

Stock code: 603298

Company name: Hangcha Group

Hangcha Group Co., Ltd.
2024 Annual Report



HANGCHA

April 2025

Important Notes

- 1. The Board of Directors and the Board of Supervisors of the Company and its directors, supervisors and senior management hereby warrant that the information contained in this annual report is true, accurate and complete without any fictitious records, misleading statements or material omissions, and severally and jointly assume legal responsibility thereof.**
- 2. All the directors of the Company attended the meeting of the Board of Directors.**
- 3. Pan-China Certified Public Accountants LLP (Special General Partnership) has issued a standard unqualified audit report for the Company.**
- 4. Zhao Limin, the person in charge of the Company, Zhang Shutong, the officer in charge of accounting work and Yuan Guanghui, the officer in charge of the accounting institution (Accounting Officer), hereby declare and warrant that the financial statements in the annual report are authentic, accurate, and complete.**
- 5. The profit distribution plan or the plan for converting public reserve funds into additional share capital for the reporting period after consideration by the Board of Directors**

According to the Pan-China Audit [2025] No. 5468 issued by Pan-China Certified Public Accountants LLP (Special General Partnership), the consolidated financial statements of the Company showed operating revenue of RMB16,485,830,318.58 as of December 31, 2024, and net profit attributable to shareholders of the listed company of RMB2,022,025,698.99. In 2024, the company made a provision of RMB95,232,251.25 for statutory surplus reserves, and no provision was made for discretionary surplus reserves. Of which, the profit available for distribution by the parent company was RMB5,758,885,171.56. As resolved by the Board of Directors, the profit distribution plan is as follows:

1. The Company intends to pay a cash dividend of RMB5 (tax inclusive) per 10 shares to all shareholders. As of December 31, 2024, based on the total share capital of 1,309,812,049 shares of the Company, the total cash dividend amount to be distributed is RMB654,906,024.50 (tax inclusive). The proportion of cash dividend is 32.39% of the net profit attributable to the parent company of the Company for the year. The remaining undistributed profits of the parent company, amounting to RMB5,103,979,147.06, are carried over to the following year.

2. No bonus shares will be issued, nor will the capital reserve be converted into share capital this year. If there is any change in the total share capital of the Company during the period from the date of disclosure of this announcement to the record date of the equity distribution, the distribution per share will be remained unchanged with a corresponding adjustment to the total distribution amount.

The profit distribution plan is yet to be submitted to the Company's 2024 Annual General Meeting for consideration.

6. Risk statement regarding forward-looking statements

Applicable Not applicable"

Prospective statements carried in this report, such as future plans, do not constitute any substantial commitments of the Company to investors. Please be cautious to the investment risks.

7. Whether there is any non-operating capital occupation by the controlling shareholder and any other related party

No

8. Whether there is any external guarantee provided in violation of the prescribed decision-making procedures

No

9. Whether there are more than half of the directors who cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company

No

10. Significant risk statement

The Report has described the significant risks that may adversely affect the future development of the Company and the realization of its business objectives in detail in "Section III Management Discussion and Analysis". Apart from this, there are no other significant risks that the Company needs to disclose separately.

11. Other

Applicable" N/A

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Documents for Future Reference	Financial statements signed and sealed by the legal representative of the Company, the officer in charge of accounting work and the officer in charge of the accounting institution.
	II. Original Audit Report bearing the seal of the accounting firm and signatures of the CPAs who have performed the audit.
	Originals of all company documents and announcements that are disclosed in the newspapers designated by the CSRC during the Reporting Period.

Chapter 1 Definitions

1. Definitions

Unless otherwise stated in the context, the following words and terms in this report shall be construed as follows:

Definition of frequently used words and terms		
CSRC, Securities Regulatory Commission	Refers to	China Securities Regulatory Commission
SSE, Stock Exchange	Refers to	Shanghai Stock Exchange
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
The Articles of Association	Refers to	The Articles of Association of Hangcha Group Co., Ltd.
Hangcha Group, the Company, Company	Refers to	Hangcha Group Co., Ltd.
Hangcha Holding	Refers to	Zhejiang Hangcha Holding Co., Ltd., the controlling shareholder of the Company
HIIG	Refers to	Hangzhou Industrial Investment Group Co., Ltd., the state-owned legal person shareholder of the Company
Hangzhou Forklift & Metal Working & Welding	Refers to	Hangzhou Forklift & Metal Working & Welding Co., Ltd., a subsidiary of the Company
Hangzhou Forklift Frame	Refers to	Hangzhou Forklift Frame Co., Ltd., a subsidiary of the Company
Hangcha Bridge Box	Refers to	Hangzhou Hangcha Bridge Box Co., Ltd., a subsidiary of the Company
KL Forklift Components	Refers to	Hangzhou Hangcha KL Forklift Components Co., Ltd., a subsidiary of the Company
Hangcha Electric Appliance	Refers to	Hangzhou Hangcha Electric Appliance Co., Ltd., a subsidiary of the Company
Hangcha Machinery	Refers to	Hangzhou Hangcha Machinery Processing Co., Ltd., a subsidiary of the Company
Hangcha Casting	Refers to	Hangzhou Hangcha Casting Co., Ltd., a subsidiary of the Company
Hangcha Materials	Refers to	Hangzhou Hangcha Materials Trade Co., Ltd., a wholly owned subsidiary of the Company
Hangcha Cab	Refers to	Hangzhou Hangcha Cab Co., Ltd., a subsidiary of the Company
Hangcha Aerial Platform Equipment	Refers to	Hangzhou Hangcha Aerial Platform Equipment Co., Ltd., a subsidiary of the Company
Hangcha Machinery Equipment	Refers to	Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd., a subsidiary of the Company
Hangzhong Machinery	Refers to	Hangzhou Hangzhong Construction Machinery Co., Ltd., a subsidiary of the Company
Hangcha Intelligent	Refers to	Zhejiang Hangcha Intelligent Technology Co., Ltd., a subsidiary of the Company
Baoji Hangcha	Refers to	Baoji Hangcha Engineering Machinery Co., Ltd., a subsidiary of the Company
Hanhe Intelligent	Refers to	Hefei Hanhe Intelligent Logistics Technology Co., Ltd., a subsidiary of the Company
Hangcha Tianjin New Energy	Refers to	Hangcha Group (Tianjin) New Energy Forklift Co., Ltd., a wholly owned subsidiary of the Company
Hangcha Okamura	Refers to	Zhejiang Hangcha Okamura Co., Ltd., a subsidiary of the Company
Hangcha Precision	Refers to	Hangzhou Hangcha Precision Manufacturing Co., Ltd., a subsidiary of the Company
Hangcha Yunrui	Refers to	Hangzhou Hangcha Yunrui Technology Co., Ltd., a subsidiary of the Company

Zhejiang Hangbo Electric	Refers to	Zhejiang Hangbo Electric Drive Co., Ltd., a subsidiary of the Company
Zhejiang Zhichujia	Refers to	Zhejiang Zhichujia Material Handling Equipment Co., Ltd., a subsidiary of the Company
Shanghai Hangcha	Refers to	Shanghai Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Wuxi Hangcha	Refers to	Wuxi Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Suzhou Hangcha	Refers to	Suzhou Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Wuhan Hangcha	Refers to	Wuhan Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Nantong Hangcha	Refers to	Nantong Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Kunshan Hangcha	Refers to	Kunshan Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Taizhou Hangcha	Refers to	Taizhou Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Xuzhou Hangcha	Refers to	Xuzhou Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Beijing Hangcha	Refers to	Beijing Hangcha Forklift Co., Ltd., a subsidiary of the Company
Yancheng Hangcha	Refers to	Yancheng Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Gansu Hangcha	Refers to	Gansu Hangcha Forklift Co., Ltd., a subsidiary of the Company
Fujian Hangcha	Refers to	Fujian Hangcha Forklift Co., Ltd., a subsidiary of the Company
Taixing Hangcha	Refers to	Taixing Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Yantai Hangcha	Refers to	Yantai Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Jinan Hangcha	Refers to	Jinan Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Qingdao Hangcha	Refers to	Qingdao Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Changchun Hangcha	Refers to	Changchun Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Nanning Hangcha	Refers to	Nanning Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Guiyang Hangcha	Refers to	Guiyang Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Tangshan Hangcha	Refers to	Tangshan Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Xiangyang Hangcha	Refers to	Xiangyang Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Dongguan Hangcha	Refers to	Dongguan Hangcha Forklift Co., Ltd., a subsidiary of the Company
Henan Zhehang	Refers to	Henan Zhehang Forklift Sales Co., Ltd., a subsidiary of the Company
Heilongjiang Hangcha	Refers to	Heilongjiang Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Xi'an Hangcha	Refers to	Xi'an Hangcha Forklift Co., Ltd., a subsidiary of the Company
Guangzhou Zhehang	Refers to	Guangzhou Zhehang Forklift Co., Ltd., a subsidiary of the Company
Shenzhen Hangcha	Refers to	Shenzhen Hangcha Forklift Co., Ltd., a subsidiary of the Company
Foshan Hangcha	Refers to	Foshan Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Huizhou Hangcha	Refers to	Huizhou Hangcha Forklift Co., Ltd., a subsidiary of the Company
Inner Mongolia Hangcha	Refers to	Inner Mongolia Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Zhongshan Hangcha	Refers to	Zhongshan Hangcha Forklift Co., Ltd., a subsidiary of the Company
Yichang Hangcha	Refers to	Yichang Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Zhanjiang Hangcha	Refers to	Zhanjiang Hangcha Forklift Co., Ltd., a subsidiary of the Company
Rizhao Hangcha	Refers to	Rizhao Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Qingyuan Hangcha	Refers to	Qingyuan Hangcha Forklift Co., Ltd., a subsidiary of the Company
Ningxia Hangcha	Refers to	Ningxia Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Lianyungang Hangcha	Refers to	Lianyungang Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Zhangjiagang Hangcha	Refers to	Zhangjiagang Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Yiwu Hangcha	Refers to	Yiwu Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Anhui Hangcha	Refers to	Anhui Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Dalian Zhehang	Refers to	Dalian Zhehang Forklift Sales Co., Ltd., a subsidiary of the Company

Guigang Hangcha	Refers to	Guigang Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Wuhu Hangcha	Refers to	Wuhu Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Zibo Hangcha	Refers to	Zibo Hangcha Forklift Sales Co., Ltd., a subsidiary of the Company
Zhumadian Hangcha	Refers to	Zhumadian Hangcha Forklift Co., Ltd., a subsidiary of the Company
Hangcha (Tianjin) Sales	Refers to	Hangcha Group (Tianjin) Forklift Sales Co., Ltd., a subsidiary of the Company
Hangcha E-commerce	Refers to	Hangzhou Hangcha E-commerce Co., Ltd., a subsidiary of the Company
Hangcha Leasing	Refers to	Hangcha Group Leasing Co., Ltd., a subsidiary of the Company
Zhejiang Hangcha Accessories	Refers to	Zhejiang Hangcha Accessories Sales Co., Ltd., a subsidiary of the Company
Hangcha New Energy (Wenzhou)	Refers to	Hangcha New Energy Forklift (Wenzhou) Co., Ltd., a wholly owned subsidiary of the Company
Hangcha Tianjin Financial Leasing	Refers to	Hangcha Group (Tianjin) Financial Leasing Co., Ltd., a wholly owned subsidiary of the Company
Hangcha Property Management	Refers to	Hangzhou Hangcha Property Management Service Co., Ltd., a wholly owned subsidiary of the Company
Hangcha Imp.&Exp.	Refers to	Zhejiang Hangcha Imp. &Exp. Co., Ltd., a subsidiary of the Company
Hangcha Thailand	Refers to	Hangcha (Thailand) Co., Ltd., a wholly owned subsidiary of the Company
Hangcha Global Service	Refers to	Zhejiang Hangcha Global Service Co., Ltd.
Hangcha Brasil	Refers to	Hangcha Brasil Ltda., a wholly owned subsidiary of the Company
Hangcha Europe	Refers to	Hangcha Europe GmbH, a wholly owned subsidiary of the Company
HC Forklift America	Refers to	HC Forklift America Corporation, a wholly owned subsidiary of the Company
Hangcha Forklift Canada	Refers to	Hangcha Forklift Canada Inc., a wholly owned subsidiary of the Company
Hangcha Netherlands	Refers to	Hangcha Netherlands B.V, a wholly owned subsidiary of the Company
HC Forklift Australia	Refers to	HC Forklift Australia Pty Ltd, a wholly owned subsidiary of the Company
Hangcha Indonesia	Refers to	PT. Hangcha Indonesia Forklift, a wholly owned subsidiary of the Company
Hangcha Japan	Refers to	Hangcha Japan Co., Ltd., a wholly owned subsidiary of the Company
Hangcha Malaysia	Refers to	Hangcha (Malaysia) Sdn. Bhd., a wholly owned subsidiary of the Company
Hangcha Forklift Vietnam	Refers to	Hangcha Forklift Vietnam Co., Ltd., a wholly owned subsidiary of the Company
Hangcha Middle East	Refers to	Hangcha Middle East General Trading Fze, a wholly owned subsidiary of the Company
Hangcha America Smart Group Logistics	Refers to	Hangcha America Smart Group Logistics Solution Corporation, a wholly owned subsidiary of the Company
Hangcha Europe Rental	Refers to	Hangcha Europe Rental & Sales, a wholly owned subsidiary of the Company
Shanghai Hangcha Okamura	Refers to	Shanghai Hangcha Okamura Co., Ltd., a sub-subsidiary of the Company
Liuzhou Hangcha	Refers to	Liuzhou Hangcha Forklift Sales Co., Ltd., a sub-subsidiary of the Company
Guangzhou Hangcha Leasing	Refers to	Guangzhou Hangcha Leasing Co., Ltd., a sub-subsidiary of the Company
Changzhou Hangcha Leasing	Refers to	Changzhou Hangcha Leasing Co., Ltd., a sub-subsidiary of the Company
Hangcha (Shanghai)	Refers to	Hangcha (Shanghai) Forklift Co., Ltd., a sub-subsidiary of the Company
Guozi Robotics	Refers to	Zhejiang Guozi Robotics Co., Ltd., a sub-subsidiary of the Company

Hangcha México	Refers to	Montacargas Hangcha De Mexico, a sub-subsi-dary of the Company
Universal Lithium-ion Battery	Refers to	Universal Lithium-ion Battery Supply LLC, a sub-subsi-dary of the Company
Nanjing Hangcha	Refers to	Nanjing Hangcha Logistics Equipment Co., Ltd., a company with equity participation by the Company
Shijiazhuang Hangcha	Refers to	Shijiazhuang Hangcha Forklift Sales Co., Ltd., a company with equity participation by the Company
Taiyuan Hangcha	Refers to	Taiyuan Hangcha Forklift Co., Ltd., a company with equity participation by the Company
Nanchang Hangcha	Refers to	Nanchang Hangcha Forklift Co., Ltd., a company with equity participation by the Company
Changsha Hangcha	Refers to	Changsha Hangcha Forklift Sales Co., Ltd., a company with equity participation by the Company
Chongqing Hangcha	Refers to	Chongqing Hangcha Forklift Sales Co., Ltd., a company with equity participation by the Company
Yunnan Hangcha	Refers to	Yunnan Hangcha Forklift Co., Ltd., a company with equity participation by the Company
Shenyang Hangcha	Refers to	Shenyang Hangcha Forklift Sales Co., Ltd., a company with equity participation by the Company
Huachang Hydraulic	Refers to	Zhejiang Huachang Hydraulic Machinery Co., Ltd., a company with equity participation by the Company
Okamura Transmission	Refers to	Hangzhou Okamura Transmission Co., Ltd., a company with equity participation by the Company
Zhongchuan Transmission	Refers to	Changsha Zhongchuan Transmission Co., Ltd., a company with equity participation by the Company
Henan Jiachen	Refers to	Henan Jiachen Intelligent Control Co., Ltd., a company with equity participation by the Company
Eneroc New Energy	Refers to	Eneroc New Energy Technology Co., Ltd., a company with equity participation by the Company
Zhongce Rubber	Refers to	Zhongce Rubber Group Co., Ltd., a company with indirect equity participation by the Company
Zhongce Haichao	Refers to	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd., a company with equity participation by the Company
Hangli Dingsheng	Refers to	Zhejiang Hangli Dingsheng Machinery Co., Ltd., a company with equity participation by the Company
Hangcha Southeast Asia	Refers to	Hangcha Southeast Asia Co., Ltd., a company with equity participation by the Company
Okamura Furniture	Refers to	Hangzhou Okamura Furniture Co., Ltd., a company with equity participation by the Company
Yuan/Ten thousand yuan	Refers to	The Chinese currency of Renminbi/Tens of thousands of Renminbi
reporting period	Refers to	January 1, 2024–December 31, 2024
Industrial vehicle	Refers to	Power-driven motor vehicles used for handling, pushing, pulling, lifting, stacking or loading various goods, which include forklifts, tow tractors, stackers, reach stackers, etc.
Forklift	Refers to	A variety of wheel loaders used for loading and unloading, stacking, short-distance transport and heavy lifting of pallets of goods, referred to as industrial vehicles in ISO/TC110 of the International Organization for Standardization.
Internal combustion forklift	Refers to	Forklifts powered by engines that run on diesel, gasoline or liquefied petroleum gas.
Electric forklift	Refers to	Forklifts relying on batteries to power the motors that drive travel and the hydraulic system to perform travel and handling operations.
Counterbalance forklift	Refers to	Forklifts with forks (or other replaceable devices) that can carry goods (with or without pallets). The load is cantilevered with respect to the front wheels and is balanced by the mass of the vehicle.

Tow tractor	Refers to	Industrial vehicles fitted with a traction linkage and specially designed for pulling other vehicles on the ground.
Attachment	Refers to	Load-bearing devices added to or in place of the forks of a forklift, which are used to perform a variety of operations.

Chapter 2 Company Profile and Key Financial Indicators

1. Company Profile

Name of the Company in Chinese	Hangcha Group Co., Ltd.
Short name of the Company in Chinese	Hangcha Group
Company Name in English	Hangcha Group Co., Ltd.
Company Abbreviation in English	None
Legal representative of the Company	Zhao Limin

2. Contact Person and Contact Information

	Sectary to the Board	Securities Affairs Representative
Name	Chen Saimin	Huang Minghan
Address	No. 666 Xiangfu Road, Lin'an District, Hangzhou, Zhejiang	No. 666 Xiangfu Road, Lin'an District, Hangzhou, Zhejiang
Tel	0571-88141328	0571-88926713
Fax	0571-88141328	0571-88926713
Email	csm@zjhc.cn	hnh@zjhc.cn

3. Brief Introduction to Company Profile

Registered address of the Company	No. 666 Xiangfu Road, Lin'an District, Hangzhou, Zhejiang
Change history of registered address	None
Office address of the Company	No. 666 Xiangfu Road, Lin'an District, Hangzhou, Zhejiang
Postal code of office address	311305
Website	www.zjhc.cn
Email	hcjt@zjhc.cn

4. Information Disclosure and Place for Inspection

Names and websites of media outlets for disclosure of annual report of the Company	Securities Times
Website of the stock exchange where the company discloses its annual report	http://www.sse.com.cn
Location for inspection of annual report of the Company	Securities and Legal Affairs Department, Office Building of Hangcha Group

5. Stock Profile

Stock Profile				
Class of stock	Stock Exchange	Stock name	Stock code	Stock name before change
A-share	Shanghai Stock Exchange	Hangcha Group	603298	None

6. Other Relevant Information

Domestic accounting firm appointed by the Company	Item	Pan-China Certified Public Accountants LLP (Special General Partnership)
	Office address	Block B, China Resources Building, No.1366 Qianjiang Road, Hangzhou, Zhejiang Province
	Name of signing CPAs	Xu Jinbo, Tang Zheren

7. Key Accounting Data and Financial Indicators for the Last Three Years

(1) Key accounting data

Unit: Currency: CNY

Key accounting data	2024	2023		Increase/Decrease compared with previous year (%)	2022	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Operating income	16485830318.58	16298640931.47	16271834470.72	1.15	14527313554.78	14412416415.20
Net profit attributable to shareholders of the listed company	2022025698.99	1715611831.59	1720313075.47	17.86	986734874.91	987353336.07
Net profit after deduction of non-recurring gains and losses attributable to the shareholders of the listed company	1988854674.00	1688027697.88	1687795537.69	17.82	964033484.79	964002943.49
Net cash flows from operating activities	1336825600.12	1632087180.34	1621860863.22	-18.09	601592603.90	625482631.76
	End of 2024	End of 2023		Increase/Decrease at the end of the current reporting period compared with the end of the previous year (%)	End of 2022	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Net assets attributable to shareholder	10163895056.44	8619135437.22	8619865217	17.92	6283074842.23	6279103378.13

s of the listed company						
Total assets	16362547960.72	13995079169.19	13894213061.92	16.92	11808039912.52	11693308152.15

(2) Key financial indicators

Key financial indicators	2024	2023		Increase/Decrease compared with previous year (%)	2022	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (RMB/share)	1.54	1.33	1.33	15.79	0.81	0.81
Diluted earnings per share (RMB/share)	1.54	1.31	1.31	17.56	0.80	0.80
Basic earnings per share after the deduction of non-recurring gains and losses (RMB/Share)	1.52	1.31	1.31	16.03	0.78	0.78
Weighted average ROE (%)	21.64	22.17	22.17	Down by 0.53 percentage points	16.70	16.70
Weighted average ROE after the deduction of non-recurring gains and losses (%)	21.29	21.81	21.81	Down by 0.52 percentage points	16.30	16.30

Notes to the key accounting data and financial indicators of the Company for the last three years at the end of the Reporting Period

"√ Applicable" "□ Not applicable"

1. In January 2024, Hangcha Intelligent, a wholly owned subsidiary of the Company, purchased 100% of the shares of Zhejiang Guozi Robotics Co., Ltd. in cash. Therefore, Zhejiang Guozi Robotics Co., Ltd. was included in the consolidation scope of the consolidated financial statements during the Reporting Period. Since this was a business combination involving enterprises under common control, retroactive adjustments were made to the previous consolidated financial statements in accordance with the requirements of accounting standards.

2. The aforementioned earnings per share are calculated based on the latest share capital of the Company as of December 31, 2024.

3. The differences in the trailing digits of the quotients, totals, and sums of the addends after division in the above table and this Report are due to rounding.

8. Difference in Accounting Data under Domestic and Overseas Accounting Standards

(1) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with International Accounting Standards and China Accounting Standards

"□ Applicable" "√ Not applicable"

(2) Differences in net profit and net asset attributable to shareholders of the listed company in financial report disclosed in accordance with overseas accounting standards and China Accounting Standards

"□ Applicable" "√ Not applicable"

(3) Explanation on the difference between the domestic and overseas accounting standards:

" Applicable" " Not applicable"

9. Key Financial Data for 2022 by Quarter

Unit: Yuan Currency: CNY

	Quarter 1 (January-March)	Quarter 2 (April-June)	Quarter 3 (July-September)	Quarter 4 (October-December)
Operating income	4171783078.92	4382287051.80	4178744209.70	3753015978.16
Net profit attributable to shareholders of the listed company	378735768.17	627962096.57	566292626.53	449035207.72
Net profit after deduction of non-recurring gains and losses attributable to the shareholders of the listed company	375889061.81	611133475.89	559041961.71	442790174.59
Net cash flows from operating activities	343175570.20	278566522.69	52110633.42	662972873.81

Explanation on the differences between the above quarterly data and what have been disclosed in past periodic reports

" Applicable" " Not applicable"

10. Non-recurring Gains and Losses Items and Amounts

" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Non-recurring Gains and Losses Items	Amount in 2024	Note (if applicable)	Amount in 2023	Amount in 2022
Gains or losses on disposal of non-current assets (including write-off of provision for assets impairment)	989100.45		4545177.29	2700444.91
Government grants included in profit or loss (excluding those closely related to operating activities of the Company and granted constantly affecting the Company's profits or losses in accordance with certain standards based on state policies)	45521493.77		40699621.98	41006894.93
Gains or losses from changes in fair value of value and disposal of financial assets and liabilities held by non-financial enterprises, excluding those arising from hedging business related to the Company's normal operating activities	-799155.95		-13653244.56	-47530448.07

Fund occupancy fees collected from non-financial enterprises and recognized in current gains or losses			357568.72	1178458.95
Profit or loss on entrusted investment or management of assets	41881.97		2205647.70	10870814.33
Reversal of impairment provision for accounts receivable subject to separate impairment testing	612384.24		2233814.00	1520876.56
Net profit or loss of subsidiaries from the beginning of the period to the date of consolidation arising from a business combination under the same control	-1983591.63		-5804004.79	-763532.30
Other non-operating revenue or expenditures	1613499.24		1409267.51	755407.64
Less: Effect of income tax	7373343.17		4175472.28	802590.21
Non-controlling interest affected (after tax)	5451243.93		234241.86	-13765063.38
Total Amount	33171024.99		27584133.71	22701390.12

For items of non-recurring gains and losses defined by the Company that are of a significant amount and not listed in the "Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Shares to the Public—Non-recurring Gains and Losses", as well as for items of recurring gains and losses defined by the Company that are listed in the "Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Shares to the Public—Non-recurring Gains and Losses" as non-recurring gains and losses, reasons shall be specified.

Applicable" Not applicable"

11. Items Measured at Fair Value

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item Name	Opening balance	Closing balance	Change in the period	Effect on profit of current period
Held-for-trading financial assets		80000333.33	80000333.33	41881.97
Receivables financing	205590299.79	282597817.02	77007517.23	
Other non-current financial assets	25591400.00	26325621.62	734221.62	
Derivative financial liabilities	3911.26	366815.63	362904.37	-799155.95
Total Amount	231185611.05	389290587.60	158104976.55	-757273.98

12. Others

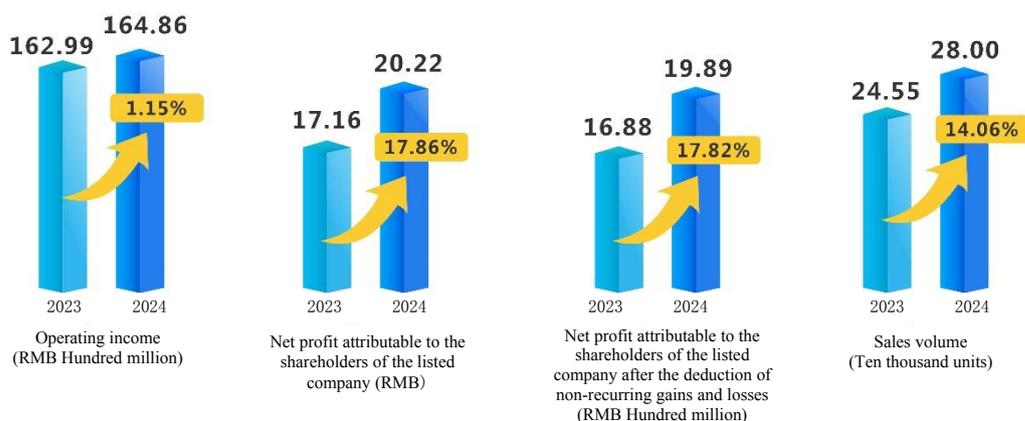
Applicable" Not applicable"

Chapter 3 Management Discussion and Analysis

I. Discussion and Analysis on Operations

In 2024, the global economic structure has undergone profound adjustment and the complex changes in the external development environment have brought many difficulties and challenges to China's economic activities. However, thanks to our country's solid economic foundation, diversified development advantages, strong development resilience and huge development potential, the fundamentals for and the basic development trend of long-term economic development remain unchanged. The year 2025 marks the final year of the "14th Five-Year Plan", and it is also a critical year for China to accelerate the transformation and upgrading and promote high-quality development. With a series of national policies gradually implemented to stabilize expectations, stimulate vitality and promote a sustained economic recovery, China's economic outlook is worth looking forward to.

In the face of cyclical fluctuations and structural contradictions in the global economy, the Board of Directors of the Company has stayed focused on the strategic direction, adhering to the innovation-driven strategy to lead all employees to emancipate their minds, strive to forge ahead and effectively respond to the complex challenges of "involution and external pressure" in the industrial vehicle industry. As a result, it has achieved success in the midst of difficulties and stabilized the sound development momentum of the Company. Faced with the downward pressure in the industry, the Company has taken the initiative to stabilize the domestic market and make active deployments in the overseas incremental market, taking new energy products as the main driving force to introduce China's industrial vehicle brand to the world and taking the technology and product innovation as the core strategy for differentiation and competition. Based on a number of innovative initiatives such as product mix optimization and adjustment and industrial transformation and upgrading, the Company has performed well in operation, maintaining a benefit increase much greater than the sales increase, achieving an operating income of RMB 16.486 billion, up 1.15% year-on-year, and net profit attributable to shareholders of the listed company of RMB 2.022 billion, up 17.86% year-on-year. Over the past year, the Company has laid a more solid foundation and base for development, further strengthening the foundation for sustainable and steady growth in the future.



Key Business Data for 2024

During the Reporting Period, the company won numerous awards in many fields thanks to its excellent comprehensive strength and innovative development achievements, demonstrating its strong industrial competitiveness and social influence. It has been honored as one of the Top 100 Enterprises in China's Machinery Industry, a Large Key Backbone Enterprise in the Machinery Industry, a Single Champion Enterprise in the Manufacturing Industry and an Influential Enterprise in the Construction Machinery Industry, and has been included in the Top 100 Leading Enterprises for Zhejiang Private Enterprise Social Responsibility, the Top 50 Chinese Listed Companies with New Quality Productivity issued by Securities Times, the Top 500 Innovative High-Tech Enterprises in Zhejiang Province (ranked 59th), the Top 100 Manufacturing Enterprises in Zhejiang Province, the Top 100 Fastest Growing Enterprises in Zhejiang Province and the List of Leading Private Economy Headquarters Enterprises in Zhejiang Province. The Company's "HCQM (Hangcha Quality Management) Mode" project won the Silver Prize in the Third National Machinery Industry Product Quality Innovation Competition. Meanwhile, the Company has achieved a series of fruitful results through continuous innovation in fields such as product research and development, market expansion, intelligent manufacturing and digital transformation. These efforts not only promote the continuous upgrading of its products and services and the expansion of its market coverage, but also greatly improve its production efficiency and management effectiveness, helping to maintain the leading position of the Company in the global industrial vehicle industry.



