the other shareholders mentioned above are related or acting in concert.
Description of preferred shareholders whose voting rights have been restored and the number of shares they hold	Not applicable

Shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders with unlimited shares in circulation participating in the lending of shares in the transfer and financing business

☐Applicable ☒Not Applicable

Top 10 shareholders and top 10 shareholders with unlimited number of outstanding shares changed from the previous period due to lending/returning of convertible bonds

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

Holders of depositary receipts with a shareholding of more than 5%, the top ten depositary receipts holders and the top ten holders of depositary receipts with unlimited conditions of sale participating in lending of shares in the conversion and financing business

☐Applicable ☒Not Applicable

Top ten holders of depositary receipts and top ten holders of depositary receipts with unlimited conditions of sale changed from the previous period as a result of lending/returning of convertible bonds

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not Applicable

(iv) Strategic investors or general corporations becoming top ten shareholders as a result of placing of new shares/depositary receipts

☐Applicable ☒Not Applicable

III. Directors, Supervisors, Senior Management and Core Technical Personnel**(i) Changes in shareholdings of current and outgoing directors, supervisors, senior management and core technical personnel during the reporting period**

□Applicable √Not Applicable

Other Notes

□Applicable √Not Applicable

(ii) Directors, Supervisors, senior management and core technical staff granted equity incentives during the reporting period**1. Stock option**

□Applicable √Not Applicable

2. Class I Restricted Stock

□Applicable √Not Applicable

3. Class II restricted stock

√Applicable □Not Applicable

Unit: 10,000 shares

Name	Duties	Number of restricted shares granted at the beginning of the period	Number of new restricted shares granted during the reporting period	Number of attributable	Number vested	Number of restricted shares granted at the end of the period
Fu Fenghua	Deputy General Manager, Board Secretary, Chief Financial Officer	0.6	0	0	0	0
Liu Wei	Core technical staff	3	0	0	0	2
Total	/	3.6	0	0	0	2

Note: Fu Fenghua was granted 18,000 shares under the 2021 Restricted Share Incentive Plan and the assessment period has expired. All of them will be nullified due to non-achievement of the assessment objectives at individual or company level during the assessment period; Liu Wei was granted 40,000 shares of stock under the 2022 Restricted Stock Incentive Plan, and the 20,000 shares of restricted stock granted during the first and second vesting periods were cancelled as a result of the failure to meet performance targets at the Company level in 2022 and 2023.

(iii) Other notes

□Applicable √Not Applicable

IV. Changes in controlling shareholders or de facto controllers

□Applicable √Not Applicable

V. Implementation and changes in depositary receipt-related arrangements during the reporting period

□Applicable √Not Applicable

VI. Special voting shares

□Applicable √Not Applicable

Section VIII Information on Preferred Shares

☐Applicable ☒Not Applicable

Section IX. Bond-related Information

I. Corporate bonds(including company bonds) and debt financing instruments for non-financial enterprises

☐Applicable ☒Not Applicable

II. Convertible bonds

☐Applicable ☒Not Applicable

Section X Financial Report

I. Audit reports

☐Applicable ☒Not Applicable

II. Financial statement

Consolidated Balance Sheets

June 30, 2024

Prepared by: Zhejiang HangKe Technology Incorporated Company

Unit: Yuan Currency: RMB

Item	Footnote	June 30, 2024	December 31, 2023
Current assets:			
Monetary funds	VII.1	2,892,463,563.19	3,263,149,304.07
Provision for settlement			
Lent inter-bank funds			
Financial assets held for trading	VII.2	2,803,680.66	5,925,509.48
Derivative financial asset			
Notes Receivable	VII.4	59,511,134.28	90,155,576.33
Accounts Receivable	VII.5	2,005,419,573.99	1,902,796,347.12
Receivables financing	VII.6	7,405,760.69	18,205,751.49
Prepayments	VII.7	73,454,166.55	42,841,452.58
Premiums receivable			
Receivables from reinsurance			
Reserve for reinsurance contracts receivable			
Other receivables	VII.8	40,768,179.40	40,784,568.93
Where: Interest receivable			
Dividends receivable			
Bought and sold financial assets			
Inventory	VII.9	2,663,279,166.37	2,901,476,917.36
Where: Data resources			
Contractual assets	VII.10	254,950,627.90	341,031,109.41
Assets held for sale			

Non-current assets due within one year			
Other current assets	VII.13	125,402,997.43	10,470,636.02
Total current assets		8,125,458,850.46	8,616,837,172.79
Non-current assets:			
Release of loans and advances			
Debenture investment			
Other debt investments			
Long-term receivables			
Long-term equity investments			
Investments in other equity instruments			
Other non-current financial assets			
Investment property			
Fixed assets	VII.21	1,211,211,913.23	1,264,096,156.79
Construction in Progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII.25	632,598.06	2,214,093.56
Intangible asset	VII.26	203,728,036.51	184,872,136.46
Where: data resources			
Development expenditure			
Where: data resources			
Goodwill			
Long-term amortized expenses	VII.29	9,848,870.05	11,181,004.43
Deferred tax assets	VII.30	89,020,427.96	78,015,221.68
Other non-current assets	VII.31	72,941,470.14	67,542,715.14
Total non-current assets		1,587,383,315.95	1,607,921,328.06
Total assets		9,712,842,166.41	10,224,758,500.85
Current liabilities:			

Short term loan	VII.32	29,400,000.00	14,516,000.00
Borrowing from the Central Bank			
Borrowed inter-bank funds			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	VII.35	827,343,979.23	1,015,562,136.25
Accounts payable	VII.36	1,293,069,077.29	1,562,586,492.08
Advance receipts	VII.37		560,000.00
Contractual liabilities	VII.38	2,097,052,074.11	2,239,109,626.13
Sales of repurchased financial assets			
Deposit-taking and interbank deposits			
Securities brokerage			
Underwriting of securities			
Employee remuneration payable	VII.39	7,031,288.40	34,353,950.98
Taxes payable	VII.40	21,784,464.19	86,784,440.43
Other accounts payable	VII.41	7,689,656.40	8,469,552.89
Where: Interest payable			
Dividend payable			
Fees and commissions payable			
Accounts payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	VII.43		2,028,014.09
Other current liabilities	VII.44	201,676,468.86	117,860,346.15
Total current liabilities		4,485,047,008.48	5,081,830,559.00
Non-current liabilities:			
Reserves for insurance contracts			
Long term loan			
Bonds payable			
Where: Preferred Stocks			
Perpetual bond			

Lease liabilities	VII.47		
Long-term accounts payable			
Long-term employee compensation payable			
Projected liability			
Deferred income	VII.51	43,560,987.42	23,863,491.77
Deferred income tax liabilities	VII.30		
Other non-current liabilities			
Total non-current liabilities		43,560,987.42	23,863,491.77
Total liabilities		4,528,607,995.90	5,105,694,050.77
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII.53	603,672,152.00	603,672,152.00
Other equity instruments			
Where: Preferred Stocks			
Perpetual bond			
Capital surplus	VII.55	2,364,220,198.24	2,359,829,993.27
Less: Treasury stock			
Other comprehensive income	VII.57	1,313,990.37	7,227,980.88
Special reserves	VII.58	3,078,940.54	207,647.09
Surplus reserves	VII.59	271,191,623.48	271,191,623.48
General risk provision			
Unallocated profit	VII.60	1,940,757,265.88	1,876,935,053.36
Total owners' equity (or shareholders' equity) attributable to the parent company		5,184,234,170.51	5,119,064,450.08
Minority interests			
Total owners' equity (or shareholders' equity)		5,184,234,170.51	5,119,064,450.08
Total liabilities and owners' equity (or shareholders' equity)		9,712,842,166.41	10,224,758,500.85

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

Parent Company Balance Sheet

June 30, 2024

Prepared by: Zhejiang HangKe Technology Incorporated Company

Unit: Yuan Currency: RMB

Item	Footnote	June 30, 2024	December 31, 2023
Current assets:			
Monetary funds		2,038,568,675.55	2,663,712,048.69
Financial assets held for trading		2,803,680.66	5,925,509.48
Derivative financial asset			
Notes Receivable		59,511,134.28	90,155,576.33
Accounts Receivable	XVII.1	2,260,281,048.43	2,011,874,179.81
Receivables financing		7,405,760.69	18,205,751.49
Prepayments		45,794,092.93	39,559,933.04
Other receivables	XVII.2	95,718,160.23	102,004,409.49
Where: Interest receivable		6,963,397.31	
Dividends receivable			
Inventory		2,527,344,942.23	2,806,824,824.70
Where: data resources			
Contractual assets		285,992,004.07	365,187,676.55
Assets held for sale			
Non-current assets due within one year			
Other current assets		117,574,703.06	8,029,806.34
Total current assets		7,440,994,202.13	8,111,479,715.92
Non-current assets:			
Debenture investment			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.3	188,952,548.16	132,131,762.24
Investments in other equity instruments			
Other non-current financial assets			
Investment property			
Fixed assets		1,022,612,097.90	1,065,286,871.83
Construction in Progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		632,598.06	2,214,093.56
Intangible asset		203,728,036.51	184,872,136.46
Where: data resources			
Development expenditure			
Where: data resources			

Goodwill			
Long-term amortized expenses		5,416,847.99	7,290,595.64
Deferred tax assets		92,816,772.77	78,937,135.18
Other non-current assets		72,941,470.14	67,542,715.14
Total non-current assets		1,587,100,371.53	1,538,275,310.05
Total assets		9,028,094,573.66	9,649,755,025.97
Current liabilities:			
Short term loan		29,400,000.00	14,516,000.00
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		827,343,979.23	1,015,562,136.25
Accounts payable		1,312,203,582.58	1,563,495,945.42
Advance receipts			560,000.00
Contractual liabilities		1,520,084,486.70	1,727,824,779.19
Employee remuneration payable		7,031,288.40	34,048,873.31
Taxes payable		17,936,428.80	82,880,643.82
Other accounts payable		4,790,888.17	5,438,390.26
Where: Interest payable			
Dividend payable			
Liabilities held for sale			
Non-current liabilities due within one year			2,028,014.09
Other current liabilities		198,189,162.16	114,154,402.27
Total current liabilities		3,916,979,816.04	4,560,509,184.61
Non-current liabilities:			
Long term loan			
Bonds payable			
Where: Preferred Stocks			
perpetual bond			
Lease liabilities			
Long-term accounts payable			
Long-term employee compensation payable			
Projected liability			
Deferred income		43,560,987.42	23,863,491.77
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		43,560,987.42	23,863,491.77
Total liabilities		3,960,540,803.46	4,584,372,676.38
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		603,672,152.00	603,672,152.00
Other equity instruments			
Where: Preferred Stocks			
Perpetual bond			
capital surplus		2,364,220,198.24	2,359,829,993.27
Less: Treasury stock			
Other comprehensive income			

Special reserves		3,078,940.54	207,647.09
surplus reserves		271,191,623.48	271,191,623.48
Unallocated profit		1,825,390,855.94	1,830,480,933.75
Total owners' equity (or shareholders' equity)		5,067,553,770.20	5,065,382,349.59
Total liabilities and owners' equity (or shareholders' equity)		9,028,094,573.66	9,649,755,025.97

Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting

Organization: Yang Zhaodi

Consolidated Income Statement

January-June 2024

Unit: Yuan Currency: RMB

Item	Footnote	Semi-annual 2024	Semi-annual 2023
I. Gross operating income		1,890,804,932.6	2,120,914,382.58
Where: Operating income	VII.61	1,890,804,932.6	2,120,914,382.58
Interest income			
Premiums earned			
Fee and commission income			
II. Total operating costs		1,554,432,665.8	1,470,006,924.25
Where: Operating costs	VII.61	1,324,979,513.6	1,278,904,889.62
Interest expense			
Handling fee and commission expenses			
Surrender charge			
Net claims expenditure			
Net withdrawal from reserve for insurance liabilities			
Policy dividend expenses			
Reinsurance costs			
Taxes and surcharges	VII.62	22,265,487.03	18,119,147.54
sales expense	VII.63	45,746,820.63	57,012,231.55
Overhead	VII.64	82,109,029.85	121,571,550.43
R&D costs	VII.65	112,826,137.60	124,320,990.17
Financial cost	VII.66	-33,494,322.89	-129,921,885.06
Where: Interest expense			743,493.04
Interest income		43907442.29	37,118,803.64
Add: Other gains	VII.67	21,311,426.52	58,706,406.08
Investment income (loss recognized as "-")	VII.68	305,369.91	434,750.55
Where: Income from investments in associates and joint ventures			
Gain (loss recorded as "-") on derecognition of financial assets measured at amortized cost		-704,356.12	-902,723.43

Exchange gains (losses are recognized with a "-" sign)			
Net exposure to hedging gains (losses are recognized with a "-" sign)			
Gain (loss recognized as "-" on change in fair value)	VII.70	-3,121,828.82	-3,579,166.80
Credit impairment losses (losses are recognized with a "-" sign)	VII.71	-79,411,854.50	-128,575,750.33
Impairment losses on assets (losses are recognized with a "-" sign)	VII.72	4,246,406.66	-37,205,437.63
Gain (loss is represented by a "-" sign) on disposal of assets	VII.73	29,244.47	-66,430.28
III. Operating profit (loss is shown with a "-" sign)		279,731,031.03	540,621,829.92
Add: Non-operating income	VII.74	5,879,762.67	1,053,482.65
Less: Non-operating expenses	VII.75	542,742.07	1,379,311.68
IV. Total profit (total loss is shown with a "-" sign)		285,068,051.63	540,296,000.89
Less: Income tax expense	VII.76	15,792,651.88	64,664,062.11
V. Net profit (net loss is shown with a "-" sign)		269,275,399.75	475,631,938.78
(1) Classification by business continuity			
1. Net profit from continuing operations (net loss is shown with a "-" sign)		269,275,399.75	475,631,938.78
2. Net profit from discontinued operations (net loss is shown with a "-" sign)			
(2) Classification according to ownership			
1. Net profit attributable to shareholders of the parent company (net loss is shown with a "-" sign)		269,275,399.75	475,631,938.78
2. Minority shareholders' gains and losses (net losses are shown with a "-" sign)			
VI. Other comprehensive income, net of tax	VII.77	-5,913,990.51	-1,369,931.06
(i) Other comprehensive income attributable to owners of the parent, net of tax		-5,913,990.51	-1,369,931.06
1. Other comprehensive income not reclassifiable to profit or loss			
(1) Remeasurement of changes in defined benefit plans			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of investments in other equity			

instruments			
(4) Changes in fair value of an enterprise's own credit risk			
2. Other comprehensive income to be reclassified to profit or loss	VII.77	-5,913,990.51	-1,369,931.06
(1) Other comprehensive income available for transfer to profit or loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) Reclassification of financial assets to other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedge reserve			
(6) Translation differences on foreign currency financial statements	VII.77	-5,913,990.51	-1,369,931.06
(7) Other			
(ii) Other comprehensive income attributable to minority shareholders, net of tax			
VII.Total comprehensive income		263,361,409.24	474,262,007.72
(i) Total comprehensive income attributable to owners of the parent company		263,361,409.24	474,262,007.72
(ii) Total comprehensive income attributable to minority shareholders			
VIII. Earnings per share:			
(i) Basic earnings per share (yuan/share)		0.45	0.80
(ii) Diluted earnings per share (RMB/share)		0.45	0.80

In the event of a business combination under the same control during the current period, the net income realized by the party to be merged before the merger was: RMB0. The net income realized by the party to be merged during the previous period was: RMB0.

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

Income Statement of the Parent Company

January-June 2024

Unit: Yuan Currency: RMB

Item	Footnote	Semi-annual 2024	Semi-annual 2023
I. Operating income	XVII.4	1,707,007,423.67	2,103,036,925.00
Less: Operating costs	XVII.4	1,211,946,014.51	1,274,004,537.11
Taxes and surcharges		21,923,070.91	17,145,313.32
Sales expense		44,555,955.58	56,864,881.21
Overhead		70,971,964.81	113,057,774.63
R&D costs		112,826,137.60	124,320,990.17
Financial cost		-19,102,503.55	-112,343,299.66
Where: Interest expense			339,787.75

Interest income		32,394,150.65	34,007,386.00
Add: Other gains		20,574,735.75	58,531,159.08
Investment income (loss recognized as "-")	XVII.5	305,369.91	2,127,414.25
Where: Income from investments in associates and joint ventures			
Gain (loss recorded as "-") on derecognition of financial assets measured at amortized cost		-704,356.12	-902,723.43
Net exposure to hedging gains (losses are recognized with a "-" sign)			
Gain (loss recognized as "-") on change in fair value		-3,121,828.82	-3,579,166.80
Credit impairment losses (losses are recognized with a "-" sign)		-77,614,044.02	-146,976,319.64
Impairment losses on assets (losses are recognized with a "-" sign)		3,884,048.29	-37,205,437.63
Gain (loss is represented by a "-" sign) on disposal of assets		29,244.47	-66,430.28
II. Operating profit (loss is shown with a "-" sign)		207,944,309.39	502,817,947.20
Add: Non-operating income		5,879,762.67	1,014,169.25
Less: Non-operating expenses		542,742.07	1,379,311.68
III. Total profit (total loss is shown with a "-" sign)		213,281,329.99	502,452,804.77
Less: Income tax expense		12,918,220.57	59,658,135.76
IV. Net profit (net loss is shown with a "-" sign)		200,363,109.42	442,794,669.01
(i) Net profit from continuing operations (net loss is shown with a "-" sign)		200,363,109.42	442,794,669.01
(ii) Net profit from discontinued operations (net loss is shown with a "-" sign)			
V. Other comprehensive income, net of tax			
(i) Other comprehensive income not reclassifiable to profit or loss			
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of investments in other equity instruments			
4. Changes in fair value of the enterprise's own credit risk			
(ii) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income available for transfer to profit or loss under the equity method			
2. Changes in fair value of other debt investments			

3. Amounts reclassified from financial assets to other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserve			
6. Translation differences on foreign currency financial statements			
7. Other			
VI. Total comprehensive income		200,363,109.42	442,794,669.01
VII. Earnings per share:			
(i) Basic earnings per share (yuan/share)			
(ii) Diluted earnings per share (RMB/share)			

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

Consolidated Statement of Cash Flows

January-June 2024

Unit: Yuan Currency: RMB

Item	Footnote	Semi-annual 2024	Semi-annual 2023
i. Cash flows from operating activities:			
Cash received from sales of goods and services		1,749,190,711.00	2,254,436,259.89
Net increase in customer deposits and interbank deposits			
Net increase in borrowing from central banks			
Net increase in remittances to other financial institutions			
Cash received from premiums for original insurance contracts			
Net cash received from reinsurance operations			
Net increase in policyholder deposits and investments			
Cash received for interest, fees and commissions			
Net increase in inward remittances			
Net increase in funding of repurchase operations			
Net cash received from agency trading of securities			
Tax refunds received		2,947,626.75	59,685,953.94
Other cash received in connection with operating activities	VII.78	499,012,392.83	270,284,905.50
Subtotal cash inflow from operating activities		2,251,150,730.58	2,584,407,119.33
Cash paid for goods and		1,490,574,348.69	1,458,365,513.28

services			
Net increase in loans and advances to customers			
Net increase in deposits with central banks and interbanks			
Cash payments for original insurance contract claims			
Net increase in funds disbursed			
Cash paid for interest, fees and commissions			
Cash to pay policy dividends			
Cash paid to and for employees		277,364,663.10	298,989,527.25
Taxes paid		135,524,686.04	110,440,385.85
Payments of other cash related to operating activities	VII.78	235,605,599.34	567,307,147.99
Subtotal cash outflows from operating activities		2,139,069,297.17	2,435,102,574.37
Net cash flows from operating activities		112,081,433.41	149,304,544.96
II. Cash flows from investing activities:			
Cash received from recovery of investments		301,009,726.03	151,337,473.98
Cash received from investment income			
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		46,017.69	313,539.82
Net cash received from disposal of subsidiaries and other operating units			
Other cash received related to investing activities			
Subtotal cash inflows from investing activities		301,055,743.72	151,651,013.80
Cash paid for acquisition of property, plant and equipment, intangible assets and other long-term assets		49,338,797.42	273,796,388.98
Cash paid for investments		300,000,000.00	270,000,000.00
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other operating units			
Payments of other cash related to investing activities			
Subtotal cash outflows from investing activities		349,338,797.42	543,796,388.98
Net cash flows from investing activities		-48,283,053.70	-392,145,375.18
III. Cash flows from financing activities:			
Cash received from absorption of investments			1,195,315,292.39
Where: Cash received by subsidiaries from absorption of			

minority investments			
Cash received from acquisition of loans			
Other cash received related to financing activities	VII.78	29,400,000.00	
Subtotal cash inflow from financing activities		29,400,000.00	1,195,315,292.39
Cash paid for debt service			
Cash paid for distribution of dividends, profits or interest payments		205,453,187.23	150,930,786.02
Where: Dividends and profits paid by subsidiaries to minority shareholders			
Payments of other cash related to financing activities	VII.78	2,127,846.29	11,093,672.74
Subtotal cash outflows from financing activities		207,581,033.52	162,024,458.76
Net cash flows from financing activities		-178,181,033.52	1,033,290,833.63
IV. Impact of exchange rate changes on cash and cash equivalents		-12,283,443.79	100,738,897.05
V. Net increase in cash and cash equivalents		-126,666,097.60	891,188,900.46
Add: Cash and cash equivalents balance at the beginning of the period		2,865,817,877.74	1,992,463,562.87
VI. Cash and cash equivalents balance at end of period		2,739,151,780.14	2,883,652,463.33

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

Parent Company Statement of Cash Flows

January-June 2024

Unit: Yuan Currency: RMB

Item	Footnote	Semi-annual 2024	Semi-annual 2023
i. Cash flows from operating activities:			
Cash received from sales of goods and services		1,303,577,849.10	2,026,828,621.00
Tax refunds received		2,922,168.83	59,685,953.94
Other cash received in connection with operating activities		512,976,053.78	266,909,668.30
Subtotal cash inflow from operating activities		1,819,476,071.71	2,353,424,243.24
Cash paid for goods and services		1,275,471,923.55	1,626,273,144.28
Cash paid to and for employees		272,137,239.65	297,110,622.02
Taxes paid		134,488,564.38	109,469,437.87
Payments of other cash related to operating activities		170,722,615.37	561,094,913.98