1. Enhance innovation-driven development and strengthen technology empowerment

In the face of a new context of global competition, the Company is committed to pursuing intelligent, green and global development of its products, and makes every effort to cultivate new quality productive forces. The Company's product research and development activities are closely aligned to market demand, which focus on market access and international benchmarks and actively practice the technological innovation concept of “competing with benchmarking enterprises, surpassing the competitors, and developing the world's best forklifts”. In this way, the Company has significantly enhanced multiple aspects of its products, including performance, quality, and service.

During the Reporting Period, based on the integration of global technological resources, the Company took new energy technologies such as battery, electric drive and electric control as the core and “user demand + technological innovation” as the major drive, achieving 52 research and development projects with products available for bulk sale, as well as 25 technological research and development projects with results applied in the industry. The Company has launched several new energy forklift series, including the XA and XE series, which include products such as high-performance lithium-ion forklifts, permanent magnet lithium-ion forklifts, small wheelbase lithium-ion forklifts, man-up three-way stackers and multi-directional electric side forklifts. In terms of technology research and development and key components, the Company has achieved a breakthrough in key components and a series of new technologies, including its electric vehicle brake assist and distribution system, integrated control system for heavy-duty vehicles, moment limit control system for telescopic handlers, hydrostatic drive electro-hydraulic control system, specialized drive axle for off-road forklifts, handheld vehicle control unit and cold storage lithium-ion batteries, with technology reaching a country-leading and even a world-leading level. The company's excellence in technological innovation is demonstrated by its numerous product and technology R&D achievements, such as “Research and Application of Key Technology for Safe Operation of Unmanned Forklifts in Complex Application Scenarios” and

“Research and Application of Forklift Safety Monitoring and Inspection System”, which have won the Machinery Industry Science and Technology Award, the Provincial Science and Technology Progress Award, and the BICES 2023 Construction Machinery Technology Innovation Product Golden Award.



The Company has focused on developing core competitiveness in technology research and development, driven by invention patents and led by standards. During the reporting period, the Company was granted 129 patents, including 82 invention patents, representing a year-on-year increase of over 60%. The company has presided over and participated in the formulation and revision of one international standard, nine national standards, four industry standards and two group/local standards, and has taken the lead in drafting the national standard "Quantification Method and Requirements for Product Carbon Footprint of Greenhouse Gases—Industrial Vehicles", promoting technological progress in the industry while consolidating and enhancing the Company's position and competitiveness in the industry.

2. Respond rapidly to the market and comprehensively advance marketing transformation

In line with the new economic trend, the Company has given priority to increasing market share and has promoted in-depth marketing transformation in the domestic market, continuing to promote the transformation and upgrading of the organizational structure, business system and operation mechanism and responding rapidly to the market demand with users as the center. In the process of transformation to the new energy segment, the Company has focused on the professional market. It has formulated and implemented targeted action plans and planned and promoted new energy forklift brands, such as Jinniu and Tianma. The Company has also launched a series of innovative marketing incentive policies and business development strategies, such as quarterly promotions, annual exclusive sales, free of interest, and subleasing, in order to ensure that the Company's sales growth in the domestic market exceeds that of the entire industry. The Company promptly seized the opportunity presented by the prosperous development of the leasing business by integrating and revitalizing the unified national market, realizing the sharing of leasing business resources, joint construction and win-win results. During the Reporting Period, the Company, while ensuring its stable development in the domestic market, integrated its advantageous resources and strengths to secure large projects and explore high-quality clients in the

automotive, logistics, airport, port terminal, retail and other industries, which gradually increased the penetration rate of the Company's high-value new energy products, and continued to promote the revitalization and development of the brand.



In the context of a traffic-driven economy, the Company actively grasps the trend of marketing transformation, exploring new paths for product promotion and brand value enhancement and continuously strengthening the output of high-quality content. The Company has established a domestic and international new media operation and management team with the Marketing Departments of the E-commerce Company and the Import and Export Company as the two main pillars, and clarified the overall objectives and key tasks of the new media marketing transformation. It has set up an information communication mechanism and conducted in-depth analyses of brand traffic and conversion rates, actively exploring ways to efficiently utilize the traffic resources. Through in-depth cooperation with leading Internet platforms such as Tencent, ByteDance and Facebook, the Company has made efforts to cultivate a group of "influential live streamers", thereby improving its operational and service capabilities targeting online customers and direct users. Thanks to advancements in Internet marketing, the Company's new products, new technologies, new policies and new development achievements can quickly reach target customers. The transformation of the marketing model has not only enhanced the Company's brand influence, but also ensured added value for customers.



3. Consolidate the traditional markets and deepen global market expansion

The Company has consistently advanced its international expansion strategy, accelerating the construction of a global operational system, seizing opportunities in overseas markets, strengthening the allocation of overseas resources, and continuing to expand and deepen the global market planning through a series of initiatives such as the establishment of overseas subsidiaries, the launch of new energy products and the introduction of new energy models. Accordingly, the Company has made remarkable progress in operational capability development and channel construction. During the Reporting Period, the Company has established new companies in various regions and countries, including the United States, France, Japan, Indonesia, Malaysia, Vietnam and the Middle East, and has successfully opened more than 10 overseas companies in important global markets, achieving a qualitative leap in its own marketing and service network by linking individual sites. While promoting the orderly development of its marketing service system, the Company took a key step with profound influence in the strategic planning of globalization by investing in Thailand to set up a manufacturing company of Hangcha Group. This landmark move signifies a pivotal shift in China's forklift industry, shifting the focus from marketing services to industrial manufacturing in overseas markets, thereby leading the industry's transformation and upgrading.

In view of the unbalanced market demand in regional markets worldwide, the Company adjusted its product design and marketing strategy according to local conditions and increased marketing guarantees and service support in major markets, so as to further increase its overseas market share. During the Reporting Period, the sales volume of the Company's overseas products exceeded 100,000 units, reaching a record high. While consolidating its advantages in traditional high-end markets such as Europe and North America, the Company increased its development efforts in emerging markets such as Brazil, Southeast Asia and the Middle East, achieving a substantial year-on-year increase in product sales, and attracting many potent new clients willing to cooperate with the Company. The marketing

strategies targeting large clients, port machinery and large-tonnage forklifts provide the Company with a new opportunity to establish a comprehensive project management organization and set up professional pre-sales and after-sales business teams, which would ensure the service assurance required by large clients and large projects while improving the pace of service response.



Overseas Sales Business of Hangcha Group
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The first Hangcha Brazil Distributor Conference was successfully held



The lithium-ion luggage tractors were officially launched in Kuala Lumpur International Airport, Malaysia



The grand opening of PT. Hangcha Indonesia Forklift



50 units of tow tractor were shipped to the Southeast Asia market



A batch of aerial equipment of Hangcha was shipped to Europe



X series 25-ton internal combustion forklifts of Hangcha are used in a steel plant in Peru



Hangcha Overseas Technical Training Program - Li-ion Battery - Hangcha México



Hangcha Forklift Canada held the fifth anniversary celebration and new warehouse opening ceremony



“Cooperation with Hangcha” Activity of Hangcha Group
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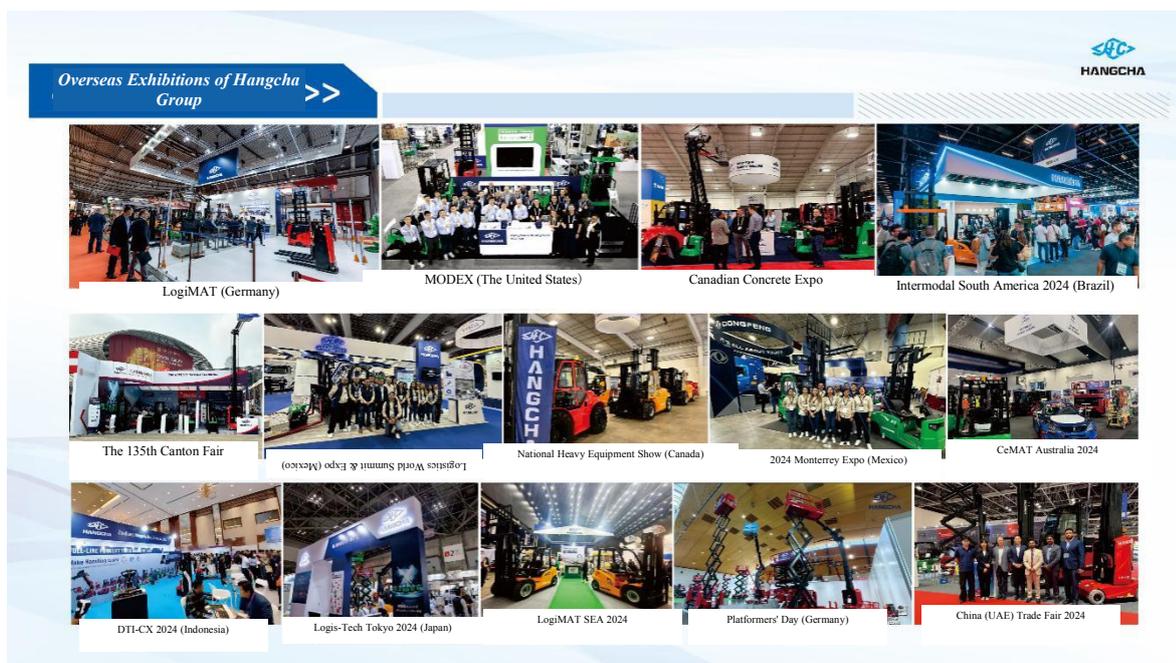









In terms of international cooperation, the Company has assisted Manitou and other companies in comprehensive transformation and upgrading concerning new energy products through technology empowerment, product empowerment and service empowerment, setting up a model of cooperation and mutual trust while exporting the entire industrial value chain overseas.



4. Converge multidimensional resources and build the "Great Hangcha" industrial ecosystem

During the Reporting Period, the Company followed the concept of a whole industry chain with the main industry as the core and leveraged its strengths as the main factory in the chain, which has a strong capacity to promote the industry and a significant industrial cluster effect. It has continued to expand and strengthen its diversified business segments, mainly centering on intelligent logistics, new energy lithium-ion batteries, and aerial equipment, thereby injecting a strong impetus for the Company's high-quality development. For the first time, the contract value of the Company's intelligent logistics solutions exceeded RMB 1 billion, and the company achieved remarkable development in the overseas market, successfully winning project orders from top global companies in the fields of FMCG, retail, automotive, and tires. Regarding its aerial equipment segment, the Company has formulated a forward-looking plan to address overseas trade barriers, accelerated the speed of new product development, extended the product chain, and introduced a variety of forklifts with scissors and telescopic handlers to the market throughout the year, largely enriching its product matrix. Concerning its new energy lithium-ion battery segment, the Company has achieved over RMB 100 million in revenue from exports of its lithium-ion battery products thanks to the efficiency advantages of its new workshop's high-end automated production equipment, the quality assurance capabilities and the scale advantages of the industry, providing strong support for the development of the Company. Relying on the powerful lithium-ion battery industry and the strong brand influence of Hangcha, the Company has also performed well in business segments such as instrumentation, wiring harnesses and electric drives, fully demonstrating the positive role that Hangcha's new energy product strategy plays in upgrading the industrial chain and promoting the technological iteration of the key product components. Up to now, the "Great Hangcha" industrial ecosystem has formed, with all business segments cooperating with and promoting each other, creating a solid industrial ecological foundation for the sustainable development of the Company.



5. Strengthen industrial foundations and establish a high-end industrial chain system

As there is a crucial window of opportunity arising from the new round of international competition and industrial revolution, the Company has seized the historic opportunity when the country vigorously promoted the development of new quality productive forces, consolidating and enhancing the comprehensive leading advantages of Hangcha Group in the fields of new energy products and intelligent logistics. The company has taken technological transformation as the starting point, optimizing and adjusting the production planning of products, focusing on core technology research and quality improvement of core components, and actively planning for industrial chain upgrading. During the Reporting Period, the construction of the Hangcha Intelligent Production Base Project with an annual output of 10,000 units of automation equipment was started in Hangcha Hengfan Science and Technology Park Phase IV, in which the Company invested hundreds of millions of RMB. The project will powerfully promote the Company's products and solutions, guiding them toward high-end, intelligent upgrades and green transformation. Meanwhile, the project will continuously enhance the development vitality and international competitiveness of the Company, and continue to optimize its one-stop intelligent logistics solutions that are independent, controllable, safe and highly efficient. The Intelligent Transformation Project for High-end Large-Tonnage Forklifts and Ride-on Warehouse Forklifts with an annual output of 3,000 units was promoted steadily, in which the Company invested a total of RMB 160 million. Large high-end processing equipment, such as the double-ended boring machine and the gantry milling machine, has been put into operation, contributing to significant YoY growth of the Company's high-end large-tonnage forklifts, and ensuring that the sales of large-tonnage forklifts rank the highest in the domestic industrial vehicle industry. Thanks to their excellent quality and manufacturing capability, the large-tonnage forklifts of Hangcha have not only won high recognition from clients, but also successfully secured support from ultra-long-term special treasury bonds for the "two new" fields in 2024. The project has made initial achievements.



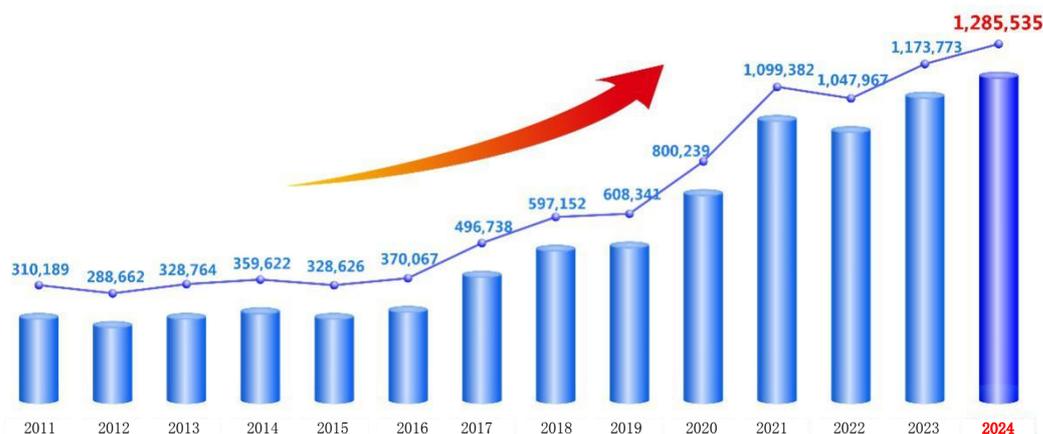
In terms of industrial cooperation, the Company has achieved a leap-forward development. It has further refined its industrial planning of its core technology for new energy industrial vehicles and developed Zhejiang Hangbo Electric Drive Co., Ltd., a joint venture specializing in permanent magnet motors for industrial vehicles, in cooperation with Zhuhai Enpower Electric Co., Ltd. Therefore, the Company has developed comprehensive technical innovation capabilities and solid industrial support in terms of core technologies of battery, electric drive and electric control for new energy industrial vehicles, building a completely independent and controllable high-end supply chain system. Currently, Hangcha has successfully built an intelligent, distinctive gigafactory with two parks in Qingshan and Hengfan at the core, which features the synergistic development of multiple industries such as the industrial vehicle machine industry, the intelligent logistics industry, the parts and components industry and the modern service industry, and the deep integration of the supply chain, industrial chain and innovation chain. In this way, the Company has laid a solid industrial foundation for its long-term development.

II. Introduction to the Industry where the Company Operates during the Reporting Period

As the core category of industrial vehicles, forklifts are the key equipment for mechanized loading and unloading, intelligent stacking and efficient short-distance transport in the modern logistics system. Its application scenarios cover logistics and warehousing, manufacturing and processing, transport hubs and other key areas of the national economy, and it plays an irreplaceable role in stations, ports, airports and intelligent factories. As the global industrial vehicle industry continues to deepen its electrification transformation and intelligent upgrades, the demand of the new energy forklift market continues to climb and the overall transformation and upgrading of the industry has achieved remarkable results, signifying that China's high-end equipment manufacturing field is accelerating toward green, digitized, and intelligent practices. The sales volume of industrial motor vehicles exceeded 1.09 million units in 2021. Following that, China maintained a sales volume of over one million units from 2022 to 2024 and

ranked as the world's largest forklift production and consumption market for several consecutive years. In 2024, the total sales volume of industrial motor vehicles reached 1,285,500 units, up 9.52% compared to 2023. Of those, 800,500 units were sold domestically, up 4.77% compared to 2023, while 480,500 units were exported, up 18.53% compared to 2023. This marks new record highs in terms of the total sales volume, domestic sales and export volume. Considering the industry sales structure by model, electric forklifts have maintained good growth momentum. In contrast, internal combustion forklifts have seen a decrease of over 10%, with a particularly significant decline of 13.16% in the domestic market. The warehouse forklift has achieved the highest increase, and the sales volume of electric ride-on warehouse forklifts and electric walkie warehouse forklifts increased by over 20%, respectively, with respective increases of 15% and 27% in the domestic and international markets.

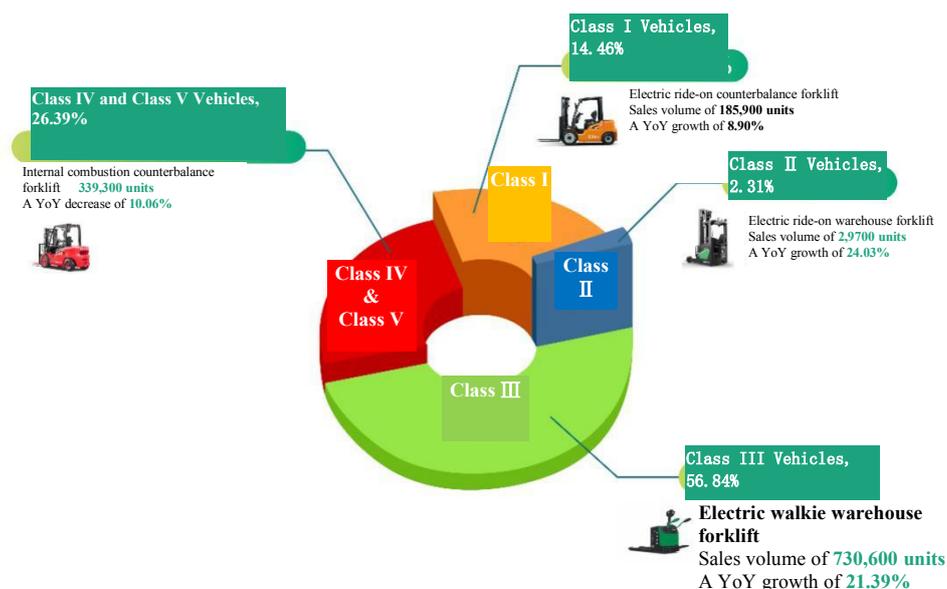
The forklift industry has seen continued progress, driven mainly by the synergy of internal and external cycles. In the domestic market, there is a continuous and stable demand for material handling thanks to China's economic and population advantages and the depth characteristics of its territorial space. With the acceleration in population aging and the wave of industrial automation upgrading, the staged trend of "replacing human workers with robots" is transforming into an irreversible industrial revolution. In the international market, China's industrial vehicles have demonstrated great resilience in the face of a complex global economic and trade environment. The 9.52% increase in exports demonstrates the comprehensive competitive advantages of "Intelligent Manufacturing in China" in technological innovation, cost control, and the synergy of the entire industry chain. The increasing demand in both the domestic and overseas markets not only reflect the basic manufacturing industry's attribute of livelihood protection, but also highlights the high-quality development path of the equipment manufacturing field.



Trend of Annual Total Sales Volume of China's Industrial Vehicle Industry (Units)

In 2024, from a model structure perspective, electric ride-on counterbalance forklifts (Class I vehicles) achieved sales of 185,900 units, up 8.90% YoY; electric ride-on warehouse forklifts (Class II vehicles) achieved sales of 29,700 units, up 24.03% YoY; electric walkie warehouse forklifts (Class III vehicles) achieved sales of 730,600 units, up 21.39% YoY; and internal combustion counterbalance forklifts (Class IV and V vehicles) achieved sales of 339,300 units, down 10.06% YoY. Lithium-ion forklifts

accounted for 47.43% of electric forklift sales, with 448,800 units sold. Lithium-ion counterbalance forklifts accounted for 71.71% of electric counterbalance forklift sales. In 2024, the sales volume of lithium-ion battery models in the three major electric forklift categories (Class I, II and III) is as follows: lithium-ion ride-on counterbalance forklifts of 133,300 units, lithium-ion ride-on warehouse forklifts of 10,600 units, and lithium-ion walkie warehouse forklifts of 304,900 units. In terms of regional distribution, lithium-ion forklifts achieved domestic sales of 244,000 units and export sales of 204,800 units, with the export sales accounting for 45.63% of the total.



Industry Sales Structure by Model in 2024

According to the industry data analysis, the competitiveness of the models represented by the electric forklift and the new energy lithium-ion battery forklift has improved significantly, achieving substantial growth in their domestic and international market shares. The proportion of electric forklifts has reached 73.61%, the proportion of electric counterbalance forklifts has exceeded 35.40%, and the proportion of lithium-ion battery forklifts among electric forklifts has grown significantly, reaching 47.43%. Meanwhile, the promotion and application of the domestic hydrogen fuel cell forklift is in full swing, and demonstration applications have been carried out. Under the guidance of the industrial policy of accelerating the high-quality development of the manufacturing industry, the industrial vehicle industry is actively promoting a transformation from "quantitative expansion" to "qualitative leap", which provides the industry with a new development idea and direction, and gradually forms a new growth momentum. In terms of product research and development, we focus mainly on high-end, digital-intelligent and green development. In addition to the traditional complete machine enterprises and original supporting industrial enterprises, some potent parts and components suppliers from the new energy, automotive, construction machinery and other fields are entering the industrial vehicle industry, providing new drivers for the innovation and iteration of new technologies and products, and vigorously promoting the industry's technological progress and product upgrading. Major existing enterprises are also accelerating their strategic planning for the international market, aiming to promote more balanced

and steady development of the domestic and international markets and further enhance the industry's influence and competitiveness in the global market.

(Note: The data comes from the Industrial Vehicle Branch of the China Construction Machinery Association and has been rounded up to two decimal places)

III. Introduction to the Company's Business during the Reporting Period

1. Major business of the Company

The Company focuses on the operation of the whole industry chain of industrial vehicles and related products. Its major business includes the research and development, manufacture and sales of industrial vehicles, including forklifts, warehouse forklifts, tow tractors, automated guided vehicles (AGVs) and intelligent handling robots, and complete machines, such as aerial work vehicles, dynamic compactors, automation equipment and cleaning equipment, along with their key components. Moreover, it designs, implements, and maintains comprehensive intelligent logistics systems, and provides aftermarket services, including the sales of industrial vehicle accessories, parts and kits, vehicle repair and modification, industrial vehicle leasing, and leasing, manufacturing and remanufacturing of intelligent handling robots.

>> Forklift

Class I Vehicles	Electric counterbalance forklift	
Class II Vehicles	Reach truck Order picker	
Class III Vehicles	Warehouse forklift	
Class IV & Class V Vehicles	Internal combustion counterbalance forklift	

>> Intelligent Logistics

Intelligent Handling Robot	
Intelligent Warehousing	

>> Other Complete Machine

Port Machinery		Other Vehicles	
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>> Parts & Kits

Key components			
Lithium-ion Battery		Charger	
Diversified Products of Hangcha Group		Conveyor Line	
			

2. business model of the Company

The Company adopts a business model centering on R&D, manufacturing, marketing and services to promote the coordinated development of the upstream and downstream of the industrial chain. The company specializes in industrial vehicles and adheres to an innovation-driven strategy, actively cultivating the new quality productive forces that integrate high-tech, high-efficiency and high-quality features. Through years of endeavor, the company has accumulated numerous capabilities, including strong technological innovation capabilities, excellent quality assurance capabilities, a safe and efficient supply chain system and a perfect marketing and service network. Leveraging these strengths, the Company has transformed into a leading modern service enterprise that provides “manufacturing-related services and solutions” in the industry. In terms of product sales, the Company adopts a diversified product sales model of “direct sales + distribution + e-commerce”, developing directly affiliated sales companies, authorized and franchised dealers, and e-commerce platforms at home and abroad and building up a global marketing and service system, so as to provide users worldwide with high-quality industrial vehicles and customized logistics solutions.

IV. Core Competencies Analysis for the Reporting Period

"√ Applicable" "□ Not applicable"

Guided by our mission of "Make material handling easier," we pursue diversified development centered around our core industrial vehicle business. By focusing on digital empowerment, refined management, innovation-driven development, low-carbon transformation, and integrated development, we have continuously driven the transformation and upgrading of the forklift industry, cultivated new quality productive forces within the industry, taken the lead in the industry's high-quality development, and enhanced our core competencies. We closely track industry trends and market demand changes and adhere to a market-oriented approach in adjusting our strategies, optimizing our structure, and maintaining steady growth. This has led to further consolidation of our market share, a significant increase in our overall strength, and the reinforcement of our leading position in the industry, ultimately achieving high-quality development.

Our core competencies are primarily reflected in the following aspects:

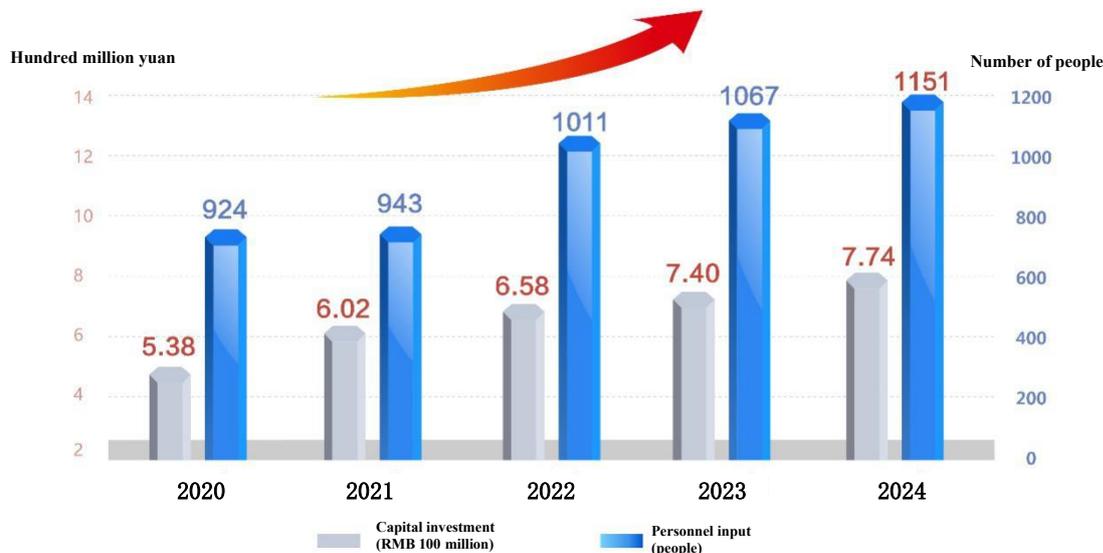
1. R&D and Innovation-Driven Advantages

We keenly understand the development trends of industry transformation and upgrading. By adhering to the philosophy of "targeting benchmarks, surpassing competitors, and developing the world's best forklift products," we have built a technological innovation system characterized by "one core, two wings, and comprehensive coordination." We leverage resources and teams from our provincial and national-level technological innovation platforms, including the National Enterprise Technology Center, the National Accredited Laboratory, the National Industrial Design Center, the National Postdoctoral Research Workstation, the Zhejiang Provincial Industrial Vehicle Engineering Technology Research Center, the Zhejiang Provincial Academician and Expert Workstation, and the Zhejiang Provincial Key Enterprise Research Institute. We focus on "green, intelligent, and service-oriented" technological

innovation, integrate the in-depth applications of cutting-edge technologies such as artificial intelligence, new energy, 5G, and the Internet of Things, and concentrate on technological areas such as green and intelligent industrial vehicles, comfortable and safe operation, high efficiency and reliability, intelligent logistics, and digital R&D. We continue to increase investment in the R&D of core technologies for industrial vehicles. We have mastered key technologies including lithium-ion battery-specific architectures for industrial vehicles, high-efficiency high-torque permanent magnet synchronous motors, high-voltage platforms, intelligent safety systems, multi-sensor fusion active safety systems, and cluster collaborative scheduling algorithms. We continuously and efficiently develop and launch a wide array of new energy products and intelligent industrial vehicles. Currently, the Company has successfully built the industry's most complete new energy product portfolio. Some products, including the 48t high-voltage lithium-ion forklift, the 45t high-voltage lithium-ion container reach stacker, the 48t hydrogen fuel cell forklift, and the high-voltage lithium-ion rough terrain forklift, have achieved industry-leading status. These products have frequently won national, provincial, and municipal science and technology awards, fully demonstrating the Company's outstanding R&D and innovation capabilities.