Subtotal cash outflows from operating activities		1,852,820,342.95	2,593,948,118.15
Net cash flows from operating activities		-33,344,271.24	-240,523,874.91
II. Cash flows from investing activities:			
Cash received from recovery of investments		301,009,726.03	151,337,473.98
Cash received from investment income			
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		46,017.69	313,539.82
Net cash received from disposal of subsidiaries and other operating units			
Other cash received related to investing activities			
Subtotal cash inflows from investing activities		301,055,743.72	151,651,013.80
Cash paid for acquisition of property, plant and equipment, intangible assets and other long-term assets		47,687,008.78	193,854,541.01
Cash paid for investments		356,820,785.92	279,479,616.57
Net cash paid for acquisition of subsidiaries and other operating units			
Payments of other cash related to investing activities			
Subtotal cash outflows from investing activities		404,507,794.70	473,334,157.58
Net cash flows from investing activities		-103,452,050.98	-321,683,143.78
III. Cash flows from financing activities:			
Cash received from absorption of investments			1,195,315,292.39
Cash received from acquisition of loans			
Other cash received related to financing activities		29,400,000.00	
Subtotal cash inflow from financing activities		29,400,000.00	1,195,315,292.39
Cash paid for debt service			
Cash paid for distribution of dividends, profits or interest payments		205,453,187.23	150,918,037.90
Payments of other cash related to financing activities		2,127,846.29	11,093,672.74
Subtotal cash outflows from financing activities		207,581,033.52	162,011,710.64
Net cash flows from financing activities		-178,181,033.52	1,033,303,581.75
IV. Impact of exchange rate		-11,678,138.97	79,788,892.01

changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents		-326,655,494.71	550,885,455.07
Add: Cash and cash equivalents balance at the beginning of the period		2,266,380,622.36	1,779,294,021.74
VI. Cash and cash equivalents balance at end of period		1,939,725,127.65	2,330,179,476.81

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

Consolidated Statement of Changes in Owner's Equity

January-June 2024

Unit: Yuan Currency: RMB

Item	Semi-annual 2024														
	Equity attributable to owners of the parent company												Mi nor ity int ere sts	Total owner s' equity	
	Paid- in capit al (or share capit al)	Other equity instruments			Capita l surplu s	Le ss: Treas ury stock	Other comp rehen sive inco me	Spec ial reser ves	Surpl us reser ves	Ge ner al risk pro vis ion	Undis tribute d profit	Ot hers			Subtot al
		Pre ferred stock	Per pet ual bond	Ot hers											
I. Prior year clos ing balan ce	603,672,152.00				2,359,829,993.27		7,227,980.88	207,647.09	271,191,623.48		1,876,935,053.36		5,119,064,450.08		5,119,064,450.08
Add: chan ge in acco untin g polic y															
Corre ction of prior perio d error s															
Other s															
II. Open ing Balan ce for the year	603,672,152.00				2,359,829,993.27		7,227,980.88	207,647.09	271,191,623.48		1,876,935,053.36		5,119,064,450.08		5,119,064,450.08
III. Amo unt of incre ase or decre ase durin g the perio d (decr eases are					4,390,204.97		-5,913,990.51	2,871,293.45			63,822,212.52		65,169,720.43		65,169,720.43

indicated by a "-" sign)														
(i) Total comprehensive income						- 5,913,990.51					269,275,399.75		263,361,409.24	263,361,409.24
(ii) Owners' inputs and reductions in capital					4,390,204.97								4,390,204.97	4,390,204.97
1. Common shares invested by owners														
2. Capital contributions by holders of other equity instruments														
3. Share-based payments recognized in equity					4,390,204.97								4,390,204.97	4,390,204.97
4. Other														
(iii) Distribution of profits											- 205,453,187.23		- 205,453,187.23	- 205,453,187.23

1. With draw al of surpl us reser ves															
2. Provi sion for gener al risks															
3. Distri butio n to owne rs (or share holde rs)										- 205,4 53,18 7.23		- 205,4 53,18 7.23		- 205,4 53,18 7.23	
4. Other															
(iv) Inter nal carry - forw ard of owne rs' equit y															
1. Trans fer of capit al surpl us to capit al (or share capit al)															
2. Trans fer of surpl us to capit al (or share capit al)															
3. Cove rage of losse s by															

surplus reserves															
4. Carry-over of changes in defined benefit plans to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Other															
(v) Earmarked reserves							2,871,293.45					2,871,293.45		2,871,293.45	
1. With draws during the period							6,529,206.75					6,529,206.75		6,529,206.75	
2. Utilization during the period							-3,657,913.30					-3,657,913.30		-3,657,913.30	
(vi) Other															
IV. Closing Balance for	603,672,152.00				2,364,220,198.24		1,313,990.37	3,078.940.54	271,191,623.48		1,940,757,265.88		5,184,234,170.51		5,184,234,170.51

the period															
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Item	Semi-annual 2023														
	Equity attributable to owners of the parent company												Mi nor ity int ere sts	Total owner s' equity	
	Paid- in capita l (or share capita l)	Other equity instruments			Capita l surplu s	Le ss: Tre asu ry sto ck	Other comp rehen sive inco me	Sp eci al res er ves	Surpl us reser ves	Ge ner al ris k pro visi on	Undist ribute d profit	Ot he rs			Subtot al
		Pre ferr ed sto ck	Per pet ual bo nd	Ot he rs											
I. Prior year clos ing balan ce	405,1 33,00 0.00				1,401, 737,8 25.15		2,419 ,348. 00		191,7 55,85 2.88		1,346, 492,1 28.33		3,347, 538,1 54.36		3,347, 538,1 54.36
Add: chan ge in accoun ting polic y											- 48,25 0.52		- 48,25 0.52		- 48,25 0.52
Corre ction of prior perio d errors															
Same - contr ol busin ess comb inatio ns															
Other s															
II. Open ing Balan ce for the year	405,1 33,00 0.00				1,401, 737,8 25.15		2,419 ,348. 00		191,7 55,85 2.88		1,346, 443,8 77.81		3,347, 489,9 03.84		3,347, 489,9 03.84
III. Amo unt of incre ase or decre ase	198,5 39,15 2.00				1,003, 403,1 62.90		- 1,369 ,931. 06				324,7 13,90 0.88		1,525, 286,2 84.72		1,525, 286,2 84.72

during the period (decreases are indicated by a "-" sign)															
(i) Total comprehensive income							- 1,369,931.06				475,631,938.78		474,262,007.72		474,262,007.72
(ii) Owners' inputs and reductions in capital	26,061,394.00				1,175,880,920.90								1,201,942,314.90		1,201,942,314.90
1. Common shares invested by owners	26,061,394.00				1,155,811,356.09								1,181,872,750.09		1,181,872,750.09
2. Capital contributions by holders of other equity instruments															
3. Share-based payments recognized in equity					20,069,564.81								20,069,564.81		20,069,564.81
4. Other															

(iii) Distri butio n of profit s											- 150,9 18,03 7.90		- 150,9 18,03 7.90		- 150,9 18,03 7.90
1. With draw al of surpl us reser ves															
2. Provi sion for gener al risks															
3. Distri butio n to owne rs (or share holde rs)											- 150,9 18,03 7.90		- 150,9 18,03 7.90		- 150,9 18,03 7.90
4. Other															
(iv) Inter nal carry - forwa rd of owne rs' equit y	172,4 77,75 8.00				- 172,4 77,75 8.00										
1. Trans fer of capit al surpl us to capit al (or share capit al)	172,4 77,75 8.00				- 172,4 77,75 8.00										
2. Trans fer of surpl us to capit al (or share capit al)															
3.															

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

IV.	603,6				2,405,		1,049		191,7		1,671,		4,872,		4,872,
Closi	72,15				140,9		,416.		55,85		157,7		776,1		776,1
ng	2.00				88.05		94		2.88		78.69		88.56		88.56
Balan															
ce for															
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Head of the Company: Yu Pingguang Head of Accounting Work: Fu Fenghua Head of Accounting
Organization: Yang Zhaodi

Statement of Changes in Owners' Equity of the Parent Company

January-June 2024

Unit: Yuan Currency: RMB

Item	FY2024										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total owners' equity
I. Prior year-end balance	603,672,152.00				2,359,829,993.27			207,647.09	271,191,623.48	1,830,480,933.75	5,065,382,349.59
Add: change in accounting policy											
Correction of prior period errors											
Other											
II. Opening balance for the year	603,672,152.00				2,359,829,993.27			207,647.09	271,191,623.48	1,830,480,933.75	5,065,382,349.59
III. Amount of increase or decrease during the period (decreases are indicated by a "-" sign)					4,390,204.97			2,871,293.45		-5,090,077.81	2,171,420.61
(i) Total comprehensive income										200,363,109.42	200,363,109.42
(ii) Owners' inputs and reductions in capital					4,390,204.97						4,390,204.97
1. Common shares invested by owners											
2. Capital contributions by holders of other equity instruments											
3. Share-based payments recognized in equity					4,390,204.97						4,390,204.97
4. Other											
(iii) Distribution of profits										-205,453,187.23	-205,453,187.23
1. Withdrawal of surplus reserves											

2. Distribution to owners (or shareholders)										- 205,453,187.23	- 205,453,187.23
3. Other											
(iv) Internal carry-forward of owners' equity											
1. Transfer of Capital reserve to capital (or share capital)											
2. Transfer of surplus to capital (or share capital)											
3. Coverage of losses by Surplus reserve											
4. Carry-over of changes in defined benefit plans to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(v) Special reserves								2,871,293.45			2,871,293.45
1. Withdrawals during the period								6,529,206.75			6,529,206.75
2. Utilization during the period								- 3,657,913.30			- 3,657,913.30
(vi) Other											
IV. Closing balance for the period	603,672,152.00				2,364,220,198.24			3,078,940.54	271,191,623.48	1,825,390,855.94	5,067,553,770.20

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

Item	FY2023										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total owners' equity
		Preferred stock	Perpetual bond	Other							
I. Prior year-end balance	405,133,000.00				1,401,737,825.15				191,755,852.88	1,314,770,808.43	3,313,397,486.46

Add: change in accounting policy										-48,250.52	-48,250.52
Correction of prior period errors											
Other											
II. Opening balance for the year	405,133,000.00				1,401,737,825.15				191,755,852.88	1,314,722,557.91	3,313,349,235.94
III. Amount of increase or decrease during the period (decreases are indicated by a "-" sign)	198,539,152.00				1,003,403,162.90					291,876,631.11	1,493,818,946.01
(i) Total comprehensive income										442,794,669.01	442,794,669.01
(ii) Owners' inputs and reductions in capital	26,061,394.00				1,175,880,920.90						1,201,942,314.90
1. Common shares invested by owners	26,061,394.00				1,155,811,356.09						1,181,872,750.09
2. Capital contributions by holders of other equity instruments											
3. Share-based payments recognized in equity					20,069,564.81						20,069,564.81
4. Other											
(iii) Distribution of profits										-150,918,037.90	-150,918,037.90
1. Withdrawal of surplus reserves											
2. Distribution to owners (or shareholders)										-150,918,037.90	-150,918,037.90
3. Other											
(iv) Internal carry-forward of owners' equity	172,477,758.00				-172,477,758.00						
1. Transfer of Capital reserve to capital (or share capital)	172,477,758.00				-172,477,758.00						
2. Transfer of surplus to capital (or share capital)											

3. Coverage of losses by Surplus reserve											
4. Carry-over of changes in defined benefit plans to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(v) Special reserves											
1. Withdrawals during the period											
2. Utilization during the period											
(vi) Other											
IV. Closing balance for the period	603,672,152.00				2,405,140,988.05				191,755,852.88	1,606,599,189.02	4,807,168,181.95

III. Basic information of the company

1. Company Overview

√Applicable ☐Not Applicable

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

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

IV. Basis of preparation of the financial statements

1. Basis of preparation

The Company's financial statements have been prepared on a going concern basis.

2. Ongoing operation

√Applicable ☐Not Applicable

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

V. Critical accounting policies and accounting estimates

Specific Accounting Policies and Accounting Estimates Alert:

√Applicable ☐Not Applicable

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

1. Statement of compliance with enterprise accounting standards

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and give a true and complete picture of the Company's financial position, results of operations, changes in shareholders' equity and cash flows and other relevant information.

2. Accounting period

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

3. Business cycle

√Applicable ☐Not Applicable

The Company's fiscal year begins on January 1 and ends on June 30 of the calendar year.

4. Bookkeeping currency

The Company's accounting standard currency is RMB. Subsidiaries CHR Japan Co., LTD., Japan New Energy Equipment Co., LTD., Hangke Electronics Co., LTD., HK POWER Co., LTD., Ltd, HONRECK EQUIPMENT TECHNOLOGY SUPPORT COMPANY SDN.BHD., HONRECK Electronic TRADING Hong Kong Limited, HONRECK ELECTRONICS TRADING SPO Luka Z OGRANICZONA ODPOWIEDZIALNOSCIA, Hangke Technology Inc, HK TECHNOLOGY, INC, Hangke Technology Germany GmbH, Hangke Technology Hungary KFT, HANGKE ELECTRONICS TECHNOLOGY(SINGAPORE) PTE.LTD. and other overseas subsidiaries engaged in overseas operations, choose the currency of the main economic environment in which it operates as the accounting standard currency.

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

√Applicable ☐Not Applicable

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

6. Methodology for the preparation of consolidated financial statements

√Applicable ☐Not Applicable

1. Accounting treatment of business combinations under common control

Assets and liabilities acquired by the Company in a business combination are measured at the Book value of the party being combined in the consolidated financial statements of the party ultimately in control at the date of the combination. The Company adjusts its capital reserve by the difference between the share of the Book value of the equity of the parties to be consolidated in the consolidated financial statements of the party ultimately in control and the Book value of the consideration paid for the consolidation or the total nominal value of the shares issued; if the capital reserve is insufficient to cover the difference, it is adjusted to retained earnings.

2. Accounting treatment of business combinations not under common control

The Company recognizes goodwill at the date of purchase for the difference between the cost of

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

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

☒Applicable ☐Not Applicable

1. Judgment of control

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

2. Presentation of consolidated financial statements

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

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

☐Applicable ☒Not Applicable

9. Criteria for determining cash and cash equivalents

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

10. Foreign currency operations and translation of foreign currency statements

☒Applicable ☐Not Applicable

1. Translation of foreign currency operations

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

the date of determination of fair value, with the difference recognized in profit or loss or other comprehensive income for the current period.

2. Translation of foreign currency financial statements

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

11. Financial instrument

√Applicable □Not Applicable

1. Classification of financial assets and financial liabilities

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

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

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

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

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

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

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

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

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

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

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

4) Financial assets at fair value through profit or loss

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

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

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

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

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

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

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

4) Financial liabilities measured at amortized cost

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

(4) Derecognition of financial assets and financial liabilities

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

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

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

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

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

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

If the transfer of a financial asset meets the conditions for derecognition, the difference between (1) the carrying amount of the transferred financial asset at the date of derecognition and (2) the sum of the consideration received for the transfer of the financial asset and the amount of the derecognition portion of the cumulative change in the fair value of the transferred financial asset that would otherwise have been recognized directly in other comprehensive income (for transfers involving investments in debt instruments that are carried at fair value through other comprehensive income). If a portion of a financial asset is transferred and the transferred portion as a whole satisfies the conditions for derecognition, the carrying amount of the financial asset as a whole before the transfer is apportioned between the derecognised portion and the part that continues to be recognised based on their respective relative fair values at the date of the transfer, and the difference between the following two amounts is recognised in profit or loss for the period: (1) Book value of the derecognition portion; (2) The sum of the derecognition portion of the consideration and the amount corresponding to the derecognition portion of the cumulative amount of changes in fair value that would have been recognised directly in other comprehensive income (involving the transfer of a financial asset that is an investment in a debt instrument that is measured at fair value with changes in fair value recognised in other comprehensive

income).

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

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

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

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

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

5. Impairment of financial instruments

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

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

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

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

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

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

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

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

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

6. Offsetting of financial assets and financial liabilities

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

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

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

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

Portfolio category	Basis for determining the portfolio	Methodology for measuring expected credit losses
--------------------	-------------------------------------	--

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

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

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

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

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

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

12. Notes Receivable

√Applicable ☐Not Applicable

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

13. Accounts Receivable

√Applicable ☐Not Applicable

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

14. Receivables financing

√Applicable ☐Not Applicable

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

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

√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Ageing methodology for recognizing a portfolio of credit risk characteristics based on ageing√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Judgmental criteria for individual accrual of bad debts according to individual items√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

15. Other receivables√Applicable ☐Not Applicable**According to the credit risk characteristics of the combination of bad debt provisions and the basis for determination**√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Categories of portfolios and basis for determining the bad debt provision according to credit risk profile portfolio√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Ageing methodology for recognizing a portfolio of credit risk characteristics based on ageing√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Judgmental criteria for individual accrual of bad debts according to individual items√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

16. Inventory√Applicable ☐Not Applicable**Inventory categories, issue valuation method, inventory system, amortization method for low value consumables and packages**√Applicable ☐Not Applicable**1. Classification of inventories**

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

2. Method of valuation of inventory issued

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

3. Inventory system

The inventory system is a perpetual inventory system.

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

Amortized in accordance with the lump sum method.

(2) Packaging

Amortized in accordance with the lump sum method.

Criteria for recognizing and providing for provision for decline in value of inventories√Applicable ☐Not Applicable

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

Categories of combinations and the basis for determining the allowance for decline in value of inventories according to the combinations, and the basis for determining the net realizable value of different categories of inventories☐Applicable √Not Applicable**Calculation method and basis for determining the net realizable value of each age group for the purpose of recognizing the net realizable value of inventories based on the age of the inventories**☐Applicable √Not Applicable**17. Contractual assets****Methods and criteria for recognizing contract assets**√Applicable ☐Not Applicable

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

The company presents as receivables the right to receive consideration from customers that it owns and that is unconditional (i.e., depends only on the passage of time), and as a contractual asset the right to receive consideration for merchandise that has been transferred to a customer (which is dependent on factors other than the passage of time).

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

Method of determining and accounting for expected credit losses on contract assets√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Categories of portfolios and basis for determining the bad debt provision according to credit risk profile portfolio√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Ageing methodology for recognizing a portfolio of credit risk characteristics based on ageing√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

Determination of bad debt provision according to individual items Individual item accrual judgment criteria√Applicable ☐Not Applicable

Please refer to Note V.11 Financial Instruments

18. Non-current assets or disposal groups held for sale☐Applicable ☒Not Applicable**Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale**☐Applicable ☒Not Applicable**Recognition criteria and presentation of discontinued operations**☐Applicable ☒Not Applicable**19. Long-term equity investments**√Applicable ☐Not Applicable**1. Judgment of joint control, significant influence**

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

2. Determination of investment costs

(1) If a business combination under the same control results in a merger in which the merging parties pay cash, transfer non-cash assets, assume liabilities or issue equity securities as consideration for the merger, the initial cost of the investment is recognized as the cost of investment at the date of the merger based on the acquisition of a share of the Book value of the equity interests of the party to be merged in the consolidated financial statements of the party ultimately in control. The difference between the initial investment cost of a long-term equity investment and the Book value of the merger consideration paid or the total nominal value of the shares issued is adjusted to capital reserve; if capital reserve is insufficient to cover the difference, it is adjusted to retained earnings.

The Company determines whether a long-term equity investment resulting from a business combination under the same control of the Company that is effected in stages through multiple transactions is a "package deal". If it is a "package deal", each transaction is accounted for as a single transaction for the purpose of obtaining control. If it is not a "package deal", the initial investment cost is determined at the date of consolidation based on the consolidated share of the Book value of the net assets of the party to be consolidated in the consolidated financial statements of the party ultimately in control. The difference between the initial investment cost of the long-term equity investment at the date

of consolidation and the sum of the Book value of the long-term equity investment before consolidation and the Book value of the new consideration paid for the acquisition of further shares at the date of consolidation is adjusted to capital reserve; if capital reserve is not sufficient to be eliminated, it is adjusted to retained earnings.

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

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

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

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

(3) Except for those formed by a business combination: if the acquisition is made by cash payment, its initial investment cost shall be determined according to the actual purchase price paid; if the acquisition is made by the issuance of equity securities, its initial investment cost shall be determined according to the fair value of the equity securities issued; if the acquisition is made by debt restructuring, its initial investment cost shall be determined in accordance with the Accounting Standards for Business Enterprises (ASBE) No. 12- Debt Restructuring; and the initial investment cost is determined in accordance with ASBE No. 7 - Non-Monetary Asset Exchanges if the acquisition is made through non-monetary asset exchanges.

3. Subsequent measurement and methods of recognizing gains and losses

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

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

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

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

- 1) The transactions were entered into simultaneously or after taking into account the effects of each other;
- 2) It is the totality of these transactions that achieves a complete business result;
- 3) The occurrence of one transaction depends on the occurrence of at least one other transaction;
- 4) A transaction is uneconomical when viewed in isolation, but economical when considered in conjunction with other transactions.

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

1) Individual financial statements

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

2) Consolidated financial statements

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

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

(3) Accounting for "package deals"

1) Individual financial statements

Each transaction is accounted for as a disposal of a subsidiary with loss of control. However, the

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

2) Consolidated financial statements

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

20. Investment property

Not applicable

21. Fixed Assets

(1). Confirmation conditions

☒Applicable ☐Not Applicable

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

(2). Depreciation Method

☒Applicable ☐Not Applicable

Type	Depreciation method	Depreciable life (years)	Salvage rate	Annual depreciation rate
Houses and buildings	Life-cycle averaging (LCA)	5-20	4-5	19-4.75
General equipment	Life-cycle averaging (LCA)	3-5	5	31.67-19
Specialized equipment	Life-cycle averaging (LCA)	3-10	5	31.67-9.5
Transportation tools	Life-cycle averaging (LCA)	3-5	5	31.67-19
Other equipment	Life-cycle averaging (LCA)	3-5	5	31.67-19

22. Construction in Progress

☒Applicable ☐Not Applicable

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

2. When Construction in progress reaches its intended state of use, it is transferred to Fixed Assets

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

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

23. Borrowing cost

☒Applicable ☐Not Applicable

1. Principles for recognition of capitalized borrowing costs

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

2. Period during which borrowing costs are capitalized

(1) Capitalization of borrowing costs begins when the following conditions are simultaneously met:

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

(2) If there is an abnormal interruption in the acquisition or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months, capitalization of borrowing costs is suspended; borrowing costs incurred during the interruption period are recognized as a current expense until the acquisition or production of the asset recommences.

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

3. Borrowing costs capitalization rate and amount capitalized

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

general borrowings are used for the acquisition or production of assets eligible for capitalization, the amount of interest to be capitalized on general borrowings is calculated by multiplying the weighted average number of cumulative asset expenditures in excess of those on special-purpose borrowings by the capitalization rate of the general borrowings used.

24. Biological asset

☐Applicable ☒Not Applicable

25. Oil and gas assets

☐Applicable ☒Not Applicable

26. Intangible Asset

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

☒Applicable ☐Not Applicable

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

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

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

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

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

☒Applicable ☐Not Applicable

1. Scope of research and development expenditures

(1) Personnel labor costs

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

(2) Direct input costs

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

costs of operation and maintenance, adjustments, inspections, testing and repairs of instruments and equipment used for research and development activities.

(3) Depreciation expense and long-term amortization expense

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

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

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

(4) Amortization expense for Intangible Assets

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

(5) Other costs

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

2. Expenditures incurred during the research phase of internal research and development projects are recognized in profit or loss when incurred. Expenditures incurred during the development phase of an internal research and development project are recognized as Intangible Assets if the following conditions are met: (1) it is technically feasible to complete the Intangible Asset so that it can be used or sold; (2) there is an intention to complete the Intangible Asset and to use or sell it; (3) the Intangible Asset generates economic benefits in a manner that demonstrates that there is a market for the products produced by applying the Intangible Asset, or that a market for the Intangible Asset market exists for the Intangible Asset itself, and where the Intangible Asset is to be used internally, the usefulness can be demonstrated; (4) there are sufficient technical, financial and other resources to support the completion of the development of the Intangible Asset and the ability to use or sell the Intangible Asset; and (5) the expenditures attributable to the development phase of the Intangible Asset can be measured reliably.

27. Impairment of long-lived assets

☒Applicable ☐Not Applicable

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

for impairment in conjunction with the asset group or combination of asset groups to which it relates.

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

28. Long-term amortized expenses

☒Applicable ☐Not Applicable

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

29. Contractual liabilities

☒Applicable ☐Not Applicable

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

30. Remuneration of employees

(1). Accounting treatment of short-term remuneration

☒Applicable ☐Not Applicable

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

2. Accounting treatment of short-term remuneration

In the accounting period in which employees provide services to the company, the actual short-term compensation incurred is recognized as a liability and included in profit or loss or the cost of the related assets.

(2). Accounting treatment of post-employment benefits

☒Applicable ☐Not Applicable

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

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

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

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

(2) Where there are assets in the defined benefit plan, the deficit or surplus resulting from the

present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognized as a net defined benefit plan liability or net asset. Where a defined benefit plan has a surplus, the net defined benefit plan asset is measured at the lower of the surplus of the defined benefit plan or the asset limit;

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

(3). Accounting for termination benefits

☒Applicable ☐Not Applicable

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

(4). Accounting treatment of other long-term employee benefits

☒Applicable ☐Not Applicable

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

31. Projected liability

☐Applicable ☒Not Applicable

32. Share-based payment

☒Applicable ☐Not Applicable

1. Types of share-based payments

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

2. Accounting treatment related to the implementation, modification and termination of share-based payment plans

(1) Equity-settled share-based payments

Equity-settled share-based payments in exchange for employee services that are exercisable

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

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

(2) Cash-settled share-based payments

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

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

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

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

treatment of the feasibility conditions.

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

33. Preferred Stocks, perpetual bonds and other financial instruments

☐Applicable ☒Not Applicable

34. Incomes

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

☒Applicable ☐Not Applicable

1. Revenue recognition principles

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

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

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

2. Principles of income measurement

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

(2) Where variable consideration exists in a contract, the company determines the best estimate of the variable consideration on the basis of the expectation or the most likely amount to be incurred, provided that the price of the transaction incorporating the variable consideration does not exceed the amount by which it is highly probable that the cumulative amount of recognized revenue will not be materially reversed by the time the related uncertainty is removed.

(3) Where there is a significant financing element in a contract, the Company determines the transaction price on the basis of the amount payable that is assumed to be paid in cash by the customer as soon as the customer obtains control of the goods or services. The difference between this transaction price and the contract consideration is amortized over the term of the contract using the effective interest method. If, on the commencement date of the contract, the Company expects that the interval between the customer's acquisition of control over the goods or services and the customer's payment of the price will not exceed one year, the significant financing element of the contract is not considered.

(4) If the contract contains two or more performance obligations, the company apportions the transaction price to each individual performance obligation on the contract start date in relative proportion to the individual selling price of the goods promised under each individual performance obligation.

3. Specific methods of revenue recognition

The sale and modification of the Company's equipment and related accessories is the fulfillment of a performance obligation at a certain point in time. For the sale of equipment and related accessories subject to commissioning and acceptance, all contracted goods are delivered to the buyer and installed, commissioned and put into trial operation in accordance with the time, delivery method and delivery location agreed in the contract, and revenue is recognized after the buyer's acceptance and obtaining the acceptance certificate confirmed by the buyer. Sales of equipment and related accessories that require only inspection and delivery are shipped in accordance with the delivery time confirmed in the contract, and revenues are recognized after the buyer has inspected and accepted the quantity, model, specifications and packaging status of the products.

(2). Different operating models for the same type of business involve different revenue recognition and measurement methods

☐Applicable ☒Not Applicable

35. Contract cost

☒Applicable ☐Not Applicable

Incremental costs incurred by the Company to acquire a contract that are expected to be recovered are recognized as an asset as contract acquisition costs. If contract acquisition costs are amortized over a period of not more than one year, they are recognized directly in profit or loss when incurred.

Costs incurred by the Company for the performance of a contract, which are not subject to the scope of regulation of the relevant standards on inventories, Fixed Assets or Intangible Assets, and which simultaneously meet the following conditions, are recognized as an asset as contract performance costs:

1. The cost is directly related to a current or anticipated contract and includes direct labor, direct materials, manufacturing overhead (or similar), costs explicitly attributable to the customer, and other costs incurred solely as a result of the contract;
2. The cost increases the resources available to the company to meet its performance obligations in the future;
3. The cost is expected to be recovered.

The Company amortizes assets related to contract costs on the same basis as revenue recognition for the goods or services to which the asset relates, through profit or loss.

If the carrying amount of an asset related to contract costs is greater than the remaining consideration expected to be obtained for the transfer of goods or services related to that asset, less estimated costs to be incurred, the Company makes an allowance for impairment and recognizes an asset impairment loss for the excess. If there is a subsequent change in the factors that impaired the asset in a prior period, such that the remaining consideration expected to be obtained for the transfer of goods or services related to the asset, less estimated costs to be incurred, is greater than the carrying amount of the asset, the reversal of the provision for impairment is recognized in profit or loss for the current period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset as of the date of the reversal assuming that no provision for impairment had been made.

36. Government grant

☒Applicable ☐Not Applicable

1. Government grants are recognized when the following conditions are simultaneously met: (1) the company is able to meet the conditions attached to the government grant; and (2) the company is able to receive the government grant. If a government grant is a monetary asset, it is measured at the amount received or receivable. If the government grants are non-monetary assets, they are measured at fair value; if the fair value cannot be reliably obtained, they are measured at a nominal amount.

2. Basis of judgment and accounting treatment of government grants related to assets

Government grants that are stipulated in government documents to be used for the purchase, construction or other formation of long-term assets are classified as asset-related government grants. If government documents are unclear, government grants are judged on the basis of the basic conditions that must be met in order to obtain the grants, and those that are based on the basic conditions of purchasing, constructing or otherwise forming long-term assets are classified as asset-related government grants. Government grants related to assets are offset against the carrying amount of the related assets or recognized as deferred income. If the government grants related to assets are recognized as deferred income, they are recognized in profit or loss in a reasonable and systematic manner over the useful lives of the related assets. Government grants that are measured at a nominal amount are

recognized directly in profit or loss. If the related assets are sold, transferred, retired or destroyed before the end of their useful lives, the unallocated balance of the related deferred income is transferred to profit or loss in the period in which the assets are disposed of.

3. Basis of judgment and accounting treatment of government grants related to revenue

Government grants other than asset-related government grants are classified as revenue-related government grants. For government grants that contain both asset-related and revenue-related components, if it is difficult to distinguish between asset-related and revenue-related government grants, the entire government grant is categorized as revenue-related government grants. Government grants related to income that are used to compensate for related costs or losses in future periods are recognized as deferred income and are credited to current profit or loss or charged to current cost in the period in which the related costs or losses are recognized; those that are used to compensate for related costs or losses that have already been incurred are directly credited to current profit or loss or charged to current cost.

4. Government grants related to the Company's daily operating activities are recognized in other income or offset against related costs and expenses in accordance with the substance of the economic operations. Government grants that are not related to the Company's daily activities are recognized as non-operating income and expenses.

37. Deferred income tax assets/deferred income tax liabilities

☒Applicable ☐Not Applicable

1. Based on the difference between the carrying value of an asset or liability and its tax basis (for items not recognized as assets or liabilities whose tax basis can be determined according to the provisions of the tax law), the difference between the tax basis and its carrying amount is calculated and recognized according to the tax rate applicable during the expected recovery of the asset or settlement of the liability.

2. Deferred tax assets are recognized to the extent that taxable income is likely to be obtained against deductible temporary differences. On the balance sheet date, where there is solid evidence that it is likely that sufficient taxable income will be obtained in future periods to offset deductible temporary differences, deferred tax assets that have not been recognized in previous accounting periods are recognized.

3. On the balance sheet date, the carrying value of the deferred income tax asset is reviewed and the carrying value of the deferred income tax asset is written down if it is likely that sufficient taxable income will not be obtained in the future period to offset the benefits of the deferred income tax asset. The amount of the writedown that is rolled back when it is likely that sufficient taxable income will be obtained.

4. The current income tax and deferred income tax of the company are included in the current profit or loss as income tax expense or gain, but the income tax arising from the following circumstances is excluded: (1) enterprise merger; (2) Transactions or events directly recognized in the owner's equity.

5. If the following conditions are met at the same time, the Company will show the net amount of the deferred income tax assets and deferred income tax liabilities after offset: (1) It has the legal right to net the current income tax assets and current income tax liabilities; (2) Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection authority on the same taxpayer or to different tax payers. However, in each period during which significant deferred tax assets and deferred tax liabilities are transferred back in the future, the tax payer concerned intends to net the current income tax assets and current income tax liabilities or acquire assets and pay off debts at the same time.

38. Tenancy

☒Applicable ☐Not Applicable

1. Deferred income tax assets or deferred income tax liabilities are recognized for the difference between the carrying amount of an asset or liability and its tax base (or, if the tax base of an item not recognized as an asset or liability can be determined in accordance with the provisions of the Tax Act, the difference between that tax base and its carrying amount) calculated using the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled.

2. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Deferred tax assets not recognized in prior periods are recognized when, at the balance sheet date, it is probable that sufficient taxable income will be available in future periods to allow the deductible temporary differences to be utilized.

3. The carrying amount of deferred tax assets is reviewed at the balance sheet date and written down to the extent that it is more likely than not that sufficient taxable income will not be available to offset the benefit of deferred tax assets in future periods. The amount of the write-down is reversed when it is more likely than not that sufficient taxable income will be available.

4. The Company's current and deferred income taxes are recognized as income tax expense or benefit in profit or loss for the current period, excluding income taxes arising from: (1) business combinations; and (2) transactions or events that are recognized directly in owners' equity.

5) Deferred income tax assets and deferred income tax liabilities are stated at net amounts after offsetting when the following conditions are simultaneously met: (1) there is a legal right to settle current income tax assets and current income tax liabilities on a net basis; (2) the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxpaying entity, or relate to different taxpaying entities but are not realized or settled during each significant future period in which the deferred income tax assets and deferred income tax liabilities are reversed to the extent that the Taxpayer involved intends to either settle the current income tax assets and current income tax liabilities on a net basis or to acquire the assets and settle the liabilities at the same time.

39. Other significant accounting policies and accounting estimates

☐Applicable ☒Not Applicable

40. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

☐Applicable ☒Not Applicable

(2). Significant changes in accounting estimates

☐Applicable ☒Not Applicable

(3). First-time implementation of new accounting standards or interpretations, etc. from 2024 onwards involves adjustments to the financial statements at the beginning of the year of first implementation

☐Applicable ☒Not Applicable

41. Others

√Applicable □Not Applicable

Safety production fees extracted by the Company in accordance with the *Administrative Measures for the Extraction and Use of Enterprise Production Safety Expenses* (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Response are included in the cost of the relevant products or in current profit or loss, and are also recorded in the account of "special reserve". When the safety production fee is used, if it is an expense, it is directly deducted from the special reserve. If a fixed asset is formed, the expenditure incurred is summarized under the "Construction in progress" account and recognized as a fixed asset when the safety project is completed and reaches its intended state of use; at the same time, the special reserve is reduced according to the cost of forming the fixed asset and accumulated depreciation of the same amount is recognized, and no depreciation will be provided for the fixed asset in the subsequent period.

VI. Tax items**1. Major taxes and rates**

Major tax types and rates

√Applicable □Not Applicable

Tax types	Taxable basis	Tax rate
Value-added tax (VAT)	Calculate output tax on the basis of income from the sale of goods and taxable services calculated in accordance with the provisions of the Tax Law, and after deducting the input tax allowed for deduction in the current period, the difference will be the value-added tax payable	13%, 9%, 6%, exported goods enjoy the "exemption, credit, refund" policy, the tax refund rate is 13%.
Sales tax	/	/
Business tax	/	/
Urban maintenance and construction tax	Actual amount of turnover tax paid	7%
Corporate income tax	taxable income	For details, please refer to "Description of Income Tax Rates for Different Taxable Entities".
Property tax	For ad valorem levies, 1.2% of the residual value of the property after a one-time deduction of 30% of the original value of the property; for rent-based levies, 12% of the rental income.	1.2%, 12%
Education surcharge	Actual amount of turnover tax paid	3%
Local education surcharge	Actual amount of turnover tax paid	2%

Disclosure of the existence of taxable entities with different corporate income tax rates

√Applicable □Not Applicable

Name of taxable entity	Income tax rate (%)
Company	15%
CHR Horec Electronic Trading Japan Co., Ltd. and Japan New Energy Equipment Co.	
HangKe Electronics Co.	
HK POWER Co., Ltd	
HangKe Electronic Trading Hong Kong Limited	8.25%, 16.50%
HONRECK EQUIPMENT TECHNOLOGY	24%

SUPPORT COMPANY SDN.BHD.	
HONRECK ELECTRONICS TRADING SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	19%
HangKe Technology Inc	
HK Technology, Inc	
HangKe Technology Germany GmbH	15.825%
Hangke Technology Hungary KFT	9.00%
HK TECHNOLOGY, INC	
HANGKE ELECTRONICS TECHNOLOGY(SINGAPORE) PTE.LTD.	17%

[Note 1: This is the comprehensive tax rate for small and medium-sized businesses, which includes corporate tax and corporate business tax, etc. The comprehensive tax rate is 22.46% for taxable income of less than 4 million yen, 24.90% for taxable income of more than 4 million yen and less than 8 million yen, and 36.81% for taxable income of more than 8 million yen. HORECA Electronics Trading Japan Co.,Ltd.and Japan New Energy Equipment Co.,Ltd. make losses for the current period.

[Note 2] The tax rate is 10% for taxable income of less than KRW 200 million, 20% for taxable income of more than KRW 200 million and less than KRW 20 billion, and 22% for taxable income of more than KRW 20 billion. Hangke Electronics Co.,Ltd.and HK POWER Co.,Ltd. make losses for the current period.

[Note 3] Income tax returns are filed with the U.S. Federal Internal Revenue Service and the California Department of Revenue, respectively, at a federal income tax rate of 21% and a California income tax rate of 8.84%

[Note 4] Income tax returns are filed with the U.S. Federal Internal Revenue Service and the Georgia Department of Revenue, respectively, with a federal income tax rate of 21% and a Georgia state income tax rate of 5.75%

2. Tax incentives

☒Applicable ☐Not Applicable

1. According to the High and New Technology Enterprise Certificate issued by the Science and Technology Department of Zhejiang Province, the Finance Bureau of Zhejiang Province and the Tax Bureau of Zhejiang Province of the State Administration of Taxation, the Company has been recognized as a High and New Technology Enterprise, and the qualification will be valid for three years (2024-2026), and the Company is subject to enterprise income tax at a rate of 15%.

2. Pursuant to the Circular on Value-added Tax Policies for Software Products (C.S [2011] No. 100) issued by the Ministry of Finance and the State Administration of Taxation, the Company is entitled to the preferential policy of immediate tax reimbursement for the portion of the actual negative tax on value-added tax in excess of 3% on the sale of software products that are self-developed and produced by the Company and are subject to a value-added tax ("VAT") at the rate of 13%.

3. Others

☐Applicable ☒Not Applicable

VII. Notes to the Consolidated Financial Statements**1. Monetary funds**

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	1,576,707.55	86,185.18
Cash in bank	2,737,575,072.59	2,969,651,114.24
Other monetary funds	153,311,783.05	293,412,004.65
Deposits with finance companies		
Total	2,892,463,563.19	3,263,149,304.07
Where: total deposits abroad	853,894,887.64	605,379,573.29

Other notes:

Monetary funds at the end of the period included RMB13,147,117.81 for bank acceptance deposits and RMB140,164,665.24 for guarantee deposits, totaling RMB 153,311,783.05, which are not cash and cash equivalents.

2. Financial Assets Held for Trading

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Reasons and basis for designation
Financial assets at fair value through profit or loss	2,803,680.66	5,925,509.48	/
Where:			
Investments in equity instruments	2,803,680.66	5,925,509.48	/
			/
Financial assets designated at fair value through profit or loss			
Where:			
Total	2,803,680.66	5,925,509.48	/

Other notes:

□Applicable √Not Applicable

3. Derivative Financial Asset

□Applicable √Not Applicable

4. Notes Receivable

(1). Notes receivable are presented in a categorized manner

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
Banker's Acceptance	59,511,134.28	90,155,576.33
Commercial Promissory Note		
Total	59,511,134.28	90,155,576.33

(2). Notes receivable pledged by the Company at the end of the period

□Applicable √Not Applicable

(3). Notes receivable end of period that have been endorsed or discounted by the Company and are not yet due at the balance sheet date

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Amounts derecognized at the end of the period	Amounts not derecognized at the end of the period
Banker's Acceptance		44,010,194.19
Commercial Promissory Note		
Total		44,010,194.19

(4). Disclosure by bad debt accrual method

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Type	Closing Balance					Opening Balance				
	Carrying Amount		Provision for Bad Debts		Book Value	Carrying Amount		Provision for Bad Debts		Book Value
	Amount	Proportion (%)	Amount	Accrual Ratio (%)		Amount	Proportion (%)	Amount	Accrual Ratio (%)	
Provision for bad debts on an individual basis										
Where:										
Banker's Acceptance										
Commercial Promissory Note										
Provision for bad debts by portfolio	59,511,134.28	100.00			59,511,134.28	90,155,576.33	100.00			90,155,576.33
Where:										
Banker's Acceptance	59,511,134.28	100.00			59,511,134.28	90,155,576.33	100.00			90,155,576.33
Commercial Promissory Note										

Total	59,511,134 .28	100.00			59,511,134 .28	90,155,576 .33	100.00			90,155,576 .33
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Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Portfolio accruals:

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V(11) for details.

A description of significant changes in the carrying amount of Accounts Receivable for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

(5). Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other Notes:

None

(6). Actual write-off of Notes Receivable during the period

☐Applicable ☒Not Applicable

Among the significant Notes Receivable write-offs:

☐Applicable ☒Not Applicable

Notes on the write-off of Notes Receivable:

☐Applicable ☒Not Applicable

Other notes:

☒Applicable ☐Not Applicable

The Company's Notes Receivable include bankers' acceptances and commercial acceptances, of which the acceptors of bankers' acceptances include large commercial banks, listed joint-stock banks, other commercial banks and finance companies. The Company classified the credit ratings of the acceptors of bankers' acceptances based on the principle of prudence and categorized them as having high credit ratings, including six large commercial banks, namely, Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications and Postal Savings Bank of China, China Merchants Bank, Pudong Development Bank, China CITIC Bank, China Everbright Bank, China Huaxia Bank, China Minsheng Banking Corporation and Ping An

Bank, China Pudong Development Bank, China CITIC Bank, China Everbright Bank, Huaxia Bank, China Minsheng Bank, Ping An Bank, Industrial Bank and Zheshang Bank. Those with average credit ratings include commercial banks and finance companies other than those mentioned above.

Bank acceptances accepted by commercial banks and finance companies with average credit ratings and commercial acceptances are not derecognized at the time of endorsement or discounting, but are derecognized upon maturity of the instruments.

5. Accounts Receivable

(1) Disclosure by Age

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance	Opening book balance
Within 1 year		
Where: less than 1 year sub-item		
Within 1 year	984,919,795.66	1,001,227,757.49
Subtotal less than 1 year	984,919,795.66	1,001,227,757.49
1 to 2 years	993,651,176.80	1,015,547,518.83
2 to 3 years	379,801,427.08	202,298,540.92
More than 3 years	118,507,277.71	88,085,581.63
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	2,476,879,677.25	2,307,159,398.87

(2) Disclosure by bad debt accrual method

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Type	Closing Balance					Opening Balance				
	Carrying Amount		Provision for Bad Debts		Book Value	Carrying Amount		Provision for Bad Debts		Book Value
	Amount	Proportion (%)	Amount	Accrual Ratio (%)		Amount	Proportion (%)	Amount	Accrual Ratio (%)	
Provision for bad debts on an individual basis	130,628,910.67	5.27	125,989,410.67	96.45	4,639,500.00	143,218,910.67	6.21	135,431,910.67	94.56	7,787,000.00
Where:										
Provision for bad debts on an individual basis	130,628,910.67	5.27	125,989,410.67	96.45	4,639,500.00	143,218,910.67	6.21	135,431,910.67	94.56	7,787,000.00

Provision for bad debts by portfolio	2,346,250,766.58	94.73	345,470,692.59	14.72	2,000,780,073.99	2,163,940,488.20	93.79	268,931,141.08	12.43	1,895,009,347.12
Where:										
Accounts receivable with bad debt provision based on a combination of credit risk characteristics	2,346,250,766.58	94.73	345,470,692.59	14.72	2,000,780,073.99	2,163,940,488.20	93.79	268,931,141.08	12.43	1,895,009,347.12
Total	2,346,250,766.58	94.73	345,470,692.59	14.72	2,000,780,073.99	2,163,940,488.20	93.79	268,931,141.08	12.43	1,895,009,347.12

Provision for bad debts is made on an individual basis:

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Accrual ratio (%)	Reasons for the provision
Wanxiang One Two Three Co.,Ltd.	15,465,000.00	10,825,500.00	70	Not expected to be fully recovered
Norwegian Power Industries Jiaxing Co.,Ltd.	955,000.00	955,000.00	100	Tight client liquidity and low likelihood of recovery of payments
Jeve New Energy Technology (Huzhou) Co.,Ltd.	2,792,000.00	2,792,000.00	100	Tight client liquidity and low likelihood of recovery of payments
Tianjin Jiewei Power Industry Co.,Ltd.	24,618,860.54	24,618,860.54	100	Tight client liquidity and low likelihood of recovery of payments
Jeve Power Industry Jiangsu Co.,Ltd.	16,596,554.40	16,596,554.40	100	Tight client liquidity and low likelihood of recovery of payments
Jiangsu Power Weifeng Industry Co.,Ltd.	33,475,000.00	33,475,000.00	100	Tight client liquidity and low likelihood of recovery of payments

Hubei Xingquan Machinery Equipment Co.,Ltd.	36,726,495.73	36,726,495.73	100	Tight client liquidity and low likelihood of recovery of payments
Total	130,628,910.67	125,989,410.67	96.45	/

A description of the Provision for Bad Debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☒Applicable ☐ Not Applicable

Portfolio accruals: Accounts Receivable for which bad debt provisions are made based on a combination of credit risk characteristics

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts Receivable	Provision for bad debts	Accrual ratio (%)
Within 1 year	984,805,975.66	49,240,298.78	5.00
1-2 years	942,171,527.23	141,325,729.08	15.00
2-3 years	377,669,427.08	113,300,828.12	30.00
More than 3 years	41,603,836.61	41,603,836.61	100.00
Total	2,346,250,766.58	345,470,692.59	14.72

A description of the Provision for bad debts by portfolio:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of accounts receivable for which a change in the provision for losses occurred during the period:

☐Applicable ☒Not Applicable

(3). Provision for bad debts

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Type	Opening Balance	Amount of change during the period				Closing Balance
		Make Provision	Recovery or reversal	Re-sale or Write-Offs	Other changes	
Individual Provision for Bad Debts	135,431,910.67		2,500.00	9,440,000.00		125,989,410.67
Provision for bad debts by portfolio	268,931,141.08	76,539,551.51				345,470,692.59
Total	404,363,051.75	76,539,551.51	2,500.00	9,440,000.00		471,460,103.26

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

(4) Actual accounts receivable written off during the period

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	9,440,000.00

Where significant accounts receivable write-offs

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of accounts receivable	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the amount arises from a related transaction
Jiangxi Velo Battery Co., Ltd.	Payment for goods	9,440,000.00	Supplementary agreements have been signed confirming non-recoverability	Management Approval	No
Total	/	9,440,000.00	/	/	/

Accounts receivable write-off description:

□Applicable √Not Applicable

(5) Top five Accounts Receivable by party owed at end of period

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance of accounts receivable	Closing balance of contractual assets	Closing balance of accounts receivable and contract assets	Percentage in closing balance of combined accounts receivable and contract assets (%)	Closing balance of Provision for bad debts
First place	539,138,173.94	54,490,255.01	593,628,428.95	20.97	56,885,705.46
Second place	538,619,818.82	1,001,000.00	539,620,818.82	19.06	110,342,168.70
Third place	136,291,447.40	12,590,999.20	148,882,446.60	5.26	21,726,762.16
Fourth place	80,719,140.85	43,240,500.87	123,959,641.72	4.38	10,053,942.01
Fifth place	107,939,998.40	15,780,000.00	123,719,998.40	4.37	12,245,999.76
Total	1,402,708,579.41	127,102,755.08	1,529,811,334.49	54.04	211,254,578.09

Other notes

The total number of accounts receivable and contract assets (including contract assets reported in other non-current assets) in the top 5 of the closing balance was RMB1,529,811,334.49, accounting for 54.04% of the total number of Accounts Receivable and contract assets (including contract assets reported in other non-current assets) (the total number of the closing balance), and the total number of

the corresponding Provision for bad debts on accounts receivable and impairment of contract assets was 211,254,578.09yuan.