Hangcha Group's R&D investment in the past five years



2. Leading Advantage in New Energy Products

As a leading enterprise in the forklift industry, the Company has built a complete product range of new energy industrial vehicles and established a proprietary and controllable key core component industrial ecological chain through continuous engagement in the new energy field. To support a new energy industrial vehicle product matrix centered on lithium-ion batteries, hydrogen energy, and hybrid power, we have engaged in strategic forward-looking planning in the key component supply chain, ensuring the stable supply and cost advantages of lithium batteries, drive motors, and vehicle electrical controls. In manufacturing, we have continuously increased investment in technological renovation and built and successfully launched a "future factory" for new energy forklift components and complete machines. This has achieved a high degree of automation and intelligence in the production process. In R&D, we have developed a series of core technologies, including lithium-ion battery-specific architecture platforms, permanent magnet synchronous drives, and high-voltage platforms. We have launched a full range of new energy products, including the XC series lithium-ion special-purpose forklifts, the XE series lithium-ion battery special-purpose forklifts, the XH series all-weather heavy-duty high-voltage lithium-ion special-purpose forklifts, and the XC series hydrogen fuel cell forklifts. We replace lead-acid batteries with low-voltage lithium-ion batteries, and our high-voltage lithium-ion batteries have performance surpassing internal combustion engines. Our product line covers the range from 0.6t to 48t, offering superior performance, safety, efficiency, reliability, and high industry satisfaction. Our new energy products have gained widespread recognition in both domestic and international markets and have frequently won industry science and technology awards and recognitions for being the first of their kind in China. With leading technology, a complete product range, a stable supply chain, and high brand recognition, we have built comprehensive and multi-layered competitive advantages in the new energy product field, leading the industry towards an accelerated transition to the all-electric era.



3. Advantages in Global Presence

We continue to expand our global presence by strengthening the overseas marketing and after-sales service network. A three-tier service network has been formed, consisting of "headquarters - overseas companies - agents," including more than 70 wholly-owned sales companies, more than 600 dealers, and more than 10 overseas companies, covering more than 200 countries and territories. We have established more than 10 overseas sales companies and parts service centers in major countries and regions such as Europe, North America, South America, Southeast Asia, and Oceania. The expansion of our own channels has achieved full coverage of our marketing and service network in major global industrial vehicle markets, including Europe, North America, South America, Australia, and Southeast Asia. Our innovative marketing model comprehensively integrates the Company's human, financial, material, and information resources to carry out multi-channel sales, including direct sales to large customers, cross-border e-commerce, and new media marketing. It enables rapid resource allocation, direct links with customers for information, improved response speed, and enhanced customer loyalty. We actively deployed overseas manufacturing bases during the reporting period to address the uncertainties in the international trade environment. A wholly-owned manufacturing subsidiary was established in Thailand, with a design capacity of 10,000 counterbalance forklifts and aerial work platforms per year, and also including lithium battery assembly. Such efforts not only enhance the localized supply capacity in the Southeast Asian market but also effectively reduce tariff costs through the ASEAN Free Trade Area, improving our ability to cope with trade barrier risks. We have successively established sales companies in Malaysia and a leasing company in Vietnam, further improving the sales and service network in Southeast Asia. Through the implementation of a three-in-one global strategy of "technology + manufacturing + service," we have improved our ability to withstand market risks and steadily expanded our market share. More importantly, by leveraging our leading advantages in new energy and intelligence, we take the lead in industry transformation and development, injecting impetus into the Company's long-term sustainable growth.



Foreign subsidiaries of Hangcha Group >>



4. Advantages from Empowerment by Intelligent Manufacturing

We have developed solid advantages in intelligent manufacturing through forward-looking and effective innovative measures amidst the wave of intelligent transformation in the forklift industry. We work to revolutionize production processes by actively introducing advanced technologies such as digital twins, 5G applications, and the Industrial Internet. In production processes, data-driven systematic reconstructing has comprehensively improved production efficiency and quality control capabilities. The application of intelligent welding technology not only improves welding precision but also significantly shortens production time. Automated painting processes ensure the consistency and durability of product appearance. We are vigorously building intelligent super-factories to achieve the scale effect of intelligent production. Currently, the two intelligent production bases at the Qingshan Industrial Park and the Hengfan Technology Park have attained a large scale, possessing more than 600 intelligent robots of various types, more than 20 intelligent integrated production lines, and more than 10 spray painting lines, among other advanced facilities. They constitute a highly automated and intelligent production system, achieving full-process intelligence from automated material feeding and precise welding to fine painting, efficient assembly, and logistics. A strong product supply capacity has been formed with an annual production capacity of 400,000 industrial vehicles and other logistics equipment.

Our exploration and practice in intelligent manufacturing have been widely recognized. During the reporting period, the Zhejiang provincial key R&D project we undertook, "Research and Application of Intelligent Factory Integration Technology for Industrial Vehicles to Accommodate Diverse Varieties and Variable Batch Sizes," achieved remarkable results, providing valuable experience and technical support for the intelligent upgrading of production modes with diverse varieties and variable batch sizes within the industry. Hangcha has been inscribed in honorable lists as a National Service-Oriented Manufacturing Demonstration Enterprise, National Green Supply Chain Management Enterprise, "Future Factory" in Zhejiang Province, and China Benchmark Intelligent Factory for its outstanding performance in intelligent manufacturing, green development, and service-oriented manufacturing. The Company has become a model for intelligent manufacturing in the industry. We are able to effectively control costs, shorten delivery cycles, and quickly respond to market demand through the continuous optimization of our production and manufacturing system.



5. Advantages in Integration of Intelligent Logistics Solutions

The market demand for intelligent logistics continues to grow in the context of intelligent transformation and upgrading across various industries. We were among the first in the industry to deploy in the emerging segments of intelligent logistics by developing a series of stacking, omnidirectional, forward-moving, and counterbalanced series of AGVs powered by navigation methods. We have established three major business groups, namely Hangcha Intelligent, Hangao Intelligent, and Hanhe Intelligent. Through the integrated construction of the industrial chain. We offer a comprehensive range of intelligent logistics solutions, encompassing AGV products, vertical storage, and software integration systems, as well as customized and scenario-based product development and engineering services adapted to customer needs. With extensive project experience, our professional technical teams have successfully implemented more than 1,000 projects, helping customers in industries such as photovoltaics, rubber, lithium batteries, 3C electronics, food, pharmaceuticals, and ceramics to

overcome the challenges of intelligent logistics in diverse and complex scenarios. We have delivered a number of benchmark projects, including finished product factories for leading beverage companies and intelligent logistics system integration projects for the metal products industry.



Intelligent logistics business of Hangcha Group >>

Handling equipment

AGV >>



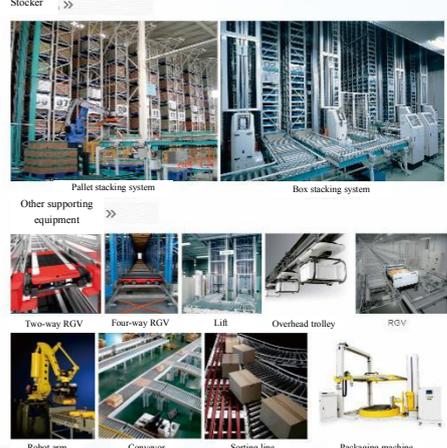
Intelligent logistics product series

INTELLIGENT LOGISTICS PRODUCT SERIES

杭叉的世界 世界杭叉
THE WORLD OF HANGCHA
1979-2024

Storage equipment

Stocker >>



Other supporting equipment >>



Intelligent business of Hangcha Group >>



An AGV project site Hangcha in the textile industry



Customer acceptance of Hangcha AGVs



Hangcha AGVs working in a site of the metal industry



An intelligent warehouse project undertaken by Hangcha for the wine industry is put into use



An intelligent warehouse project undertaken by Hangcha for the tire industry is put into use



Hangcha AGVs delivery to a customer in the ceramic industry



Hangcha AGVs delivery to a customer in the beverage industry



Hangcha AGVs ready for shipping

During the reporting period, Hangcha Intelligent, a subsidiary of Hangcha, received numerous industry awards, including the "2024 Top 100 High-Growth High-tech Enterprises of Zhejiang" designated by the Department of Economy and Information Technology of Zhejiang Province, the "Gaogong Golden Globe Award for Enterprise's Industry Contribution in Past Five Years" from Gaogong Robotics, and the "Outstanding Contribution Award for Enterprise in Industry Standard Development" from the China Mobile Robot & AGV/AMR Industry Alliance Association. Hangcha Intelligent has also established a provincial-level R&D center for mobile robots, continuously strengthening its technological R&D

capabilities, laying a solid foundation for the Company's continued development in the intelligent logistics field, and further solidifying its competitive advantage and development potential in the industry.

6. Advantages in Culture-Leading Development

Hangcha has forged a leading advantage with a unique and influential culture in the industrial vehicle industry for more than 60 years of profound development and more than 20 years of bold reform and innovation. "To be the best forklift truck manufacturer in the world," we take on the mission of "Make material handling easier" while upholding our core values of "integrity, responsibility, and sharing." We carry forward the Hangcha spirit of "progress, pragmatism, innovation, and harmony," and promote our "family" culture. These cultural concepts were further integrated into all aspects of the Company's operations during the reporting period. In talent development and motivation, we fully leverage the advantages of flexible human resource management mechanisms and sound management regulations and actively organize various training programs and skills competitions with diverse forms and rich content, providing employees with continuous learning opportunities and broad development space, respecting and stimulating their individuality and abilities. In promoting our corporate culture, we make the best of diversified channels, such as online learning platforms and corporate cultural activities, to strengthen employees' strong identification with the Company's values and enhance their sense of belonging and cohesion. In the face of intense market competition, we continuously launch new products and services that meet market demands, satisfying the diverse and personalized needs of different customer groups through efficient team collaboration and a spirit of innovation that dares to break boundaries. Meanwhile, we actively fulfill our social responsibilities and proactively participate in public welfare activities, giving back to society through concrete actions, improving Hangcha's brand image and social reputation, and attracting the attention and favor of more high-quality talent and partners, further solidifying our stronghold in the industry. Through cultural guidance, we have cultivated a high degree of loyalty and identification among employees, improved employee satisfaction, and enhanced the internal impetus for sustainable development. This lays a solid cultural foundation for Hangcha's advancement toward becoming a world-class logistics equipment manufacturer.



V. Main Operating Results during the Reporting Period

For the reporting period, the Company achieved an operating income of RMB 16,486 million, representing a YoY increase of 1.15%, net profit attributable to shareholders of the listed company of RMB 2,022 million, a YoY increase of 17.86%, and net profit after deduction of non-recurring gains and losses attributable to the shareholders of the listed company of RMB 1,989 million, a YoY increase of 17.82%.

1. Main Operating Results

(1) Analysis of changes in related items of income statements and cash flow statements

Unit: Yuan Currency: CNY

Item	Current period cumulative	Preceding period comparative	Change (%)
Operating income	16485830318.58	16298640931.47	1.15
Operating cost	12603220242.48	12915289176.66	-2.42
Selling expenses	728012409.97	597205662.69	21.90
Administrative expenses	406617549.36	345284671.71	17.76
Financial expenses	-48510954.71	-83448333.12	N/A
R&D expenses	774177062.16	739836786.84	4.64
Net cash flows from operating activities	1336825600.12	1632087180.34	-18.09
Net cash flows from investing activities	-527633144.34	-495592261.78	6.47
Net cash flows from financing activities	-522752549.34	-448367593.89	16.59

Reason for change in operating income: N/A

Reason for change in operating cost: N/A

Reason for change in selling expenses: N/A

Reason for change in administrative expenses: N/A

Reason for change in financial expenses: Mainly due to increase in interest income and changes in foreign exchange rates.

Reason for change in R&D expenses: N/A

Reason for change in net cash flows from operating activities: N/A

Reason for change in net cash flows from investing activities: N/A

Reason for change in net cash flows from financing activities: N/A

Details of significant changes in business types, profit composition, or profit sources of the Company in the current period

Applicable" Not applicable"

2. Income and cost analysis

Applicable" Not applicable"

For the reporting period, the Company recorded an operating income of RMB 16,486 million, a YoY increase of 1.15%, and an operating cost of RMB 12,603 million, a YoY decrease of 2.42%.

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

Unit: Ten thousand yuan Currency: CNY

Main operating results by product						
By product	Operating income	Operating cost	Gross profit (%)	Increase/decrease in operating income over the previous year (%)	Increase/decrease in operating cost over the previous year (%)	Increase/decrease in gross profit over the previous year (%)
Forklift and spare parts	1623152.75	1236950.61	23.79	1.10	-2.76	Increase by 3.03 pp
Main operating results by region						
By region	Operating income	Operating cost	Gross profit (%)	Increase/decrease in operating income over the previous year (%)	Increase/decrease in operating cost over the previous year (%)	Increase/decrease in gross profit over the previous year (%)
Domestic	938545.24	762683.13	18.74	-1.40	-3.24	Increase by 1.54 pp
Overseas	684607.51	474267.48	30.72	4.75	-1.98	Increase by 4.76 pp

Notes for main operating results by industry, product, region, and sales model

None

(2). Analysis of production and sales volumes

Applicable" Not applicable"

Main product	Unit	Production volume	Sales volume	Inventory	Increase/decrease in production	Increase/decrease in sales	Increase/decrease in inventory
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s			e	volume	volume over the previous year (%)	volume over the previous year (%)	volume over the previous year (%)
Forklifts, etc.	Unit	279823	280012	19054	12.81	14.06	-0.98

Notes for production and sales volumes

None

(3). Performance of significant purchase and sales contracts

" Applicable" " Not applicable"

(4). Cost analysis

Unit: Ten thousand yuan Currency: RMB

By product							
By product	Cost components	Amount for the current period	Proportion of total cost in the current period (%)	Amount over the same period of the previous year	Proportion of total cost in the same period last year (%)	Change in amount in the current period over the same period last year (%)	Information Note
Forklifts, etc. and accessories	Raw materials	1113029.40	92.97	1162264.45	93.40	-4.24	
Forklifts, etc. and accessories	Labor and wages	35852.78	2.99	30383.23	2.44	18.00	
Forklifts, etc. and accessories	Depreciation	7714.61	0.64	7626.22	0.62	1.16	
Forklifts, etc. and accessories	Energy	8485.60	0.71	7527.84	0.60	12.72	
Forklifts, etc. and accessories	Other	32188.12	2.69	36562.09	2.94	-11.96	

Notes for other information in cost analysis

None

(5). Changes in the scope of consolidation resulting from changes in equity interests in major subsidiaries during the reporting period

Applicable" Not applicable"

(6). Details regarding significant changes or adjustments in the Company's business, products, or services during the reporting period

Applicable" Not applicable"

(7). Key clients and suppliers

A. Key clients

Applicable" Not applicable"

The sales from the top five clients were RMB 113,602.85Ten thousand yuan, accounting for 6.89% of the total annual sales; the related party sales in sales from the top five clients were RMB 0, accounting for 0% of the total annual sales.

During the reporting period, the proportion of sales to a single customer exceeds 50% of the total, or there are new customers or a heavy reliance on a few customers among the top 5 customers

Applicable" Not applicable"

B. Key suppliers

Applicable" Not applicable"

The purchases from the top five suppliers were RMB 217,734.35Ten thousand yuan, accounting for 18.59% of the total annual purchases; the related party purchases in purchases from the top five suppliers were RMB 116,831.06Ten thousand yuan, accounting for 9.97% of the total annual purchases.

During the reporting period, the proportion of purchases from a single supplier exceeds 50% of the total, or there are new suppliers or heavy reliance on a few suppliers among the top 5 suppliers

Applicable" Not applicable"

Other notes:

None

3. Expenses

Applicable" Not applicable"

Unit: RMB 10,000 Currency: RMB

Item	Amount for the current period	Amount in the previous period	Change (%)	Reason for change
Financial expenses	-4851.10	-8344.83	N/A	Mainly due to decrease in interest income and changes in foreign exchange rates.

4. R&D investment**(1). R&D investment**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

R&D investment as expenses in the current period	774177062.16
R&D investment as capital in the current period	
Total R&D investment	774177062.16
Proportion of total R&D investment to Operating income	4.70
Proportion of R&D investment as capital	

(2). R&D personnel

"√ Applicable" "□ Not applicable"

Number of R&D personnel	1151
Proportion of number of R&D personnel to total number of employees (%)	17.85
Educational background of R&D personnel	
Educational background category	Personnel by educational background
Doctor	1
Master	91
Bachelor's degree	563
Junior college	309
Senior high school or below	187
Age composition of R&D personnel	
Age composition category	Personnel by age composition
Younger than 30 (excluding 30)	407
30 - 40 (including 30, excluding 40)	454
40 - 50 (including 40, excluding 50)	205
50 - 60 (including 50, excluding 60)	80
60 and elder	5

(3). Notes

"□ Applicable" "√ Not applicable"

(4). Reasons for material changes in the composition of R&D personnel and their impact on the Company's future development

"□ Applicable" "√ Not applicable"

5. Cash flows

"√ Applicable" "□ Not applicable"

Unit: RMB 10,000 Currency: RMB

Item	Amount for the current period	Amount in the previous period	Change (%)	Notes

Cash receipts from withdrawal of investments		10220.56	-100.00	Mainly due to decrease in cash recovered from wealth management in the current period.
Cash receipts from investment income	2849.00	895.85	218.02	Mainly due to increase in dividends received from shareholding in companies in the current period.
Other cash receipts related to investing activities	99.68	855.00	-88.34	Mainly due to merger of businesses under common control.
Cash payments for investments	9289.41		100.00	Mainly due to increase in scale of wealth management in current period.
Net cash payments for the acquisition of subsidiaries & other business units	2986.00	727.26	310.58	Mainly due to increase in acquisition of businesses under common control in the current period.
Other cash payments related to investing activities	176.22	3460.89	-94.91	Mainly due to decrease in losses from derivative financial products in the current period.
Cash receipts from absorbing investments	5001.20	3189.64	56.79	Mainly due to capital increase of subsidiaries (by minority shareholders) in the current period.
Other cash receipts related to financing activities	23000.00	5479.02	319.78	Mainly due to increase in notes discount proceeds received by the Company.
Cash payments for repayment of borrowings	150148.63	103779.77	44.68	Mainly due to increase in repayment of loans in the current period.
Other cash payments related to financing activities	4670.31	16028.96	-70.86	Mainly due to decrease in equity repurchases in the current period.
IV. Effect of foreign exchange rate changes on cash & cash equivalents	1507.89	6807.66	-77.85	Mainly due to exchange rate fluctuations affecting foreign currencies held by the Company.

2. Notes for Significant Changes in Profits due to Non-Operating Activities

Applicable" Not applicable"

3. Analysis of Assets and Liabilities

Applicable" Not applicable"

(1) Assets and liabilities

Unit: Ten thousand yuan Currency: RMB

Item Name	Closing balance of the current period	Proportion of closing balance of the current period to total assets (%)	Closing balance of the previous period	Proportion of closing balance of the previous period to total assets (%)	Proportion of change in closing balance of the current period to that of the previous period (%)	Notes
Held-for-trading financial assets	8000.03	0.49			100.00	Mainly due to increase in wealth management products.
Accounts receivable	246639.74	15.07	161923.25	11.57	52.32	Mainly due to increase in foreign payments receivable.
Receivables financing	28259.78	1.73	20559.03	1.47	37.46	Mainly due to increase in unendorsed bankers' acceptance bills retained at the end of the current period.
Advances paid	34348.61	2.10	49749.47	3.55	-30.96	Mainly due to decrease in prepayment for materials.
Other receivables	27483.49	1.68	15337.32	1.10	79.19	Mainly due to increase in export tax rebates receivable.
Contract assets	10809.96	0.66	7905.83	0.56	36.73	Mainly due to increase in warranty security receivables.
Construction in progress	58483.70	3.570	42532.92	3.04	37.50	Mainly due to increase in investment in construction in progress in the current period.
Right-of-use assets	17462.65	1.070	10452.77	0.75	67.06	Mainly due to increase in housing lease and lease terms in the current period.

Long-term prepayments	2555.99	0.16	1645.87	0.12	55.30	Mainly due to increase in deferred decoration expenses.
Deferred tax assets	11690.98	0.71	8100.00	0.58	44.33	Mainly due to increase in deductible temporary differences caused by lease transactions.
Other non-current assets			3075.00	0.22	-100.00	Mainly due to transfer of land payment to intangible assets.
Short-term borrowings	33174.23	2.03	92784.24	6.63	-64.25	Mainly due to decrease in short-term bank borrowings.
Derivative financial liabilities	36.68	0.002	0.39	0.00003	9278.45	Mainly due to change in fair value of forward foreign exchange transactions caused by fluctuations of US dollar exchange rates.
Notes payable	88133.02	5.39	57529.24	4.11	53.20	Mainly due to increase in bankers' acceptance bills issued for settlement for materials in the current period.
Contractual liabilities	30771.56	1.88	59970.09	4.29	-48.69	Mainly due to decrease in advance collection of payment for goods.
Non-current liabilities due within one year	62979.88	3.85	2591.34	0.19	2330.40	Mainly due to increase in reclassification of long-term borrowings in the current period.

Long-term borrowings	5471.71	0.33			100.00	Mainly due to increase in long-term bank borrowings in the current period.
Lease liabilities	14390.99	0.88	7446.00	0.53	93.27	Mainly due to increase in housing lease and lease terms in the current period.
Deferred income	9342.76	0.57	5416.17	0.39	72.50	Mainly due to increase in government subsidies in the current period.
Deferred tax liabilities	64.70	0.004	6.63	0.0005	876.33	Mainly due to increase in taxable temporary differences caused by lease transactions.
Share capital	130981.20	8.00	93558.00	6.69	40.00	Mainly due to conversion of capital reserves into capital in the current period.
Other comprehensive income	-390.13	-0.02	-1052.97	-0.08	N/A	Mainly due to changes in other comprehensive income that can be reclassified to profit or loss in equity method.

Other notes:

None

(2) Overseas assets

Applicable" Not applicable"

a. Size

Where: The overseas assets were 171,638.72 (Unit: Ten thousand yuan Currency: CNY), accounting for 10.49% of the total assets.

b. Notes for the relatively high proportion of overseas assets

Applicable" Not applicable"

(3) Major asset restrictions as of the end of the reporting period

Applicable" Not applicable"

Unit: RMB Currency: RMB

Item	Book value at the end of the period	Reason for restriction
Monetary funds	21351980.10	Letter of guarantee bond, letter of credit bond, bankers' acceptance bill bond, and performance bond
Monetary funds	12041120.00	Restricted use due to incomplete bank account information of a newly established company
Intangible assets	31159743.70	Mortgage of borrowings

(4) Other notes

" Applicable" " Not applicable"

4. Industry Operating Information Analysis

" Applicable" " Not applicable"

For details, refer to the relevant information in "Section III Management Discussions and Analyses" of the report.

5. Investment Analysis

General analysis of external equity investment

Applicable" Not applicable"

The Company continued to expand upstream and downstream around its main business and strengthened the capacity building of key business modules and the service capacity building of aftermarket. The Company increased the capital of Hangcha Gaokong, Hangcha Leasing, and Tianjin Financing, among others, by RMB 276 million, and invested RMB 37.7 million in newly established Hangcha Yunrui and Hangbo Electric. The actual investment in international market development reached more than RMB 33 million. The total investment reached RMB 349 million in the whole year.

(1) Significant equity investments

Applicable" Not applicable"

(2) Significant non-equity investments

Applicable" Not applicable"

(3) Financial assets measured at fair value

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Asset category	Opening balance	Gains and losses from fair value changes in the current period	Cumulative fair value changes recognised in equity	Impairment in the current period	Purchase amount in the current period	Amount sold/redeemed in the current period	Other changes	Closing balance
Other	231181699.79	333.33			5826487334.82	5668745595.97		388923771.97
Total Amount	231181699.79	333.33			5826487334.82	5668745595.97		388923771.97

Securities investment

Applicable" Not applicable"

Notes for securities investment

Applicable" Not applicable"

Investment in private equity funds

Applicable" Not applicable"

Investment in derivative

Applicable" Not applicable"

a. Investment in derivatives for hedging purpose during the reporting period

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Type	Initial investment amount	Book value at the beginning of the period	Gains and losses from fair value changes in the current period	Cumulative fair value changes recognised in equity	Purchase amount in the reporting period	Sales amount in the reporting period	Book value at the end of the period	Proportion of closing book value to the Company's net assets at the end of the reporting period (%)
Forward contracts of foreign exchange		-3911.26	-362926.37		242985500.00	199995500.00	-366815.63	-0.0003
Total Amount		-3911.26	-362926.37		242985500.00	199995500.00	-366815.63	-0.0003
Significant changes in the accounting policies and specific accounting principles of hedging business during the reporting period compared to the same period in the previous year	No significant changes							
Actual gains or losses during the reporting period	During the reporting period, the actual loss of derivatives transactions for hedging purposes was RMB -799,200							
Effect of hedging	The Company mitigates risks in the foreign exchange market through foreign exchange hedging. Exchange rate fluctuations during the reporting period did not have a significant adverse impact on the Company							

Source of funds for investment in derivatives	Self-owned funds
Position risk analysis and control measures for derivatives during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	
Changes in the market prices or the fair values of the invested derivatives during the reporting period, the analysis of the fair values of derivatives shall disclose the specific method used and the setting of relevant assumptions and parameters	
Whether it is involved in litigation (if applicable)	
Date of announcement of the Board Meeting to approve investment in derivatives (if any)	
Date of announcement of the Shareholders' Meeting to approve investment in derivatives (if any)	

b. Investment in derivatives for speculative purposes during the reporting period
 Applicable" Not applicable"

Other notes:
 None

(4). Details on progress of major asset restructuring and integration during the reporting period

Applicable" Not applicable"

6. Significant Asset and Equity Sales

Applicable" Not applicable"

7. Analysis of Major Companies with Controlling or Minor Interests

Applicable" Not applicable"

Unit: RMB 10,000 Currency: RMB

Company name	Registered capital	Equity held by the Company (%)	Total assets as of the end of 2024	Net profit for 2024
Hangzhou Forklift Frame	5040.00	65.00	65362.46	3103.54
Hangzhou Forklift & Metal Working & Welding	4000.00	71.37	34086.09	2397.51
Hangcha Bridge Box	3000.00	62.33	21125.36	2088.58
Jinan Hangcha	1275.00	35.00	3948.34	635.54
Guangzhou Zhehang	1100.00	34.09	4452.31	298.02
Shanghai Hangcha	1300.00	35.00	10882.18	696.69
Hangcha Imp.&Exp.	2070.00	51.07	221927.32	2692.68
Hangcha Casting	4500.00	77.78	10640.71	414.21
Hangcha Electric Appliance	2000.00	65.35	36311.96	2416.18
Zhongce Haichao	350000.00	27.8571	4688575.40	317343.21

8. Structured Entities Controlled by the Company

Applicable" Not applicable"

VI. Discussions and Analyses of the Company's Future Development

1. Industry Landscape and Trends

Applicable" Not applicable"

a. Industry competition landscape

2024 witnessed dramatic changes in the global political and economic context. The world economy slowed down amidst differentiation, with intensifying pressures of a downward trajectory. Global market demand declined. However, the Chinese industrial vehicle industry once again demonstrated strong

resilience in withstanding market shocks and challenges. The industry's annual production and sales volumes remained above one million units, continuing to lead the global market. The industry forged ahead with accelerating paces of high-end, digital, and green development. While experiencing rapid development, enterprises have yet to enhance their innovation awareness and technological level in the industry. Their quality management and service awareness also needs further strengthening. Homogenization and low-price competition persist, highlighting the increasing importance of enterprises' comprehensive competitive advantages. Single-dimensional advantages are no longer sufficient to support the long-term development of enterprises, and the entire industry chain requires improvement and collaboration. As a result, under the current highly competitive forklift market, industry-leading enterprises with significant advantages in branding, scale, R&D, technology, channels, quality, and service will gain greater competitive advantages. The economy of scale is becoming increasingly apparent, and industry concentration is rapidly intensifying, with the market gradually concentrating towards large-scale, strong enterprises. With the rapid development of industry leaders, the global competitiveness of Chinese industrial vehicle enterprises continues to improve, their global market share gradually expands, and their market influence continues to strengthen.

b. Industry trends

A new round of technological and industrial revolutions is burgeoning globally. The deep integration of digitalization, new energy, and intelligent manufacturing with industrial activities is injecting diverse growth momentum into the industrial vehicle industry, including new technologies, models, business formats, and platforms. Digitalization, electrification, and internationalization are becoming major trends in the industrial vehicle industry, while the application scenarios of industrial vehicles becoming increasingly broad. Countries around the world are continuously strengthening environmental protection requirements; China keeps implementing the national strategy for carbon peaking and neutralization and supply-side structural reforms; industry emission standards are gradually being upgraded; the product structure of industrial vehicles is continuously optimized; the sales volume of forklifts with traditional internal combustion engines are expected to gradually decrease; the trend towards new energy, intelligence, segmentation, and scenario-specific products is becoming more pronounced; technological innovation is leading the aggregation of production factors towards the high end; the ratio in forklifts using fuels to those using electric power is also undergoing positive changes. In 2024, the sales volume of electric industrial vehicles accounted for 73.61%, and the proportion of electric industrial vehicles will continue to increase in China. The expansion in the sales of new energy industrial vehicles, warehouse vehicles, intelligent industrial vehicles and parts, forklift leasing, and after-sales markets such as re-manufacturing have become new growth hotspots and directions for the industry's development. Enterprises with leading capabilities in technological system integration within the industry are gradually transforming from product suppliers to overall solution providers against the backdrop of the increasingly urgent need for comprehensive, professional, high-quality, and efficient services in intelligent manufacturing, intelligent logistics, and artificial intelligence. Artificial intelligence technology is also widely applied to the production and manufacturing processes of industrial vehicles.