Other notes:

☐Applicable ☒Not Applicable

6. Contract Assets

(1). Status of contract assets

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for bad debts	Book value	Carrying amount	Provision for bad debts	Book value
Warranty receivables	270,457,713.58	15,507,085.68	254,950,627.90	361,068,746.75	20,037,637.34	341,031,109.41
Total	270,457,713.58	15,507,085.68	254,950,627.90	361,068,746.75	20,037,637.34	341,031,109.41

(2). Amounts and reasons for significant changes in Book value during the reporting period

☐Applicable ☒Not Applicable

(3). Disclosure by bad debt accrual method

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book Value	Carrying amount		Provision for bad debts		Book Value
	Amount	Percentage (%)	Amount	Accrual ratio (%)		Amount	Percentage (%)	Amount	Accrual ratio (%)	
Provision for bad debts on an individual basis	3,036,000.00	1.12	2,136,000.00	70.36	900,000.00	3,036,000.00	0.84	2,136,000.00	70.36	900,000.00
Where:										
Provision for bad debts on an individual basis	3,036,000.00	1.12	2,136,000.00	70.36	900,000.00	3,036,000.00	0.84	2,136,000.00	70.36	900,000.00

Provision for bad debts by portfolio	267,421,713.58	98.88	13,371,085.68	5.00	254,050,627.90	358,032,746.75	99.16	17,901,637.34	5.00	340,131,109.41
Where:										
Provision for impairment by portfolio	267,421,713.58	98.88	13,371,085.68	5.00	254,050,627.90	358,032,746.75	99.16	17,901,637.34	5.00	340,131,109.41
Total	270,457,713.58	/	15,507,085.68	/	254,950,627.90	361,068,746.75	/	20,037,637.34	/	341,031,109.41

Provision for bad debts is made on an individual basis:

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Accrual ratio (%)	Reasons for the provision
Wanxiang One Two Three Co.,Ltd.	3,000,000.00	2,100,000.00	70.00	Not expected to be fully recovered
Jeve Power Industry Jiaying Co.,Ltd.	36,000.00	36,000.00	100.00	Provision based on repurchase agreements
Total	3,036,000.00	2,136,000.00	70.36	/

A description of the provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☒Applicable ☐Not Applicable

Portfolio accrual items: contract assets for which portfolio accrual for impairment has been applied

Unit: Yuan Currency: RMB

Name	Closing balance		
	Contract Assets	Provision for bad debts	Accrual ratio (%)
Within 1 year	267,421,713.58	13,371,085.68	5.00
Total	267,421,713.58	13,371,085.68	5.00

Explanation of bad debt provision by portfolio

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of contract assets for which a change in the provision for losses has occurred during the period:

☐Applicable ☒Not Applicable

(4). Provision for bad debts on contract assets for the period

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Provision for the current period	Recovered or reversed during the period	Write-offs/cancellations during the period	Reason
Individual provision for impairment				
Provision for impairment by portfolio	-4,530,551.66			
Total	-4,530,551.66			/

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5). Actual contractual assets written off during the period

☐Applicable ☒Not Applicable

Where significant contractual assets were written off

☐Applicable ☒Not Applicable

Notes on write-off of contract assets:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

7. Receivables financing

(1) Presentation of receivable financing classifications

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
Banker's Acceptance	7,405,760.69	18,205,751.49
Total	7,405,760.69	18,205,751.49

(2) Receivable financing pledged by the Company at the end of the period

☐Applicable ☒Not Applicable

(3) Receivable financing at the end of the period that has been endorsed or discounted by the Company and is not yet due at the balance sheet date

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Amounts derecognized at the end of the period	Amounts not derecognized at the end of the period
Banker's acceptance	145,084,330.94	
Total	145,084,330.94	

(4) Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Explanation of bad debt provision by portfolio

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of receivables financing for which a change in the allowance for losses has occurred during the period:

☐Applicable ☒Not Applicable

(5) Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(6) Receivables financing actually written off during the period

☐Applicable ☒Not Applicable

Where significant receivables financing write-offs

☐Applicable ☒Not Applicable

Write-off description:

☐Applicable ☒Not Applicable

(7) Changes in receivables financing during the period and changes in fair value:

☐Applicable ☒Not Applicable

(8) Other notes:

☒Applicable ☐Not Applicable

The acceptors of bankers' acceptances are commercial banks with high creditworthiness, and the probability of non-payment of bankers' acceptances accepted by them at maturity is relatively low; therefore, the Company will derecognize those bankers' acceptances that have been endorsed or discounted. However, if the notes are not paid when due, the Company will still be jointly and severally liable to the bearer in accordance with the provisions of the *Bills of Exchange Act*.

8. Prepayments**(1). Prepayments by age**√Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Age of Accounts	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	64,572,036.80	87.91	35,503,770.40	82.87
1 to 2 years	6,028,047.38	8.21	4,773,270.22	11.15
2 to 3 years	1,047,174.66	1.42	1,815,309.52	4.23
More than 3 years	1,806,907.71	2.46	749,102.44	1.75
Total	73,454,166.55	100.00	42,841,452.58	100.00

A description of the reasons why prepayments aged more than one year and of significant amounts have not been settled in a timely manner:

None

(2). Top five prepayments with closing balances, grouped by prepayment recipient√Applicable ☐ Not Applicable

Name of Unit	Closing Balance	Percentage of total closing balance of prepayments (%)
First Place	9,038,956.07	12.31
Second Place	7,055,428.00	9.61
Third Place	3,600,000.00	4.9
Fourth Place	2,849,516.89	3.88
Fifth Place	2,757,117.23	3.75
Total	25,301,018.19	34.45

Other notes

☐Applicable ☒Not Applicable

None

9. Other Receivables**Item Presentation**√Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
Interest receivable		
Dividends receivable		
Other receivables	40,768,179.40	40,784,568.93
Total	40,768,179.40	40,784,568.93

Other notes:

☐Applicable ☒Not Applicable**Interest receivable****(1). Classification of interest receivable**☐Applicable ☒Not Applicable

(2). Significant overdue interest

☐Applicable ☒Not Applicable

(3). Provision for bad debts

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

(4) Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5) Actual write-off of interest receivable during the period

☐Applicable ☒Not Applicable

Where significant write-offs of interest receivable

☐Applicable ☒Not Applicable

Write-off description:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Dividends Receivable

(1). Dividends Receivable

☐Applicable ☒Not Applicable

(2). Significant dividends receivable aged over 1 year

☐Applicable ☒Not Applicable

(3) Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

(4) Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5) Actual write-off of dividends receivable during the period

☐Applicable ☒Not Applicable

Where significant write-offs of dividends receivable

☐Applicable ☒Not Applicable

Write-off description:

☐Applicable ☒Not Applicable

Other Receivables**(1). Disclosure by age**

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance	Opening balance
Within 1 year		
Where: less than 1 year sub-item		
Within 1 year	36,673,459.59	34,921,335.65
Subtotal less than 1 year	36,673,459.59	34,921,335.65
1 to 2 years	3,958,369.90	3,458,720.60
2 to 3 years	3,662,540.54	6,670,553.64
More than 3 years	10,146,631.40	6,531,978.08
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	54,441,001.43	51,582,587.97

(2). Breakdown by nature of funds

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing Book Balance	Opening Balance
Margin Portfolio	45,809,864.68	41,052,652.37
Reserve portfolio	4,817,986.15	5,195,171.77
Other combinations	3,813,150.60	5,334,763.83
Total	54,441,001.43	51,582,587.97

(3). Provision for bad debts√Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Phase I Expected credit losses for the next 12 months	Phase II Expected credit losses (no credit impairment) over lifetime	Phase III Expected credit losses over lifetime (credit impairment incurred)	Total
Balance on January 1, 2024	1,746,066.78	518,808.09	8,533,144.17	10,798,019.04
January 1, 2024 Balance in the current period				
--Transfer to Phase II	-197,918.50	197,918.50		
--Transfer to Phase III		-549,381.08	-549,381.08	
--Reversal to phase II				
-- Reversal to phase I				
Provision for the current period	285,524.70	426,409.98	2,162,868.31	2,874,802.99
Reversal during the period				
Write-offs during the period				
Cancellations during the period				
Other changes				
Balance on June 30, 2024	1,833,672.98	593,755.49	11,245,393.56	13,672,822.03

Basis of classification of stages and percentage of Provision for bad debts

The stages are based on the following: stage 1 for accounts up to 1 year old, stage 2 for accounts 1-2 years old and stage 3 for accounts over 2 years old.

A description of significant changes in the carrying amount of other receivables for which a change in the provision for losses has occurred during the period:

□Applicable √Not Applicable

The amount of Provision for bad debts in the current period and the basis used to assess whether there is a significant increase in the credit risk of a financial instrument:

□Applicable √Not Applicable

(4). Provision for bad debts√Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Type	Opening Balance	Amount of change during the period				Closing Balance
		Make Provision	Recovery or reversal	Re-sale or Write-Offs	Other changes	
Individual Provision for Bad Debts	4,330,000.00					4,330,000.00
Provision for bad debts by portfolio	6,468,019.04	2,874,802.99				9,342,822.03
Total	10,798,019.04	2,874,802.99				13,672,822.03

Where the amount of the Provision for Bad Debts reversed or recovered during the period is significant:

☐Applicable ☒Not Applicable

Other notes

None

(5). Other receivables actually written off during the period☐Applicable ☒Not Applicable**Other Receivables actually written off during the period**☐Applicable ☒Not Applicable

Note on write-off of other receivables:

☐Applicable ☒Not Applicable**(6). Top five other Accounts Receivable with closing balances, grouped by party owed**☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance	Percentage in total closing balance of other receivables (%)	Nature of payments	Age of accounts	Provision for bad debts closing balance
Blue Oval SK Co.,Ltd.	21,377,033.66	39.27	Security deposit	Within 1 year	1,068,851.68
PACIFIC GLOBAL LOGISTICS INC	2,871,920.00	5.28	Security deposit	2-3 years	861,576.00
Fujian River Energy Technology Co.,Ltd.	2,384,920.00	4.38	Security deposit	1 -2 years	357,738.00
Zhejiang Zhixin Holding Group Co.,Ltd.	2,280,000.00	4.19	Security deposit	More than 3 years	2,280,000.00
Zhejiang Oceanus Power Systems Co.,Ltd.	2,050,000.00	3.77	Security deposit	More than 3 years	2,050,000.00

Total	30,963,873.66	56.89	/	/	6,618,165.68
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(7) Reported in other accounts receivable due to centralized management of funds

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

10. Inventory

(1). Inventory Classification

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance			Opening Balance		
	Carrying Amount	Provision for decline in value of inventories/impairment of contractual performance costs	Book Value	Carrying Amount	Provision for decline in value of inventories/impairment of contractual performance costs	Book Value
Raw Materials	250,361,639.88		250,361,639.88	294,307,561.47		294,307,561.47
Work in process	661,773,832.30	7,928,894.74	653,844,937.56	487,770,519.39	7,928,894.74	479,841,624.65
Merchandise in stock	311,845,228.20	37,652,707.90	274,192,520.30	429,660,268.83	37,652,707.90	392,007,560.93
Turnover material						
Expendable biological assets						
Contract performance costs	165,845,522.47		165,845,522.47	128,878,866.95		128,878,866.95
Goods shipped in transit	1,360,503,666.44	41,469,120.28	1,319,034,546.16	1,654,492,559.83	48,051,256.47	1,606,441,303.36
Total	2,750,329,889.29	87,050,722.92	2,663,279,166.37	2,995,109,776.47	93,632,859.11	2,901,476,917.36

(2)Data resources recognized as inventory

☐ Applicable ☒Not Applicable

(3)Provision for decline in value of inventories and impairment of contractual performance costs

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Increase during the period		Decrease during the period		Closing Balance
		Make Provision	Others	Reversal or write-off	Others	

Raw Materials						
Work in process	7,928,894.74					7,928,894.74
Merchandise in stock	37,652,707.90					37,652,707.90
Turnover material						
Expendable biological assets						
Contract performance costs						
Goods shipped in transit	48,051,256.47			6,582,136.19		41,469,120.28
Total	93,632,859.11			6,582,136.19		87,050,722.92

Reasons for reversal or write-off of provision for decline in value of inventories during the period
☒Applicable ☐Not Applicable

Item	Determination of net realizable value Specific basis	Write-off of inventory write-downs Reasons for preparation
Product under process	Net realizable value is determined as the estimated selling price of the relevant finished goods, less costs estimated to be incurred to completion, estimated selling expenses and related taxes.	Consumption/sale of inventories for which provision for decline in value of inventories has been made during the period
Merchandise in stock	Determined on the basis of the estimated selling price of inventories less estimated selling expenses and related taxes	
Issuance of goods		

Provision for decline in value of inventories by portfolio
☐Applicable ☒Not Applicable

Provisioning criteria for provision for inventory decline by portfolio
☐Applicable ☒Not Applicable

(4) The capitalized amount of borrowing costs contained in the ending balance of inventories and the standard and basis for its calculation

☐Applicable ☒Not Applicable

(5)Description of the amount of amortization of contract performance costs for the period

☒Applicable ☐ Not Applicable

Item	Beginning amount	Increase during the period	Amortization for the period	Impairment for the period	Closing amount
Freight and lifting costs	36,400,871.49	97,773,483.87	57,902,677.16		76,271,678.20
Tariffs	92,477,995.46	85,154,846.96	88,058,998.15		89,573,844.27
Subtotal	128,878,866.95	182,928,330.83	145,961,675.31		165,845,522.47

Other notes:

☐Applicable ☒Not Applicable

11. Assets held for sale

☐Applicable ☒Not Applicable

12. Non-current assets due within one year

☐Applicable ☒Not Applicable

Debt investments maturing within one year

☐Applicable ☒Not Applicable

Debt investments maturing within one year

☐Applicable ☒Not Applicable

(1). Debt investments maturing within one year

☐Applicable ☒Not Applicable

Change during the period in provision for impairment of other debt investments maturing within one year

☐Applicable ☒Not Applicable

(2) Significant debt investments maturing within one year at the end of the period

☐Applicable ☒Not Applicable

(3) Provision for impairment

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of provision for bad debts

[See note in Section X, V-11 for details.](#)

A description of significant changes in the carrying amount of the allowance for losses that occurred during the period:

☐Applicable ☒Not Applicable

The amount of the provision for impairment for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instrument

☐Applicable ☒Not Applicable

(4) Debt investments maturing within one year actually written off during the period

☐Applicable ☒Not Applicable

Where significant write-offs of debt investments maturing within one year

☐Applicable ☒Not Applicable

Description of write-offs of debt investments maturing within one year:

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

Other notes on non-current assets due within one year

None

13. Other Current Assets

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Contract acquisition costs		
Returns receivable cost		
Advance payment of VAT	116,156,240.16	5,799,666.36
Prepayment of enterprise income tax	544,666.41	83,846.29
Prepayment of other taxes	605,929.14	
Input tax to be offset	5,866,021.74	2,356,983.39
Other amortized expenses	2,230,139.98	2,230,139.98
Total	125,402,997.43	10,470,636.02

Other notes:

None

14. Debenture Investment**(1). Status of debt investments**

☐Applicable ☒Not Applicable

Change in provision for impairment of debt investments during the period

☐Applicable ☒Not Applicable

(2). Significant debt investments at the end of the period

☐Applicable ☒Not Applicable

(3). Provision for impairment

☐Applicable ☒Not Applicable

The basis for the classification of each stage and the percentage of provision for impairment:

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of debt investments for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

The amount of the provision for impairment for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instrument

☐Applicable ☒Not Applicable

(4). Actual write-off of debt investments during the period

☐Applicable ☒Not Applicable

Where significant write-offs of debt investments

☐Applicable ☒Not Applicable

Description of write-offs of debt investments:

☐Applicable ☒Not Applicable

Other notes:

None

15. Other Debt Investments

(1). Other debt investments

☐Applicable ☒Not Applicable

Change in provision for impairment of other debt investments during the period

☐Applicable ☒Not Applicable

(2). Significant other debt investments at the end of the period

☐Applicable ☒Not Applicable

(3). Provision for impairment

☐Applicable ☒Not Applicable

(4). Other debt investments actually written off during the period

☐Applicable ☒Not Applicable

Write-offs of significant other debt investments therein

☐Applicable ☒Not Applicable

Description of write-offs of other debt investments:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

16. Long-term receivables

(1) Long-term receivables

☐Applicable ☒Not Applicable

(2)Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

(3) Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5) Long-term receivables actually written off during the period

☐Applicable ☒Not Applicable

Where significant write-offs of long-term receivables

☐Applicable ☒Not Applicable

Note on write-off of long-term receivables:

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

17. Long-term Equity Investments

(1) Long-term Equity Investments

☐Applicable ☒Not Applicable

(2) Impairment testing of long-term equity investments

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

none

18. Investments in other equity instruments

(1). Investments in other equity instruments

☐Applicable ☒Not Applicable

(2). Explanation of the existence of derecognition during the period

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

19. Other Non-Current Financial Assets

☐Applicable ☒Not Applicable

20. Investment Property

Investment property measurement model

Not applicable

(1). Impairment testing of investment properties using the cost measurement model

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

21. Fixed Assets

Item Presentation

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
Fixed Assets	1,211,211,913.23	1,264,096,156.79
Liquidation of Fixed Assets		
Total	1,211,211,913.23	1,264,096,156.79

Other notes:

None

Fixed Assets

(1). Fixed assets

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	General equipment	Machinery and equipment	Transportation tools	Other equipment	Total
i. Original Book value:						
1. Opening balance	1,128,237,721.53	36,165,966.67	291,722,107.13	26,928,897.25	47,260,326.29	1,530,315,018.87
2. Increase during the period	-4,963,889.22	-710,484.80	313,115.04	1,125,268.89	2,281,669.78	-1,954,320.31
(1) Acquisition		119,066.56	313,115.04	1,147,440.52	2,281,669.78	3,861,291.90
(2) Transfer from Construction in progress						
(3) Increase in business combinations						
(4) Foreign currency translation	-4,963,889.22	-829,551.36		-22,171.63		-5,815,612.21
3. Decrease during the period				335,464.50		335,464.50
(1) Disposal or scrapping				335,464.50		335,464.50
4. Closing balance	1,123,273,832.31	35,455,481.87	292,035,222.17	27,718,701.64	49,541,996.07	1,528,025,234.06
1. Opening balance	122,759,099.31	12,272,609.38	92,155,387.85	16,382,904.10	22,648,861.44	266,218,862.08
2. Increase during the period	26,298,037.26	2,633,931.41	13,895,933.36	1,821,566.21	6,263,681.79	50,913,150.03
(1) Provision	26,458,483.40	2,645,795.42	13,895,933.36	1,823,219.24	6,263,681.79	51,087,113.21
(2) Foreign currency translation	-160,446.14	-11,864.01		-1,653.03		-173,963.18
3. Decrease during the period				318,691.28		318,691.28
(1) Disposal or				318,691.28		318,691.28

scrapping						
4. Closing balance	149,057,136.57	14,906,540.79	106,051,321.21	17,885,779.03	28,912,543.23	316,813,320.83
III.. Provision for impairment						
1. Opening balance						
2. Increase during the period						
(1) Provision						
3. Decrease during the period						
(1) Disposal or scrapping						
4. Closing balance						
III. Book value						
1. Closing Book value	974,216,695.74	20,548,941.08	185,983,900.96	9,832,922.61	20,629,452.84	1,211,211,913.23
2. Opening Book value	1,005,478,622.22	23,893,357.29	199,566,719.28	10,545,993.15	24,611,464.85	1,264,096,156.79

(2). Status of temporarily idle fixed assets

□Applicable √Not Applicable

(3). Fixed assets leased out through operating leases

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Book Value
Houses and Buildings	17,464,025.29
Subtotal	17,464,025.29

(4). Status of fixed assets for which certificates of title have not been issued

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Book value	Reasons for non-completion of title deeds
13-way lithium-ion battery charge/discharge equipment capacity expansion project	176,830,730.36	Still in process