Intelligent production management systems help realize precise control and optimization of production processes, reduce production costs, and improve product quality and production efficiency.

2. Company Development Strategy

Applicable" Not applicable"

Upholding its mission of "Making material handling easier," we will focus on a development strategy centered around "specialized production, brand-oriented operation, group operation, and international integration." Key initiatives include optimizing our product structure, building innovative platforms, promoting digital and intelligent manufacturing, improving organizational system governance, and forging a brand culture. We will closely track the trends of digitalization, green development, intelligence, high-end manufacturing, and internationalization within the industrial vehicle industry. On a new journey to build a world-class high-end equipment manufacturer, we provide intelligent logistics solutions to the global market in pursuing the vision of "To be the best forklift truck manufacturer in the world."

3. Operational Plan

Applicable" Not applicable"

In 2025, under the leadership of the Board of Directors, we will leverage our strengths in forward-looking strategic decision-making and efficient strategic execution, adhere to high-level planning, solidify the foundation for business development, drive industrial innovation through multi-faceted efforts, accelerate the formation of new quality productive forces, and promote high-quality development of the Company. The Company will diligently carry out production and operation tasks with the overall goals of "continuously increasing the intensity of technological innovation, steadily and rapidly advancing internationalization, and vigorously developing strategic emerging industries."

We will continue to explore the new energy and intelligent manufacturing fields, deploy innovation chains along the industrial chain, keep technological renovation, facilitate the construction of intelligent manufacturing industrial bases for high-end, large-tonnage forklifts and reach trucks, enhance the core competencies of the Group in differentiated production capabilities across the entire industrial chain, and apply technological innovations to industrial development. We will further integrate resources, deeply fuse industrial ecological advantages and innovative thinking, and continuously transform them into strong innovative drivers for industrial development. We will make all possible efforts to facilitate the construction of intelligent logistics industry projects and forge new advantages in capabilities for executing projects delivering thousands of units worth hundreds of millions of yuan. We will further accelerate the transformation and upgrading of traditional advantageous industries to strategic emerging industries such as intelligent logistics and new energy, allowing strategic emerging industries to continuously become new pillars as they develop and expand. We will actively embrace artificial intelligence and precisely seize the window of AI technology development. By leveraging our rich experience in 5G, the Industrial Internet, and big data, we will go all out in the in-depth application of AI

technology to intelligent logistics, actively investing in the R&D of humanoid intelligent logistics robots, creating comprehensive AI intelligent logistics solutions, leading the transformation of the intelligent logistics industry through innovation, and seizing the commanding heights of industry development. We will carefully prepare for the opening and running of the Shiqiao Science and Technology Park to welcome global customers with a new posture, and comprehensively enhance the Company's standing and influence worldwide.

In terms of market expansion, we will adhere to a dual-drive strategy encompassing both domestic and international markets. We will effectively address increasingly fierce market competition through strong resource allocation capabilities and high operational efficiency. In the domestic market, we will continue to enhance our marketing team's strength and implement project targets and tasks with innovative concepts and effective policies. We will conduct in-depth analyses and draw lessons from the business development models of leading enterprises worldwide to achieve leapfrog development in the expansion of aftermarkets of leasing, spare parts, and services. In the international market, we will continue to promote the worldwide launching of products, technologies, and leasing/spare parts after markets, focusing on brand potential, product portfolio, channel building, efficiency improvement, and supporting policies and mechanisms. Our international business team will further widen their mindset, clarify roles, gradually establish a global key account management model, and build a dedicated software and hardware platform for key account services. We will further strengthen communication and cooperation between business teams and R&D teams, fully support pre-launch promotion, and competitor comparisons, and highlight extraction for new products. We will continue to facilitate the overseas deployment of lithium batteries and entire vehicle leasing projects to achieve new breakthroughs in business model transformation and upgrading.

In terms of enterprise operation and management, we will accelerate the transformation of marketing with Internet thinking and reshape management and business models using digitalization. We will deepen the development of digital platforms for overseas operations, build digital twin mapping mechanisms, and create highly efficient management models based on digital systems. By managing global markets with digital systems, we will be able to directly address the real needs of global customers, and comprehensively improve the Company's capabilities in R&D innovation, product iteration, delivery, and risk management.

4. Possible Risks

"√ Applicable" "□ Not applicable"

a. Risks from the external operating environment

The current international environment is highly complex and uncertain with ongoing geopolitical conflicts. The numerous challenges facing the global economy introduce uncertainty into the stability of the global and regional markets. These adverse factors have led to a significant slowdown in domestic and international market demand for logistics equipment. Potential changes in tariff policies and other aspects of the international business environment could directly impact the Company's export business.

The robust growth of the Company's business is closely related to changes in the domestic and international political and economic environment, particularly in important overseas markets such as Europe and the Americas, where long-term partnerships exist.

Countermeasures: We will empower operations through multi-dimensional innovation in management, R&D, marketing, and production to build core competencies and enhance risk resistance. We are also actively planning and optimizing the Company's overseas layout. Through equity investment, acquisitions, and own operations, we will rapidly build complete vehicle manufacturing bases globally, accelerate the Company's internationalization and localization, flexibly and rationally avoid tariff barriers in different regions, and further expand our international market share.

b. Risk of intensifying industry competition

The forklift market is experiencing intense competition against the backdrop of continuously rising global economic uncertainty. Homogeneous products are a prominent problem in the industrial vehicle sector, and the influx of new engineering machinery brands has significantly increased the risk of competition. The industry is undergoing profound changes inside. The market of traditional forklifts with internal combustion engines is undergoing continuous shrinking, while the electric forklift market, particularly the new energy forklift sector, is showing strong growth momentum. Demand for automated guided vehicles (AGVs) is surging, and the proportion of electric vehicles and warehouse forklifts in sales is steadily increasing, becoming a new engine driving industry development. This change has not only reshaped the market demand structure but has also intensified market competition.

Countermeasures: To effectively address the complex, volatile, and increasingly competitive market environment, we pay special attention to deepening our core competencies, concentrate on key areas such as marketing services, R&D innovation, intelligent production, and brand promotion, continuously consolidate and expand our advantages in technological leadership, cost control, channel expansion, product quality, and after-sales service. In terms of R&D innovation, we will closely follow our new energy development strategy and continuously increase R&D investment and market promotion for new energy forklifts, intelligent logistics overall solutions, and system integration products. We will accelerate the transformation and upgrading of key products, continuously broadening and deepening our product line to meet diversified market demands. In terms of marketing services, we will flexibly adjust our business structure, optimize operating strategies, strengthen the after-sales service system, and actively promote internationalization. We work to enhance market competitiveness and brand value through differentiated products and services. By deepening customer insights and improving support and service levels for dealers, we will more accurately grasp market dynamics, effectively expand market share, further consolidate our leading position in the domestic market, and gradually build a significant competitive advantage in the international high-end market. These measures will help the Company ensure its ability to continuously spearhead industry trends, meet the ever-changing needs of customers, and achieve sustainable development.

c. Risk of exchange rate fluctuations

The Company's sales in overseas markets expand continuously as the Company's internationalization process steadily progresses and deepens. The Company's international accounts will be subject to exchange rate fluctuations to a greater extent. Given the ongoing escalation of geopolitical conflicts and the complex and volatile international environment, the trend of overseas markets and the Renminbi exchange rate is haunted by extreme uncertainty, which will have a significant impact on the Company's earnings.

Countermeasures: We will closely and actively monitor the dynamics of the global financial market and changes to national exchange rate policies. We will strengthen risk prevention awareness and rationally utilize financial instruments to actively manage exchange rate risk and diversify the impact of exchange rate fluctuations. For regions where transactions can be settled in Renminbi, we will stipulate Renminbi payments in contracts to avoid exchange rate fluctuation risks. We will accelerate optimizing our international marketing network, establishing more subsidiaries and sales networks in key foreign markets, and building a multi-tiered parts supply and after-sales service system covering major markets. This will further enhance our product marketing and service capabilities and reduce the adverse impact of potential exchange rate fluctuations.

d Management risks associated with expansion

The Company's business scale has continued to grow, directly resulting in a significant increase in the Company's assets and personnel along with the Company's comprehensive expansion in both international and domestic markets in recent years. As the scale continues to expand, fine management is increasingly critical in improving the Company's operational efficiency and effectiveness. Looking ahead, we will face greater management challenges in building efficient operating mechanisms, formulating forward-looking strategic plans, optimizing organizational structure design, strengthening operational management levels, refining capital allocation, and improving the internal control system. We will face management risks associated with business expansion if we fail to adjust our management concepts and methods in a timely and effective manner.

Countermeasures: We will implement an excellent performance management model, continuously innovate management mechanisms, and draw on and promote advanced management experiences suitable for the Company's development. We will build a digital group governance system to achieve real-time monitoring, data analysis, and intelligent decision-making for all aspects of the Company's business, improving the accuracy and timeliness of management. We will establish a modern, scientific management system that adapts to the Company's development needs to ensure standardized, scientific, and efficient management through regulations and procedures. These efforts will ensure that we maintain a stable and efficient operating momentum while continuing to expand, achieving our sustainable development goals.

5. Other

Applicable" " Not applicable"

VII. Notes for non-disclosure according to the standards due to special reasons such as non-applicability of the standards or state secrets and commercial secrets and reasons

Applicable" Not applicable"

Chapter 4 Corporate Governance

1. Statement on Corporate Governance Situation

Applicable" Not applicable"

During the reporting period, the company strictly adhered to the Company Law, Securities Law, the Code of Corporate Governance for Listed Companies, and the relevant requirements of the China Securities Regulatory Commission (CSRC) and Shanghai Stock Exchange. We continuously optimized the standardized operational mechanism of the "three meetings and one level" (i.e., the Shareholders' Meeting, Board of Directors, Board of Supervisors, and the management level). Through the iterative upgrades of our information platform, we further strengthened the internal control system to ensure scientific and efficient decision-making, precise execution, and comprehensive supervision. We consistently enhanced the quality of information disclosure to ensure that the information is real, accurate, and complete, while also being expressed in a clear, straightforward, and easily understandable manner. We actively expanded communication channels with investors to effectively protect the legal rights of investors, especially those of small and medium-sized investors. Our directors, supervisors, and senior management strictly comply with laws and regulations as well as the company's internal rules, faithfully fulfilling their responsibilities to promote the company's legal compliance, integrity, and steady development.

(1) Improvement of the System Framework: We revised and added governance systems to enhance the company's standardization level. Based on the latest laws, regulations, and exchange rules, we revised four existing systems: the "Working Rules for Independent Directors," the "Working Rules for the Audit Committee of the Board," the "Working Rules for the Nomination Committee of the Board," and the "Working Rules for the Compensation and Assessment Committee of the Board." We also added a new "Annual Selection System for Audit Accounting Firms" to ensure that our corporate governance systems are up-to-date and aligned with regulatory requirements.

(2) Regulated and Effective Operations of the Shareholders' Meeting, Board of Directors, and Board of Supervisors. Since being listed, the company has established relevant governance systems, including the "Rules of Procedure for Shareholders' Meetings," "Rules of Procedure for Board Meetings," and "Rules of Procedure for Supervisory Meetings." The responsibilities of the three meetings are clearly defined, reasonable, rigorous, and standardized, and these responsibilities are effectively implemented. The operating procedures of the three meetings comply with relevant laws, regulations, and the provisions of the Articles of Association, and the operation records are standardized and complete. The archive management is organized, categorized, and orderly.

a. Regarding Shareholders and the Shareholders' Meeting: During the reporting period, the company held one Shareholders' Meeting. The company strictly adhered to the requirements of the Company Law,

the Shanghai Stock Exchange Listing Rules, and the Rules of Procedure for Shareholders' Meetings in convening and conducting the meeting. The preparation for the meeting, the proposals, the meeting procedures, the voting and resolutions, as well as information disclosure all complied with regulatory requirements. The company ensured that all shareholders exercised their legal rights through various channels. A mechanism for separate voting for small and medium-sized investors was established for the relevant resolutions reviewed at the Shareholders' Meeting, which utilized a combination of on-site voting and online voting for decision-making. A lawyer was present at the Shareholders' Meeting to provide on-site verification and issue a legal opinion.

b. Regarding Directors, the Board of Directors, and Specialized Committees: During the reporting period, the company held ten Board of Directors meetings. All directors attended the meetings with diligence and integrity, stayed informed about relevant laws and regulations, and carefully reviewed proposals to ensure the scientific and rational nature of major decisions. The independent directors maintained their independence, actively participated in their duties, expressed independent opinions on relevant matters, played a supervisory role, and safeguarded the interests of the company and medium to small shareholders. The four specialized committees under the Board of Directors—namely the Strategy Committee, Audit Committee, Nomination Committee, and Compensation and Assessment Committee—boasted reasonable member structures and strong professional expertise, working collaboratively to ensure the Board's efficient performance.

c. Regarding Supervisors and the Board of Supervisors: During the reporting period, the company held four meetings of the Board of Supervisors, effectively exercising its supervisory function. The Board of Supervisors strictly implemented the relevant provisions of the Company Law, the Articles of Association, and the Rules of Procedure for Supervisory Meetings, diligently fulfilling its responsibilities. The Board supervised and inspected the company's finances, significant matters, related party transactions, and the performance of directors and senior management, and provided independent opinions on the periodic reports, effectively safeguarding the rights and interests of the company and its shareholders.

(3) Standardization of the Behavior of Controlling Shareholders and Actual Controllers. The company's controlling shareholder exercises rights and fulfills obligations in accordance with the law, strictly adhering to the principle of good faith, without interfering in the company's decision-making and operations beyond the authority of the Shareholders' Meeting. The company maintains independence from the controlling shareholder in terms of personnel, assets, finances, organizational structure, and business, ensuring that the Board of Directors, Board of Supervisors, and internal management operate independently. There are no actions taken by the controlling shareholder or actual controller that would infringe on the company's funds or assets, or harm the interests of the company and other shareholders, through related party transactions, asset restructuring, external investments, guarantees, profit distributions, etc. During the review of relevant proposals, a strict conflict-of-interest avoidance system is implemented.

(4) Strengthening Information Disclosure and Preventing Insider Trading. The company strictly follows the requirements of relevant laws and regulations as well as its own "Information Disclosure Management System," ensuring that company information is disclosed in a truthful, accurate, complete, and timely manner through the Shanghai Stock Exchange website and the Securities Times, among others. This guarantees that the company's information disclosure is public, fair, and just, ensuring that all investors can access company information equitably, enhancing the target specificity and effectiveness of the information disclosed, and facilitating investors' value judgments and investment decisions. The company also manages confidentiality prior to information disclosure and maintains a registry of insiders related to major matters.

The "Insider Information Registry Management System" is strictly implemented for registering insiders, continuously reinforcing insider information management, adhering to a preventive principle, prudently handling various confidential matters, and striving to minimize the scope of knowledge. The registration of insiders is conducted during board meetings, supervisory meetings, and management team meetings prior to the disclosure of periodic reports. The company strictly controls the external transmission of undisclosed financial information.

(5) Actively Maintaining Investor Relations and Communication. The company has always emphasized the balance between sustainable development and the return on investment for shareholders, successfully implementing the profit distribution plan for 2023 to create substantial economic returns for investors. The company places high importance on investor relations, led by the Board Secretary, with a dedicated person in the Board Office responsible for investor relations management. Various methods such as telephone communication, email exchanges, online performance briefings, investor strategy meetings, Shanghai Stock Exchange E-interaction, on-site communications, investor engagement activities, collective reception days, roadshows, and counter roadshows are used to comprehensively and systematically convey the company's operating status to investors, answer their questions, and understand their opinions and suggestions regarding corporate governance and development, thereby improving the bidirectional communication mechanism with investors.

Is there a significant difference between company governance and the regulations of the China Securities Regulatory Commission (CSRC)? If there are significant differences, the reasons should be explained.

Applicable" Not applicable"

2. Specific Measures Taken by the Company's Controlling Shareholders and Actual Controllers to Ensure the Independence of Company Assets, Personnel, Finances, Organizational Structure, and Business, as well as Solutions, Work Progress, and Future Work Plans Related to Issues Affecting Company Independence

Applicable" Not applicable"

Hangcha Holding, as the actual controlling entity of the company, strictly fulfills its relevant obligations in accordance with the Company Law, Securities Law, and other legal regulations, ensuring

independence in terms of personnel, assets, finances, organizational structure, and business. During the reporting period, the company made and implemented major decisions independently, and there were no instances of the actual controlling entity intervening in the company's decisions or operational activities bypassing the Shareholders' Meeting.

The Situation Regarding the Controlling Shareholder, Actual Controllers, and Their Controlled Entities Engaging in Similar or Related Businesses, the Impact of Significant Changes in Industry Competition on the Company, Measures Taken, Progress of Solutions, and Future Resolution Plans

Applicable" Not applicable"

3. Overview of the Shareholders' Meeting

Session	Date of convening	Query Index for Resolutions Published on Designated Website:	Date of Resolution Disclosure:	Resolution
2023 Annual General Meeting of Shareholders	05/10/2024	http://www.sse.com.cn	05/11/2024	See "Announcement of Resolutions of the 2023 Annual Shareholders' Meeting of Hangcha Group Co., Ltd." (Announcement No.: 2024-019)

Preferred shareholders whose voting rights have been restored request an extraordinary general meeting of shareholders

Applicable" Not applicable"

Explanation of the Shareholders' Meeting

Applicable" Not applicable"

During the reporting period, the company held one shareholders' meeting, convened by the company's Board of Directors. The meeting was chaired by Mr. Zhao Limin, the company's Chairman. The company's directors, supervisors, senior executives, and legal advisors participated in the meeting. The convening and procedures of the meeting complied with the laws, regulations, and the company's Articles of Association. The qualifications of the convener and the attendees were legal and valid, and the voting procedures complied with the provisions of the Articles of Association, making the voting results legal and valid.

4. Directors, Supervisors, and Senior Management Situation:

(1) Changes in shareholdings and remuneration of current and departing directors, supervisors, and senior executives during the reporting period.

"√ Applicable" "□ Not applicable"

Unit: Share

Name	Title	Gender	Age	Commencement Date of the Term	Termination Date of the Term	Beginning of Year Shareholding	End of Year Shareholding	Change in Shareholding During the Year	Reason for Change	Total Pre-Tax Compensation Received from the Company During the Reporting Period	Whether to receive remuneration from related parties of the Company
Zhao Limin	Chairman and General Manager	Male	68	09/26/2019	09/08/2025	20440010	28616014	8176004	Capital reserve conversion	215	No
Lu Hongbo	Vice chairman	Female	49	09/07/2020	04/07/2025	0	0	0			Yes
Qiu Jianping	Director	Male	63	09/26/2019	09/08/2025	0	0	0			Yes
Xu Zheng	Director	Female	41	09/26/2019	09/08/2025	0	0	0			Yes
Xu Zhengyu	Director and Chief Engineer	Male	55	09/26/2019	09/08/2025	2487461	3482445	994984	Capital reserve conversion	148.8	No
Zhao Yuchen	Director	Male	36	05/10/2023	09/08/2025	0	0	0			Yes
Zhu Yaer	Independent Director	Female	61	09/09/2022	09/08/2025	0	0	0		10	No
Shou Jian	Independent Director	Male	54	09/26/2019	09/08/2025	0	0	0		10	No

Cai Yunfeng	Independent Director	Male	47	09/26/2019	09/08/2025	0	0	0		10	No
Hong Yi	Chairman of the supervisory board	Female	55	09/26/2019	09/08/2025	0	0	0			Yes
Yan Hao	Supervisor	Male	36	05/10/2023	09/08/2025	0	0	0			Yes
Wang Xiaoming	Supervisor	Male	43	09/26/2019	09/08/2025	0	0	0			Yes
Fu Kaihua	Workers' Supervisor	Male	54	09/26/2019	09/08/2025	0	0	0		31.1	No
Chen Yuanyuan	Workers' Supervisor	Female	41	09/26/2019	09/08/2025	7000	9800	2800	Capital reserve conversion	21.7	No
Jin Huashu	Deputy General Manager	Male	47	09/09/2022	09/08/2025	573028	802239	229211	Capital reserve conversion	143.6	No
Wang Guoqiang	Deputy General Manager	Male	60	09/09/2022	09/08/2025	863885	1209439	345554	Capital reserve conversion	158.3	No
Chen Saimin	Assistant General Manager, Secretary of the Board	Male	59	09/26/2019	09/08/2025	3050000	4270000	1220000	Capital reserve conversion	132.7	No
Wu Jianxin	Assistant General Manager	Male	60	09/09/2022	09/08/2025	471460	660044	188584	Capital reserve conversion	158.3	No

Jin Zhihao	Chief Designer	Male	61	09/26/2019	09/08/2025	3738758	5129161	1390403	Conversion of capital reserves and personal funding needs reduction	137.8	No
Zhang Shutong	Chief Accountant, Financial Officer	Male	60	06/28/2020	09/08/2025	0	0	0		112	No
Ren Haihua	Chief Economist	Male	46	09/26/2019	09/08/2025	433028	606239	173211	Capital reserve conversion	134.1	No
Li Yuansong	Deputy Chief Engineer	Male	48	09/26/2019	09/08/2025	297414	416380	118966	Capital reserve conversion	121.6	No
Zhou Suhua	Deputy Chief Engineer	Female	61	09/26/2019	09/08/2025	611917	856684	244767	Capital reserve conversion	121.6	No
Total Amount	/	/	/	/	/	32973961	46058445	13084484	/	1666.6	/

Name	Main Work Experience
Zhao Limin	Born in October 1956, Chinese nationality, member of the Communist Party of China, Senior Economist. Served as Deputy Director of the Dispatch Office, Factory Director, Head of the Manufacturing Department, and Deputy General Manager at Hangzhou Forklift General Factory. From April 2000 to May 2003, was the General Manager of Hangzhou Forklift Co., Ltd. From June 2003 to December 2008, served as the General Manager of the company. Since December 2008, has held the position of Chairman and General Manager of the company and has been the Party Secretary since May 2018. Currently serves as the Party Secretary, Chairman, and General Manager of the company.

<p>Lu Hongbo</p>	<p>Born in October 1976, Chinese nationality, member of the Communist Party of China, holds a master's degree in science, Senior Economist. From August 1999 to March 2000, served as Administrative Assistant in the Administration and Human Resources Department of Shanghai Sanjing Optoelectronics Medical Equipment Co., Ltd. From April 2000 to November 2005, served as Secretary to the General Manager and Youth League Secretary at Shanghai Feile Co., Ltd. From December 2005 to August 2016, held various positions at Hangzhou City Investment Asset Management Group Co., Ltd., including Deputy Manager of the Comprehensive Department, Manager of the Comprehensive Department, Deputy General Manager, General Manager, Party Branch Member, and Deputy Secretary of the Party General Branch; concurrently served as Chairman of Hangzhou City Scenery Industrial Co., Ltd. (formerly Hangzhou Hejing Real Estate Co., Ltd.) and Chairman of Hangzhou Chenglian Industrial Co., Ltd. From September 2016 to June 2018, served as Deputy Secretary of the Party Committee and General Manager of Hangzhou Residential Development Center Co., Ltd. Since September 2018, has served as Party Branch Secretary, Chairman, and General Manager of Hangshi Asset Management (Hangzhou) Co., Ltd. Became a director of Zhongce Rubber Group Co., Ltd. in June 2020 and served as Deputy Chairman of the company from September 2020 to April 2025.</p>
<p>Qiu Jianping</p>	<p>Born in January 1962, Chinese nationality, holds a master's degree in engineering. Served as Chairman and President of Hangzhou GreatStar Technology Co., Ltd. and Chairman of GreatStar Holding Group Co., Ltd. from July 2008 to March 2011. From March 2011 to October 2014, held positions as Chairman and President of Hangzhou GreatStar Technology Co., Ltd., Chairman of GreatStar Holding Group Co., Ltd., Chairman of Zhejiang Hangcha Holding Co., Ltd., and Director of Hangcha Group Co., Ltd. From October 2014 to October 2019, continued as Chairman and President of Hangzhou GreatStar Technology Co., Ltd., Chairman of GreatStar Holding Group Co., Ltd., Chairman of Zhejiang Hangcha Holding Co., Ltd., Director of Hangcha Group Co., Ltd., and Director of Zhejiang Guozi Robot Technology Co., Ltd. From October 2019 to December 2019, again held similar positions at Hangzhou GreatStar Technology Co., Ltd., GreatStar Holding Group Co., Ltd., Zhejiang Hangcha Holding Co., Ltd., Hangcha Group Co., Ltd., and was a Director of Zhejiang Guozi Robot Technology Co., Ltd. and Zhongce Rubber Group Co., Ltd. Since December 2019, serves as Chairman of Hangzhou GreatStar Technology Co., Ltd., Chairman of GreatStar Holding Group Co., Ltd., Chairman of Zhejiang Hangcha Holding Co., Ltd., Director of Hangcha Group Co., Ltd., Director of Zhejiang Guozi Robot Technology Co., Ltd., Director of Zhongce Rubber Group Co., Ltd., and Director of Zhejiang Xinchai Co., Ltd. Has been a director of the company since March 2011.</p>

Xu Zheng	<p>Born in March 1984, Chinese nationality, member of the Communist Party of China, holds a bachelor's degree, Senior Economist. From March 2011 to September 2017, served as Secretary to the Chairman of GreatStar Holding Group Co., Ltd., and as a Director of Hangzhou GreatStar Technology Co., Ltd. and Hangcha Group Co., Ltd. From September 2017 to April 2018, continued as Secretary to the Chairman of GreatStar Holding Group Co., Ltd., and served as a Director of Hangzhou GreatStar Technology Co., Ltd., Hangcha Group Co., Ltd., and Zhejiang Guozi Robot Technology Co., Ltd. From April 2018 to October 2019, served as Director of the Chairman's Office of GreatStar Holding Group Co., Ltd., and as a Director of Hangzhou GreatStar Technology Co., Ltd., Hangcha Group Co., Ltd., and Zhejiang Guozi Robot Technology Co., Ltd. From October 2019 to May 2020, held the position of Director of the Chairman's Office of GreatStar Holding Group Co., Ltd. and was a Director of Hangzhou GreatStar Technology Co., Ltd., Hangcha Group Co., Ltd., Zhejiang Guozi Robot Technology Co., Ltd., and Chairman of the Supervisory Board of Zhongce Rubber Group Co., Ltd. Since May 2020, serves as Director of the Chairman's Office of GreatStar Holding Group Co., Ltd., a Director of Hangzhou GreatStar Technology Co., Ltd., Hangcha Group Co., Ltd., and Chairman of the Supervisory Board of Zhongce Rubber Group Co., Ltd. Has been a director of the company since March 2011.</p>
Xu Zhengyu	<p>Born in October 1970, Chinese nationality, member of the Communist Party of China, committee member of the company's Party Committee, holds a bachelor's degree, Senior Engineer, enjoys special government allowances from the State Council. From July 1992 to February 2000, held various positions at Hangzhou Forklift General Factory, including Technician, Designer in the Research Institute, and Deputy Chief Designer. From March 2000 to May 2003, served as Chief Designer of the Research Institute at Hangzhou Forklift Co., Ltd. Since June 2003, has served in various roles including Deputy Director, Director, Deputy Chief Engineer, and Chief Engineer of the Research Institute; concurrently serves as a Director of Henan Jiachen Intelligent Control Co., Ltd. Since September 2019, has also been serving as a Director and Chief Engineer of the company.</p>
Zhao Yuchen	<p>Born in December 1989, Chinese nationality, holds a master's degree. Since December 2016, has served as Assistant to the General Manager and Deputy General Manager of Hangzhou West Lake Tiandi Development Co., Ltd.; concurrently held positions as a Director of Zhejiang Xinchai Co., Ltd. and Hangzhou Jinsong Younuo Electric Appliance Co., Ltd., as well as Executive Director of Hangzhou West Lake Tiandi Property Service Co., Ltd. and Hangzhou Taifeng Management Co., Ltd., and Executive Director and General Manager of Hangzhou Liangya Building Material Co., Ltd. Currently serves as Deputy General Manager of Hangzhou West Lake Tiandi Development Co., Ltd. and Executive Director and General Manager of Hangzhou Liangya Building Material Co., Ltd.</p>
Zhu Yaer	<p>Born in March 1964, holds a master's degree, Chinese nationality, member of the Jiusan Society, Associate Professor. Does not hold permanent residency abroad. From 2000 to present, serves as an Associate Professor at the Analytical Testing Center of Zhejiang University. Became an Independent Director of the company in September 2022.</p>

Shou Jian	Born in October 1971, Chinese nationality, holds a bachelor's degree in law and a master's degree in Public Administration from Nottingham Trent University, UK; qualified lawyer since 1995, member of the Communist Party of China. Previously worked at the Hangzhou Public Security Bureau, holding positions such as Chief of the Legal Affairs Section and Police Station Chief. Since February 2012, served as the Director of the Integrity Department at Alibaba Group, responsible for corporate discipline supervision and integrity culture development; currently serves as a Senior Director in the Security Department of Alibaba Group, focusing on major risk control. Has been an Independent Director of the company since September 2019.
Cai Yunfeng	Born in November 1978, Chinese nationality, member of the China Democratic League, holds a bachelor's degree. A Certified Public Accountant, Tax Advisor, and Senior Accountant. From December 2002 to May 2013, served as Deputy Section Chief at Hangzhou Jiangnan Tax Consulting Firm. Since June 2013, has served as Deputy Section Chief and Section Chief at Hangzhou Zhongming Tax Consulting Firm. Since December 2018, also holds the position of Chief Accountant at Hangzhou Zhongyin Accounting Firm. Has been an Independent Director of the company since September 2019.
Hong Yi	Born in August 1970, Chinese nationality. Since May 2011, serves as Deputy General Manager of GreatStar Holding Group Co., Ltd., General Manager of Hangzhou West Lake Tiandi Management Co., Ltd., and Deputy General Manager of Hangzhou West Lake Tiandi Development Co., Ltd. Since March 2013, has been the Chairman of the Supervisory Board of the company.
Yan Hao	Born in July 1989, Chinese nationality, member of the Communist Party of China, holds a master's degree. Graduated from the Central University of Finance and Economics with a master's degree in law. Previously served as a Project Manager for the Investment Banking Division at Bohai Securities Co., Ltd. and as an Investment and Post-Investment Management Specialist in the Asset Management Department at Hangzhou Industrial Investment Group Co., Ltd. Currently serves as Deputy Director of the Asset Management Department at Hangzhou Industrial Investment Group Co., Ltd.
Wang Xiaoming	Born in September 1982, Chinese nationality, holds a bachelor's degree, Intermediate Accountant. From July 2006 to December 2018, worked as an Accountant and Financial Manager at Hangzhou GreatStar Technology Co., Ltd. Since December 2018, serves as Financial Manager at Zhejiang Guozi Robot Technology Co., Ltd. Has been a Supervisor of the company since March 2011.
Fu Kaihua	Born in March 1971, Chinese nationality, member of the Communist Party of China, Technician, recipient of the Provincial May Day Labor Medal, and leader of the Provincial High-Skilled Talent (Model Worker) Innovation Studio. From July 1996 to September 2019, held various positions including Assembly Fitter, Special Group Leader, Assistant to the Factory Manager of the Second Assembly Plant, Deputy Factory Manager, and Factory Manager. From September 2019 to October 2020, served as Head of the Comprehensive Office. Since November 2020, serves as Head of the Safety and Security Department and continues as Head of the Comprehensive Office. Currently serves as the Head of the Safety and Security Department and a member of the Trade Union. Since September 2016, has been a representative Supervisor of the 5th and 6th Supervisory Boards of the company.

<p>Chen Yuanyuan</p>	<p>Born in January 1984, Chinese nationality, member of the Communist Party of China, holds a bachelor's degree, Master of Engineering, Senior Economist. From July 2006 to May 2008, worked as a Logistics Administrator at Hangzhou Lianke Biotechnology Co., Ltd. Since June 2008, has held various roles including Administrator in the Human Resources Department, Head of the Youth League Committee, Assistant to the Office of Party and Mass Work, Party Organizer, Member of the Discipline Inspection Commission, and Deputy Minister of the Human Resources Department. Currently serves as a member of the Discipline Inspection Commission, Deputy Minister of the Human Resources Department, a member of the Trade Union, and Head of the Youth League Committee. Since September 2016, has been a representative Supervisor of the 5th and 6th Supervisory Boards of the company.</p>
<p>Jin Huashu</p>	<p>Born in December 1978, Chinese nationality, member of the Communist Party of China, committee member of the company's Party Committee, holds a bachelor's degree, Master of Engineering, Senior Economist. From August 2001 to May 2003, worked as a Technician and Planner in the Manufacturing Department of Hangzhou Forklift Co., Ltd. Since June 2003, has held various positions in the Manufacturing Department including Technician, Planner, Assistant to the Department Head, Deputy Department Head, Department Head, and Production Director. He also serves as Chairman and Executive Director for subsidiaries such as Hangzhou Forklift Sheet Metal Co., Ltd. Currently serves as Deputy General Manager of the company.</p>
<p>Wang Guoqiang</p>	<p>Born in October 1965, Chinese nationality, member of the Communist Party of China, committee member of the company's Party Committee, Senior Economist. From December 1983 to February 2000, held positions as a worker in the Assembly Workshop and Scheduler in the Dispatch Department at Hangzhou Forklift Factory. From March 2000 to May 2003, served as a Scheduler in the Dispatch Department, Deputy Director of the Marketing Department, and Manager of the Guangzhou Branch of Hangzhou Forklift Co., Ltd. From June 2003 to November 2014, held various roles including Manager of the Guangzhou Branch and Shenzhen Branch, General Manager of Guangzhou Hangcha Forklift Co., Ltd., and General Manager of Guangzhou Zhehang Forklift Co., Ltd., while also serving as Regional Manager for Guangdong. Since December 2014, served as Assistant General Manager, Marketing Director, and Deputy General Manager of the company, and also held the position of Executive Director in subsidiaries such as Guangzhou Zhehang Forklift Co., Ltd. Currently serves as Deputy General Manager of the company.</p>
<p>Chen Saimin</p>	<p>Born in June 1966, Chinese nationality, member of the Communist Party of China, committee member of the company's Party Committee, holds a bachelor's degree, Senior Engineer, and Senior Economist. From July 1987 to March 2000, held various roles including Salesperson in the Sales Department, R&D Designer, Assistant Engineer, and Sales Manager for Kangle Attachments at Hangzhou Forklift Factory. From October 2000 to May 2003, served as Sales Manager, General Manager, and Executive Director for Kangli Attachments. Since June 2003, held multiple positions including Executive Director and General Manager of Hangzhou Hangcha Kangli Forklift Attachments Co., Ltd., Assistant General Manager, Chief Engineer, and Board Secretary, while also serving as Executive Director and Board Member in subsidiaries such as Hangzhou Hangcha Kangli Forklift Attachments Co., Ltd. Currently serves as Assistant General Manager and Board Secretary of the company.</p>

Wu Jianxin	Born in February 1965, Chinese nationality, member of the Communist Party of China, holds a bachelor's degree, Senior Economist. From August 1985 to March 2000, worked as a Technician in the Technology Section, Workshop Technician, Workshop Deputy Director, Technician in the Equipment Section, and Planner in the Planning Office at Hangzhou Forklift Factory. From March 2000 to November 2005, served as a Planner in the Board Office of the Group Company and Deputy Director of the Import and Export Department. From November 2005 to November 2023, served as Deputy General Manager and General Manager of Zhejiang Hangcha Import and Export Co., Ltd., and held the position of Executive Director in Hangcha USA Co., Ltd. and Hangcha Canada Co., Ltd. Currently serves as Assistant General Manager of the company.
Jin Zhihao	Born in September 1964, Chinese nationality, holds a bachelor's degree, Senior Engineer, and recipient of the State Council Special Government Allowance. From August 1985 to February 2000, held various positions including Designer, Chief Designer, and Deputy Director of the Research Institute at Hangzhou Forklift Factory. From March 2000 to May 2003, served as Deputy Director of the Research Institute at Hangzhou Forklift Co., Ltd. Since June 2003, has held various positions including Deputy Director and Director of the Research Institute, and Chief Designer of the company. Currently serves as Chief Designer of the company.
Zhang Shutong	Born in December 1965, Chinese nationality, member of the Communist Party of China, holds a university degree, Senior Accountant. From August 1985 to April 1995, held positions in planning, statistics, accounting, and as Chief of the Finance Section at Hangzhou Measuring Tool Factory. From May 1995 to March 2000, served as an Accountant and Deputy Director of the Finance Department at Hangzhou Forklift Factory. From April 2000 to October 2007, served as Deputy Director of the Finance Department of the company. From November 2007 to June 2020, acted as the Director of the Finance Department. From June 2020 to September 2022, served as Deputy Chief Accountant and Financial Officer of the company. Currently serves as Chief Accountant and Financial Officer of the company.
Ren Haihua	Born in January 1979, Chinese nationality, member of the Communist Party of China, holds a bachelor's degree, Master of Engineering, Senior Economist. From August 2002 to May 2003, worked as a Technician in the Quality Management Department at Hangzhou Forklift Co., Ltd. Since June 2003, has held various positions including Quality Management Technician, Assistant to the Factory Manager, Deputy Director and Director of the Comprehensive Management Department, and additionally held roles in the Information Management Office and Human Resources Department, while serving as Deputy Chief Economist and Chief Economist of the company. Currently serves as Chairman and General Manager of Zhejiang Hangcha Intelligent Technology Co., Ltd. and Executive Director of Hefei Hanhe Intelligent Logistics Technology Co., Ltd. Currently serves as Chief Economist of the company.
Li Yuansong	Born in October 1977, Chinese nationality, member of the Communist Party of China, holds a bachelor's degree, Master of Engineering, Senior Engineer. Since August 2000, has held various roles as a Designer in the company's Research Institute, Deputy Director of the Internal Combustion Forklift Research Institute, Director of the Heavy Duty Vehicles Research Institute, Director of the Impact Machinery Research Institute, and Head of the North America R&D Center. Since September 2020, serves as Executive Director and General Manager of Hangcha Group (Tianjin) New Energy Forklift Co., Ltd. Currently serves as Deputy Chief Engineer of the company.

Zhou Suhua	Born in May 1964, Chinese nationality, holds a bachelor's degree, Senior Engineer. From August 1985 to March 2000, worked as a Technician and Assistant to the Director of the Heat Treatment Workshop at Hangzhou Forklift Factory. From April 2000 to May 2003, served as the Factory Manager of the Heat Treatment Branch of Hangzhou Forklift Co., Ltd. Since June 2003, has held various positions including Factory Manager of the Heat Treatment Branch, Director of the Process Research Institute, Director of the Product Inspection Department, and Deputy Chief Engineer. Currently serves as Deputy Chief Engineer of the company.
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Additional Information

Applicable" Not applicable"

2. Current and Resigned Directors, Supervisors, and Senior Management Personnel during the Reporting Period

(1) Employment in corporate shareholders

"√ Applicable" "□ Not applicable"

Employee name	Corporate shareholder name	Position	Commencement date of term	Termination date of term
Qiu Jianping	Zhejiang Hangcha Holding Co., Ltd	Chairman of the Board	January 2011	
Xu Zheng	Zhejiang Hangcha Holding Co., Ltd	Supervisor	January 2011	
Yan Hao	Hangzhou Industrial Investment Group Co., Ltd.	Supervisor	December 2017	
Explanation of employment in corporate shareholders	None			

(2) Employment in other organizations

"√ Applicable" "□ Not applicable"

Employee name	Other Unit Name	Position	Commencement date of term	Termination date of term
Zhao Limin	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Director	02/24/2020	
	Zhongce Rubber Group Company Limited	Director	10/25/2019	
	Baoji Hangcha Engineering Machinery Co., Ltd.	Director	05/03/2018	
	Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Director	04/27/2018	
	Hangzhou Forklift Mast Co., Ltd.	Director	04/20/2018	
	Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Director	04/20/2018	
	Zhejiang Hangcha Import and Export Co., Ltd.	Executive director	08/01/2020	
Lu Hongbo	Zhongce Rubber Group Company Limited	Director	07/01/2020	
	Hangshi Asset Management (Hangzhou) Co., Ltd.	Chairman and General Manager	11/01/2018	03/20/2025
Qiu Jianping	Shanghai Haichao Haoyun Enterprise Management Partnership (Limited Partnership)	Executive Partner	04/17/2019	
	Shanghai Jingze Equity Investment Fund Partnership (Limited Partnership)	Partner	11/27/2013	
	Shanghai Haichao Wenxing Enterprise Management Partnership (Limited Partnership)	Executive Partner	01/07/2021	
	GreatStar Holding Group Co., Ltd.	Chairman of the Board	08/01/2009	
	Hangzhou GreatStar Industrial Co., Ltd.	Chairman of the Board	08/01/2010	
	Zhejiang Xinchai Co., Ltd.	Director	12/26/2019	
	Xinjiang Lianhe Investment Co., Ltd.	Executive Partner	11/02/2001	

	Hangzhou Kunxia Investment Management Partnership (Limited Partnership)	Executive Partner	01/01/2018	
	Zhejiang Zhongtai GreatStar Real Estate Co., Ltd.	Director	05/01/2005	
	Hangzhou Quanlin Investment Partnership (Limited Partnership)	Partner	11/16/2015	
	Shanghai Jinguan Haoyun Enterprise Management Partnership (Limited Partnership)	Executive Partner	01/07/2021	
	Zhejiang United Investment Co., Ltd.	Director	04/01/2015	
	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Chairman of the Board	04/01/2019	
	Zhongce Rubber Group Company Limited	Director	10/01/2019	
	Zhejiang Equity Service Group Co., Ltd.	Director	02/01/2018	
	Zhejiang Youbon Small Loan Co., Ltd.	Director	12/01/2009	
	Hangzhou Xihu Tiandi Development Co., Ltd	Director	11/20/2012	01/02/2025
	Zhejiang Guozi Robotics Co., Ltd.	Director	10/01/2014	
	Zhejiang Hangcha Holding Co.,Ltd	Chairman of the Board	01/01/2011	
	Hangzhou Great Star Precision Machinery Co., Ltd	Chairman of the Board	12/01/2018	
	Hangzhou Ole-Systems Co., Ltd.	Director	03/04/2016	08/16/2024
	Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	Director	08/17/2015	
	Dongguan Ouda Electronics Co., Ltd.	Chairman of the Board	03/17/2017	
	Hangzhou Lujing Culture and Creativity Co., Ltd.	Executive director	11/01/2015	
	Hangzhou GreatStar Garden Tools Co., Ltd.	Executive Director and General Manager	12/01/2022	
	Hangzhou GreatStar Energy Co., Ltd.	Executive Director and General Manager	12/01/2022	
	Hangzhou Chaoyang Risheng Enterprise Management Partnership (Limited Partnership)	Executive Partner	02/04/2021	
	Hangzhou GreatStar Industrial Co., Ltd.	Executive director	12/24/2018	
Zhao Yuchen	Hangzhou Jinsong Younuo Electrical Co., Ltd.	Director	11/01/2021	
	Zhejiang Xinchai Co., Ltd.	Director	12/01/2017	
	Hangzhou Taifeng Business Management Co., Ltd.	Executive director	02/01/2023	
	Hangzhou West Lake Tiandi Property Service Co., Ltd.	Executive director	02/01/2021	
	Hangzhou Liangya Building Materials Co., Ltd.	Executive Director and General Manager	02/01/2023	

	Hangzhou Xihu Tiandi Development Co., Ltd	Director	01/02/2025	
	Hangzhou GreatStar Lianhe International Holding Co., Ltd.	Manager, Director	03/28/2025	
Xu Zheng	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Supervisor	04/01/2019	
	Hangzhou GreatStar Industrial Co., Ltd.	Director	08/01/2010	
	Zhongce Rubber Group Company Limited	Chairman of the supervisory board	10/01/2019	
	GreatStar Holding Group Co., Ltd.	Supervisor	02/01/2016	
	Zhejiang Hangcha Holding Co.,Ltd	Supervisor	01/01/2011	
Xu Zhengyu	Henan Jiachen Intelligent Control Co., Ltd.	Director	04/19/2018	
Shou Jian	Hangzhou Zhouzhang Network Technology Co., Ltd.	Supervisor	08/01/2020	
	Hangzhou Chengying Data Technology Co., Ltd.	Director	10/01/2018	
	Hangzhou Yuexin Network Technology Co., Ltd.	Executive Director and General Manager	08/01/2020	
	Hangzhou Yunfu Network Technology Co., Ltd.	Supervisor	09/01/2020	
	51credit Card Co., Ltd.	Independent Non-Executive Director	05/13/2022	
Cai Yunfeng	Hangzhou Zhongming Tax Firm Co., Ltd.	Executive Director and General Manager	12/01/2014	
	Hangzhou Zhongyin Accounting Firm Co., Ltd.	Executive Director and General Manager	12/01/2018	
	Hangzhou Zhongyin Technology Service Co., Ltd.	Executive Director and General Manager	09/01/2019	
Hong Yi	Zhejiang Guozi Robotics Co., Ltd.	Supervisor	05/01/2020	
	Hangzhou Taifeng Business Management Co., Ltd.	General Manager	02/01/2023	
	Hangzhou West Lake Tiandi Property Service Co., Ltd.	Supervisor	02/01/2021	
Yan Hao	Hangzhou Industrial Enterprise Investment Development Co., Ltd.	Director	08/01/2022	
	Zhejiang Light Machinery Industry Co., Ltd.	Director	06/01/2022	05/27/2024
Jin Huashu	Hangzhou Jingsheng Enterprise Management Partnership (Limited Partnership)	Legal representative	05/01/2023	

	Baoji Hangcha Engineering Machinery Co., Ltd.	Director	02/01/2023	
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	Director	07/01/2018	
	Hangzhou Hangcha Materials Trading Co., Ltd.	Executive director	04/23/2018	
	Hangzhou Forklift Mast Co., Ltd.	Chairman of the Board	05/01/2017	
	Hangzhou Gangcun Transmission Co., Ltd.	Director	11/01/2022	
	Hangzhou Hangcha Foundry Co., Ltd.	Chairman of the Board	05/08/2018	
	Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Chairman of the Board	05/01/2017	
	Hangzhou Hangcha Bridge Box Co., Ltd.	Chairman of the Board	04/20/2018	
	Hangzhou Hangcha Aerial Equipment Co., Ltd.	Executive director	08/01/2020	
	Changsha Zhongchuan Transmission Co., Ltd.	Director	08/01/2020	
	Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd.	Chairman of the Board	05/01/2018	
	Hangzhou Hangcha Precision Manufacturing Co., Ltd.	Executive director	02/01/2021	
	Hangzhou Hangcha Electrical Co., Ltd.	Executive director	04/23/2018	
	Hangzhou Hangcha Machining Co., Ltd.	Executive director	04/20/2018	
	Hangzhou Zhiban Enterprise Management Partnership (Limited Partnership)	Executive Partner	03/19/2024	
	Zhejiang Hangbo Electrical Drive Co., Ltd.	Chairman of the Board	08/19/2024	
	Zhejiang Zhichu Jia Material Handling Equipment Co., Ltd.	Chairman of the Board	01/24/2025	
	Hangzhou Hangcha Yunrui Technology Co., Ltd.	Chairman of the Board	06/26/2024	
Wang Guoqiang	Hangcha Group Leasing Co., Ltd.	Executive director	05/13/2015	
	Zhejiang Hangcha Parts Sales Co., Ltd.	Executive director	05/01/2021	
	Zhejiang Youbon Small Loan Co., Ltd.	General Manager	01/17/2023	
Chen Saimin	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Director	05/01/2019	
	Baoji Hangcha Engineering Machinery Co., Ltd.	Director	05/03/2018	
	Hangzhou Hangcha Kangli Forklift Attachments Co., Ltd.	Executive director	01/01/2007	
	Hangzhou Hangcha Cab Co., Ltd.	Executive director	12/20/2012	
	Hangzhou Forklift Mast Co., Ltd.	Director	05/23/2024	
	Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Director	05/08/2024	

Wu Jianxin	Zhejiang Hangcha Siweis International Trade Co., Ltd.	Executive director	05/05/2023	
	Zhejiang Hangcha Import and Export Co., Ltd.	General Manager	11/16/2021	
Zhang Shutong	Hangcha Group (Tianjin) Financing Leasing Co., Ltd.	Chairman of the Board	08/01/2020	
	Hangzhou Hangzhong Engineering Machinery Co., Ltd.	Executive director	09/01/2020	
	Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Supervisor	08/01/2020	
	Hangzhou Forklift Mast Co., Ltd.	Director	08/01/2020	
	Hangzhou Gangcun Transmission Co., Ltd.	Director	11/01/2022	
	Hangzhou Hangcha Foundry Co., Ltd.	Director	10/01/2020	
	Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Director	08/01/2020	
	Hangzhou Hangcha Bridge Box Co., Ltd.	Director	08/01/2020	
	Hangzhou Hangcha E-commerce Co., Ltd.	Executive director	10/01/2023	
	Hangcha New Energy Forklift (Wenzhou) Co., Ltd.	Executive director	07/01/2023	
Ren Haihua	Hangzhou Hangcha Yunrui Technology Co., Ltd.	Director	06/26/2024	
	Hangzhou Hangcha Property Management Service Co., Ltd.	Director, Financial Responsible Person	01/24/2025	
	Zhejiang Hangcha Occam Intelligent Technology Co., Ltd.	Chairman and General Manager	04/01/2022	
Li Yuansong	Zhejiang Hangcha Intelligent Technology Co., Ltd.	Executive director	02/09/2018	
	Shanghai Hangcha Gangcun Intelligent Technology Co., Ltd.	Executive director	08/01/2022	
	Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	Executive director	05/01/2020	
	Zhejiang Guozi Intelligent Equipment Co., Ltd.	Executive director	01/01/2024	
	Hangzhou Kangqian Enterprise Management Partnership (Limited Partnership)	Executive Partner	03/19/2024	
Note on positions with other organizations	Zhejiang Hangcha Occam Intelligent Technology Co., Ltd.	Director	04/01/2022	
	Hangcha Group (Tianjin) New Energy Forklift Co., Ltd.	Executive Director and General Manager	09/01/2020	
	None			

(3) Changes in Remuneration of Directors, Supervisors and Senior Managers

Applicable" Not applicable"

1. Decision-making processes of remuneration for directors, supervisors and senior managers	The compensation standards for independent directors are reviewed and approved by the board of directors and the shareholders' meeting. The compensation standards for employee representative supervisors are based on their positions within the company, and no additional position allowances are provided for other directors and supervisors; the compensation for senior management is determined according to the standards reviewed by the board of directors.
Do Directors Abstain From Voting on Their Own Compensation Matters?	Yes
Specific Circumstances Regarding Recommendations on Compensation Matters by the Remuneration and Appraisal Committee or Independent Directors	On April 17, 2024, the seventh board of directors held a meeting of the Remuneration and Appraisal Committee to review the compensation situation for directors, supervisors, and senior management who hold management positions in the company for the fiscal year 2023.
Basis for Determining the Compensation of Directors, Supervisors, and Senior Management Personnel	During the reporting period, compensation was paid according to the company's established standards for directors, supervisors, and senior management, in conjunction with the operational indicators and performance assessments determined at the beginning of the year.
Actual Compensation Payment Situation for Directors, Supervisors, and Senior Management Personnel	The total payable compensation received by the company's directors, supervisors, and senior management for this fiscal year is: 16.666 million yuan (before tax).
Total Compensation Received by All Directors, Supervisors, and Senior Management Personnel at the End of the Reporting Period	The total payable compensation received by the company's directors, supervisors, and senior management for this fiscal year is: 16.666 million yuan (before tax).

(4) Changes in directors, supervisors and senior management personnel of the Company

Applicable" Not applicable"

(5) Statement on Penalties from Securities Regulatory Authorities in the Last Three Years

Applicable" Not applicable"

(6) Other

Applicable" Not applicable"

5. Information Regarding Board Meetings Held During the Reporting Period

Session	Date of convening	Resolution
10th Meeting of the 7th Board of Directors	04/17/2024	Resolutions Passed: General Manager's Work Report for the Year 2023 Board of Directors' Work Report for the Year 2023 Annual Report and Summary for the Year 2023

		<p>Financial Statement Report for the Year 2023</p> <p>Internal Control Evaluation Report for the Year 2023</p> <p>Proposal on Profit Distribution and Capital Reserve Transfer to Increase Share Capital for the Year 2023</p> <p>Proposal on Company's Anticipated Routine Related-party Transactions in 2024</p> <p>Proposal on Expected External Guarantees for the Year 2024</p> <p>Proposal on the Special Report Regarding the Placement and Actual Usage of Raised Funds for the Year 2023</p> <p>Proposal on the Conclusion of Part of the Fund Raising Project and Permanent Replenishment of Working Capital with Surplus Raised Funds</p> <p>Proposal on Cash Management Using Idle Self-Owned Funds</p> <p>Proposal on Engaging in Forward Foreign Exchange Sales and Purchases and Foreign Exchange Derivative Business</p> <p>Proposal on Applying for Comprehensive Credit Facilities from Relevant Banks</p> <p>Proposal on Changes to Accounting Policies</p> <p>Proposal on Reappointing the Audit Firm for the Year 2024</p> <p>Evaluation Report on the Performance of Tianjian Accounting Firm</p> <p>Report on the Audit Committee's Performance for the Year 2023</p> <p>Proposal on the Compensation Assessment for the General Manager and Other Senior Executives for the Year 2023</p> <p>Proposal on Changes to Registered Capital and Amendments to Certain Articles of the Articles of Association</p> <p>Proposal on Formulating or Amending Relevant Company Policies</p> <p>Independent Directors' Work Report for the Year 2023</p> <p>Special Report on the Independent Directors' Independence Self-Assessment by the Seventh Board of Directors</p> <p>Proposal on Holding the Company's Annual General Meeting for the Year 2023</p>
11th Meeting of the 7th Board of Directors	04/22/2024	<p>Resolutions Passed:</p> <p>"First Quarter Report of the Company for the Year 2024"</p>
12th Meeting of the 7th Board of Directors	06/11/2024	<p>Resolutions Passed:</p> <p>Proposal on Investment to Establish Hangcha Indonesia Co., Ltd.</p> <p>Proposal on Investment to Establish Hangcha Japan Co., Ltd.</p> <p>Proposal on Increasing Capital for Hangcha Group (Tianjin) Financial Leasing Co., Ltd.</p>
13th Meeting of the 7th Board of Directors	07/04/2024	<p>Resolutions Passed:</p> <p>Proposal on Investment to Establish Hangcha Europe Leasing Co., Ltd.</p>
14th Meeting of the 7th Board of Directors	08/19/2024	<p>Resolutions Passed:</p> <p>"Half-Year Report and Summary of the Company for the Year 2024"</p> <p>"Special Report on the Placement and Actual Usage of Raised Funds for the First Half of 2024"</p>
15th Meeting of the 7th Board of Directors	09/18/2024	<p>Resolutions Passed:</p> <p>Proposal on Investment to Establish Hangcha Malaysia Co., Ltd.</p>

Board of Directors		Proposal on Investment to Establish Hangcha Group Thailand Manufacturing Co., Ltd.
16th Meeting of the 7th Board of Directors	10/14/2024	Resolutions Passed: Proposal on Investment to Establish Hangcha Vietnam Leasing Co., Ltd.
17th Meeting of the 7th Board of Directors	10/21/2024	Resolutions Passed: "Third Quarter Report of the Company for the Year 2024" Proposal on New and Adjusted Estimated Daily Related Transactions for the Company in 2024. Proposal on Revising the "Management System for Company Directors, Supervisors, and Senior Management Personnel Buying and Selling Company Stocks." Proposal on Formulating the "Company Public Opinion Management System."
18th Meeting of the 7th Board of Directors	11/18/2024	Resolutions Passed: Proposal on Investment to Establish Hangcha Middle East Co., Ltd.
19th Meeting of the 7th Board of Directors	12/23/2024	Resolutions Passed: Proposal on Investment to Establish Hangcha USA Intelligent Logistics Co., Ltd.

6. Directors' Performance of Duties and Attendance

(1) Attendance of Directors at Board Meetings and Shareholders' Meetings

Director Name	Is Independent Director	Attendance at Board Meetings						Attendance at Shareholders' Meetings
		Total Required Board Meetings This Year	Number of Personal Attendances	Number of Attentions via Communication	Number of Proxy Attendances	Number of Absences	Has the Director Missed Two Consecutive Personal Attendances?	Number of Attendances at Shareholders' Meetings
Zhao Limin	No	10	10				No	1
Lu Hongbo	No	10	10				No	1
Qiu Jianping	No	10	10				No	1

Zhao Yuchen	No	10	10				No	1
Xu Zheng	No	10	10				No	1
Xu Zhengyu	No	10	10				No	1
Zhu Yaer	Yes	10	10				No	1
Shou Jian	Yes	10	10				No	1
Cai Yunfeng	Yes	10	10				No	1

Explanation for Consecutive Absences from Board Meetings:

Applicable" Not applicable"

Number of Board Meetings Held in the Year:	10
Among these: Number of in-person meetings:	10
Number of meetings held via communication:	0
Number of meetings held using both in-person and communication methods:	10

(2) Objections Raised by Directors on Matters Related to the Company

Applicable" Not applicable"

(3) Other

Applicable" Not applicable"

7. Situation of Specialized Committees under the Board of Directors

Applicable" Not applicable"

(1) Members of Specialized Committees

Specialized Committee Category	Member Names
Audit Committee	Cai Yunfeng, Shou Jian, Lu Hongbo
Nomination Committee	Shou Jian, Zhu Yaer, Xu Zhengyu
Remuneration and Evaluation Committee	Zhu Yaer, Cai Yunfeng, Zhao Yuchen
Strategy Committee	Zhao Limin, Qiu Jianping, Zhu Yaer

(2) The Audit Committee held 5 meetings during the reporting period.

Date of convening	Agenda	Important Opinions and Suggestions	Other Performance of Duties
03/28/2024	Audit Committee members communicated with the company's annual report auditing institution regarding		

	matters related to the annual report.		
04/17/2024	Resolutions Passed: "Company 2023 Audit Report," "Report on the Company's 2023 Annual Financial Settlement," "2023 Annual Internal Control Evaluation Report," "Report on the Performance of the Audit Committee for 2023," "Special Report on the Storage and Actual Use of Raised Funds for the Year 2023," "Proposal on Changes in Accounting Policies," "Proposal on Anticipated Daily Related Party Transactions for 2024," "Proposal on the Renewal of the Company's Audit Institution for 2024," "Internal Audit Work Report," "Audit Committee Report on the Supervision of Tianjian Accounting Firm," "Evaluation Report on the Performance of Tianjian Accounting Firm."		
04/22/2024	Resolutions Passed: "Company 2024 First Quarter Report"		
08/19/2024	Resolutions Passed: "Company 2024 Half-Year Report and Summary" "Special Report on the Storage and Actual Use of Raised Funds for the First Half of 2024"		
10/21/2024	Resolutions Passed: "Company 2024 Third Quarter Report"		

(3) The Compensation and Assessment Committee held 1 meeting during the reporting period.

Date of convening	Agenda	Important Opinions and Suggestions	Other Performance of Duties
04/17/2024	Resolutions Passed: "Opinions on the Compensation Assessment of the Company's Senior Executives for 2023"		

(4) The Strategy Committee held 1 meeting during the reporting period.