Intelligent Manufacturing Expansion Project for 12-way Lithium-ion Battery Production Equipment	175,845,883.03	Still in process
Subtotal	352,676,613.39	

(6) Impairment testing of Fixed Assets

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Liquidation of Fixed Assets

☐Applicable ☒Not Applicable

22. Construction in Progress**Item Presentation**

☒Applicable ☐ Not Applicable Other notes:

None

Construction in Progress**(1). Status of Construction in Progress**

☐Applicable ☒Not Applicable

(2). Changes in significant construction-in-progress projects during the period

☐Applicable ☒Not Applicable

(3). Provision for impairment of Construction in Progress during the period

☐Applicable ☒Not Applicable

(4) Impairment testing of Construction in progress

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

Engineering materials

☐Applicable ☒Not Applicable

23. Productive Biological Assets

(1). Produced biological assets using the cost-measurement model

☐Applicable ☒Not Applicable

(2) Impairment testing of productive biological assets using the cost measurement model

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

(3)Produced biological assets using the fair value measurement model

☐Applicable ☒Not Applicable

24. Oil and Gas Assets

(1) Status of oil and gas assets

☐Applicable ☒Not Applicable

(2) Impairment testing of oil and gas assets

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

None

25. Right-of-Use Assets

(1) Status of right-to-use assets

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Building	Total
I. Original Book value		
1. Opening balance	11,386,767.46	11,386,767.46
2. Increase during the period		
3. Decrease during the period		
4. Closing balance	11,386,767.46	11,386,767.46
II. Accumulated depreciation		
1. Opening balance	9,172,673.90	9,172,673.90
2. Increase during the period	1,581,495.50	1,581,495.50
(1) Provision	1,581,495.50	1,581,495.50
3. Decrease during the period		
(1) Disposal		
4. Closing balance	10,754,169.40	10,754,169.40
III. Provision for impairment		
1. Opening balance		
2. Increase during the period		
(1) Provision		

3. Decrease during the period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Closing Book value	632,598.06	632,598.06
2. Opening Book value	2,214,093.56	2,214,093.56

(2) Impairment testing of right-of-use assets

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

None

26. Intangible Asset**(1). Status of intangible assets**

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Land use right	Patent right	Non-patented technology	Software	Total
I. Original Book value					
1. Opening balance	187,924,390.46			28,248,723.15	216,173,113.61
2. Increase during the period	22,360,000.00			1,698,920.00	24,058,920.00
(1) Acquisition	22,360,000.00			1,698,920.00	24,058,920.00
(2) In-house R&D					
(3) Increase in business combinations					
(4) Transfer from Construction in progress					

3. Decrease during the period					
(1) Disposal					
4. Closing balance	210,284,390.46			29,947,643.15	240,232,033.61
II. Accumulated amortization					
1. Opening balance	19,034,887.56			12,266,089.59	31,300,977.15
2. Increase during the period	1,898,310.84			3,304,709.11	5,203,019.95
(1) Provision	1,898,310.84			3,304,709.11	5,203,019.95
3. Decrease during the period					
(1) Disposal					
4. Closing balance	20,933,198.40			15,570,798.70	36,503,997.10
III. Provision for impairment					
1. Opening balance					
2. Increase during the period					
(1) Provision					
3. Decrease during the period					
(1) Disposal					
4. Closing balance					
IV. Book value					
1. Closing Book value	189,351,192.06			14,376,844.45	203,728,036.51
2. Opening Book value	168,889,502.90			15,982,633.56	184,872,136.46

Intangible assets formed through in-house research and development at the end of the period 0% of intangible asset balance

(2). Data resources recognized as intangible assets

☐Applicable ☒Not Applicable

(3)Status of land-use rights with outstanding title deeds

☐Applicable ☒Not Applicable

(4)Impairment testing of Intangible Assets

☐Applicable ☒Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

27. Goodwill

(1). Original carrying amount of goodwill

☐Applicable ☒Not Applicable

(2). Provision for impairment of goodwill

☐Applicable ☒Not Applicable

(3). Information about the asset group or combination of asset groups in which the goodwill is located

☐Applicable ☒Not Applicable

Changes in asset groups or combinations of asset groups

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

(4) Specific determination of recoverable amount

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

(5) Performance commitments and corresponding goodwill impairment

Performance commitments existed at the time goodwill was formed and are within the performance commitment period for the reporting period or the previous period of the reporting period

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable**28. Long-Term Amortized Expenses**☐Applicable ☒Not Applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Increase during the period	Amortization for the period	Other Decreases	Closing Balance
Renovation Cost	11,181,004.43	541,613.27	1,873,747.65		9,848,870.05
Total	11,181,004.43	541,613.27	1,873,747.65		9,848,870.05

Other notes:

None

29. Deferred Income Tax Assets/Deferred Income Tax Liabilities**(1). Deferred tax assets not offset**☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income taxes liabilities	Deductible temporary differences	Deferred income taxes liabilities
Provision for impairment of assets	589,839,813.86	88,475,972.08	531,936,576.69	79,981,196.25
Unrealized profit on internal transactions				
Deductible losses				
Equity incentive expense				
Deferred income	43,560,987.42	6,534,148.11	23,863,491.77	3,579,523.77
Lease liabilities	632,598.06	94,889.71	2,169,004.49	325,350.67
Fair value changes	3,121,828.82	468,274.32	1,948,657.48	292,298.62
Total	637,155,228.16	95,573,284.22	559,917,730.43	84,178,369.31

(2). Deferred tax liabilities not offset☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income taxes be in debt	Taxable temporary differences	Deferred income taxes be in debt
Appraisal of appreciation of assets in non-same-control business combinations				
Changes in fair value of other debt investments				
Changes in fair value of investments in other equity instruments				

Fair value changes				
	33,615,826.33	5,042,373.95	35,827,319.83	5,374,097.97
Differences in depreciation of Fixed Assets				
Differences in depreciation of right-of-use assets	632,598.06	94,889.71	2,214,093.56	332,114.03
Equity incentive expense	9,437,283.99	1,415,592.60	3,046,237.49	456,935.63
Total	43,685,708.38	6,552,856.26	41,087,650.88	6,163,147.63

(3). Deferred tax assets or liabilities, net of offsets

√Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amounts of deferred tax assets and liabilities offset at the end of the period	Closing Balance of deferred tax assets or liabilities after offsetting	Deferred tax assets and liabilities offset at beginning of period	Opening Balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	6,552,856.26	89,020,427.96	6,163,147.63	78,015,221.68
Deferred income tax liabilities	6,552,856.26		6,163,147.63	

(4). Breakdown of unrecognized deferred tax assets

√Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
Deductible temporary differences	14,001,984.26	11,128,153.09
Deductible losses	54,153,119.08	41,717,362.30
Total	68,155,103.34	52,845,515.39

(5). The deductible losses for which no deferred tax assets have been recognized will expire in the following years

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Note
2027			
2028			
2029	714,849.78	714,849.78	
2030	5,614,937.89	5,614,937.89	
2031	8,133,964.16	8,133,964.16	
2032	12,660,193.11	12,660,193.11	
2032 and beyond	27,029,174.14	14,593,417.36	
Total	54,153,119.08	41,717,362.30	/

Other notes:

□Applicable √Not Applicable

30. Other Non-Current Assets

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Contract acquisition costs						
Contract performance costs						
Returns receivable cost						
Contract Assets	83,246,150.87	14,517,307.54	68,728,843.33	77,563,250.87	14,233,162.54	63,330,088.33
Prepayments for acquisition of long-term assets	4,212,626.81		4,212,626.81	4,212,626.81		4,212,626.81
Contract assets						
Total	87,458,777.68	14,517,307.54	72,941,470.14	81,775,877.68	14,233,162.54	67,542,715.14

Other notes:

None

31. Assets with restricted ownership or use right

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	End of the Period				Beginning of the period			
	Carrying amount	Book value	Type of restriction	Restrictions	Carrying amount	Book value	Type of restriction	Restrictions
Moneta	153,311.7	153,311.7	Pledge	Guarant	397,331.4	397,331.4	Pledge	Guarant

ry funds	83.05	83.05		ees and bank acceptance deposits	26.33	26.33		ees and bank acceptance deposits and time deposit pledges
Notes Receivable								
Inventory								
Where: data sources								
Fixed Assets								
Intangible Asset								
Where: data sources								
Total								

32. Short Term Loan

(1). Classification of short-term loans

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Loan on pledge		
Secured loan		
Guaranteed Borrowing		
Credit loan		
Discounted outstanding bankers' acceptances	29,400,000.00	14,516,000.00
Total	29,400,000.00	14,516,000.00

A note on the classification of short-term borrowings:

None

(2). Status of overdue short-term loans

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

33. Financial liabilities held for trading

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

34. Derivative financial liabilities

□Applicable √Not Applicable

35. Notes Payable

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Type	Closing Balance	Opening Balance
Commercial Promissory Note	798,361,010.59	30,323,265.62
Banker's Acceptance	28,982,968.64	985,238,870.63
Total	827,343,979.23	1,015,562,136.25

The total amount of notes payable that were due and unpaid at the end of the period was RMB0. The reason for due unpaid is none.

36. Accounts Payable**(1). Presentation of accounts payable**

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
Purchase of materials	1,219,423,895.97	1,487,550,264.77
Payment for equipment engineering	40,827,997.07	61,845,477.39
Others	32,817,184.25	13,190,749.92
Total	1,293,069,077.29	1,562,586,492.08

(2). Significant accounts payable aged over 1 year

□Applicable √Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-reimbursement or carry-over
Hefei Guosheng Battery Technology Co.,Ltd.	17,699,115.04	Not yet settled
Shanghai Yongqian Mechanical & Electrical Co.,Ltd.	11,173,393.32	Not yet settled
Total	28,872,508.36	/

Other notes:

□Applicable √Not Applicable

37. Advance Receipts**(1). Presentation of Accounts Receivable in advance**

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
Rent		560,000.00
Total		
		560,000.00

(2). Significant advance receipts aged over 1 year

□Applicable √Not Applicable

(3) Amounts and reasons for significant changes in Book value during the reporting period

□Applicable √Not Applicable

Other notes

□Applicable √Not Applicable

38. Contractual liabilities**(1). Contractual liabilities**

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
Payment for Goods	2,097,052,074.11	2,239,109,626.13
Total	2,097,052,074.11	2,239,109,626.13

(2). Significant contractual liabilities aged over 1 year

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-reimbursement or carry-over
Hive Energy Technology (Maanshan) Co.,Ltd.	59,934,159.29	Project not yet accepted
Hive Energy Technology (Huzhou) Co.,Ltd.	47,124,530.97	Project not yet accepted
Hive Energy Technology (Yancheng) Co.,Ltd.	59,934,159.29	Project not yet accepted
Total	145,970,601.76	/

(3). Amounts and reasons for significant changes in Book value during the reporting period

□Applicable √Not Applicable

Other notes:

□Applicable √Not Applicable

39. Employee Remuneration Payable**(1). Presentation of Employee Compensation Payable**

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term remuneration	34,353,950.98	229,707,219.00	257,029,881.58	7,031,288.40
II. Post-employment benefits -- defined contribution plans		19,853,955.68	19,853,955.68	
III. Termination benefits				
IV. Other benefits due within one year				
Total	34,353,950.98	249,561,174.68	276,883,837.26	7,031,288.40

(2). Presentation of Short-Term Remuneration

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses, allowances and subsidies	34,347,632.40	208,932,165.35	236,248,509.35	7,031,288.40
II. Employee benefit costs				
III. Social security contributions	6,318.58	12,651,941.87	12,658,260.45	
Where: medical insurance premiums	6,318.58	11,649,137.76	11,655,456.34	
Employment injury insurance premiums		1,002,804.11	1,002,804.11	
Maternity insurance premiums				
IV. Housing Provident Fund		7,633,169.77	7,633,169.77	
V. Funds for trade unions and staff education		489,942.01	489,942.01	
VI. Short-term paid absences				
VII. Short-term profit-sharing schemes				
Total	34,353,950.98	229,707,219.00	257,029,881.58	7,031,288.40

(3). Presentation of the defined benefit plan

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Increase during the period	Decrease during the period	Closing Balance
1. Basic pension insurance		19,182,315.97	19,182,315.97	
2. Unemployment insurance premiums		671,639.71	671,639.71	
3. Contributions to enterprise annuities				
Total		19,853,955.68	19,853,955.68	

Other notes:

□Applicable √Not Applicable

40. Taxes Payable

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	212,698.33	302,078.31
Sales tax		
Business tax		
Corporate income tax	15,782,741.38	75,189,390.31

Personal income tax	57,784.27	478,550.42
Urban maintenance and construction tax	738,778.53	957,920.52
Property tax	4,427,361.99	7,392,022.70
Education surcharge	316,619.37	410,537.36
Local education surcharge	211,079.58	273,691.58
Stamp tax	37,400.74	1,779,737.23
Land use tax		512
Total	21,784,464.19	86,784,440.43

Other notes:

None

41. Other Accounts Payable**(4). Item Presentation**

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
Interest Due		
Dividend Payable		
Other Accounts Payable	7,689,656.40	8,469,552.89
Total	7,689,656.40	8,469,552.89

Other notes:

None

Interest Payable

□Applicable √Not Applicable

Dividend Payable

□Applicable √Not Applicable

Other Accounts Payable**(1). Presentation of other accounts payable by nature of payment**

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deposit Guarantee	1,478,452.91	687,937.19
Costs payable	2,676,464.48	2,503,407.60
Suspense accounts payable	2,636,134.23	941,634.74
Refund receivable in suspense	898,604.78	2,967,786.09
Late payment of taxes payable		1,368,787.27
Total	7,689,656.40	8,469,552.89

(2). Significant other accounts payable aged over 1 year

□Applicable √Not Applicable

Other notes:

□Applicable √Not Applicable

42. Liabilities held for sale

☐Applicable ☒Not Applicable

43. Non-current liabilities due within 1 year

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within 1 year		
Bonds payable due within 1 year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year		2,028,014.09
Total		2,028,014.09

Other notes:

None

44. Other current liabilities

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Returns payable		
Sales tax to be transferred	183,538,893.21	66,695,840.81
Endorsed outstanding Notes Receivable (not derecognized)	14,610,194.19	34,922,493.19
Accruals	3,527,381.46	16,242,012.15
Total	201,676,468.86	117,860,346.15

Increase or decrease in short-term bonds payable:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

45. Long Term Loan**(1). Classification of Long-Term Loans**

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

46. Bonds Payable**(1). Bonds Payable**

☐Applicable ☒Not Applicable

(2). Details of bonds payable: (excluding other financial instruments such as preferred shares and Perpetual bonds classified as financial liabilities)

☐Applicable ☒Not Applicable

(3). Description of convertible bonds

☐Applicable ☒Not Applicable

Accounting for transfers of equity and basis of judgment

☐Applicable ☒Not Applicable

(4). Description of other financial instruments classified as financial liabilities

Basic information on other financial instruments such as preferred shares and Perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Statement of changes in preferred shares, Perpetual bonds and other financial instruments issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Description of the basis on which other financial instruments are classified as financial liabilities:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

47. Lease liabilities

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Outstanding lease payments		2,142,857.14
Less: unrecognized financing costs		114,843.05
Less: Reclassification to non-current liabilities due within one year		2,028,014.09
Total		

Other notes:

None

48. Long-term Accounts Payable**Item Presentation**

☐Applicable ☒Not Applicable

Other notes:

Long-term accounts payable

☐Applicable ☒Not Applicable

Specialized accounts payable

☐Applicable ☒Not Applicable

49. Long-term Employee Compensation Payable

☐Applicable ☒Not Applicable

(1). Statement of long-term employee compensation payable

☐Applicable ☒Not Applicable

(2). Changes in defined benefit plans

Present value of defined benefit plan obligations:

☐Applicable ☒Not Applicable

Plan assets:

☐Applicable ☒Not Applicable

Net liability (net assets) of defined benefit plans

☐Applicable ☒Not Applicable

A description of the content of the defined benefit plan and the risks associated with it, its impact on the company's future cash flows, timing and uncertainty:

☐Applicable ☒Not Applicable

Statement of significant actuarial assumptions and sensitivity analysis results for defined benefit plans

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

50. Projected Liability

☐Applicable ☒Not Applicable

51. Deferred Income

Status of deferred income

☒Applicable ☐ Not Applicable

Unit: Yuan Currency RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reasons for formation
Government grant	23,863,491.77	22,571,001.26	2,873,505.61	43,560,987.42	Government grants related to assets are amortized over the useful life of the assets
Total	23,863,491.77	22,571,001.26	2,873,505.61	43,560,987.42	/

Other notes:

☒Applicable ☐ Not Applicable

52. Other Non-Current Liabilities

☐Applicable ☒Not Applicable

53. Share Capital

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

	Opening	Increase/decrease in current changes (+, i)	Closing
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	Balance	Issuing New Share	Share Grant	Conversion of Provident Fund into Shares	Other s	Subtotal	Balance
Total number of shares	603,672,152. 00						603,672,152. 00

Other notes:

None

54. Other Equity Instruments

(1) Basic information on other financial instruments such as preferred stocks and perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

(2) Statement of changes in preferred stocks, perpetual bonds and other financial instruments issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Changes in other equity instruments during the period, explanation of the reasons for such changes, and the basis for the related accounting treatment:

☐Applicable ☒Not Applicable

Other notes.

☐Applicable ☒Not Applicable

55. Capital Reserve

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Increase during the period	Decrease during the period	Closing Balance
Capital Premium (Equity Premium)	2,342,986,899.53			2,342,986,899.53
Other Capital Surplus	16,843,093.74	6,292,778.77	1,902,573.80	21,233,298.71
Total	2,359,829,993.27	6,292,778.77	1,902,573.80	2,364,220,198.24

Other explanations, including increases or decreases during the period and explanations of the reasons for the changes:

Description of changes in other capital surplus

① The Company implemented equity-settled share-based payments and recognized share-based payment expense of RMB6,292,778.77 during the period.

② The decrease of RMB 1,902,573.80 in the current period means that the amount deductible before tax is lower than the income tax impact of the cost and expense recognized in accordance with the accounting standards for Enterprises in the current period.

56. Treasury Stock

□Applicable √Not Applicable

57. Other Comprehensive Income

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount incurred during the period						Closing balance
		Occurrence before income tax for the period	Less: Transfer to profit or loss for the period from prior period to other comprehensive income	Less: Prior period included in other comprehensive income Current period transfer to retained earnings	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified to profit or loss								
Where: remeasurement of changes in defined benefit plans								
Other comprehensive income not transferable to profit or loss under the equity method								
Changes in fair value of investments in other equity instruments								
Changes								

in fair value of the enterprise's own credit risk								
II. Other comprehensive income to be reclassified to profit or loss	7,227,980.88	-5,913,990.51				-5,913,990.51		1,313,990.37
Where: Other comprehensive income available for transfer to profit or loss under the equity method								
Changes in fair value of other debt investments								
Amounts reclassified from financial assets to other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedge reserve								
Translation	7,227,980.88	-5,913,990.51				-5,913,990.51		1,313,990.37

difference s on foreign currency financial statements								
Total other comprehe nsive income	7,227,98 0.88	- 5,913,99 0.51				- 5,913,99 0.51		1,313,99 0.37

Other notes, including adjustments to the effective portion of cash flow hedge gains and losses transferred to the initial recognized amount of the hedged item:

None

58. Special Reserve

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Safety production costs	207,647.09	6,529,206.75	3,657,913.30	3,078,940.54
Total	207,647.09	6,529,206.75	3,657,913.30	3,078,940.54

Other explanations, including increases or decreases during the period and explanations of the reasons for the changes:

Pursuant to the requirements of Circular Cai Capital [2022] 136 "On the Issuance of Administrative Measures for the Extraction and Use of Enterprise Safe Production Expenses" issued by the Ministry of Finance and the Ministry of Emergency Response, which became effective on November 21, 2022, the Group is required to make accruals for safe production expenses in accordance with the relevant provisions.

59. Surplus Reserve

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Increase during the period	Decrease during the period	Closing Balance
Statutory Surplus Reserve	271,191,623.48			271,191,623.48
Arbitrary Surplus Reserve				
Reserve Fund				
Enterprise Development Fund				
Others				
Total	271,191,623.48			271,191,623.48

A description of surplus reserve, including any increase or decrease during the period, and a description of the reasons for the change:

None

60. Un-distributed Profit

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	The current period	Previous period
Undistributed profit at the end of the previous period before adjustments	1,876,935,053.36	1,346,492,128.33
Adjustments to the total Undistributed profits at the Beginning of the period (upward +, downward -)		
Adjustments to opening unappropriated profit after the period	1,876,935,053.36	1,346,492,128.33
Add: Net profit attributable to owners of the parent company for the period	269,275,399.75	809,090,505.69
Less: Withdrawal of legal surplus reserve		79,435,770.60
Withdrawal of Surplus reserve at will		
Provision for general risks		
Dividends payable on ordinary shares	205,453,187.23	199,211,810.06
Dividends on ordinary shares transferred to equity		
Undistributed profit at the end of the period	1,940,757,265.88	1,876,935,053.36

Adjust the breakdown of unappropriated earnings at the Beginning of the period:

1. Retrospective adjustments due to the Accounting Standards for Business Enterprises (ASBE) and its related new regulations affected the unappropriated profit at the Beginning of the period by RMB0.
2. As a result of the change in accounting policy, the impact on the undistributed profit at the Beginning of the period was RMB0.
3. As a result of the correction of significant accounting errors, the impact on the undistributed profit at the Beginning of the period was RMB0.
4. The change in the scope of consolidation due to the same control affected the unappropriated earnings at the Beginning of the period by RMB0.
5. Other adjustments in total affected the Undistributed profit at the Beginning of the period by RMB0.