Date of convening	Agenda	Important Opinions and Suggestions	Other Performance of Duties
04/17/2024	The meeting discussed topics such as the company's 14th Five-Year Technology Transformation Project, renewable energy development strategy, international layout, mergers and acquisitions in domestic and foreign industries, and the Hengfan Phase IV Logistics Project, planning for the achievement of the company's high-quality development.		

(5) Specifics of Disputed Matters:

Applicable" Not applicable"

8. Description of Risks Identified by the Supervisory Board

Applicable" Not applicable"

The Board of Supervisors raised no objection to the supervisory matters during the reporting period.

9. Employee Situation at the End of the Reporting Period for the Parent Company and Major Subsidiaries

(1) Employee Situation

Number of employees in the parent company	1888
Number of employees in major subsidiaries	4559
Total number of employees	6447
Number of retired employees whose expenses are borne by the parent company and main subsidiaries	
Specialty composition	
Specialty category	Number of Specialty Personnel
Production personnel	2955
Sales personnel	1806
Technical personnel	1351
Financial personnel	212
Administrative personnel	123
Total Amount	6447
Education level	
Education level category	Employees (person)
Bachelor's degree and above	1390
Associate degree	1484
Senior high school or below	3573
Total Amount	6447

(2) Compensation Policy

Applicable" Not applicable"

The company strictly manages employee compensation in accordance with the national Labor Contract Law and other relevant policies, establishing a comprehensive compensation management system. The compensation is determined based on job positions and guided by labor market prices, providing employees with a highly competitive external and fair internal compensation policy. The company offers various incentive measures, including position allowances and professional qualification subsidies.

(3) Training Plan

Applicable" Not applicable"

The training plan is closely aligned with the company's production and operational development strategy, combined with the annual education and training plan, to effectively promote talent development. Through various forms of online and offline training such as collaborations with universities, internal training, external training, and lectures, the company strives to foster a learning-oriented corporate culture to provide talent support for sustainable development.

(4) Labor Outsourcing Situation

Applicable" Not applicable"

10. Profit Distribution or Capital Reserve Increase Plan**(1) Cash Dividend Policy Development, Execution, or Adjustment Status**

Applicable" Not applicable"

The company's Articles of Association clearly specify the principles and forms of profit distribution, especially detailing the conditions and proportions for cash dividends. When proposing a dividend plan, the Board of Directors strictly adheres to the regulations on cash dividends issued by the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange (SSE). The decision-making procedures on profit distribution by the Board of Directors and the shareholders' meeting are relatively standardized. During the reporting period, the company's profit distribution policy has consistently complied with the aforementioned profit distribution plans and review procedures of the CSRC, the "Guidelines for the Regulatory of Listed Companies No. 3—Cash Dividends for Listed Companies" (2023 revision), the SSE's "Guidelines for Cash Dividends for Listed Companies," as well as related provisions and procedural requirements in the Articles of Association, ensuring the protection of the legitimate rights and interests of minority investors, with no adjustments made to the cash dividend policy.

(2) Special note of the cash dividend policy

Applicable" Not applicable"

Conforming to the provisions of the Company's Articles of Association or the requirements of the General Meeting of Shareholders resolutions:	<input checked="" type="checkbox"/> Yes" <input type="checkbox"/> No"
The distribution standards and ratios were clear and unambiguous:	<input checked="" type="checkbox"/> Yes" <input type="checkbox"/> No"
The relevant decision-making procedures and mechanisms were complete:	<input checked="" type="checkbox"/> Yes" <input type="checkbox"/> No"
The independent directors performed their duties diligently and played their due role:	<input checked="" type="checkbox"/> Yes" <input type="checkbox"/> No"
Minority shareholders had sufficient opportunities to express their opinions and appeals, and their legitimate rights and interests were fully protected:	<input checked="" type="checkbox"/> Yes" <input type="checkbox"/> No"

(3) If the company is profitable during the reporting period and the parent company's distributable profits for shareholders are positive, but no cash dividend distribution plan has been proposed, the company should disclose the reasons in detail and the intended use and plans for the undistributed profits.

Applicable" Not applicable"

(4) Profit Distribution and Capital Reserve Increase Plan for This Reporting Period

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Number of bonus shares distributed for every 10 shares (shares)	0
Cash dividends distributed for every 10 shares (RMB) (including tax)	5
Bonus shares added for every 10 shares	0

Total cash dividend amount (inclusive of tax)	654906024.50
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements	2022025698.99
Cash dividend amount as a percentage of net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%):	32.39
Amount spent on repurchasing shares counted as cash dividends	0
Total dividend amount (inclusive of tax)	654906024.50
Total dividend amount as a percentage of net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%):	32.39

(5) Cash Dividend Situation for the Last Three Accounting Years

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Cumulative cash dividend amount for the last three accounting years (inclusive of tax) (1)	1496928056.00
Cumulative amount repurchased and canceled in the last three accounting years (2)	
Cumulative amount of cash dividends and repurchased and canceled shares in the last three accounting years (3) = (1) + (2)	1496928056.00
Annual average net profit for the last three accounting years (4)	1574790801.83
Cash dividend ratio for the last three accounting years (%) (5) = (3) / (4)	95.06
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the most recent accounting year	2022025698.99
Undistributed profits at the end of the most recent accounting year in the parent company's financial statements	5758885171.56

11. Status of the company's equity incentive plan, employee stock ownership plan, or other employee incentive measures and their impact

(1) Related incentive matters have been disclosed in a temporary announcement, and there has been no progress or change in subsequent implementation.

Applicable" Not applicable"

(2) Status of incentive matters not disclosed in the temporary announcement or with subsequent progress

Equity incentive status

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Employee stock ownership plan status

Applicable" Not applicable"

Other incentive measures

Applicable" Not applicable"

(3) Equity Incentive Status Granted to Directors and Senior Management During the Reporting Period

Applicable" Not applicable"

(4) Evaluation Mechanism for Senior Management During the Reporting Period, and the Establishment and Implementation of the Incentive Mechanism

Applicable" Not applicable"

12. Development and Implementation of Internal Control Systems During the Reporting Period

Applicable" Not applicable"

Please refer to the "2024 Annual Internal Control Evaluation Report" disclosed by the company on April 18, 2025, on the Shanghai Stock Exchange website (www.sse.com.cn).

Explanation of Significant Deficiencies in Internal Control During the Reporting Period

Applicable" Not applicable"

13. Management Control Over Subsidiaries During the Reporting Period

Applicable" Not applicable"

The company has established operational strategies and risk management strategies for its holding subsidiaries through documents such as the "Enterprise Internal Control Manual," "Subsidiary Management Regulations," and "Regulations on the Management of Overseas Institutions of Hangcha Group Co., Ltd." It supervises holding subsidiaries to develop relevant business operation plans, risk management procedures, and internal control systems based on these frameworks. The company also formulates performance evaluation and incentive systems for holding subsidiaries and establishes internal reporting systems for significant matters and for the disclosure of major issues. The company can regularly obtain and analyze monthly or quarterly reports from each holding subsidiary, while the internal audit department and relevant business management departments conduct timely inspections of holding subsidiaries to standardize various operational behaviors. According to relevant regulations, the company commissions accounting firms to audit the financial reports of holding subsidiaries and is able to evaluate the implementation and supervision of internal control systems of holding subsidiaries.

14. Description of the Internal Control Audit Report Related Circumstances

Applicable" Not applicable"

In accordance with the "Guidelines for Internal Control Audits" and relevant requirements of Chinese CPA professional standards, Tianjian Accounting Firm (Special General Partnership) audited the effectiveness of the internal control of the company's financial report as of December 31, 2024, and issued a report stating that "Hangcha Group Co., Ltd. maintained effective internal control over financial reporting as of December 31, 2024, in all material respects in accordance with the 'Basic Norms for Enterprise Internal Control' and related regulations."

Is the Internal Control Audit Report Disclosed?

Type of Internal Control Audit Report Opinion:

15. Self-Inspection Issue Rectification Status for Listed Company Governance Special Action

None

16. Others

Applicable" Not applicable"

Chapter 5 Environment and Social Responsibility

1. Environmental Information Situation

Has a mechanism related to environmental protection been established?	Yes
Investment in Environmental Protection Funds During the Reporting Period (unit: RMB):	2130.76

(1) Environmental Protection Situation of Companies Designated as Key Polluting Units by the Environmental Protection Department and Their Main Subsidiaries:

"√ Applicable" "□ Not applicable"

a. Pollution Discharge Information

"√ Applicable" "□ Not applicable"

Unit name	Name of Pollutant	Control Level	Mode of Discharge	Number and Distribution of Discharge Outlets	Concentration and Total Volume of Major Pollutants Discharged	Emission Standards Executed	Actual Discharge Amount	Exceeding Discharge Standards
Hangcha Group Co., Ltd.	Wastewater	Provincial and Municipal Key Polluting Units	After being collected by the sewage network and pre-treated at the factory's wastewater treatment station, it is discharged into the municipal sewage network and then treated before being released by Hangzhou Qingshanhu Science and Technology City Drainage Co., Ltd.	1	Main water pollutants include COD (Chemical Oxygen Demand) and ammonia nitrogen. The COD discharge concentration is 12.8 mg/L, with a total discharge of 0.42 tons/year; the ammonia nitrogen discharge concentration is 0.1067 mg/L, with a total discharge of 0.0035 tons/year.	"Standards for Discharge of Main Water Pollutants from Urban Wastewater Treatment Plants" DB 33/2169—2018	32,723 tons	Not Applicable

Waste Gas	Provincial and Municipal Key Polluting Units	Discharged in an organized manner after treatment.	34	Discharged in an organized manner after treatment. Main pollutants: Dust: 5.845 tons/year, maximum allowable concentration: ≤ 20 mg/m ³ ; Benzene series substances actual discharge amount: 0.00694 tons/year, maximum allowable concentration: ≤ 20 mg/m ³ ; Non-methane total hydrocarbons: 3.706 tons/year, maximum allowable concentration: ≤ 60 mg/m ³ .	"Comprehensive Emission Standards for Air Pollutants" (GB16297-1996) Grade II standard, DB33/2146-2018 "Emission Standards for Air Pollutants from Industrial Coating Processes"	/	Not Applicable
Noise	/	/	/	/	"Noise Standards at Industrial Enterprises' Boundary" Class III related standards	/	Not Applicable
Soil	Provincial Key Controlled Units	Meets relevant discharge standards.	/	/	"Soil Pollution Risk Control Standards for Construction Land Quality (Trial)" (GB36600-2018) and "Groundwater Quality Standards" (GB/T14848-2017) Class III	/	Not Applicable
Hazardous Waste	Municipal Key Polluting Units	Hazardous waste is contracted for disposal with qualified companies, and a hazardous waste management ledger and electronic transfer slip have been established.	/	/	"Pollution Control Standards for Storage and Disposal of General Industrial Solid Waste" (GB18599-2001) and "Pollution Control Standards for Hazardous Waste Storage" (GB18597-2001).	951.06 tons	Not Applicable

Hangzhou Forklift Mast Co., Ltd.	Wastewater	/	After being collected by the sewage network and pre-treated at the factory's wastewater treatment station, it is discharged into the municipal sewage network and then treated before being released by Hangzhou Qingshanhu Science and Technology City Drainage Co., Ltd.	1	Main water pollutants include COD (Chemical Oxygen Demand) and ammonia nitrogen. The COD discharge concentration is 12.8 mg/L, with a total discharge of 0.1734 tons/year; the ammonia nitrogen discharge concentration is 0.1067 mg/L, with a total discharge of 0.001445 tons/year.	"Standards for Discharge of Main Water Pollutants from Urban Wastewater Treatment Plants" DB 33/2169—2018	13547 tons	Not Applicable
	Waste Gas	/	Discharged in an organized manner after treatment.	26	Discharged in an organized manner after treatment. Main Pollutants: Dust: 3.224 tons/year, maximum allowable concentration: $\leq 120 \text{ mg/m}^3$ Non-methane Total Hydrocarbons: 0.365 tons/year, maximum allowable concentration: $\leq 60 \text{ mg/m}^3$; Nitrogen Oxides: 2.589 tons/year, maximum allowable emission concentration: $\leq 150 \text{ mg/m}^3$; Sulfur Dioxide: 0.33 tons/year, maximum allowable emission concentration: $\leq 50 \text{ mg/m}^3$	"Comprehensive Emission Standards for Air Pollutants" (GB16297-1996), "Air Pollutant Emission Standards for Boilers" (GB13271-2014), DB33/2146-2018 "Emission Standards for Air Pollutants from Industrial Coating Processes"	/	Not Applicable
	Hazardous Waste	Municipal Key Polluting Units	Hazardous waste is contracted for disposal with qualified companies, and a hazardous waste management ledger and electronic transfer slip have been established.	/	/	"Pollution Control Standards for Storage and Disposal of General Industrial Solid Waste" (GB18599-2001) and "Pollution Control Standards for Hazardous Waste Storage" (GB18597-2001)	81.75 tons	Not Applicable
	Soil	Provincial Key Controlled Units	Meets relevant discharge standards.	/	/	"Soil Pollution Risk Control Standards for Construction Land Quality (Trial)" (GB36600-2018) and "Groundwater Quality Standards" (GB/T14848-2017) Class III	/	Not Applicable

	Noise	/	/	/	/	"Noise Standards at Industrial Enterprises' Boundary" Class III related standards	/	Not Applicable
Hangzhou Hangcha Foundry Co., Ltd.	Wastewater	Provincial and Municipal Key Polluting Units	After being collected by the sewage network and pre-treated at the factory's wastewater treatment station, it is discharged into the municipal sewage network and then treated before being released by Hangzhou Qingshanhu Science and Technology City Drainage Co., Ltd.	1	Main water pollutants include COD (Chemical Oxygen Demand) and ammonia nitrogen. The COD discharge concentration is 12.8 mg/L, with a total discharge of 0.19713 tons/year; the ammonia nitrogen discharge concentration is 0.1067 mg/L, with a total discharge of 0.0016432 tons/year.	"Standards for Discharge of Main Water Pollutants from Urban Wastewater Treatment Plants" DB 33/2169—2018	15401 tons	Not Applicable

b. Construction and Operation of Pollution Prevention and Control Facilities

"√ Applicable" "□ Not applicable"

In recent years, the company and its subsidiaries have continuously increased their investment in environmental protection equipment and facilities, ensuring that the configuration of environmental protection equipment and facilities matches production capacity. By establishing a wastewater treatment station and installing dust removal facilities such as filtration, water cyclones, and adsorption, the company achieves compliant discharge of wastewater and exhaust gas. During the reporting period, the environmental protection facilities operated normally.

1) Water Pollutants

The company's production and domestic water are both supplied by the municipal water supply system. Production water is primarily used for producing pure water, defatting, silane processing, spray painting, and workshop cleaning. Domestic water is mainly used for employees' daily living and dining hall needs. The generated wastewater mainly includes spray painting wastewater, defatting silane wastewater, workshop cleaning wastewater, concentrated wastewater, dining hall sewage, and domestic sewage. The main pollutants include: pH, COD (Chemical Oxygen Demand), SS (Suspended Solids), petroleum substances, ammonia nitrogen, total phosphorus, and total nitrogen.

The company's drainage system is constructed based on the requirements for separating rainwater and wastewater. Strict implementation of rainwater and wastewater separation is enforced. Rainwater is collected in the onsite collection tank (regularly cleaned) and is then discharged into the municipal rainwater pipes. Dining hall wastewater is pre-treated in an oil separation tank (regularly cleaned) before being aggregated into the total wastewater outlet. Employee domestic sewage and workshop cleaning wastewater are pre-treated in a septic tank (regularly cleaned) before being aggregated into the total wastewater outlet (regularly cleaned). Spray painting wastewater and defatting silane wastewater are combined and treated in the wastewater treatment station using "flocculation reaction + sedimentation + flocculation reaction + air flotation" before being gathered at the total wastewater outlet. This is ultimately routed to Hangzhou Qingshanhu Science and Technology City Drainage Co., Ltd. The wastewater discharge standards enforced by Hangzhou Qingshanhu Science and Technology City Drainage Co. Ltd. comply with the "Standards for Discharge of Main Water Pollutants from Urban Wastewater Treatment Plants" (DB33/2169-2018) issued by the Zhejiang Provincial People's Government. COD, NH₃-N, TN (Total Nitrogen), and TP (Total Phosphorus) are discharged according to the standards for Class W surface water environmental quality, while other indicators follow the Class A discharge standards in the "Pollutant Discharge Standards for Urban Wastewater Treatment Plants" (GB18918-2002).

2) Air Pollutants

The main exhaust gases generated during the company's production process include shot blasting dust, grinding dust, welding smoke, putty drying exhaust, moisture drying exhaust, curing baking exhaust, spray painting exhaust, paint mixing exhaust, and paint drying exhaust. The main pollutants in the exhaust gases are: toluene, xylene, methyl acetate, ethyl acetate, butyl acetate, non-methane total

hydrocarbons, particulate matter, and styrene. The implementation of exhaust gas prevention and control measures is as follows:

1. Dust generated from shot blasting is treated by a high-efficiency bag filter before being discharged at a high altitude. 2. Grinding dust is settled in a bottom water tank and treated in a side suction bag filter before being discharged at a high altitude. 3. A dedicated fixed welding point is set up for the welding process, with curtains around it for semi-enclosure. Collected welding smoke is filtered through multiple mesh layers before being discharged at a high altitude. 4. Moisture drying exhaust is discharged at a high altitude after passing through a filter and quad combustion. 5. Curing baking exhaust is discharged at a high altitude after passing through a filter and quad combustion. 6. Natural gas combustion exhaust is discharged at a high altitude through an exhaust pipe. 7. Organic exhaust generated during the painting process (mixing + spraying + drying) is discharged at a high altitude after passing through a filter, zeolite wheel adsorption, and CO treatment. 8. Organic exhaust generated during the finishing touches and repainting of vehicles is discharged at a high altitude after being treated by water cyclone and activated carbon adsorption.

3) Solid Waste

The company's solid waste mainly includes: edge materials, oil-contaminated rags, waste paint buckets, putty residue, paint residue, sludge, waste hydraulic oil, waste emulsions, waste activated carbon, waste metal shavings, waste packaging materials, waste welding slag, trough slag, trough liquid, and domestic waste. General solid waste, such as edge materials, putty residue, waste metal shavings, waste packaging materials, and waste welding slag, is collected and temporarily stored by the company before being sold for comprehensive utilization. Domestic waste is handled and transported by the Qingshanhu Street Environmental Hygiene Management Office. Hazardous waste includes oil-contaminated rags, sludge, waste hydraulic oil, waste paint buckets, paint residue, waste emulsions, waste activated carbon, trough slag, and trough liquid. A hazardous waste temporary storage area has been constructed in the factory in accordance with the "Pollution Control Standards for Hazardous Waste Storage" (GB18597-2023). Various types of hazardous waste are collected and stored separately, and qualified third parties are entrusted to dispose of them.

4) Noise

The noise within the company primarily comes from the operation of production and auxiliary equipment in the workshops. To reduce the noise at the source, the company has selected low-noise fans, air compressors, and similar equipment; the layout of the factory is designed rationally, with high-noise equipment and operations placed in the center of the workshop. Soundproofing measures are implemented to cut off the pathways for noise transmission: soundproof rooms are built around high-noise equipment such as fans, silencers are installed at the intake and exhaust of fans, and vibration isolation measures are taken to reduce the strength of noise sources. Management is strengthened for large vehicles entering and exiting the factory, and honking is prohibited within the factory and near entrances and exits, with speed limits enforced. After implementing various noise reduction measures, the daytime and nighttime noise levels at the factory boundaries comply with the Class 3 standards for

daytime and nighttime noise emissions outlined in the “Industrial Enterprise Boundary Environmental Noise Emission Standards” (GB12348-2008).

(3). Environmental Impact Assessment and Other Environmental Protection Administrative Licensing Situations

"√ Applicable" "□ Not applicable"

The company adheres to the development concept of "optimizing the environment, saving energy, and reducing consumption" and strictly complies with relevant national laws and regulations. According to the provisions of the “Environmental Protection Law of the People's Republic of China” and the “Regulation on Environmental Protection Management of Construction Projects,” the company has conducted an environmental impact assessment that has passed environmental protection approval. The requirements and regulations of the environmental impact assessment and the environmental protection authority have been fundamentally implemented, ensuring that environmental protection facilities are designed, constructed, and put into operation simultaneously with the main project. The specific situations are as follows:

In April 2014, the company commissioned Zhejiang University to complete the “Environmental Impact Report of Hangcha Group Co., Ltd. Integrated Platform Project Based on the Internet of Things and Cloud Computing.” On May 26, 2014, the Lin'an Environmental Protection Bureau approved this project’s environmental impact report with document number “LinHuanShen [2014] No. 121.” This project commenced in April 2017 and was completed in March 2020, with trial operation starting in the same month.

In May 2014, the company commissioned Zhejiang University to complete the “Environmental Impact Report of Hangcha Group Co., Ltd. Intelligent Industrial Vehicle R&D and Manufacturing Project.” On June 12, 2014, the Lin'an Environmental Protection Bureau approved this project’s environmental impact report with document number “LinHuanShen [2014] No. 137.” This project also commenced in April 2017 and was completed in March 2020, beginning trial operation in the same month.

In May 2014, the company commissioned Zhejiang University to complete the “Environmental Impact Report of Hangcha Group Co., Ltd. Environmental-Friendly Forklift Production Capacity Expansion Technological Transformation Project.” On June 12, 2014, the Hangzhou Lin'an District Environmental Protection Bureau approved this project’s environmental impact report with document number “LinHuanShen [2014] No. 137.” This project likewise commenced in April 2017 and was completed in March 2020, with trial operation starting in the same month.

In August 2018, the company commissioned Zhejiang University to complete the “Environmental Impact Report of Hangcha Group Co., Ltd. 50,000 Electric Industrial Vehicles Expansion and Transformation Project.” On September 10, 2018, the Hangzhou Lin'an District Environmental Protection Bureau approved this project’s environmental impact report with document number “LinHuanQingShen [2018] No. 50.” This project commenced in November 2018 and was completed in March 2020, also beginning trial operation in the same month.

In April 2023, the company commissioned Zhejiang Metallurgy Environmental Protection Design Research Co., Ltd. to complete the “Environmental Impact Report of Hangcha Group's 100,000 Internal Combustion Forklift/Year Expansion and Transformation Project.” In April 2023, the Hangzhou Ecological Environment Bureau Lin'an Branch approved this project's environmental impact report with document number “HangLinHuanPingShen [2023] No. 41.” This project has commenced in April 2023 and will be accepted and put into production after completion.

On August 25, 2023, the company submitted an application for a pollutant discharge permit on the National Pollutant Discharge Permit Information Management Platform and passed the review. The permit number is 9133000014304182XR001V, valid until August 24, 2028.

(4) Emergency Response Plan for Environmental Incidents

Applicable" Not applicable"

In October 2024, the "Emergency Response Plan for Environmental Incidents" was revised, and the plan passed expert review and was filed with the local environmental protection bureau, with the filing number 330185—2024-101-L. The plan provides a detailed description of emergency measures for environmental incidents, and the company conducts irregular (at least once a year) emergency drills, effectively enhancing its ability and measures to respond to sudden environmental incidents.

(5) Self-Monitoring Program

Applicable" Not applicable"

The Self-Monitoring Program is established to consciously fulfill the obligation to protect the environment, actively accept social supervision, and comply with relevant national laws and standards. In 2024, the company formulated the corresponding self-monitoring plan and strictly carried out monitoring work according to the requirements of the self-monitoring program. At the same time, the company continuously improves its environmental self-monitoring capabilities and commissions qualified testing agencies to conduct regular pollutant emission monitoring as required, ensuring compliance with emission standards. In accordance with the requirements of the local environmental protection department, pollutant monitoring information is made public. The monitoring indicators include: 1.Exhaust Gas: Toluene, Xylene, Non-methane Total Hydrocarbons, Particulate Matter, SO₂, NO_x, Ethyl Acetate, Butyl Acetate, Methyl Acetate, Styrene; 2.Wastewater: pH, COD, Ammonia Nitrogen, SS, Total Phosphorus, Total Nitrogen, Petroleum, Anionic Surfactants, Five-day Biochemical Oxygen Demand; 3.Boundary Noise: Noise levels at the East, West, South, and North boundaries of the factory. The park has established a standardized total wastewater discharge outlet and installed online monitoring equipment for wastewater, with the main monitoring indicators being pH, COD, and flow rate.

(6) Administrative punishment for environmental problems during the reporting period

Applicable" Not applicable"

(7) Other Required Environmental Information Disclosure

Applicable" Not applicable"

According to the "Environmental Protection Law of the People's Republic of China" and the "Measures for the Disclosure of Environmental Information by Enterprises and Public Institutions" (Ministry of Environmental Protection Order No. 31), the company has set up relevant sections on its official website to publicly disclose environmental information related to the company.

2. Environmental Situation of the Company Outside of Key Pollutant Discharge Units

Applicable" Not applicable"

(1) Situations Regarding Administrative Penalties for Environmental Issues

Applicable" Not applicable"

(2) Refer to other environmental information disclosed by key pollutant discharge units

Applicable" Not applicable"

In addition to key pollutant discharge units, Hangcha Group and its other 10 holding subsidiaries have established an environmental management system. Environmental protection work relies on advanced technologies and processes. The company continuously implements engineering preventive controls by adopting new technologies and processes at the source, followed by process control and management control, and finally considering end-of-pipe treatment. For example, techniques such as powder coating and water-based paint are used to replace oil-based paints, gradually reducing exhaust emissions. The company commissions third-party agencies annually for the testing of wastewater, exhaust gas, and noise. In 2024, wastewater and exhaust gas emissions met the standards, and hazardous waste was disposed of in 100% compliance.

(3) Reasons for not disclosing other environmental information

Applicable" Not applicable"

3. Information Beneficial for Ecological Protection, Pollution Prevention, and Environmental Responsibility Fulfillment

Applicable" Not applicable"

The company uses advanced production equipment, ensuring that the exhaust gas and wastewater produced are processed effectively before meeting discharge standards. All solid wastes are disposed of and utilized by qualified entities.

4. Measures Taken to Reduce its Carbon Emissions during the Reporting Period and their Effects

Has the Company Taken	Yes
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Carbon Reduction Measures?	
Reduction of Carbon Dioxide Equivalent Emissions (Unit: Tons)	
<p>Type of Carbon Reduction Measures (e.g., using clean energy for power generation, using carbon reduction technologies in production processes, developing new products that help reduce carbon emissions, etc.)</p>	<p>1. During the reporting period, the company increased its greenery area by 13,068.9 square meters, bringing the total greenery area of the group to 159,357.9 square meters, effectively absorbing the carbon dioxide emitted by the company and improving the ecological quality of the park. The company leads the maintenance of greenery to ensure the sustainability and effectiveness of the greening projects.</p> <p>2. The company actively promotes the application of renewable energy by constructing distributed solar photovoltaic power stations on the roofs of factory buildings in the park, utilizing solar photovoltaic power generation. During the reporting period, the installed capacity of renewable energy facilities reached 9.9 MW, an increase of 76.79% compared to 2023. The total electricity generation in 2024 reached 7,036,400 kWh, effectively reducing the company's dependence on traditional electricity and decreasing carbon emissions, thereby promoting the optimization of the company's energy structure.</p> <p>3. The company actively promotes the application of powder coating lines. During the reporting period, five powder coating lines have been put into production. In the powder curing process, the company adopted an infrared heating method using natural gas combined with hot air circulation, replacing traditional diesel heating. This innovative process not only accelerated the heating speed but also significantly reduced natural gas consumption by effectively utilizing heated air insulation, thus reducing carbon emissions and promoting the green upgrade of the coating process.</p> <p>4. Lighting: The company's lighting design employs zoned, grouped, and timed automatic dimming measures. Energy-efficient lighting fixtures, such as LEDs, are gradually adopted in the factory and various rooms or areas, and skylights are utilized for natural lighting, effectively reducing energy consumption.</p> <p>5. During the reporting period, the company introduced dry operations for new milling machines, achieving zero discharge of waste cutting fluid, which reduces resource waste and environmental pollution. The company ensures that all equipment meets industry access standards, utilizes</p>

	<p>advanced equipment and processes, and is equipped with comprehensive environmental treatment facilities to avoid using energy-intensive, low-efficiency equipment. The actual operating efficiency of all common energy equipment meets national energy efficiency standards, effectively reducing carbon emissions and enhancing the energy utilization efficiency of the production process.</p> <p>6.The company has established a dedicated energy management organization with defined energy management goals and implementation plans. Combining performance evaluations, lean production proposals, rewards, and other methods, the company continuously explores energy-saving renovations and projects for optimizing energy structure.</p> <p>7.The company actively promotes the application of renewable resources, investing over 2 million yuan in VOC (Volatile Organic Compounds) waste gas treatment during the reporting period, upgrading and improving five sets of renewable activated carbon waste gas treatment facilities. The company actively responds to the government's "Green Island" project, promotes resource recycling, reduces hazardous waste emissions, and through the recycling of activated carbon, can reduce the amount of original activated carbon used. The more times it is recycled, the more indirect carbon dioxide emissions are reduced, enhancing the company's level of sustainable development.</p> <p>8.The company focuses on treating organic waste gases generated from paint workshop processes such as paint mixing, spraying, and drying. During the reporting period, the company invested 3.6 million yuan in advanced waste gas treatment processes, upgrading the original activated carbon adsorption treatment process to one set of zeolite wheel + catalytic combustion device + online monitoring system. According to online monitoring estimates, the VOC reduction amount is 4.603 tons per year.</p>
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Specific Statement

Applicable" Not applicable"

II. Social Responsibility Work Status

1. Disclosure of Social Responsibility Report, Sustainable Development Report, or ESG Report Separately

Applicable" Not applicable"

The full text of the company's ESG report can be found on the Shanghai Stock Exchange website (<http://www.sse.com.cn/>).

2. Specific Situation of Social Responsibility Work

Applicable" Not applicable"

External Donations and Public Welfare Projects	Quantity/Content	Notes
Total Investment: ()	106.33	Supporting Zitong Town through the "Close-Personal Connections Three Services" initiative, paired assistance donations to Baiyu County, Sichuan, etc.
Of Which: Funding ()	106.33	
Material Contribution: ()	0	
Number of Beneficiaries: (Persons)	800	

Specific Statement

Applicable" Not applicable"

III. Specific Situation of Consolidating and Expanding Achievements in Poverty Alleviation and Rural Revitalization

Applicable" Not applicable"

Poverty Alleviation and Rural Revitalization Projects	Quantity/Content	Notes
Total Investment: ()	88.33	Paired assistance to Baiyu County in Sichuan, Zuokou Township and Tianmushan Town in Lin'an District, Yankou Primary School in Lin'an District, and visiting underprivileged groups, etc.
Of Which: Funding ()	0	
Material Contribution: ()	88.33	
Number of Beneficiaries: (Persons)	500	
Forms of Assistance (e.g., Industrial Poverty Alleviation, Employment Poverty Alleviation, Educational Poverty Alleviation, etc.)		<p>Industrial Poverty Alleviation: Deepening the paired-assistance mechanism, focusing on supporting Zitong Town in Chun'an County, and promoting collective economic income projects in Fushi Village, forming a dual-driven model of "reducing poverty and increasing income + artistic industry."</p> <p>Employment Poverty Alleviation: Through the "Tianmu Common Prosperity Alliance" three-shared construction mechanism, driving the development of rural industries in villages such as Guifangqiao Village in Lin'an District, with over 200 new job positions created.</p> <p>Educational Poverty Alleviation: Continuing the "Children's Day" visits to Yankou Primary School in Lin'an District; donating 30,000 yuan to Baiyu County for the improvement of educational facilities, aiding the enhancement of educational resources in remote areas.</p> <p>Public Welfare Assistance: Responding to the "Ten Thousand Enterprises Support Ten Thousand Villages" initiative, deepening the paired-assistance between Lin'an and Baiyu, and supporting rural revitalization</p>

		through human settlement improvement projects, recognized as one of the top 100 leading enterprises in social responsibility among private enterprises in Zhejiang Province for two consecutive years.
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Specific Statement

Applicable" Not applicable"

The company actively responded to the call of the Hangzhou municipal government and was among the first units to become a member of the Hangzhou Assistance Group. Since 2000, it has paired assistance with "Zuokou Township" and "Zitong Town" in Chun'an County, as well as Tianmushan Town in Lin'an District. Over nearly 20 years, a total of over 10 million yuan in funds and materials have been provided for assistance.

During the reporting period, the company's paired assistance unit, Zitong Town in Chun'an County, firmly focused on "reducing poverty and increasing income" and "artistic industry," actively demonstrating the leadership role of the funds allocated through the "paired assistance" mechanism, based on actual conditions, highlighting key areas, and implementing various livelihood projects such as collective economic income projects in Fushi Village, procurement projects for beekeeping for low-income households in various administrative villages, and renovation projects for art galleries. The "paired assistance" strategy has played a significant role in strengthening collective village economies and aiding households in increasing their income and wealth.

During the reporting period, the company established a "three-shared construction mechanism" involving "alliance, party building, and industry" with the Tianmu Common Prosperity Alliance. This not only changed the previous one-to-one paired assistance model but also enhanced the party-led cooperation work in village-enterprise collaboration through party building, driving industrial development with talent support. As a corporate representative of the "Tianmu Common Prosperity" Alliance in Lin'an District, Hangcha Group actively fulfills its social responsibilities and contributes to the common prosperity efforts in Guifangqiao Village, Lin'an District, supporting rural revitalization initiatives while also being confident in the future advancement of enterprise-village pairing projects. Every year, together with GreatStar Group, the company visits Yankou Primary School in Yuqian Township, Lin'an District, to bring gifts for Children's Day. In 2024, to promote the pairing assistance work between Lin'an District and Baiyu County, effectively consolidating and expanding the achievements in poverty alleviation and the connection with rural revitalization, and deepening comprehensive support between Lin'an and Baiyu, Hangcha Group donated 30,000 yuan to Baiyu County for improving living conditions.



Caring Enterprises Supporting Baiyu County in Ganzi Prefecture, Hangzhou, Zhejiang Province

During the reporting period, as a corporate representative of the "Tianmu Common Prosperity" Alliance in Lin'an District, the company actively fulfilled its social responsibility and contributed to the common prosperity efforts in Guifangqiao Village, Zuokou Township, and other areas, aiding rural revitalization initiatives. In April 2024, Hangcha Group was recognized as an Excellent Team Enterprise in the 2023 "Ten Thousand Enterprises Support Ten Thousand Villages" Action by the leadership group of Hangzhou's Lin'an District. It was also honored as an Advanced Unit in Social Public Welfare by the Hangzhou Lin'an District Federation of Industry and Commerce.



Achievements in the 2023 "Ten Thousand Enterprises Support Ten Thousand Villages" Action



2023 Advanced Unit in Social Public Welfare

During the reporting period, the company, having made its first appearance on the list of the top 100 leading private enterprises in Zhejiang for social responsibility in 2022, was again recognized in 2023. On March 21, 2024, the "2024 Zhejiang Private Enterprises Social Responsibility and Zhejiang Business ESG Seminar" was held in Lin'an, Hangzhou, where participants visited the Hangcha Group exhibition hall, smart logistics workshop, and other facilities. Wang Fuxi, the Deputy Secretary of the Party Committee of Hangcha Group, provided a comprehensive explanation to attendees on the company's efforts and achievements in sustainable development in 2023, touching upon aspects such as integrity in operations, standardized governance, technological innovation, green products, energy conservation and emissions reduction, intelligent factories, being people-oriented, caring for employees, practicing public welfare, and giving back to society.





Participants of the 2024 Zhejiang Private Enterprises Social Responsibility and Zhejiang Business ESG Seminar Visit Hangcha Group

Over the years, Hangcha Group has adhered to its core values of "Integrity First, Performance Priority; Sustainable Development, Social Contribution," actively improving the work environment, fulfilling social responsibilities, and implementing governance systems. The company incorporates various elements of social responsibility into its daily management and operations, striving for harmonious and win-win development between the enterprise and its employees, the enterprise and society, and the enterprise and the environment. It seeks to organically combine its development with social progress and embodies the win-win philosophy in fulfilling the social responsibilities of a listed company.

Moving forward, Hangcha Group will take new steps in deepening its social responsibility philosophy, making new contributions to high-quality development in Zhejiang, showcasing new initiatives in establishing a social responsibility brand, and achieving breakthroughs in enhancing the company's ESG governance capabilities. Hangcha Group is determined to use this as a new starting point to continuously elevate its efforts in the realm of social responsibility and achieve new progress.

Chapter 6 Important Matters

I. Commitment Fulfillment

1. The commitments made by the company's actual controllers, shareholders, related parties, acquirers, and other relevant parties during the reporting period or continuing into the reporting period.

"√ Applicable" "□ Not applicable"

Commitment Background	Commitment Type	Made by	Commitment Content	Made on	Is There a Fulfillment Deadline?	Deadline of commitment	Is It Timely and Strictly Fulfilled?	If not timely fulfilled, specify the reasons for the non-fulfillment.	If not timely fulfilled, specify the next steps.
Commitments Related to Major Asset Restructuring	Resolution of Competing Business Issues	Hangcha Holding	1. The Company will not directly or indirectly engage in or participate in any business activity that constitutes potential direct or indirect competition with the business activities of the listed company and its subsidiaries, and the Company will ensure that effective legal measures are taken to prevent other companies controlled by the Company from engaging in or participating in any business activities that competes with the business activities of the listed company and its subsidiaries. 2. If the listed company further expands its scope of business, the Company and other companies under its control will not compete with the listed	Long-term	No	Long-term	Yes	N/A	N/A

			<p>company's business activities under the expanded scope. If there is potential competition with the listed company's business activities under the expanded scope, the Company and other companies under its control will exit the competition with the listed company in the following ways: A) ceasing the business activities that constitute or may constitute competition with the listed company; B) integrating the competing business activities into the listed company's operations; C) transferring the competing business activities to an unrelated third party. 3. If the Company or other companies under its control have any commercial opportunity to engage in or participate in any activity that may compete with the listed company's operations, the Company or other companies under its control will immediately notify the listed company of such commercial opportunity. If the listed company confirms its willingness to take advantage of the opportunity within the reasonable period specified in the notification, the Company or other companies under its control</p>						
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			will make all efforts to provide the commercial opportunity to the listed company. 4. If I breach the above commitments, the Company is willing to bear all liability arising therefrom and fully indemnify the listed company for all direct or indirect losses.						
	Resolution of Competing Business Issues	Qiu Jianping	1. I will not directly or indirectly engage in or participate in any business activity that constitutes potential direct or indirect competition with the business activities of the listed company and its subsidiaries, and I will ensure that effective legal measures are taken to prevent other companies controlled by me from engaging in or participating in any business activities that competes with the business activities of the listed company and its subsidiaries. 2. If the listed company further expands its scope of business, I and other companies under my control will not compete with the listed company's business activities under the expanded scope. If there is potential competition with the listed company's business activities under the expanded scope, I and other companies under my	Long-term	No	Long-term	Yes	N/A	N/A

			control will exit the competition with the listed company in the following ways: A) ceasing the business activities that constitute or may constitute competition with the listed company; B) integrating the competing business activities into the listed company's operations; C) transferring the competing business activities to an unrelated third party. 3. If I or other companies under my control have any commercial opportunity to engage in or participate in any activity that may compete with the listed company's operations, I will immediately notify the listed company of such commercial opportunity. If the listed company confirms its willingness to take advantage of the opportunity within the reasonable period specified in the notification, I will make all efforts to provide the commercial opportunity to the listed company. 4. If I breach the above commitments, I am willing to bear all liability arising therefrom and fully indemnify the listed company for all direct or indirect losses.						
Resolution of Related	Hangcha Holding	1. The Company and the companies under its control will	Long-term	No	Long-term	Yes	N/A	N/A	

	Transactions		<p>reduce related party transactions with the listed company as much as possible and will not seek treatment more favorable than that given to other third parties in business cooperation with the listed company by taking advantage of its position as the controlling shareholder of the listed company. 2. The Company will not seek preference in reaching transactions with the listed company by taking advantage of its position as the controlling shareholder of the listed company. 3. If any related party transaction is indeed necessary and unavoidable, I and the companies under my control will sign agreements with the listed company in accordance with the principles of equality, fairness, and equal consideration, perform legal procedures, fulfill information disclosure obligations and relevant internal decision-making and approval procedures as required by relevant laws, regulations, normative documents and the Company's Articles of Association, ensure that transactions with the listed company will not be conducted under terms that are evidently</p>						
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			unfair compared to market prices, and refrain from any acts that harm the legitimate rights and interests of the listed company and other shareholders through such transactions.						
	Resolution of Related Transactions	Qiu Jianping	<p>1. I and the companies under my control will reduce related party transactions with the listed company as much as possible and will not seek treatment more favorable than that given to other third parties in business cooperation with the listed company by taking advantage of my position as the actual controller of the listed company.</p> <p>2.I will not use my position as the actual controller of a listed company to seek the right to prioritize transactions with the listed company. 3.In the event that there are necessary and unavoidable related transactions, I and the enterprises I control will enter into agreements with the listed company in accordance with the principles of fairness, equity, and equivalent compensation. We will follow the legal procedures and, in compliance with the requirements of relevant laws, regulations, and normative documents, as well as the</p>	Long-term	No	Long-term	Yes	N/A	N/A

			provisions of the "Articles of Association," we will fulfill our information disclosure obligations and follow the relevant internal decision-making and approval procedures. We will ensure that we do not conduct transactions with the listed company under conditions that are significantly unfair compared to market prices, nor will we engage in any actions that harm the legal rights and interests of the listed company and other shareholders through such transactions.						
Other	Hangcha Holding		The Company undertakes that after the completion of this transaction, it will ensure that the listed company continues to improve its corporate governance structure and independent operating management system in accordance with the requirements of relevant laws, regulations and its Articles of Association and the listed company will maintain its independence in terms of business, assets, finance, institutions, staffing and other aspects to effectively protect the interests of all shareholders.	Long-term	No	Long-term	Yes	N/A	N/A
Other	Qiu Jianping		I undertake that after the completion of this transaction, I will ensure that the listed	Long-term	No	Long-term	Yes	N/A	N/A

			company continues to improve its corporate governance structure and independent operating management system in accordance with the requirements of relevant laws, regulations and its Articles of Association and the listed company will maintain its independence in terms of business, assets, finance, institutions, staffing and other aspects to effectively protect the interests of all shareholders.						
Commitments Related to Initial Public Offering (IPO)	Other	Company	If the prospectus for this public offering of shares contains false records, misleading statements, or significant omissions that materially affect the judgment of whether the company meets the legal conditions for issuance, the company will promptly propose a share repurchase plan and submit it for discussion by the board of directors and the shareholders' meeting. The company will legally repurchase the newly issued shares from the initial public offering (excluding shares publicly offered by original shareholders). For shares that have been issued but not yet listed, the repurchase price will be determined based on the issuance price plus the interest on bank deposits at the same period;	Long-term	No	Long-term	Yes	N/A	N/A

			<p>for shares that have been listed, the repurchase price will be determined based on the company's stock issuance price plus the interest on bank deposits for the same period and the higher of the average closing price of the stock for the twenty trading days preceding the recognition of the above matters. The implementation of the above share repurchase will be carried out in accordance with the relevant laws, regulations, and procedures stipulated in the company's articles of association. If there are other stipulations in laws, regulations, or the company's articles of association during the implementation of the repurchase, those stipulations shall prevail. If the company's stock undergoes any distribution of dividends, bonus shares, or capitalization of reserves, the issuance price shall be adjusted accordingly. If the company's prospectus contains false records, misleading statements, or significant omissions that cause investors to suffer losses in securities trading, the company will compensate investors for their losses in accordance with the law. After such illegal facts</p>						
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			are recognized by the China Securities Regulatory Commission, securities exchanges, or judicial authorities, the company will simplify procedures, actively negotiate, provide advance payments, and take practical measures to protect the interests of investors, especially small and medium-sized investors, and will compensate investors for their direct economic losses incurred as a result by choosing to settle with investors, mediating with investors through third parties, and establishing an investor compensation fund, among other means.						
	Other	Directors, Supervisors, and Senior Management of the Company	If the prospectus of the company contains false records, misleading statements, or significant omissions that lead to investor losses in securities trading, I will compensate investors for their losses in accordance with the law. After such illegal facts are recognized by the China Securities Regulatory Commission, securities exchanges, or judicial authorities, the company will simplify procedures, actively negotiate, provide advance payments, and take practical	Long-term	No	Long-term	Yes	N/A	N/A

			measures to protect the interests of investors, especially small and medium-sized investors, and will compensate investors for their direct economic losses incurred as a result by choosing to settle with investors, mediating with investors through third parties, and establishing an investor compensation fund, among other means.						
	Resolution of Competing Business Issues	Controlling Shareholder: Hangcha Holdings Actual Controller: Chou Jianping	(1) I/this company is currently not engaged in the same business operations as Hangcha Group and will not have direct or indirect industry competition with Hangcha Group. In the future, I/this company will not engage in any form of business activities that are the same as or similar to the existing business and related products of Hangcha Group, including not engaging in any form of industry competition with Hangcha Group through investment, acquisition, or merger with companies or other economic organizations that operate the same or similar businesses and related products as Hangcha Group. (2) The enterprises that I/this company currently or will invest in and control will also not engage in the same business operations as	Long-term	No	Long-term	Yes	N/A	N/A

			Hangcha Group and will not have direct or indirect industry competition with Hangcha Group. (3) If there are business opportunities within the scope of Hangcha Group's operations, I/this company will prioritize transferring or introducing such opportunities to Hangcha Group.						
Commitments Related to Refinancing	Other	Controlling Shareholder: Hangcha Holdings Actual Controller: Chou Jianping	(1) I/this company will not overstep my/its authority to interfere with the company's management activities or infringe upon the company's interests; I/this company will not provide benefits to other units or individuals on an unpaid basis or under unfair conditions, nor will I/it engage in other actions that harm the company's interests. (2) As of the date of this commitment, if the China Securities Regulatory Commission (CSRC) issues new regulatory provisions regarding compensation measures and commitments that the above commitments do not meet, I/this company commits to providing supplemental commitments in accordance with the latest regulations of the CSRC at that time. (3) If I/this company violates these commitments or refuses to fulfill them, I/this	Long-term	No	Long-term	Yes	N/A	N/A

			company willingly accepts relevant penalties or management measures imposed by the CSRC, the Shanghai Stock Exchange, and other securities regulatory agencies; if violating these commitments causes losses to the company or its shareholders, I/this company is willing to bear legal liability for compensation.						
Other	Directors and Senior Management	(1) I will not provide benefits to other units or individuals on an unpaid basis or under unfair conditions, nor will I engage in other actions that harm the company's interests. (2) I will strictly adhere to the company's budget management, and any expenses incurred in my capacity will only be within the necessary scope of fulfilling my responsibilities, subject to strict supervision and management by the company, to avoid waste or premature spending. (3) I will not use company assets for investment or consumption activities unrelated to my responsibilities. (4) I will make my utmost effort to promote the implementation of measures for timely returns. I will be responsible for linking the execution of the compensation system established by the board	Long-term	No	Long-term	Yes	N/A	N/A	

			<p>of directors or the compensation committee with the company's measures for filling returns. (5) I will be responsible for linking the exercise conditions (if any) of the company's proposed equity incentive plans to be published in the future with the execution of the company's measures for filling returns. I will support relevant proposals that tie to the implementation of the company's measures for filling returns and will be willing to vote in favor (if I have voting rights). (7) As of the date of this commitment, if regulatory agencies introduce additional requirements regarding measures for filling returns and their commitments, and if the above commitments do not meet the relevant requirements, I promise to provide supplemental commitments according to the relevant regulations at that time. (8) If I violate or refuse to fulfill the above commitments, I am willing to bear corresponding responsibilities according to the relevant regulations and rules of the China Securities Regulatory Commission and the Shanghai Stock Exchange.</p>						
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2. If the company has profit forecasts for assets or projects, and the reporting period is still within the forecast period, please explain whether the assets or projects have met the original profit forecast and the reasons for this.

Achieved" Not Achieved" Not applicable"

3. Completion Status of Performance Commitments and Its Impact on Goodwill Impairment Testing

Applicable" Not applicable"

II. Non-operating Fund Occupation by Controlling Shareholders and Other Related Parties During the Reporting Period

Applicable" Not applicable"

III. Illegal Guarantee Situations

Applicable" Not applicable"

IV. Board of Directors' Explanation Regarding "Non-standard Opinion Audit Report" from the Accounting Firm

Applicable" Not applicable"

V. Analysis and Explanation of the Reasons and Impact of Changes in Accounting Policies, Accounting Estimates, or Corrections of Significant Accounting Errors

1. Explanation of Reasons and Impact of Changes in Accounting Policies and Estimates

Applicable" Not applicable"

On October 25, 2023, the Ministry of Finance issued "Interpretation No. 17 of the Accounting Standards for Enterprises" (Cai Kuai [2023] No. 21), which stipulates relevant content regarding "the classification of current liabilities and non-current liabilities," "disclosure of supplier financing arrangements," and "the accounting treatment of sale-and-leaseback transactions." This interpretation will come into effect on January 1, 2024.

On December 6, 2024, the Ministry of Finance issued "Interpretation No. 18 of the Accounting Standards for Enterprises" (Cai Kuai [2024] No. 24), which stipulates relevant content regarding "subsequent measurement of investment properties held under a basis project using the fair value model" and "the accounting treatment of quality guarantees that do not constitute individual performance obligations." This interpretation will come into effect from the date of issuance and allows enterprises to implement it in advance of the issued year.

2. Company's Analysis and Explanation of the Reasons and Impact of Corrections of Significant Accounting Errors

Applicable" Not applicable"

3. Communication Status with the Former Accounting Firm

Applicable" Not applicable"

4. Approval Procedures and Other Explanations

Applicable" Not applicable"

VI. Appointment and Dismissal of Accounting Firms

Unit: Ten thousand yuan Currency: CNY

	Current Appointment
Accounting firm in China	Pan-China Certified Public Accountants LLP (Special General Partnership)
Remuneration for Domestic Accounting Firm:	180
Audit Tenure for Domestic Accounting Firm:	24
Name of the CPAs from accounting firm in China	Xu Jinbo, Tang Zheren
Cumulative Audit Service Tenure of Certified Public Accountants from Domestic Accounting Firm:	5 years, 2 years
Name of Foreign Accounting Firm:	
Remuneration for Foreign Accounting Firm:	
Audit Tenure for Foreign Accounting Firm:	

	Item	Remuneration
Internal Control Audit Accounting Firm	Pan-China Certified Public Accountants LLP (Special General Partnership)	30

Explanation of Appointment and Dismissal of Accounting Firms

Applicable" Not applicable"

On April 17, 2024, the Company's seventh board of directors held its tenth meeting, during which it approved the proposal regarding the reappointment of the audit firm for the fiscal year 2024. The resolution decided to reappoint Tianjian Certified Public Accountants (Special General Partnership) as the Company's audit firm for the fiscal year 2024.

Explanation of the Situation Regarding the Reappointment of Accounting Firms During the Audit Period

Applicable" Not applicable"

Explanation of Audit Fees Decreasing by More Than 20% Compared to the Previous Year (Including 20%)

Applicable" Not applicable"

VII. Situations Facing Delisting Risk

1. Reasons Leading to the Warning of Delisting Risk

Applicable" Not applicable"

2. Proposed Measures to Address the Situation

Applicable" Not applicable"

3. Situations and Reasons for Facing Termination of Listing

Applicable" Not applicable"

VIII. Matters Related to Bankruptcy Reorganization

Applicable" Not applicable"

IX Major Litigation and Arbitration Matters

The Company has major litigation or arbitration matters this year."
 The Company does not have any major litigation or arbitration matters this year."

X. Circumstances of the Listed Company and Its Directors, Supervisors, Senior Management, Controlling Shareholders, and Actual Controllers Suspected of Violating Laws and Regulations, and Their Punishments and Rectifications

Applicable" Not applicable"

XI Explanation of the Integrity of the Company, Its Controlling Shareholders, and Actual Controllers During the Reporting Period

Applicable" Not applicable"

During the reporting period, the integrity of the Company, its controlling shareholders, and actual controllers is good.

XII Major Related Party Transactions

1. Related Party Transactions Related to Daily Operations

(1) Matters disclosed in the temporary announcement with no subsequent progress or changes

Applicable" Not applicable"

(2) Matters disclosed in the temporary announcement but with subsequent progress or changes

Applicable" Not applicable"

Item Overview	Search Index
Announcement on the Addition and Adjustment of Certain Expected Daily Related Party Transactions for the Company in 2024	http://www.sse.com.cn (Announcement No.: 2024-042)

(3). Matters Not Disclosed in the Temporary Announcement

Applicable" Not applicable"

2. Related Party Transactions Occurring from Asset or Equity Acquisitions or Sales

(1) Matters disclosed in the temporary announcement with no subsequent progress or changes

Applicable" Not applicable"

(2) Matters disclosed in the temporary announcement but with subsequent progress or changes

Applicable" Not applicable"

(3) Matters Not Disclosed in the Temporary Announcement

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Related parties	Connected Party	Type of Connected Transaction	Content of transaction	Pricing Principles for Connected Transactions	Book Value of Transferred Assets	Appraisal Value of Transferred Assets	Transfer Price	Settlement Method for Connected Transactions	Returns from Transferred Assets	Impact of the Transaction on the Company's Operating Results and Financial Status	Reasons for Significant Differences Between Transaction Price and Book Value or Appraisal Value, or Market Fair Value
Zhejiang Guozi Robotics Co., Ltd.	Other Related Parties	Acquisition of Equity	Acquisition of 100% Equity in Zhejiang Guozi Intelligent Equipment Co., Ltd.	Negotiated Based on Appraisal Value	-710.48	2985.95	2986.00	Bank Transfer	N/A	No significant impact	N/A

Description of Related Party Transactions Occurring from Asset Acquisitions or Sales
None

(4) If Involving Performance Agreements, Performance Achievement During the Reporting Period Should Be Disclosed

Applicable" Not applicable"

3. Major Related Party Transactions of Joint External Investment

(1) Matters disclosed in the temporary announcement with no subsequent progress or changes

Applicable" Not applicable"

(2) Matters disclosed in the temporary announcement but with subsequent progress or changes

Applicable" Not applicable"

(3) Matters Not Disclosed in the Temporary Announcement

Applicable" Not applicable"

4. Related Party Debt and Creditor Transactions

(1) Matters disclosed in the temporary announcement with no subsequent progress or changes

Applicable" Not applicable"

(2) Matters disclosed in the temporary announcement but with subsequent progress or changes

Applicable" Not applicable"

(3) Matters Not Disclosed in the Temporary Announcement

Applicable" Not applicable"

5. Financial Transactions Between the Company and Financial Companies with Related Relationships, and Financial Companies Controlled by the Company with Related Parties

Applicable" Not applicable"

6. Other

Applicable" Not applicable"

XIII. Significant Contracts and Their Performance

1. Entrustment, Contracting, and Leasing Matters

(1) Entrustment Situation

Applicable" Not applicable"

(2) Contracting Situation

Applicable" Not applicable"

(3) Leasing Situation

Applicable" Not applicable"

2. Guarantee Situation

"√ Applicable" "□ Not applicable"

Unit: Hundred million yuan Currency: CNY

Company's External Guarantee Situation (Excluding Guarantees for Subsidiaries)															
Guarantor	Relationship Between the Guarantor and the Listed Company	Guaranteed party	Amount	Date of Guarantee Occurrence (Date of Agreement Signing)	Guarantee Starting date	Guarantee Maturity	Type of guarantee	Collateral (if any)	Performance completed or not	Is the Guarantee Overdue?	Amount of Overdue Guarantee	Counter-Guarantee Situation	Guarantee for related parties or not	Related Relationship	
Total Guarantee Amount During the Reporting Period (Excluding Guarantees for Subsidiaries)															
Total Guarantee Balance at the End of the Reporting Period (A) (Excluding Guarantees for Subsidiaries)															
Company and Its Subsidiaries' Guarantees for Subsidiaries															
Total Guarantee Amount for Subsidiaries During the Reporting Period															3.2
Total Guarantee Balance for Subsidiaries at the End of the Reporting Period (B)															3.2
Total Guarantee Situation of the Company (Including Guarantees for Subsidiaries)															
Total Guarantee Amount (A + B)															3.2
Total Guarantee Amount as a Percentage of Company's Net Assets (%)															3.15
Including:															
Amount of Guarantees Provided for Shareholders, Actual Controllers, and Their Related Parties (C)															
Debt Guarantee Amounts Provided Directly or Indirectly for Guaranteed Parties with Liabilities Exceeding 70% (D)															3.1
Amount of Guarantees Exceeding 50% of Net Assets (E)															
Sum of the Above Three Guarantee Amounts (C + D + E)															3.1

Explanation of Joint and Several Liability for Guarantees That Have Not Yet Expired	
Guarantee Situation Explanation	The company respectively approved the "Proposal on the Company's Estimated External Guarantees for 2024" at the 10th meeting of the 7th Board of Directors on April 17, 2024, and at the 2023 Annual General Meeting of Shareholders held on May 10, 2024. It was agreed that from the date of the approval by the 2023 Annual General Meeting of Shareholders until the date of the 2024 Annual General Meeting of Shareholders, the chairman of the company is authorized to sign relevant "Guarantee Contracts" and other legal documents with banks and other financial institutions within the authorized scope of guarantee.

3. Situation of Entrusting Others for Cash Asset Management

(1) Entrustment Wealth Management Situation

a. Overall Situation of Entrustment Wealth Management

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Type	Source of funds	Amount	Balance not yet due	Overdue Amount Not Collected
Securities Firm Wealth Management Products	Self-owned funds	80000000.00	80000000.00	0

Other Situations

Applicable" Not applicable"

b. Single Entrusted Wealth Management Situation

Applicable" Not applicable"

Other Situations

Applicable" Not applicable"

c. Impairment Provision for Entrusted Wealth Management

Applicable" Not applicable"

(2) Entrusted Loan Situation

a. Overall Situation of Entrusted Loans

Applicable" Not applicable"

Other Situations

Applicable" Not applicable"

b. Single Entrusted Loan Situation

Applicable" Not applicable"

Other Situations

Applicable" Not applicable"

c. Impairment Provision for Entrusted Loans

Applicable" Not applicable"

(3) Other Situations

Applicable" Not applicable"

4. Other Significant Contracts

Applicable" Not applicable"

XIV Progress Explanation of Raised Funds Usage

Applicable" Not applicable"

1. Overall Usage of Raised Funds

Applicable" Not applicable"

Unit:

Source of Raised Funds	Time of Fund Availability	Total raised funds	Net Capital Raised (1)	Total Committed Investment in Prospectus or Fund-Raising Document (2)	Total Amount of Overraised Funds (3) = (1) - (2)	Total Accumulated Investment in Raised Funds by the End of the Reporting Period (4)	Among Them: Cumulative Investment in Overraised Funds by the End of the Reporting Period (5)	Cumulative Investment Progress of Raised Funds by the End of the Reporting Period (%) (6) = (4) / (1)	Cumulative Investment Progress of Overraised Funds by the End of the Reporting Period (%) (7) = (5) / (3)	Amount Invested This Year (8)	Proportion of Amount Invested This Year (%) (9) = (8) / (1)	Total Amount of Raised Funds with Changed Purpose
Issue convertible bonds	2021年3月31日	115000	113866.25	113866.25		92535.23		81.27		4654.78	4.0879	
Total Amount	/	115000	113866.25	113866.25		92535.23		/	/	4654.78	/	

Other notes

Applicable" Not applicable"

As of March 31, 2024, all investment projects using the raised funds by the company have been completed and are in a state of availability. Any remaining raised funds have been permanently used to supplement working capital, and the specialized account for raised funds has completed the closure procedures. For detailed information, please refer to the announcement titled "Announcement on the Completion of Fund-Raising Project and Permanent Supplementation of Working Capital with Remaining Raised Funds" (Announcement No.: 2024-013) disclosed by the company on April 18, 2024, on the Shanghai Stock Exchange website, as well as the announcement titled "Announcement on the Completion of Closure of Specialized Account for Raised Funds" (Announcement No.: 2024-024) disclosed on June 12, 2024.