61. Operating income and operating costs

(1). Operating revenues and operating costs

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period		Occurring amount in previous period	
	Incomes	Costs	Incomes	Costs
Main business	1,876,611,028.52	1,323,896,418.19	2,103,180,099.31	1,278,529,556.75
Other business	14,193,904.11	1,083,095.43	17,734,283.27	375,332.87
Total	1,890,804,932.63	1,324,979,513.62	2,120,914,382.58	1,278,904,889.62

(2). Information on the breakdown of operating income and operating costs

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Contract classification	Part		Total	
	Operating revenues	Operating costs	Operating revenues	Operating costs
Commodity Type				
Charging and discharging equipment	1,454,946,725.03	1,034,096,929.22	1,454,946,725.03	1,034,096,929.22
Other equipment	408,819,599.65	284,107,475.04	408,819,599.65	284,107,475.04
Fittings	12,844,703.84	5,692,013.93	12,844,703.84	5,692,013.93
Other	14,193,904.11	1,083,095.43	14,193,904.11	1,083,095.43
By Business Area				
Domestic	1,011,945,268.77	734,589,353.81	1,011,945,268.77	734,589,353.81
Overseas	878,859,663.86	590,390,159.81	878,859,663.86	590,390,159.81
Type of market or customer				
Type of contract				
Classification by time of transfer of goods				
Revenue recognized at a certain point in time	1,888,975,460.56	1,323,900,623.95	1,888,975,460.56	1,323,900,623.95
Revenue recognition based on progress of performance	1,829,472.07	1,078,889.67	1,829,472.07	1,078,889.67
Classification by contract duration				
By Sales Channel				
Total	1,890,804,932.63	1,324,979,513.62	1,890,804,932.63	1,324,979,513.62

Other notes

√Applicable □Not Applicable

(3). Description of performance obligations

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Time for fulfilling performance obligations	Important payment terms	The nature of the company's commitment to transfer the goods	Whether or not the person is primarily responsible	Company's share of expected refunds to customers	Types of quality assurance offered by the company and related obligations
Sales of specialized equipment for lithium-ion batteries	Upon acceptance	Payment for shipment, acceptance, warranty	Specialized equipment for lithium batteries	Yes	0	Contractual guarantee
Provision of services	Upon completion of service	Service acceptance payment	Provide mainly value-added modification services	Yes	0	None
Total	/	/	/	/	0	/

(4). Statement of apportionment to remaining performance obligations

□Applicable √Not Applicable

(5). Significant contract changes or significant transaction price adjustments

□Applicable √Not Applicable

Other notes:

None

62. Taxes and surcharges

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Sales tax		
Business tax		
Urban maintenance and construction tax	9,210,646.90	7,624,770.25
Education surcharge	3,947,420.09	3,267,758.69
Resource tax		
Property tax	4,832,756.74	3,730,282.64
Land use tax	493,315.62	
Vehicle use tax (VUT)	9,774.96	9,660.62
Non-residential property	1,139,959.33	1,305,453.58
Local education surcharge	2,631,613.39	2,178,505.80
Other		2,715.96
Total	22,265,487.03	18,119,147.54

Other notes:

None

63. Sales expense

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Remuneration of employees	20,627,728.92	27,705,028.91
After-sales service fee	18,386,070.60	19,438,968.04
Travel costs	4,148,496.72	4,897,229.95
Rent and utilities	1,464,100.80	2,602,502.66
Business hospitality	214,207.22	1,569,697.53
Advertising and exhibition costs	387,265.72	194,181.64
Office expenses	201,709.76	95,902.05
Other	317,240.89	508,720.77
Total	45,746,820.63	57,012,231.55

Other notes:

None

64. Overhead

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Share-based payment	6,292,778.77	24,696,848.69
Remuneration of employees	31,930,606.07	46,710,254.59
Depreciation and amortization expense	15,881,938.43	15,437,033.91
Office expenses	5,165,734.70	7,326,812.10
Travel costs	1,970,706.81	9,767,655.04
Intermediary service fees	8,702,326.91	8,675,981.12
Business hospitality	795,208.66	1,749,374.16
Rent and utilities	1,100,695.28	1,196,406.98
Decoration expenses	7,018,894.18	978,312.04
Transportation and car expenses	871,220.91	325,955.70
Other	2,378,919.13	4,706,916.10
Total	82,109,029.85	121,571,550.43

Other notes:

None

65. R&D costs

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Remuneration of employees	82,617,068.17	88,017,217.18
Materials and testing fees	9,728,283.86	27,076,756.32
Travel costs	11,220,428.33	6,025,082.04
Other	9,260,357.24	3,201,934.63
Total	112,826,137.60	124,320,990.17

Other notes:

None

66. Financial cost

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Interest expense		743,493.04
Interest income	-43,907,442.29	-37,118,803.64
Operating interest rate subsidy	472,357.21	
Currency exchange losses	8,409,968.68	-96,378,487.31
Commission	1,430,961.31	2,717,069.49
Unrecognized financing costs	99,832.20	114,843.36
Total	-33,494,322.89	-129,921,885.06

Other notes:

None

67. Other gains

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Classification by nature	Occurring amount in current period	Occurring amount in previous period
Government grants related to assets [Note]	2,873,505.61	2,287,542.60
Government grants related to revenue [Note]	17,920,960.07	55,801,603.53
Reimbursement of handling fee for personal income tax withholding	516,960.84	617,259.95
Total	21,311,426.52	58,706,406.08

Other notes:

None

68. Investment income

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Income from long-term equity investments accounted for by the equity method		
Investment income from disposal of long-term equity investments		
Investment income from trading financial assets during the holding period		
Dividend income earned on investments in other equity instruments during the holding period		
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of financial assets held for trading		
Investment income from disposal of investments in other equity instruments		

Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		
Income from financial products	1,009,726.03	1,337,473.98
Loss on discounted Notes Receivable	-704,356.12	-902,723.43
Total	305,369.91	434,750.55

Other notes:

None

69. Net exposure hedging gain

☐Applicable ☒Not Applicable

70. Gain on change in fair value

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Sources that generate gains from changes in fair value	Occurring amount in current period	Occurring amount in previous period
Financial assets held for trading	-3,121,828.82	-3,579,166.80
Where: Gain on changes in fair value arising from derivative financial instruments		
Financial liabilities held for trading		
Investment properties measured at fair value		
Total	-3,121,828.82	-3,579,166.80

Other notes:

None

71. Gain on disposal of assets

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Current amount	Previous amount
Gain on disposal of fixed assets	29,244.47	-66,430.28
Total	29,244.47	-66,430.28

Other notes:

☐Applicable ☒Not Applicable

72. Credit impairment losses

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Bad debt losses on Notes Receivable		
Bad debt losses on Accounts Receivable	-76,537,051.51	-125,956,865.92
Bad debt losses on other receivables	-2,874,802.99	-2,618,884.41
Impairment losses on debt investments		
Impairment loss on other debt investments		

Bad debt losses on long-term receivables		
Impairment losses related to financial guarantees		
Total	-79,411,854.50	-128,575,750.33

Other notes:

None

73. Impairment losses on assets

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
I. Impairment losses on contract assets	4,530,551.66	-1,227,459.08
II. Loss on decline in value of inventories and impairment loss on contract performance costs		-35,698,758.55
III. Impairment losses on long-term equity investments		
IV. Impairment losses on investment properties		
V. Impairment losses on Fixed Assets		
VI. Impairment losses on engineering materials		
VII. Impairment losses on Construction in progress		
VIII. Impairment losses on productive Biological Assets		
IX. Impairment losses on Oil and Gas Assets		
X. Impairment losses on Intangible Assets		
XI. Impairment loss on goodwill		
XII. Other		
XIII. Impairment losses on other non-current assets	-284,145.00	-279,220.00
Total	4,246,406.66	-37,205,437.63

Other notes:

None

74. Non-operating income

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period	Amounts included in non-recurring gains and losses for the period
Total gain on disposal of non-current assets			
Where: Gain on disposal of Fixed Assets			
Gains on			

disposal of Intangible Assets			
Gains from debt restructuring			
Gain on exchange of non-monetary assets			
Acceptance of donations			
Government grant			
Income from fines	5,879,762.67	1,014,169.25	5,879,762.67
GDR Custodian Fee Handling Fee			
Other		39,313.40	
Total	5,879,762.67	1,053,482.65	5,879,762.67

Other notes:

☐Applicable ☒Not Applicable

75. Non-operating expenses

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period	Amounts included in non-recurring gains and losses for the period
Total loss on disposal of non-current assets			
Where: Loss on disposal of Fixed Assets			
Loss on disposal of Intangible Assets			
Loss from debt restructuring			
Loss on exchange of non-monetary assets			
External donations		180,000.00	
Expenditure on fines		1,198,410.78	
late fine on taxes	257,826.55	900.90	257,826.55
Other	284,915.52		284,915.52
Total	542,742.07	1,379,311.68	542,742.07

Other notes:

None

76. Income tax expense

(1). Schedule of income tax expense

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Current income tax expense	26,797,858.16	87,941,209.59

Deferred income tax expense	-11,005,206.28	-23,277,147.48
Total	15,792,651.88	64,664,062.11

(2). Process of adjusting accounting profit to income tax expense

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period
total profit	285,068,051.63
Income tax expense at statutory/applicable rates	42,760,207.74
Effect of applying different tax rates to subsidiaries	1,045,750.30
Effect of adjustments to prior periods' income taxes	
Impact of non-taxable income	-12,495,658.93
Impact of non-deductible costs, expenses and losses	337,691.71
Effect of deductible losses on the use of unrecognized deferred tax assets in prior periods	-1,119,385.82
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognized in the current period	2,187,967.52
Impact of additional deduction for R&D expenses	-16,923,920.64
Other	
Income tax expense	15,792,651.88

Other notes:

√Applicable □Not Applicable

None

77.Other comprehensive income

√Applicable □Not Applicable

For details of other comprehensive income, net of tax, see Section X, Financial Reports, Notes to Consolidated Balance Sheet Items VII, Note 57, Description of Other Comprehensive Income.

78.Cash flow statement items**(1). Cash related to operating activities**

Other cash received related to operating activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Recovery of note guarantee deposits	397,331,426.33	167,925,760.44
Government grants received	40,983,464.25	14,400,810.77
Maturity of time deposits pledged for the issuance of notes		44,590,786.46
Bank interest income	43,907,442.29	37,119,952.84
Other	16,790,059.96	6,247,594.99
Total	499,012,392.83	270,284,905.50

Description of other cash received related to operating activities:

None

Other cash paid in relation to operating activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Payment of note bond deposit	153,311,783.05	491,851,630.84
Time deposits pledged for the opening of notes		
Encashment	72,913,420.63	60,265,655.85
Bid and performance bonds	6,550,646.84	3,033,520.14
Other	2,829,748.82	12,156,341.16
Total	235,605,599.34	567,307,147.99

Description of other cash paid related to operating activities:

None

(2). Cash related to investing activities

Significant cash received in connection with investing activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Redemption of financial products and financial gains	301,009,726.03	151,337,473.98
Total	301,009,726.03	151,337,473.98

Significant cash received in connection with investing activities

None

Significant cash paid in connection with investing activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Purchase of financial products	300,000,000.00	270,000,000.00
Total	300,000,000.00	270,000,000.00

Significant cash paid in connection with investing activities

None

Other cash received related to investing activities

□Applicable √Not Applicable

Other cash paid related to investing activities

□Applicable √Not Applicable

(3). Cash related to financing activities

Other cash received relating to financing activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Cash received on acceptance of notes	29,400,000.00	
Total	29,400,000.00	

Description of other cash received related to financing activities:

None

Other cash paid in connection with financing activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
GDR issuance intermediary costs		8,843,672.74
Rental payments	2,127,846.29	2,250,000.00
Total	2,127,846.29	11,093,672.74

Description of other cash paid in connection with financing activities:

None

Changes in liabilities arising from financing activities

□Applicable √Not Applicable

(4). Notes to the presentation of cash flows on a net basis

□Applicable √Not Applicable

(5). Significant activities and financial effects that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future

□Applicable √Not Applicable

79. Supplementary information on the statement of cash flows**(1). Supplementary information on the statement of cash flows**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Additional information	Amount in the current period	Amount in the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	269,275,399.75	475,631,938.78
Add: Provision for impairment of assets	-4,246,406.66	37,205,437.63
Credit impairment losses	79,411,854.50	128,575,750.33
Depreciation of Fixed Assets, depletion of Oil and Gas Assets, depreciation of productive Biological Assets	50,913,150.03	40,810,452.12
Amortization of right-of-use assets	1,581,495.50	1,897,794.60
Amortization of Intangible Assets	5,203,019.95	2,994,369.98
Amortization of long-term amortized expenses	1,873,747.65	2,197,842.57
Loss on disposal of property, plant and equipment, Intangible Assets and other long-lived assets (Gain is represented by a "-" sign)	-29,244.47	66,430.28
Loss on retirement of Fixed Assets (gain is recognized by "-" sign)		
Loss on changes in fair value (gains are recognized with a "-" sign)	3,121,828.82	3,579,166.80
Finance costs (gains are recognized with a "-" sign)	8,509,800.88	-96,263,643.95
Losses on investments (gains are recognized with a "-" sign)	-305,369.91	-434,750.55
Decrease in deferred income tax assets (increase is recognized by a "-" sign)	-11,005,206.28	-27,401,590.26

Increase (decrease) in deferred income tax liabilities (recorded as a "-")		
Decrease in inventories (increase is indicated by a "-" sign)	238,197,750.99	-308,979,245.63
Decrease in operating receivables (increase is recognized by a "-" sign)	40,147,076.79	-888,318,155.25
Increase (decrease) in operating accounts payable	-579,731,536.35	757,673,182.70
Other	9,164,072.22	20,069,564.81
Net cash flows from operating activities	112,081,433.41	149,304,544.96
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Debt to capitalization		
Convertible bonds due within one year		
Fixed assets under finance leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	2,739,151,780.14	2,883,652,463.33
Less: opening balance of cash	2,865,817,877.74	1,992,463,562.87
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	-126,666,097.60	891,188,900.46

(2). Net cash paid during the period for acquisition of subsidiaries

□Applicable √Not Applicable

(3). Net cash received for disposal of subsidiaries during the period

□Applicable √Not Applicable

(4). Composition of cash and cash equivalents

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	2,739,151,780.14	2,865,817,877.74
Where: cash on hand	1,576,707.55	86,185.18
Bank deposits readily available for payment	2,737,575,072.59	2,865,731,692.56
Other monetary funds readily available for disbursement		
Central bank deposits available for disbursement		
Interbank deposits		
Interbank placings		
II. Cash equivalents		
Where: Investments in bonds maturing within three months		

III. Cash and cash equivalents balance at the end of the period	2,739,151,780.14	2,865,817,877.74
Where: use of restricted cash and cash equivalents by the parent company or group subsidiaries	1,581,677,924.43	1,450,125,891.74

(5). Restricted use but still presented as cash and cash equivalents

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Reason
Bank deposit	782,287,133.73	Accounts in which the collection of funds is regulated
Bank deposit	799,390,790.70	Cash subject to foreign exchange controls of foreign operating subsidiaries
Total	1,581,677,924.43	/

(6). Monetary funds not classified as cash and cash equivalents

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period	Reason
Other monetary funds - guarantee deposits	140,164,665.24	162,256,145.02	Guarantee Bond Pledge
Other monetary funds - bankers' acceptance deposits	13,147,117.81	329,595,485.82	Banker's margin pledge
Total	153,311,783.05	491,851,630.84	/

Other notes:

□Applicable √Not Applicable

80. Notes to the Statement of Changes in Owners' Equity Items

State the name of the "Other" item and the amount of adjustment made to the closing balance of the previous year:

□Applicable √Not Applicable

81. Foreign currency monetary items**(1). Foreign currency monetary items**

√Applicable □Not Applicable

Unit: Yuan

Item	Foreign currency balance at end of period	Conversion rate	Converted to RMB at the end of the period balances
Monetary funds	-	-	1,923,018,417.64
Where: USD	192,070,636.76	7.1268	1,368,849,014.06
Euro	70,581,164.43	7.6787	541,971,587.31
Hong Kong dollar	3,419.48	0.9127	3,120.96
Forint	2,648,596.00	0.0192	50,853.04
Won	924,204,237.00	0.0052	4,805,862.03

Japanese yen	150,672,927.00	0.0447	6,735,079.84
Zloty	186,456.98	1.7689	329,823.75
SGD	51,728.86	5.2790	273,076.65
Accounts Receivable	-	-	140,020,195.05
Where: USD	18,627,141.47	7.1268	132,751,911.83
Euro	877,485.12	7.6787	6,737,944.99
Won	37,894,140.00	0.0052	197,049.53
Yen	7,456,123.00	0.0447	333,288.70
Long term loan	-	-	0.00
Where: USD	0.00	7.1268	0.00
Euro	0.00	7.6787	0.00
Hong Kong dollar	0.00	0.9127	0.00
Contract Assets	-	-	35,530,920.10
Where: USD	4,985,536.30	7.1268	35,530,920.10
accounts payable	-	-	48,699,540.49
Where:USD	6,738,839.96	7.1268	48,026,364.63
Won	124,810,853.00	0.0052	649,016.44
Zloty	13,657.88	1.7689	24,159.42
Other Receivables	-	-	157,848,298.90
Where: USD	22,141,009.71	7.1268	157,794,548.00
Euro	7,000.00	7.6787	53,750.90
Other accounts payable	-	-	307,812.44
Where: USD	1,123.06	7.1268	8,003.82
Won	29,684,796.00	0.0052	154,360.94
Japanese yen	3,253,863.00	0.0447	145,447.68

Other notes:

None

(2). A description of the foreign operating entity, including, in the case of a significant foreign operating entity, a disclosure of its principal place of business outside the country, the bookkeeping currency of its accounts and the basis for its selection, and the reasons for any change in the bookkeeping currency of its accounts

√Applicable □Not Applicable

Significant offshore operating entities	Principal place of business outside the country	Bookkeeping currency	Selection basis
CHR Japan Co.,Ltd.	Japanese	Japanese yen	Selecting the currency of the primary economic environment in which it operates as the bookkeeping currency of account
HangKe Electronic Trading Hong Kong Limited	Hong Kong	Hong Kong Dollar	
Hangke Technology Germany GmbH	German	Euro	
HK POWER Co.,Ltd.	South Korea	Won	
Hangke Technology Inc	United States of America	USD	
Hangke Technology Hungary KFT	Hungary	Forint	
HK TECHNOLOGY, INC	United States of America	USD	
HONRECK EQUITY TECHNOLOGY SUPPORT COMPANY SDN.BHD.	Malaysia	Rinjit	
HONRECK ELECTRONICS	Polish	Zloty	

TRADING SPÓŁKA Z ORGRANICZONA ODPOWIEDZIALNOSCIA			
Japan New Energy Equipment Co.,Ltd.	Japanese	Japanese yen	
Hangke Electronics Co.,Ltd.	South Korea	Won	
HANGKE ELECTRONICS TECHNOLOGY(SINGAPORE) PTE.LTD.	SGD	SGD	

82. Leasing

(1) As lessee

☒Applicable ☐Not Applicable

1) Information on right-of-use assets is described in Note V(I)13 of the Notes to the Financial Statements.

2) The Company's accounting policies for short-term leases and leases of low-value assets are described in the notes to the financial statements in note III (XXVII). The amounts of short-term lease charges and low-value asset lease charges recognized in profit or loss are as follows:

Item	Current period	Same period last year
Short-term rental costs	5,121,921.78	4,650,331.58
Lease costs for low-value assets (other than short-term leases)		
Total	5,121,921.78	4,650,331.58

3) Current profit or loss and cash flows related to leases

Item	Current period	Same period last year
Interest expense on lease liabilities	99,832.2	114,843.36
Variable lease payments not included in the measurement of the lease liability included in current profit or loss		
Income from sublease of right-to-use assets		
Total cash outflows related to leases	9,894,243.29	6,464,090.82

4) The maturity analysis of lease liabilities and the corresponding liquidity risk management are described in the notes to the financial statements in note IX (II).

Variable lease payments not included in the measurement of the lease liability

☐Applicable ☒Not Applicable

Lease costs for short-term leases or low-value assets with simplified treatment

☐Applicable ☒Not Applicable

Sale and leaseback transactions and basis of judgment

☐Applicable ☒Not Applicable

Total cash outflows related to leases RMB9,894,243.29 (Unit: Yuan Currency: RMB)

(2) Lessor

Operating leases as lessor

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Rental income	Where: Income relating to variable lease payments not recognized as lease receipts
Rental of houses and buildings	2,461,582.17	
Total	2,461,582.17	

Financial leases as lessor

☐Applicable ☒Not Applicable

Reconciliation of undiscounted lease receipts to net investment in leases

☐Applicable ☒Not Applicable

Undiscounted lease receipts for the next five years

☐Applicable ☒Not Applicable**(3) Recognize gains and losses on sales under finance leases as a producer or distributor**☐Applicable ☒Not Applicable

Other notes:

None

83. Data resources☐Applicable ☒Not Applicable**84. Other**☐Applicable ☒Not Applicable**VIII. R&D expenditures****(1). By nature of costs**☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
salary of employees	82,617,068.17	88,017,217.18
Materials and testing fees	9,728,283.86	27,076,756.32
travel costs	11,220,428.33	6,025,082.04
Other	9,260,357.24	3,201,934.63
Total	112,826,137.60	124,320,990.17
Where: Expensed research and development expenditure	112,826,137.60	124,320,990.17
Capitalized research and development expenditure		

Other notes:

None

(2). Development expenditure on R&D projects eligible for capitalization☐Applicable ☒Not Applicable

Significant capitalized research and development projects

☐Applicable ☒Not Applicable

Provision for impairment of development expenditure

☐Applicable ☒Not Applicable

Other notes

None

(3). Significant outsourced in-process research projects

☐Applicable ☒Not Applicable

IX. Change in scope of consolidation

1. Non-same control business combinations

☐Applicable ☒Not Applicable

(1). Non-same control business combination transactions occurring during the period

☐Applicable ☒Not Applicable

(2). Cost of consolidation and goodwill

☐Applicable ☒Not Applicable

(3). Identifiable assets and liabilities of the acquiree at the date of purchase

☐Applicable ☒Not Applicable

(4). Gains or losses arising from the remeasurement of equity interests held prior to the date of purchase at fair value

Whether there are transactions in which a business combination is realized in steps through multiple transactions and control is obtained during the reporting period.

☐Applicable ☒Not Applicable

(5). Notes related to the purchase date or the end of the period in which the fair value of the merger consideration or the acquiree's identifiable assets and liabilities cannot be reasonably determined

☐Applicable ☒Not Applicable

(6). Other notes

☐Applicable ☒Not Applicable

2. Enterprise merger under the same control

☐Applicable ☒Not Applicable

(1) Enterprise merger under the same control in the current period

☐Applicable ☒Not Applicable

(2) Consolidated costs

☐Applicable ☒Not Applicable

(3) Carrying value of assets and liabilities of the consolidated party at the date of consolidation

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

3. Reverse purchase

☐Applicable ☒Not Applicable

4. Disposal of subsidiaries

Whether there were any transactions or events during the period in which control of subsidiaries was lost

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Whether there is a step-by-step disposal of investments in subsidiaries through multiple transactions and loss of control during the period

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

5. Changes in scope of consolidation for other reasons

Describe changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and their related circumstances:

☒Applicable ☐Not Applicable

Company Name	Methods of equity acquisition	Time point of equity acquisition	Amount contributed	Percentage of contribution
HANGKE ELECTRONICS TECHNOLOGY(SINGAPORE) PTE.LTD.	Establishment	February 2024	USD 8 million	100.00%

6. Other

☐Applicable ☒Not Applicable

X. Interests in other subjects**1. Interests in subsidiaries****(1). Composition of enterprise groups**

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Subsidiary Name	Principal place of business	Registered capital	Registered office	Nature of business	Shareholding (%)		Acquisition way
					Direct	Indirect	
CHR Japan Co.,Ltd.	Japan	5 million yen	Japanese	Commerce	100.00		Establishment
Japan New Energy Equipment Co.,Ltd.	Japan	9 million yen	Japanese	Commerce		100.00	Establishment
Hangke Electronics Co.,Ltd.	South Korea	100 million won	South Korea	Commerce		100.00	Establishment
HONRECK EQUITY TECHNOLOGY SUPPORT COMPANY SDN.BHD.	Malaysia	2 Rinjit	Malaysia	Commerce		100.00	Establishment

HangKe Electronic Trading Hong Kong Limited	Hongkong	\$5 million	Hongkong	Commerce	100.00		Establishment
HONRECK ELECTRONICS TRADING SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Polish	5,000 Zloty	Polish	Commerce		100.00	Establishment
Hangke Technology Inc	United States of America	\$10 million.	United States of America	Commerce		100.00	Establishment
Hangke Technology Germany GmbH	German	Euro 2.5 million	German	Commerce	100.00		Establishment
HK POWER Co.,Ltd.	South Korea	3 billion won	South Korea	Industry		100.00	Establishment
Hangke Technology Hungary KFT	Hungary	Euro2 million	Hungary	Commerce		100.00	Establishment
HK TECHNOLOGY, INC	United States of America	USD 1 million	United States of America	Commerce		100.00	Establishment
HANGKE ELECTRONICS TECHNOLOGY(SINGAPORE) PTE.LTD.	Singapore	USD 8 million	Singapore	Commerce	100		Establishment

Explanation of the percentage of shareholding in subsidiaries that differs from the percentage of voting rights:

None

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

None

For significant structured subjects included in the scope of consolidation, the basis of control:

None

The basis for determining whether a company is an agent or a principal:

None

Other notes:

None

(2). Significant non-wholly owned subsidiaries

☐Applicable ☒Not Applicable

(3). Key financial information of significant non-wholly owned subsidiaries

☐Applicable ☒Not Applicable

(4). Significant restrictions on the use of enterprise group assets and the discharge of enterprise group liabilities

☐Applicable ☒Not Applicable

(5). Financial or other support provided to structured subjects included in the scope of the consolidated financial statements

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

☐Applicable ☒Not Applicable

(1). Description of changes in share of ownership interests in subsidiaries

☐Applicable ☒Not Applicable

(2). Effect of the transaction on minority interests and equity attributable to owners of the parent company

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

3. Interests in joint ventures or associates

☐Applicable ☒Not Applicable

(1). Significant joint ventures or associates

☐Applicable ☒Not Applicable

(2). Key financial information of significant joint ventures

☐Applicable ☒Not Applicable

(3). Key financial information of significant associates

☐Applicable ☒Not Applicable

(4). Summarized financial information for immaterial joint ventures and associates

☐Applicable ☒Not Applicable

(5). Description of significant limitations on the ability of a joint venture or associate to transfer funds to the Company

☐Applicable ☒Not Applicable

(6). Excess losses incurred in joint ventures or associates

☐Applicable ☒Not Applicable

(7). Unrecognized commitments relating to investments in joint ventures

☐Applicable ☒Not Applicable

(8). Contingent liabilities relating to investments in joint ventures or associates

☐Applicable ☒Not Applicable

4. Important joint operations

☐Applicable ☒Not Applicable

5. Interests in structured subjects not included in the scope of the consolidated financial statements

Relevant notes on structured subjects not included in the scope of the consolidated financial statements:

☐Applicable ☒Not Applicable**6. Other**☐Applicable ☒Not Applicable**I. Government grant****1. Government grants recognized at the end of the reporting period based on amounts receivable**☐Applicable ☒Not Applicable**2. Liability items involving government grants**☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Financial statement items	Opening balance	Amount of new grants for the period	Amount included in non-operating income for the period	Transfer to other gains for the period	Other changes during the period	Closing balance	Asset/revenue relevance
Deferred income	23,863,491.77	22,571,001.26		2,873,505.61		43,560,987.42	Asset-related
Total	23,863,491.77	22,571,001.26		2,873,505.61		43,560,987.42	/

3. Government grants recognized in profit or loss☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

typology	Occurring amount in current period	Occurring amount in previous period
Asset-related	2,873,505.61	2,287,542.60
Revenue-related	17,920,960.07	55,801,603.53
Total	20,794,465.68	58,089,146.13

Other notes:

None

XII.Risks associated with financial instruments**1. Risks of financial instruments**☒Applicable ☐Not Applicable

The Company's objective in engaging in risk management is to strike a balance between risk and return, minimize the negative impact of risk on the Company's operating results, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the Company's basic strategy for risk management is to identify and analyze the various risks faced by the Company, establish an appropriate risk tolerance floor and conduct risk management, and monitor the various risks in a timely and reliable manner in order to keep the risks within limits.

The Company is exposed to a variety of risks associated with financial instruments in its day-to-day activities, primarily credit risk, liquidity risk and market risk. Management has reviewed and approved policies to manage these risks, which are summarized below.

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to meet its obligations, causing the other party to incur a financial loss.

1. Credit risk management practices

(1) Evaluation methods for credit risk

The company assesses at each balance sheet date whether the credit risk of the relevant financial instrument has increased significantly since initial recognition. In determining whether there has been a significant increase in credit risk since initial recognition, the Company considers information that is reasonably available and supportable without undue additional cost or effort, including qualitative and quantitative analyses based on historical data, external credit risk ratings and forward-looking information. The Company determines the change in the risk of default over the expected life of the financial instrument by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition on the basis of a single financial instrument or a combination of financial instruments with similar credit risk characteristics.

The Company considers that a significant increase in the credit risk of a financial instrument has occurred when one or more of the following quantitative and qualitative criteria are triggered:

1) The quantitative criterion is mainly the increase in the probability of default over a certain percentage of the remaining life of the balance sheet date compared to the initial recognition;

2) Qualitative criteria are, among other things, significant adverse changes in the debtor's business or financial situation, and changes in the existing or expected technological, market, economic or legal environment that will have a material adverse effect on the debtor's ability to repay the Company.

(2) Definition of defaulted and impaired credit assets

The Company defines a financial asset as having been in default when one or more of the following conditions are met for the financial instrument, based on criteria consistent with the definition of having been credit-impaired:

- 1) The debtor is experiencing significant financial difficulties;
- 2) the debtor violates the terms of the contract binding the debtor;
- 3) The debtor is likely to go into bankruptcy or other financial reorganization;
- 4) the creditor grants concessions to the debtor that the debtor would not have made in any other case because of economic or contractual considerations relating to the debtor's financial difficulties.

2. Measurement of expected credit losses

The key parameters of expected credit loss measurement include default probability, default loss rate and default risk exposure. The Company models the probability of default, loss given default rate and exposure to default risk by considering quantitative analysis of historical statistics (e.g., counterparty

ratings, security methods and types of collateral, repayment methods, etc.) and forward-looking information.

3. A detailed reconciliation of the opening and closing balances of the provision for losses on financial instruments is provided in notes V (I) 3, V (I) 4, V (I) 5, V (I) 7, V (I) 9 and V (I) 17 to the present financial statements.

4. Credit risk exposure and concentration of credit risk

The Company's credit risk is mainly from currency funds and receivables. In order to control the above related risks, the Company has taken the following measures respectively.

(1) Currency funds

The Company's bank deposits and other monetary funds are placed with financial institutions with high credit ratings; therefore, their credit risk is low.

(2) Receivables and contract assets

The Company periodically performs credit evaluations of its customers who trade on credit. Based on the results of the credit evaluations, the Company selects to transact with recognized and creditworthy customers and monitors their receivable balances to ensure that the Company is not exposed to significant risk of bad debts.

No collateral is required as the Company only deals with approved and creditworthy third parties. Credit risk concentrations are managed on a customer-by-customer basis. As of June 30, 2024, the Company has some concentration of credit risk, with 54.04% of the Company's Accounts Receivable and contract assets (December 31, 2023 Accounts Receivable: 62.78%) originating from the top five customers on the balance. The Company does not hold any collateral or other credit enhancements on its Accounts Receivable and contract asset balances.

The Company's maximum exposure to credit risk is the carrying amount of each financial asset in the balance sheet.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will experience a shortage of funds to meet its obligations that are settled by delivery of cash or other financial assets. Liquidity risk may arise from the inability to sell financial assets at fair value as soon as possible; or from the inability of the counterparty to repay its contractual obligations; or from early maturity of obligations; or from the inability to generate expected cash flows.

In order to control this risk, the Company makes comprehensive use of a variety of financing means, such as bill settlement and bank borrowings, and adopts an appropriate combination of long-term and short-term financing methods to optimize the financing structure and maintain a balance between the continuity and flexibility of financing.

Financial liabilities by remaining maturity

Item	Closing amount				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	More than 3 years

Item	Closing amount				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	More than 3 years
Short term loan	29,400,000.00	29,400,000.00	29,400,000.00		
Notes payable	827,343,979.23	827,343,979.23	827,343,979.23		
Accounts payable	1,293,069,077.29	1,293,069,077.29	1,293,069,077.29		
Other accounts payable	7,689,656.40	7,689,656.40	7,689,656.40		
Other current liabilities	18,137,575.65	18,137,575.65	18,137,575.65		
Non-current liabilities due within one year					
Lease liabilities					
Subtotal	2,175,640,288.57	2,175,640,288.57	2,175,640,288.57		

(Continued)

Item	Prior year-end				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	More than 3 years
Short-term loan	14,516,000.00	14,516,000.00	14,516,000.00		
Notes payable	1,015,562,136.25	1,015,562,136.25	1,015,562,136.25		
Accounts payable	1,562,586,492.08	1,562,586,492.08	1,562,586,492.08		
Other accounts payable	8,469,552.89	8,469,552.89	8,469,552.89		
Other current liabilities	51,164,505.34	51,164,505.34	51,164,505.34		
Non-current liabilities due within one year	2,028,014.09	2,142,857.14	2,142,857.14		
Lease liabilities					
Subtotal	2,654,326,700.65	2,654,441,543.70	2,654,441,543.70		

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists mainly of interest rate risk and foreign exchange risk.

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest-bearing financial instruments with fixed interest rates expose the Company to fair value interest rate risk, and interest-bearing financial instruments with floating interest rates expose the Company to cash flow interest rate risk. The Company

determines the proportion of fixed-rate to variable-rate financial instruments based on market conditions and maintains an appropriate mix of financial instruments through regular review and monitoring.

2. Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to changes in foreign exchange rates relates primarily to the Company's foreign currency monetary assets and liabilities. For foreign currency assets and liabilities, in the event of a short-term imbalance, the Company buys and sells foreign currencies at market exchange rates when necessary to ensure that the net exposure is maintained at an acceptable level.

The monetary assets and liabilities in foreign currencies at the end of the period are described in the notes to these financial statements in note V(4)1.

2. Hedge

(1) The company conducts hedging operations for risk management

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

(2) Company conducts qualifying hedging operations and applies hedge accounting

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

(3) The Company conducts hedging operations for risk management, expects to achieve its risk management objectives, but does not apply hedge accounting.

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

3. Transfer of financial assets

(1) Classification of transfer modalities

☐Applicable ☒Not Applicable

(2) Financial assets derecognized as a result of a transfer

☐Applicable ☒Not Applicable

(3) Transferred financial assets that continue to be involved

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

XIII.Fair value disclosures

1. Closing fair value of assets and liabilities measured at fair value

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Fair value at end of period
------	-----------------------------

	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	Total
I. Ongoing fair value measurements	2,803,680.66		7,405,760.69	10,209,441.35
(i) Financial assets held for trading	2,803,680.66			2,803,680.66
1. Financial assets at fair value through profit or loss	2,803,680.66			2,803,680.66
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(ii) Other debt investments				
(iii) Investments in other equity instruments				
(iv) Investment properties				
1. Land use rights for lease				
2. Rented buildings				
3. Land use rights held and intended to be transferred after appreciation in value				
(v) Biological Assets				
1. Expendable Biological Assets				
2. Productive Biological Assets				
(vi) Receivables Financing			7,405,760.69	7,405,760.69
Total assets measured at fair value on an ongoing basis	2,803,680.66		7,405,760.69	10,209,441.35
(vi) Financial liabilities held for trading				
1. Financial liabilities at fair value through profit or loss				
Where: Exchangeable bonds issued				
Derivative financial liabilities				

Other				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities measured at fair value on an ongoing basis				
II. Discontinued fair value measurements				
(i) Assets held for sale				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. Basis for determining the market value of continuing and discontinued Level 1 fair value measurements

☐Applicable ☒Not Applicable

3. Continuing and discontinued Level 2 fair value measurements, valuation techniques used and qualitative and quantitative information on significant parameters

☐Applicable ☒Not Applicable

3. Continuing and discontinued Level 3 fair value measurements, valuation techniques used and qualitative and quantitative information on significant parameters

☐Applicable ☒Not Applicable

4. Ongoing Level 3 fair value measurements, information on reconciliations between opening and closing Book values and sensitivity analysis of unobservable parameters

☐Applicable ☒Not Applicable

5. Ongoing fair value measurements that were converted between levels during the period, the reason for the conversion and the policy for determining the point of conversion

☐Applicable ☒Not Applicable

6. Changes in valuation techniques that occurred during the period and reasons for the changes

☐Applicable ☒Not Applicable

7. Fair value position of financial assets and financial liabilities not measured at fair value

☐Applicable ☒Not Applicable

8. Other

☐Applicable ☒Not Applicable

XIV.Related parties and related transactions**1. Parent company status of the enterprise**

☐Applicable ☒Not Applicable

2. Subsidiaries of the Company

Details of the Company's subsidiaries are set out in the notes

☒Applicable ☐Not Applicable

For details of the Company's subsidiaries, please refer to "Section X. Financial Reports" under "X. Interests in Other Entities 1. Interests in Subsidiaries".

3.Joint ventures and associates of the enterprise

Details of significant joint ventures or associates of the enterprise are set out in the accompanying notes

☐Applicable ☒Not Applicable

Other joint ventures or associates that had related party transactions with the Company during the current period or had balances arising from related party transactions with the Company in prior periods are as follows

☐Applicable ☒Not Applicable

4.Other related parties

☒Applicable ☐Not Applicable

Name of other related parties	Relationship between other related parties and the Company
Hangzhou Tongce Communication Electronics Co.,Ltd.	Under the control of the same beneficial owner
Zhejiang Hangke Instrument Co., Ltd.	Under the control of the same beneficial owner
Shuiwa llc	Under the control of the same beneficial owner

Other notes

None

1. Related Transactions**(1). Purchase and sale of goods, provision and acceptance of labor related transactions**

Statement of purchases of goods/acceptance of services

☒Applicable ☐Not Applicable

Statement of sale of goods/provision of services

☐Applicable ☒Not Applicable

Explanation of related transactions for the purchase and sale of goods, provision and acceptance of services

☐Applicable ☒Not Applicable

(2). Affiliated Fiduciary Management/Contracting and Delegated Management/Contracting Out

The Company's fiduciary/contracting schedule:

☐Applicable ☒Not Applicable

Affiliated hosting/contracting statement

☐Applicable ☒Not Applicable

Table of the Company's entrusted management/contracting

☐Applicable ☒Not Applicable

Affiliated management/contracting statement

☐Applicable ☒Not Applicable

(3). Affiliated leases

The Company acts as lessor:

☐Applicable ☒Not Applicable

The Company as lessee:

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of lessor	Type of leased assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased right-to-use assets	
		Occurring amount in current period	Occurring amount in previous period	Occurring amount in current period	Occurring amount in previous period	Occurring amount in current period	Occurring amount in previous period	Occurring amount in current period	Occurring amount in previous period	Occurring amount in current period	Occurring amount in previous period
Hangzhou Tongce Communication Electronics Co.,Ltd.	Building	4,772,708.58	4,650,331.58								
Shuiwa llc	Housing and buildings	349,213.20									

Description of related leases

☐Applicable ☒Not Applicable

(4). Related guarantees

The Company as Guarantor

☐Applicable ☒Not Applicable

The Company as a guaranteed party

☐Applicable ☒Not Applicable

Description of related guarantees

☐Applicable ☒Not Applicable

(5). Related party funds borrowing

☐Applicable ☒Not Applicable

(6). Transfer of assets and restructuring of liabilities by related parties

☐Applicable ☒Not Applicable

(7). Key management compensation√Applicable ☐Not Applicable

Unit: RMB 10,000 Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Key management compensation	291.99	321.24
Income from executive equity incentives		11.54

(8). Other related transactions√Applicable ☐Not Applicable

As of June 30, 2024, the balance of Accounts Receivable transferred from business combinations that have not yet been paid by customers was RMB8,272,023.37, which is over three years old and 100% of which has been provided for bad debts.

6.Status of unsettled items such as receivables and payables to related parties**(1). Items receivable**☐Applicable √Not Applicable**(2). Items payable**√Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Project name	Related party	Closing book balance	Opening balance
Other accounts payable	Hangzhou Tongce Communication Electronics Co., Ltd.	2,786,809.76	

(3). Other items☐Applicable √Not Applicable**7.Related Party Commitments**☐Applicable √Not Applicable**8.Other**√Applicable ☐Not Applicable**XV.Share-based payment****1. Various equity instruments**☐Applicable √Not Applicable

Stock options or other equity instruments issued and outstanding at the end of the period

√Applicable ☐Not Applicable

Category of grant recipients	Stock options issued and outstanding at the end of the period		Other equity instruments issued and outstanding at the end of the period	
	Range of exercise prices	Remaining duration of the contract	Range of exercise prices	Remaining duration of the contract
Managerial staff			27.77	39 months
R&D staff			27.77	39 months
Sales person			27.77	39 months
Production staff			27.77	39 months

Other notes

(1) On September 27, 2021, the Second Extraordinary Shareholders' General Meeting of the Company in 2021 considered and passed the "Proposal for Consideration of the Company's <2021 Restricted Stock Incentive Plan (Draft) and its Summary>" which was reviewed and approved by the China Securities Regulatory Commission without objection. Pursuant to the Plan, the Company intends to grant 3 million restricted shares to the incentive recipients, including a total of 465 senior management personnel and technical and business backbone personnel of the Company; the source of the underlying shares shall be the 3 million RMB ordinary shares of the Company issued by the Company in a directional manner to the incentive recipients, which accounted for 0.74% of the total share capital of the Company of 403.09 million shares at the time of the announcement of the Draft Incentive Plan. The validity period of the restricted shares shall be 48 months from the date of authorization, and the grant price of each restricted share shall be RMB28. The incentive recipients shall exercise the authorized stock options in three phases, which shall be from the first trading day after 12 months from the date of grant to the last trading day of 24 months from the date of grant, from the first trading day after 24 months from the date of grant to the last trading day of 36 months from the date of grant, and from the first trading day of 36 months from the date of grant to the last trading day of 36 months from the date of grant, respectively. If the unlocking conditions of the restricted shares stipulated in the Plan are met, the incentive recipients may unlock (or the Company may repurchase and cancel) one-third, one-third and one-third of the total number of restricted shares granted to them in installments after the expiration of the respective lock-up periods. On November 24, 2021, the Twenty-fourth Meeting of the Second Session of the Board of Directors of the Company considered and passed the "Proposal on the Granting of Reserved Restricted Shares to Incentive Recipients", and determined the date for the granting of the equity interests as November 24, 2021.

(2) On April 6, 2022, the First Extraordinary Shareholders' General Meeting of 2022 of the Company considered and passed the "Proposal for Consideration of the Company's <2022 Restricted Stock Incentive Plan (Draft) and its Summary>", which was reviewed and approved by the China Securities Regulatory Commission without objection. Pursuant to the Plan, the Company intends to grant 3.2 million restricted shares to the incentive recipients, including a total of 245 technical and business backbone personnel of the Company; the source of the underlying shares shall be 3.2 million RMB ordinary shares of the Company to be issued by the Company to the incentive recipients on a directional basis, which accounted for 0.79% of the Company's total share capital of 403.09 million at the time of the announcement of the Draft Incentive Plan. The validity period of the restricted shares is 60 months from the date of authorization, and the grant price of each restricted share is RMB28. The incentive recipients shall exercise the authorized stock options in four phases, namely, from the first trading day after 12 months from the date of grant to the last trading day within 24 months from the date of grant, from the first trading day after 24 months from the date of grant to the last trading day within 36 months from the date of grant, from the first trading day after 36 months from the date of grant to the last trading day within 48 months from the date of grant, and from the first trading day after 48 months

from the date of grant to the last trading day within 60 months from the date of grant,. If the unlocking conditions of the restricted shares stipulated in the Plan are met, the incentive recipients may unlock (or be repurchased and canceled by the Company) one-fourth, one-fourth and one-fourth of the total number of restricted shares granted to them in installments after the expiration of the respective lock-up periods. On April 6, 2022, the Company's Third Session of the Board of Directors considered and passed the "Proposal on the First Grant of Restricted Shares to Incentive Recipients" at the Third Session of the Board of Directors" meeting, and set the date of the share grant as April 6, 2022 .

2. Equity-settled share-based payments

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Method of determining the fair value of equity instruments at the grant date	See other notes for details
Significant parameters of grant date fair value of equity instruments	See other notes for details
Basis for determining the number of equity instruments for which options are exercisable	Determined by estimated performance conditions for each unlocking period
Reasons for major differences between current estimate and previous estimate	None
Cumulative amount of equity-settled share-based payments recognized in capital reserve	260,035,484.99

Other notes

In accordance with the relevant provisions of ASBE 22, "Recognition and Measurement of Financial Instruments," regarding the determination of fair value, since there is no current market price for the Company's Class II restricted stock grants, nor is there a market price for restricted stock under the same trading conditions, the Company uses the Black-Scholes Scholes option pricing model for valuation.

2022 Restricted Stock Incentive Plan

The parameters of the stock price on the grant date, the exercise price, the remaining term of each period, the risk-free interest rate and the expected volatility determined by the option pricing model estimates are as follows:

Stock price on grant date: RMB56.02.

Exercise price: RMB 27.77.

Remaining term of each period: one-fourth of the total number of shares granted are exercisable from the first trading day after 12 months from the date of authorization to the last trading day within 24 months from the date of grant, one-fourth of the total number of shares granted are exercisable from the first trading day after 24 months from the date of authorization to the last trading day within 36 months from the date of grant, one-fourth of the total number of shares granted are exercisable from the first trading day after 36 months from the date of authorization to the last trading day within 48 months from the date of grant, and one-fourth of the total number of shares granted are exercisable from the first trading day after 48 months from the date of authorization to the last trading day within 60 months from the date of grant.

Risk-free rates: 1.50%, 2.10%, 2.75%, 2.75%.

Expected volatility: 14.11%, 17.46%, 17.73%, 17.73%.

Based on the parametric assumptions and the B-S model described above, the results of calculating the fair value of the Company's restricted stock grants for fiscal 2022 are presented below:

Exercise period	Number of shares of restricted stock (ten thousand) [Note]	Fair value per unit	Fair value (Ten Thousand Yuan)
First batch (quarter)			
Second batch (quarter)			
Third batch (quarter)	70.10	30.47	2,135.95
Fourth batch (quarter)	70.10	31.19	2,186.42
Total	140.20		4,322.37

[Note] The original number of shares granted was 3,200,000, the first (one-quarter) and second (one-quarter) tranches have lapsed due to failure to meet the conditions for exercise, and due to the departure of the incentive recipients, the third (one-quarter) and fourth (one-quarter) tranches are expected to be exercised for 701,000 shares in both tranches.

The estimated cost of spreading the fair value of restricted stock under the Company's 2022 Restricted Stock Incentive Plan over the years based on the percentage of exercise in each period is as follows:

Unit: Ten Thousand Yuan

2022	2023	2024	2025	2026	Total amortization
1,838.86	346.14	1,258.56	734.50	144.31	4,322.37

Note: The company-level performance appraisal target for the second tranche (one-quarter) of the 2022 Restricted Stock Incentive Plan is "based on 2020 operating income, the growth rate of operating income in 2023 shall not be less than 300% or based on 2020 net profit, the growth rate of net profit in 2022 shall not be less than 280%". As the growth rate of business revenue and net profit of the Company in 2023 did not meet the conditions for exercising the right, resulting in the expiration of this part of the Company's restricted stock incentive.

3. Cash-settled share-based payments

☐Applicable ☒Not Applicable

4. Share-based payment expense for the period

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Awarded to	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Management staff	439,866.13	

Awarded to	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
R&D staff	3,649,093.54	
Sales staff	767,521.52	
Production staff	1,436,297.58	
Total	6,292,778.77	

Other notes

None

5. Modification and termination of share-based payment☐Applicable ☒Not Applicable**6. Other**☐Applicable ☒Not Applicable**XVI. Commitments and contingencies****1. Important commitments**☒Applicable ☐Not Applicable

Existence, nature and amount of significant external commitments at the balance sheet date

As of the balance sheet date, the Company had outstanding guarantees in the amount of RMB 348,196,527.91.

2. Contingency**(1). Significant contingencies existing at the balance sheet date**☐Applicable ☒Not Applicable**(2). There are no material contingencies that the company is required to disclose, which should also be stated:**☐Applicable ☒Not Applicable**3. Other**☐Applicable ☒Not Applicable**XVII. Events after the balance sheet date****1. Significant non-adjusting items**☐Applicable ☒Not Applicable**2. Distribution of profits**☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Profit or dividend to be distributed	66,403,936.72
Profits or dividends declared after consideration and approval	66,403,936.72

According to the Proposal on the Profit Distribution Plan for the first half of 2024 approved by the 20th meeting of the third Board of Directors of the Company on August 29, 2024, the company intends to distribute a cash dividend of 1.1 yuan (including tax) per 10 shares to all shareholders in the half year of 2024 based on the total capital stock on the registration date of the dividend payment equity in the first half of 2024. As of the meeting date of the board of directors deliberating the plan of profit distribution and capital accumulation fund conversion to capital increase, the total share capital of the company is 603,672,152 shares, based on which the total cash dividend is to be distributed 66,403,936.72 yuan (tax

included).The cash dividend amount accounted for 24.66% of the company's net profit attributable to shareholders of listed companies in the consolidated financial statements from January to June 2024.The company's profit distribution plan for the first half of 2024 still needs to be approved by the shareholders' meeting of the company.

3. Sales returns

☐Applicable ☒Not Applicable

4. Description of other post-balance sheet events

☒Applicable ☐Not Applicable

XVIII. Other important matters

1. Correction of prior-period accounting errors

(1). Retrospective approach

☐Applicable ☒Not Applicable

(2). Prospective application law

☐Applicable ☒Not Applicable

2. Significant debt restructuring

☐Applicable ☒Not Applicable

3. Asset replacement

(1). Non-monetary exchange of assets

☐Applicable ☒Not Applicable

(2). Other asset replacement

☐Applicable ☒Not Applicable

4. Pension plan

☐Applicable ☒Not Applicable

5. Close down

☐Applicable ☒Not Applicable

6. Segment information

(1). Basis for determining reportable segments and accounting policies

☒Applicable ☐Not Applicable

The Company's principal business is the manufacture and sale of specialized equipment. The Company treats this business as a whole to implement management and evaluate operating results. Therefore, the Company is not required to disclose segment information.

Detailed information on the breakdown of the Company's revenue is provided in the notes to note V(ii)1 to these financial statements.

(2). Financial information on reportable segments

☐Applicable ☒Not Applicable

(3). If the company has no reportable segments, or if it cannot disclose total assets and total liabilities for each reportable segment, it should explain why

☐Applicable ☒Not Applicable

(4). Other notes

☐Applicable ☒Not Applicable

7. Other significant transactions and events affecting investors' decisions

☐Applicable ☒Not Applicable

8. Other

☐Applicable ☒Not Applicable

XIX. Notes to the main items of the parent company's financial statements

1. Accounts Receivable

(1). Disclosure by age

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance	Opening balance
Within 1 year		
Where: less than 1 year sub-item		
Within 1 year	1,154,383,322.17	1,115,408,880.85
Subtotal less than 1 year	1,154,383,322.17	1,115,408,880.85
1 to 2 years	1,104,362,499.98	1,016,260,184.13
2 to 3 years	379,467,855.05	202,298,540.92
More than 3 years	118,507,277.71	88,085,581.63
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	2,756,720,954.91	2,422,053,187.53

(2). Disclosure by bad debt accrual method

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book Value	Carrying amount		Provision for bad debts		Book Value
	Amount	Percentage (%)	Amount	Accrual ratio (%)		Amount	Percentage (%)	Amount	Accrual ratio (%)	
Provision for bad debts on an individual basis	130,628,910.67	4.74	125,989,410.67	96.45	4,639,500.00	143,218,910.67	5.91	135,431,910.67	94.56	7,787,000.00
Where:										

Individually significant and individually bad debt provisioned	130,628,910.67	4.74	125,989,410.67	96.45	4,639,500.00	143,218,910.67	5.91	135,431,910.67	94.56	7,787,000.00
Provision for bad debts by portfolio	2,626,092,044.24	95.26	370,450,495.81	14.11	2,255,641,548.43	2,278,834,276.86	94.09	274,747,097.05	12.06	2,004,087,179.81
Where:										
Accounts receivable with bad debt provision based on a combination of credit risk characteristics	2,626,092,044.24	95.26	370,450,495.81	14.11	2,255,641,548.43	2,278,834,276.86	94.09	274,747,097.05	12.06	2,004,087,179.81
Total	2,756,720,954.91	/	496,439,906.48	/	2,260,281,048.43	2,422,053,187.53	/	410,179,007.72	/	2,011,874,179.81

Provision for bad debts is made on an individual basis:

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name	Closing amount			
	Carrying amount	Provision for bad debts	Accrual ratio (%)	Reasons for the provision
Hubei Xingquan Machinery Equipment Co.,Ltd.	36,726,495.73	36,726,495.73	100.00	Tight client liquidity and low likelihood of recovery of payments
Jiangsu Weifeng Power Industry	33,475,000.00	33,475,000.00	100.00	Tight client liquidity and low

Co.,Ltd.				likelihood of recovery of payments
Jeve Power Industry Jiaxing Co.,Ltd.	955,000.00	955,000.00	100.00	Tight client liquidity and low likelihood of recovery of payments
Jeve Power Industry Jiaxing Co.,Ltd.	16,596,554.40	16,596,554.40	100.00	Tight client liquidity and low likelihood of recovery of payments
Jeve New Energy Technology (Huzhou) Co.,Ltd.	2,792,000.00	2,792,000.00	100.00	Tight client liquidity and low likelihood of recovery of payments
Tianjin Jiewei Power Industry Co.,Ltd.	24,618,860.54	24,618,860.54	100.00	Tight client liquidity and low likelihood of recovery of payments
Wanxiang One Two Three Co.,Ltd.	15,465,000.00	10,825,500.00	70.00	Not expected to be fully recovered
Total	130,628,910.67	125,989,410.67	96.45	/

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☒Applicable ☐Not Applicable

Portfolio accruals: Accounts Receivable for which bad debt provisions are made based on a combination of credit risk characteristics

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts Receivable	Provision for bad debts	Accrual ratio (%)
Within 1 year	1,154,269,502.17	57,713,475.12	5.00
1-2 years	1,052,882,850.41	157,932,427.56	15.00
2-3 years	377,335,855.05	113,200,756.52	30.00
More than 3 years	41,603,836.61	41,603,836.61	100.00
Total	2,626,092,044.24	370,450,495.81	14.11

A description of the Provision for bad debts by portfolio:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

Basis of classification of stages and percentage of Provision for bad debts

See note in Section X, V-11 for details.

A description of significant changes in the carrying amount of Accounts Receivable for which a change in the allowance for losses occurred during the period:

☐Applicable ☒Not Applicable

(3). Provision for bad debts

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

form	Opening balance	Amount of change during the period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Individual Provision for bad debts	135,431,910.67		2,500.00	9,440,000.00		125,989,410.67
Provision for bad debts by portfolio	274,747,097.05	95,703,398.76				370,450,495.81
Total	410,179,007.72	95,703,398.76	2,500.00	9,440,000.00		496,439,906.48

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes

None

(4). Actual accounts receivable written off during the period☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	9,440,000.00

Where significant Accounts Receivable write-offs

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of Accounts Receivable	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the amount arises from a related transaction
Jiangxi Velo Battery Co.,Ltd.	Payment for goods	9,440,000.00	Supplementary agreements have been signed confirming non-recoverability	Management Approval	No
Total		9,440,000.00			

Explanation of accounts receivable write-off :

☐Applicable ☒Not Applicable**(5). Top five accounts receivable and contract assets with ending balances, grouped by party owed money**☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance of Accounts Receivable	Closing balance of contractual assets	Closing balance of Accounts Receivable and contract assets	Percentage of combined Accounts Receivable and contract assets closing balance (%)	Closing balance of Provision for bad debts
First place	539,138,173.94	54,490,255.01	593,628,428.95	18.89	56,885,705.46
Second place	538,619,818.82	1,001,000.00	539,620,818.82	17.17	110,342,168.70
Third place	258,758,457.25	32,675,132.81	291,433,590.06	9.27	25,293,505.70
Fourth place	136,291,447.40	12,590,999.20	148,882,446.60	4.74	21,726,762.16
Fifth place	80,719,140.85	43,240,500.87	123,959,641.72	3.94	10,053,942.01
Total	1,553,527,038.26	143,997,887.89	1,697,524,926.15	54.01	224,302,084.03

Other notes

The total Accounts Receivable and contract assets (including contract assets reported in other non-current assets) of the top 5 in the ending balance amounted to RMB1,697,524,926.15, which accounted for 54.01% of the total Accounts Receivable and contract assets (including contract assets reported in other non-current assets) in the closing balance, and the corresponding total Provision for bad debts on Accounts Receivable and impairment of contract assets amounted to 224,302,084.03 yuan.

Other notes:

☐Applicable ☒Not Applicable

2. Other Receivables

Item presentation

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	6,963,397.31	
Dividends receivable		
Other Receivables	88,754,762.92	102,004,409.49
Total	95,718,160.23	102,004,409.49

Other notes:

☐Applicable ☒Not Applicable

Interest receivable

(1). Classification of interest receivable

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Time deposit		
Loan on commission		
Bond investment		
Related party loans	6,963,397.31	
Total	6,963,397.31	

(2). Significant overdue interest

☐Applicable ☒Not Applicable

(3). Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

(4). Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5). Actual write-off of interest receivable during the period

☐Applicable ☒Not Applicable

Where significant write-offs of interest receivable

☐Applicable ☒Not Applicable

Write-off description:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Dividends receivable

(1). Dividends receivable

☐Applicable ☒Not Applicable

(2). Significant dividends receivable aged over 1 year

☐Applicable ☒Not Applicable

(3). Disclosure by bad debt accrual method

☐Applicable ☒Not Applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not Applicable

A description of the Provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not Applicable

Provision for bad debts based on general model of expected credit losses

☐Applicable ☒Not Applicable

(4). Provision for bad debts

☐Applicable ☒Not Applicable

Where the amount of bad debt provision recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

Other notes:

None

(5). Actual write-off of dividends receivable during the period

☐Applicable ☒Not Applicable

Where significant write-offs of dividends receivable

☐Applicable ☒Not Applicable

Write-off description:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

Other Receivables**(1). Disclosure by age**

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance	Opening balance
Within 1 year		
Where: less than 1 year sub-item		
Within 1 year	23,814,126.48	28,327,924.37
	23,814,126.48	28,327,924.37
1 to 2 years	74,785,369.90	80,841,396.90
2 to 3 years	3,662,540.54	9,110,991.38
More than 3 years	45,526,231.41	60,844,456.99
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	147,788,268.33	179,124,769.64

(2). Breakdown by nature of funds

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing balance	Opening balance
Amounts from related parties in consolidation	116,328,157.66	149,279,012.46
Deposit Guarantee	24,432,831.01	19,536,647.50
reserve fund	4,764,235.25	5,178,512.18
Other	2,263,044.41	5,130,597.50
Total	147,788,268.33	179,124,769.64

(3). Provision for bad debts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) over lifetime	Expected credit losses over lifetime (credit impairment incurred)	
Balance on January 1, 2024	1,416,396.21	12,126,209.54	63,577,754.40	77,120,360.15
January 1, 2024 Balance in the current period				
--Transfer to Phase II	-3,739,268.50	3,739,268.50		
--Transfer to Phase III		-549,381.08	549,381.08	
--Reversal to phase II				
-- Reversal phase I				
Provision for the current period	3,513,578.64	-4,098,291.47	-17,502,141.91	-18,086,854.74
Reversal during the period				
Write-offs during the period				
Cancellation during the period				
Other changes				
Balance on June 30, 2024	1,190,706.35	11,217,805.49	46,624,993.57	59,033,505.41

Basis of classification of stages and percentage of Provision for bad debts

The stages are based on the following criteria: stage 1 for accounts up to 1 year old, stage 2 for accounts 1-2 years old, and stage 3 for accounts older than 2 years old.

A description of significant changes in the carrying amount of other receivables for which a change in the provision for losses has occurred during the period:

□Applicable √Not Applicable

The amount of Provision for bad debts in the current period and the basis used to assess whether there is a significant increase in the credit risk of a financial instrument:

□Applicable √Not Applicable

(4). Provision for bad debts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Amount of change during the period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Individual Provision	4,330,000.00					4,330,000.00

for bad debts						
Provision for bad debts by portfolio	72,790,360.15	- 18,086,854.74				54,703,505.41
Total	77,120,360.15	- 18,086,854.74				59,033,505.41

Where the amount of the Provision for bad debts reversed or recovered during the period is significant:

☐Applicable ☒Not Applicable

Other notes

None

(5). Other Receivables actually written off during the period

☐Applicable ☒Not Applicable

Where significant write-offs of other receivables:

☐Applicable ☒Not Applicable

Note on write-off of other receivables:

☐Applicable ☒Not Applicable

(6). Top five other Accounts Receivable with closing balances, grouped by party owed

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of payments	Age of accounts	Provision for bad debts Closing balance
Hangke Hong Kong electronic trading Co.,Ltd.	80,827,000.00	54.69	current account	Within 1 year 10,000,000.00 1-2 years 70,827,000.00	11,124,050.00
HONRECK ELECTRONICS TRADING SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	35,379,600.00	23.94	loan sharks	More than 3 years	35,379,600.00
PACIFIC GLOBAL LOGISTICS INC	2,871,920.00	1.94	margin	2-3 years	861,576.00
Fujian River Energy Technology Co.,Ltd.	2,384,920.00	1.61	margin	2-3 years	357,738.00
Zhejiang Zhixin Holding Group Co.,Ltd.	2,280,000.00	1.54	margin	More than 3 years	2,280,000.00
Total	123,743,440.00	83.72	/	/	50,002,964.00

(7). Reported in other Accounts Receivable due to centralized management of funds

□Applicable √Not Applicable

Other notes:

□Applicable √Not Applicable

3. Long-term equity investments

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Investments in subsidiaries	188,952,548.16		188,952,548.16	132,131,762.24		132,131,762.24
Investments in associates, joint ventures						
Total	188,952,548.16		188,952,548.16	132,131,762.24		132,131,762.24

(1). Investments in subsidiaries

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision for impairment for the period	Closing balance of Provision for impairment
CHR Japan Co.,Ltd.	69,432,800.00			69,432,800.00		
HangKe Electronic Trading Hong Kong Limited	650,000.00			650,000.00		
Hangke Technology Germany GmbH	62,048,962.24			62,048,962.24		
HANGKE ELECTRONICS TECHNOLOGY(SINGAPORE) PTE.LTD.		56,820,785.92		56,820,785.92		
Total	132,131,762.24	56,820,785.92		188,952,548.16		

(2). Investments in associates, joint ventures

□Applicable √Not Applicable

(3) Impairment testing of long-term equity investments

□Applicable √Not Applicable

The recoverable amount is determined as the net of fair value less costs of disposal

☐Applicable ☒Not Applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐Applicable ☒Not Applicable

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information

☐Applicable ☒Not Applicable

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

4. Operating income and operating costs

(1). Operating revenues and operating costs

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period		Occurring amount in previous period	
	Income	Cost	Income	Cost
Main business	1,693,191,331.47	1,210,867,124.84	2,085,302,641.73	1,273,629,204.24
Other business	13,816,092.20	1,078,889.67	17,734,283.27	375,332.87
Total	1,707,007,423.67	1,211,946,014.51	2,103,036,925.00	1,274,004,537.11

(2). Information on the breakdown of operating income and operating costs

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Contract classification	Section		Total	
	Operating income	Operating costs	Operating income	Operating costs
Product Type				
Charging and discharging equipment	1,358,357,636.97	978,428,288.25	1,358,357,636.97	978,428,288.25
Other equipment	323,277,355.39	227,815,718.52	323,277,355.39	227,815,718.52
Fittings	11,556,339.11	4,623,118.07	11,556,339.11	4,623,118.07
Other	13,816,092.20	1,078,889.67	13,816,092.20	1,078,889.67
By Business Area				
Domestic	1,011,567,456.86	734,585,148.05	1,011,567,456.86	734,585,148.05
Overseas	695,439,966.81	477,360,866.46	695,439,966.81	477,360,866.46
Type of market or customer				
Type of contract				

Classification by time of transfer of goods				
Revenue recognition at a point in time	1,705,177,951.60	1,210,867,124.84	1,705,177,951.60	1,210,867,124.84
Revenue recognition based on progress of performance	1,829,472.07	1,078,889.67	1,829,472.07	1,078,889.67
Classification by contract duration				
By Sales Channel				
Total	1,707,007,423.67	1,211,946,014.51	1,707,007,423.67	1,211,946,014.51

Other notes

☐Applicable ☒Not Applicable

Revenue recognized in the current period included in the opening book value of contract liabilities was RMB770,915,394.14.

(3). Description of performance obligations

☐Applicable ☒Not Applicable

(4). Statement of apportionment to remaining performance obligations

☐Applicable ☒Not Applicable

(5). Significant contract changes or significant transaction price adjustments

☐Applicable ☒Not Applicable

Other notes:

None

5. Investment income

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Occurring amount in current period	Occurring amount in previous period
Income from long-term equity investments accounted for under the cost method		
Income from long-term equity investments accounted for by the equity method		
Investment income from disposal of long-term equity investments		
Investment income from trading financial assets during the holding period		
Dividend income earned on investments in other equity instruments during the holding period		

Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of financial assets held for trading		
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		
income from financial products	1,009,726.03	1,337,473.98
Loss on discounting of receivables financing		
Gain on derecognition of financial assets measured at amortised cost		-902,723.43
Loss on discounted Notes Receivable		
Investment income on options		
Interest income on current loans	-704,356.12	1,692,663.70
Total	305,369.91	2,127,414.25

Other notes:

None

6. Other

☐Applicable ☒Not Applicable

XX. Additional information

1. Breakdown of non-recurring gains and losses for the period

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Amount	clarification
Gains and losses on disposal of non-current assets, including elimination of Provision for impairment of assets	29,244.47	
Government grants recognized in profit or loss for the current period, except for those government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	17,264,996.28	
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	-2,112,102.79	
Occupancy fees charged to non-financial corporations included in profit or loss for the period		
Gains and losses on entrusted investments or		

management of assets		
Gains and losses on external entrusted loans		
Losses of assets due to force majeure factors such as natural disasters		
Reversal of Provision for impairment of receivables individually tested for impairment		
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the gain arising from the fair value of the investee's identifiable net assets at the time of investment acquisition		
Net profit or loss of subsidiaries for the period from the Beginning of the period to the date of consolidation arising from business combinations under the same control		
Gains and losses on exchange of non-monetary assets		
Debt restructuring gains and losses		
One-time costs incurred by the enterprise due to the fact that the relevant business activities are no longer continuing, such as expenses for relocating employees		
One-time effect on current period's profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercise of the option		
Gains and losses arising from changes in the fair value of investment properties subsequently measured using the fair value model		
Gains arising from transactions at significantly unfair prices		
Gains and losses arising from contingencies unrelated to the Company's normal business operations		
Custodial fee income earned on trusteeship		
Non-operating income and expenses other than those listed above	5,337,020.60	
Other items of profit or loss that meet the definition of non-recurring profit or loss		
Less: Income tax effect	179,799.73	
Impact of minority interests (after tax)		
Total	17,339,358.83	

The Company shall explain the reasons for defining non-recurring profit and loss items that are not listed in "Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-recurring Profit and Loss" as non-recurring profit and loss items and the amount of such non-recurring profit and loss items that are material, and for defining non-recurring profit and loss items that are not listed in "Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-recurring Profit and Loss" as recurring profit and loss.

☐Applicable ☒Not Applicable

Other notes

☒Applicable ☐Not Applicable**2. Return on net assets and earnings per share**☒Applicable ☐Not Applicable

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	5.16	0.45	0.45
Net profit attributable to ordinary shareholders of the Company after extraordinary gains and losses	4.82	0.42	0.42

3. Differences in accounting data under domestic and foreign accounting standards☐Applicable ☒Not Applicable

(1). Difference in net profit and net assets between financial reports disclosed under IAS and those disclosed under PRC accounting standards at the same time

☐Applicable ☒Not Applicable

(2). Difference in net profit and net assets between financial reports disclosed under overseas accounting standards and those disclosed under Chinese accounting standards at the same time

☐Applicable ☒Not Applicable

(3). A statement of differences in accounting data under domestic and foreign accounting standards, and a reconciliation of differences in data that have been audited by an offshore auditor, should indicate the name of the offshore organization.

☐Applicable ☒Not Applicable**4. Other**☐Applicable ☒Not Applicable

Chairman: Yan Lei

Date of submission approved by the Board of Directors: August 30, 2024

Revision information☐Applicable ☒Not Applicable