2. Details of Fund-Raising Projects:

Applicable" Not applicable"

(1) Usage Situation of Raised Funds Details

Applicable" Not applicable"

Unit:

Source of Raised Funds	Item Name	Nature of the Project	Is it a committed investment project in the prospectus or offering document?	Is there any change in the investment direction?	Planned Total Investment Amount of Raised Funds (1)	Amount Invested This Year	Total Accumulated Investment in Raised Funds by the End of the Reporting Period (2)	Cumulative Investment Progress by the End of the Reporting Period (%) (3) = (2)/(1)	Date of achieving expected conditions for use	Has the project been completed?	Does the investment progress meet the planned schedule?	Specific reasons for not meeting the planned investment progress	Benefits Achieved This Year	Benefits or R&D Achievements Realized by this Project	Has there been a significant change in project feasibility? If yes, please explain the specific situation	Remaining Amount
Issue convertible bonds	Investment Project for the Construction of 60,000 Units of New Energy Forklifts Annually	Production Construction	Yes	No	83113.58	2968.94	67482.19	81.19	March 2024	Yes	Yes		57323.30	103923.44	No	
Issue convertible bonds	R&D Center Upgrade Construction Project	Research and Development (R&D)	Yes	No	12927.43	960.60	6861.69	53.08	March 2024	Yes	Yes		N/A	N/A	No	
Issue convertible bonds	Group Information Technology Upgrade Construction Project	Operations Management	Yes	No	8439.90	725.24	8509.62	100.83	March 2024	Yes	Yes		N/A	N/A	No	
Issue convertible bonds	Marketing Network and Forklift	Operations Management	Yes	No	9385.34		9681.73	103.16	March 2024	Yes	Yes		N/A	N/A	No	

	Experience Center Construction Project															
Total Amount	/	/	/	/	113866.25	4654.78	92535.23	/	/	/	/	/	57323.30	/	/	

(2) Details of the Use of Overraised Funds

Applicable" Not applicable"

3. Changes or Termination of Fundraising Investments during the Reporting Period

Applicable" Not applicable"

4. Other Situations Regarding the Use of Raised Funds during the Reporting Period

(1) Advance investment and fund replacement of the raised funds investment project

Applicable" Not applicable"

(2) Description of temporary replenishment of working capital with idle raised funds

Applicable" Not applicable"

(3) Cash Management of Idle Raised Funds and Investment in Related Products

Applicable" Not applicable"

(4) Other

Applicable" Not applicable"

XV. Explanation of Other Significant Matters That Have a Major Impact on Investors' Value Judgments and Investment Decisions

Applicable" Not applicable"

Chapter 7 Share Changes and Shareholder Information

I. Changes in Share Capital

1. Share Change Table

(1) .Share Change Table

Unit: Share

	Before change		Change Amount (+, -)					After change	
	Quantity	Percentage (%)	New shares issued	Boards shares	Conversion of capital reserve into share capital	Other	Subtotal	Quantity	Percentage (%)
I. Conditional shares									
1. State-owned shares									
2. Legal person shares of state									
3. Shares held by other domestic capital									
Among them: Non-State-Owned Legal Entities Holding Shares in China									
Domestic natural person shares									
4. Shares held by overseas capital									
Of which: Overseas legal person shares									
Overseas natural person shares									
II. Circulating Shares with No Sale Restrictions	935580035	100			374232014		374232014	1309812049	100
1. RMB-denominated ordinary shares	935580035	100			374232014		374232014	1309812049	100
2. Foreign capital shares listed in China									
3. Foreign capital stocks listed overseas									
4. Others									
III. Total number of shares	935580035	100			374232014		374232014	1309812049	100

(2) Explanation of Share Changes

"√ Applicable" "□ Not applicable"

The company, at the 10th meeting of the 7th Board of Directors on April 17, 2024, and at the 2023 Annual Shareholders Meeting on May 10, 2024, approved the proposal regarding the distribution of profits and capital reserve to increase share capital for the year 2023. All shareholders will receive 4 additional shares for every 10 shares held, using the capital reserve. After this stock allocation, the company's total share capital will increase from 935,580,035 shares to 1,309,812,049 shares. For

specific details, please refer to the "Announcement on the Implementation of the 2023 Annual Profit Distribution by Hangcha Group Co., Ltd." (Announcement Number: 2024-022) disclosed on May 24, 2024, on the Shanghai Stock Exchange (www.sse.com.cn).

(3) Impact of Share Changes on Financial Indicators such as Earnings Per Share and Net Assets Per Share for the Last Year and the Most Recent Period (if applicable)

Applicable" Not applicable"

Due to the implementation of the 2023 profit distribution plan during this reporting period, resulting in an increase of 4 shares for every 10 shares held, the completion of this stock allocation will cause the company's earnings per share and net assets per share in 2024 to be diluted.

(4) Other contents that the Company considers necessary, or are required by the securities regulatory authorities, to disclose

Applicable" Not applicable"

2. Changes in Restricted Shares

Applicable" Not applicable"

II. Securities Issuance and Listing Situation

1. Securities Issuance Situation up to the Reporting Period

Applicable" Not applicable"

Explanation of Securities Issuance Situation up to the Reporting Period (For bonds with different interest rates during the duration, please explain separately):

Applicable" Not applicable"

2. Changes in Total Shares and Shareholder Structure of the Company, and Changes in Asset and Liability Structure

Applicable" Not applicable"

3. Existing Internal Employee Shares Situation

Applicable" Not applicable"

III. Shareholder and Actual Controller Information

1. Total Number of Shareholders

Total number of common stock shareholders as of the end of the reporting period (households):	24407
Total number of common stock shareholders as of the end of the previous month prior to the annual report disclosure:	18068
Total number of preferred stock shareholders with restored voting rights as of the end of the reporting period (households):	0
Total number of preferred stock shareholders with restored voting rights as of the end of the previous month prior to the annual report	0

disclosure:

Shareholding Information of the Top Ten Shareholders and Top Ten Circulating Shareholders (or Shareholders with No Sale Restrictions) as of the End of the Reporting Period

Unit: Share

Shareholding Information of the Top Ten Shareholders (excluding shares lent through margin trading)							
Name of shareholder (Full Name)	Change During the Reporting Period	Shareholding at Period End	Percentage (%)	Number of Restricted Shares Held	Pledged, marked or frozen		Nature of shareholder
					Share status	Quantity	
Zhejiang Hangcha Holding Co.,Ltd	154697984	541442944	41.34	0	None	0	Domestic non-state-owned legal person
Hangzhou Industrial Investment Group Co., Ltd.	76289058	267011704	20.39	0	None	0	State-owned Entity
Zhao Limin	8176004	28616014	2.18	0	None	0	Domestic natural person
Hong Kong Securities Clearing Company Limited	-8568447	25089537	1.92	0	None	0	Other
China Life Insurance Company Limited - Traditional - Ordinary Insurance Product - 005L - CT001 Shanghai	13487839	21967938	1.68	0	None	0	Other
National Social Security Fund 418 Portfolio	12001100	12910800	0.99	0	None	0	Other
National Social Security Fund 406 Portfolio	11577395	11577395	0.88	0	None	0	Other
Dai Jingjing	3399150	9897024	0.76	0	None	0	Domestic natural person
Xu Lida	2186188	7651658	0.58	0	None	0	Domestic natural person
Shanghai Chengrui Investment Management Co., Ltd. - Yonglong Select B Fund	3253524	7551782	0.58	0	None	0	Other

Shareholding Situation of the Top Ten Shareholders with No Sell Restrictions (Excluding Shares Lent through Transfer for Financing)

Name of shareholder	Number of Circulating Shares with No Sell Restrictions	Type and amount of shares	
		Type	Quantity
Zhejiang Hangcha Holding Co.,Ltd	541442944	RMB Ordinary Shares	541442944
Hangzhou Industrial Investment Group Co., Ltd.	267011704	RMB Ordinary Shares	267011704
Zhao Limin	28616014	RMB Ordinary Shares	28616014

Hong Kong Securities Clearing Company Limited	25089537	RMB Ordinary Shares	25089537
China Life Insurance Company Limited - Traditional - Ordinary Insurance Product - 005L - CT001 Shanghai	21967938	RMB Ordinary Shares	21967938
National Social Security Fund 418 Portfolio	12910800	RMB Ordinary Shares	12910800
National Social Security Fund 406 Portfolio	11577395	RMB Ordinary Shares	11577395
Dai Jingjing	9897024	RMB Ordinary Shares	9897024
Xu Lida	7651658	RMB Ordinary Shares	7651658
Shanghai Chengrui Investment Management Co., Ltd. - Yonglong Select B Fund	7551782	RMB Ordinary Shares	7551782
Explanation of the Repurchase Special Account Situation Among the Top Ten Shareholders	N/A		
Explanation of the Delegation of Voting Rights, Entrusted Voting Rights, or Waiver of Voting Rights by the Above Shareholders	N/A		
Description of the relationship or concerted action among the above shareholders	The company is unaware of any relationships or concerted actions among the above shareholders.		
Explanation of Preferred Shareholders with Restored Voting Rights and Their Shareholding Amounts	N/A		

Status of Shareholders Holding More than 5% of Shares, the Top Ten Shareholders, and the Top Ten Shareholders with Unrestricted Circulating Shares Participating in Transfer for Financing Activities
 "√ Applicable" "□ Not applicable"

Unit: Share

Status of Shareholders Holding More than 5% of Shares, the Top Ten Shareholders, and the Top Ten Shareholders with Unrestricted Circulating Shares Participating in Transfer for Financing Activities								
Name of shareholders (full name)	Number of shares held by common securities accounts and credit securities accounts at the beginning of the period		Number of shares lent through refinancing and have not yet returned at the beginning of the period		Number of shares held by common securities accounts and credit securities accounts at the end of the period		Number of shares lent through refinancing and have not yet returned at the end of the period	
	Total number	Percentage (%)	Total number	Percentage (%)	Total number	Percentage (%)	Total number	Percentage (%)
Shanghai Chengrui Investment Management Co., Ltd. - Yonglong Select B Fund	4298258	0.46	729100	0.08	7551782	0.58	0	0

Changes in the Top Ten Shareholders and the Top Ten Shareholders with Unrestricted Circulating Shares Due to Lending/Returning of Shares in Transfer for Financing
 Applicable" Not applicable"

Unit: Share

Changes in the Top Ten Shareholders and the Top Ten Shareholders with Unrestricted Circulating Shares Due to Lending/Returning of Shares in Transfer for Financing					
Name of shareholders (full name)	Enter/Slip out of the top 10 during the reporting period	Number of shares lent through refinancing and have not yet returned at the end of the period		Number of Shares Held in Ordinary Accounts and Margin Accounts by Shareholders at Period-End, and the Number of Shares Lent in Transfer for Financing that Have Not Yet Been Returned	
		Total number	Percentage (%)	Total number	Percentage (%)
Shanghai Chengrui Investment Management Co., Ltd. - Yonglong Selected B Fund	Enter	0	0	7551782	0.58

Number of Shares Held and Lock-up Conditions of the Top Ten Shareholders with Restricted Shares
 Applicable" Not applicable"

2. Strategic Investors or General Corporations Becoming Top 10 Shareholders Due to the Distribution of New Shares

Applicable" Not applicable"

IV. Situation of Controlling Shareholders and Actual Controllers

1. Controlling Shareholder Information

(1) Legal Entity

Applicable" Not applicable"

Item	Zhejiang Hangcha Holding Co., Ltd
Person in Charge or Legal Representative	Qiu Jianping
Date of Incorporation	01/23/2003
Main Business Operations	Industrial investment, development, property management, real estate leasing
Shareholdings of other domestic and overseas listed companies that controlled and owned during the reporting period	None
Additional information	None

(2) Natural Person

Applicable" Not applicable"

(3) Special Explanations for the Absence of Controlling Shareholders in the Company

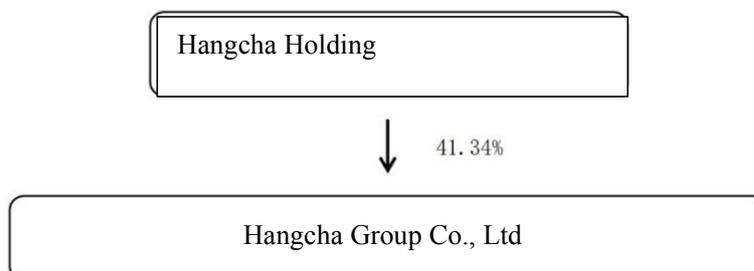
Applicable" Not applicable"

(4) Explanation for Changes in Controlling Shareholders During the Reporting Period

Applicable" Not applicable"

(5) Diagram of Property Rights and Control Relationship Between the Company and the Controlling Shareholder

Applicable" Not applicable"



2. Situation of Actual Controllers

(1) Legal Entity

Applicable" Not applicable"

(2) Natural Person

Applicable" Not applicable"

Name	Qiu Jianping
Nationality	China
Whether to obtain residency permits in other countries or regions	No
Main occupation and position	Chairman and Actual Controller of Zhejiang Hangcha Holdings Co., Ltd.; Company Director
Overseas listed companies controlled over the past decade	1.Hangzhou GreatStar Technology Co., Ltd. Stock Code: 002444 Stock Abbreviation: GreatStar Technology, This company was listed on the Shenzhen Stock Exchange on July 13, 2010. Main businesses include hand tools, handheld electric tools, smart tools, etc. 2.Zhejiang Xinchai Co., Ltd. Stock Code: 301032 Stock Abbreviation: Xinchai Co., Ltd. This company was listed on the Shenzhen Stock Exchange on July 22, 2021, mainly engaged in diesel engines and parts, engineering machinery, agricultural machinery, casting engine components, and mechanical parts, etc.

(3) Special Explanations for the Absence of an Actual Controller in the Company

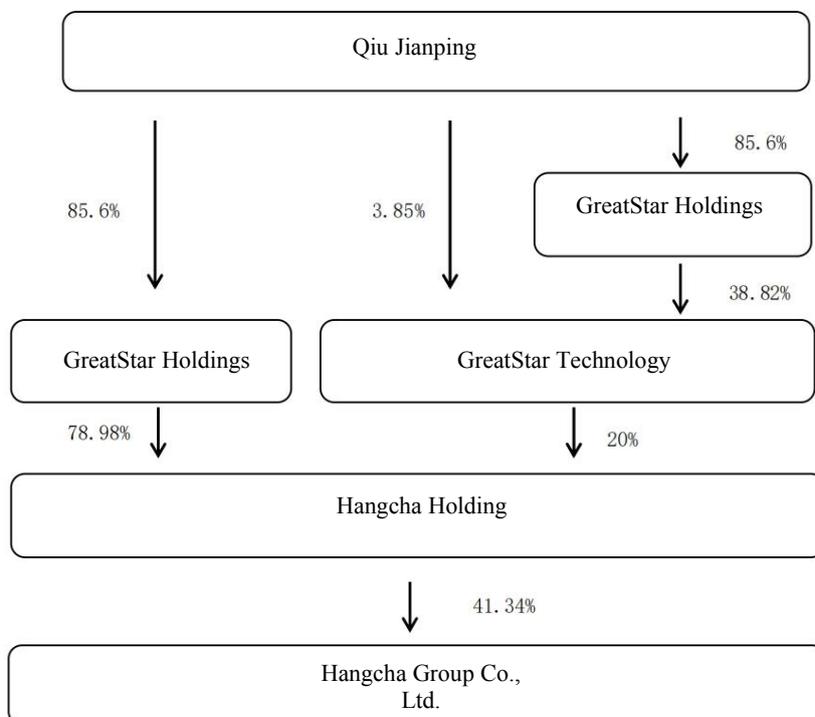
Applicable" Not applicable"

(4) Explanation for Changes in Company Control during the Reporting Period

Applicable" Not applicable"

(5) Block diagram showing the property rights and control relationships between the Company and the actual controller

Applicable" Not applicable"



(6) The actual controller controls the Company via asset management methods such as trust

Applicable" Not applicable"

3. Other Information on Controlling Shareholders and Actual Controllers

Applicable" Not applicable"

V . Have the Number of Pledged Shares of the Controlling Shareholder or the Largest Shareholder and Their Concerted Actors Reached 80% or More of the Shares Held by Them?

Applicable" Not applicable"

VI . Other Legal Entity Shareholders Holding More Than 10% of Shares

Applicable" Not applicable"

Unit: Ten thousand yuan Currency: CNY

Name of Legal Entity Shareholder	Person in Charge or Legal Representative	Date of Incorporation	Organization Code	Registered capital	Main Business Activities or Management Activities
Hangzhou Industrial	Niu Jian	11/13/2001	91330100730327291G	600000	Industrial investment,

Investment Group Co., Ltd.					etc.
Notes	None				

VII Explanation of Shareholding Restrictions on Reductions

Applicable" Not applicable"

VIII Implementation progress of share repurchase during the reporting period

Applicable" Not applicable"

Chapter 8 Information Related to Preferred Shares

Applicable" Not applicable"

Chapter 9 Bond-Related Information

I. Company Bonds (Including Corporate Bonds) and Non-Financial Enterprise Debt Financing Instruments

Applicable" Not applicable"

II. Convertible Corporate Bonds

Applicable" Not applicable"

Chapter 10 Financial reporting

I. Audit Report

"√ Applicable" "□ Not applicable"

To all shareholders of Hangcha Group Co., Ltd.,

1. Opinion

We have audited the accompanying financial statements of Hangcha Group Co., Ltd. (hereinafter referred to as “Hangcha Group Company”), which comprise the consolidated and parent company's balance sheets as at December 31, 2024, the consolidated and parent company's income statements, the consolidated and parent company's statements of cash flows, the consolidated and parent company's statements of changes in owners' equity for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and give a fair view of the consolidated and parent company's financial position of Hangcha Group Company as at December 31, 2024, and the consolidated and parent company's operating results and cash flows for the year then ended.

2 Basis for Opinion

We conducted our audit in accordance with the provisions of China CPA Standard on Auditing (CSA). Our responsibilities under those standards are further described in the CPA's Responsibilities for the Audit of the Financial Statements section of the Audit Report. We are independent of Hangcha Group Company and have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Certified Public Accountants of China. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Critical Audit Matters

Critical audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters shall be addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(1) Revenue

a. Description

For details on relevant information disclosures, please refer to Notes 3.26 and 5.2.1 to the financial statements.

The operating revenue of Hangcha Group Company primarily stems from the sales of forklifts and parts. In 2024, its operating revenue amounted to RMB 16,485,830,300.

Hangcha Group Company mainly engages in the sales of forklifts and parts, which represent performance obligations satisfied at a point in time. Domestic sales revenue is recognized when Hangcha Group Company delivers the products to the buyer as agreed in the contract, receives the

payment or obtains the right to payment, and it is probable that the associated economic benefits will flow into Hangcha Group Company. Export sales revenue is recognized when Hangcha Group Company completes customs clearance as agreed in the contract, receives a bill of lading, receive the payment for goods or obtains the right to payment, and it is probable that the associated economic benefits will flow into Hangcha Group Company.

As operating revenue is one of the key performance indicators of Hangcha Group Company, there exists an inherent risk that management of Hangcha Group Company (hereinafter referred to as “Management”) may meet specific targets or expectations through inappropriate revenue recognition. Therefore, we included revenue recognition as a critical audit matter.

b. Audit response

(1) Obtained an understanding of the key internal controls related to revenue recognition, evaluated the design of these controls, identified whether they are implemented, and tested whether the relevant internal controls function effectively;

(2) Perform analytical procedures on operating revenue by year, month, product, and customer to identify significant or unusual fluctuations and investigate their causes;

(3) Analyze business models and sales contracts to identify contractual terms and conditions related to the transfer of control over goods and related performance obligations, and evaluate whether revenue recognition policies comply with the Accounting Standards for Business Enterprises;

(4) For domestic sales revenue: Select items to verify supporting documents including sales contracts, delivery notes, shipping documents, sales invoices, and acceptance certificates. For export sales revenue: Select items to verify supporting documents such as sales contracts, export customs declarations, bills of lading, and sales invoices, and conduct interviews with certain key customers;

(5) Perform confirmation procedures on accounts receivable and select key customers to confirm sales revenue for the current period;

(6) Performed a cut-off test on the operating revenues recognized before and after the balance sheet date to evaluate whether the operating revenues have been recognized within the appropriate period; and

(7) Assessed whether the information related to the operating revenues has been appropriately presented in the Financial Statements.

2. Impairment of accounts receivable and contract assets

(1). Description

For details on relevant information disclosure, please refer to Notes 3.12, 5.1.4 and 5.1.9 to the financial statements.

As of December 31, 2024, Hangcha Group Company reported a book balance of accounts receivable of RMB 2,642,728,100, with the provision for bad debts of RMB 176,330,700, resulting in the carrying amount of RMB 2,466,397,400, and a book balance of contract assets of RMB 121,510,000, with the provision for impairment of RMB 13,410,400, resulting in the carrying amount of RMB 108,099,600.

Management measures loss provisions for amounts receivable and contract assets at an amount equal to lifetime ECL, either individually or collectively, based on their credit risk characteristics. Due to the

significant amounts of accounts receivable and contract assets and the significant management judgment involved in their impairment testing, we identified the impairment of accounts receivable and contract assets as a key audit matter.

2. Audit response

We performed the following audit procedures for impairment of accounts receivable and contract assets, among others:

- (1) Obtain an understanding of internal controls relevant to the impairment of accounts receivable and contract assets, evaluate the design of these controls, determine whether they have been implemented, and test the operational effectiveness of relevant internal controls;
- (2) Review the results of Management's estimates of provisions for bad debts and impairment in previous years or subsequent re-estimates thereof made by Management;
- (3) Review the relevant considerations and objective evidence of Management's credit risk evaluation of accounts receivable and contract assets, and evaluate whether Management has properly identified the credit risk characteristics of all accounts receivable and contract assets;
- (4) For accounts receivable and contract assets measured for expected credit losses on an individual basis, review Management's forecast of expected cash flows, evaluate the appropriateness of significant assumptions and the appropriateness, relevance and reliability of data used in the forecast, and verify them against the external evidence obtained;
- (5) for accounts receivable and contract assets measured for expected credit losses on a portfolio basis, evaluate the reasonableness of Management's classification of portfolios by credit risk characteristics; evaluate the reasonableness of the expected credit loss rates for accounts receivable and contract assets determined by Management, including the appropriateness of significant assumptions used and the appropriateness, relevance and reliability of data; and test the accuracy of Management's calculation of provisions for bad debts and impairment;
- (6) Evaluate the reasonableness of Management's provision for bad debts and impairment by combining the confirmation procedures on accounts receivable and contract assets with the subsequent payments after the period;
- (7) Verify whether the information related to the impairment of accounts receivable and contract assets has been appropriately presented in the financial statements.

IV. Other information

The Management of the Company are responsible for the other information. The other information comprises all the information included in the annual report other than the Financial Statements and our Audit Report thereon.

Our audit opinion on the Financial Statements does not cover the other information and we do not express any form of appraisal conclusion thereon.

We are responsible for reading the other information based on our audit of the Financial Statements and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

V. Responsibilities of the Management and those charged with governance for the Financial Statements

The Management of the Company is responsible for the preparation of the Financial Statements that give a true and fair view in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal controls, so as to ensure that the Financial Statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing Hangcha Group Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Hangcha Group Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of Hangcha Group Company (hereinafter referred to as "Those Charged with Governance") are responsible for overseeing the preparation of those financial statements of Hangcha Group Company.

VI. Responsibilities of the CPAs for the audit of the Financial Statements

We aim to obtain reasonable assurance about whether the Financial Statements are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the CSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with the CSA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit processes responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of failing to detect a material misstatement resulting from fraud is higher than the risk of failing to detect a material misstatement resulting from error.
2. Obtain an understanding of internal controls relevant to the audit in order to design appropriate audit processes.
3. Evaluate the appropriateness of accounting policies used by the Management and the rationality of accounting estimates and related disclosures made by the Management.
4. Conclude on the appropriateness of the Management's use of the assumption of ongoing concern, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Hangcha Group Company's ability to continue as a going

concern. In accordance with the CSA, we are required to draw attention in our audit report to the related disclosures in the Financial Statements if we conclude that a material uncertainty exists, or to issue an audit report containing the modified opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause Hangcha Group Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Financial Statements, and whether the Financial Statements give a true and fair view of the underlying transactions and events.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Hangcha Group Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit, and we remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding matters such as the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them on all relationships and other matters that may reasonably be considered to bear on our independence, and relevant preventive measures which are applicable.

Based on the matters communicated with those charged with governance, we determine the matters that are of most significance in the audit of the Financial Statements of the current period and are therefore the critical audit matters. We describe such matters in our audit report unless law or regulation precludes public disclosure of the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pan-China Certified Public Accountants LLP

Hangzhou, China

Chinese CPA: Xu Jinbo
(Project Partner)

Chinese CPA: Tang Zheren

April 17, 2025

II. Financial Statements

Consolidated Balance Sheet

12/31/2024

Prepared by: Hangcha Group Co., Ltd.

Unit: Yuan Currency: CNY

Item	Notes:	12/31/2024	12/31/2023
Current assets:			
Monetary funds	7.1	4107928866.53	3804264360.54
Settlement funds			
Loans to other banks			
Held-for-trading financial assets	7.2	80000333.33	
Derivative financial assets			
Notes receivable	7.4	17251330.80	20456574.93
Accounts receivable	7.5	2466397400.92	1619232489.21
Receivables financing	7.7	282597817.02	205590299.79
Advances paid	7.8	343486147.30	497494686.48
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables	7.9	274834855.58	153373157.90
Including: Interest receivable			
Dividend receivable			
Financial assets under reverse repo			
Inventories	7.10	2306224031.16	2225985108.23
including: data source			
Contract assets	7.6	108099563.58	79058317.03
Assets held for sale			
Non-current assets due within one year	7.12	183727543.92	156388815.70
Other current assets	7.13	140748519.54	113990707.48
Total current assets		10311296409.68	8875834517.29
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	7.16	82893465.17	73437482.43
Long-term equity investments	7.17	2363589008.85	1982422755.19
Other equity instrument investments			
Other non-current financial assets	7.18	26325621.62	25591400.00
Investment property	7.20	67035373.96	72945876.13
Fixed assets	7.21	2196536129.01	1926935915.66
Construction in progress	7.22	584836969.86	425329238.21
Productive biological assets			
Oil & gas assets			
Right-of-use assets	7.25	174626534.71	104527653.15
Intangible assets	7.26	402285769.43	369192651.96
including: data source			
Development expenditures			
including: data source			
Goodwill	7.27	10652989.76	10652989.76
Long-term prepayments	7.28	25559923.43	16458700.91
Deferred tax assets	7.29	116909765.24	80999988.50
Other non-current assets	7.30		30750000.00
Total non-current assets		6051251551.04	5119244651.90

Total assets		16362547960.72	13995079169.19
Current liabilities:			
Short-term borrowings	7.32	331742341.83	927842373.02
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			
Derivative financial liabilities	7.34	366815.63	3911.26
Notes payable	7.35	881330175.61	575292393.95
Accounts payable	7.36	2565134276.77	2048474699.62
Advances received	7.37	913546.17	915837.83
Contractual liabilities	7.38	307715552.05	599700870.86
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposit for agency security transaction			
Deposit for agency security underwriting			
Employee benefits payable	7.39	128557681.29	121696321.81
Taxes and rates payable	7.20	177947878.38	146581955.05
Other payables	7.41	86678278.91	85131164.62
Including: Interest payable			
Dividend payable		40000.00	20000.00
Handling fee and commission payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	7.43	629798754.44	25913389.64
Other current liabilities	7.44	69453487.35	80186736.97
Total current liabilities		5179638788.43	4611739654.63
Non-current liabilities:			
Insurance policy reserve			
Long-term borrowings	7.45	54717119.68	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	7.47	143909897.42	74459998.09
Long-term payables	7.48	4578954.00	4578954.00
Long-term employee benefits payable			
Provisions			
Deferred income	7.21	93427574.52	54161691.30
Deferred tax liabilities	7.29	647003.11	66269.23
Other non-current liabilities			
Total non-current liabilities		297280548.73	133266912.62
Total liabilities		5476919337.16	4745006567.25
Owners' (shareholders') equity:			
Paid-in Capital (or Share Capital)	7.53	1309812049.00	935580035.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	7.55	1407448822.40	1797762921.30
Less: Treasury shares			
Other comprehensive income	7.57	-3901280.77	-10529703.70
Special reserve	7.58	2121472.10	2143872.40
Surplus reserve	7.59	654906024.50	559673773.25
General risk reserve			
Undistributed profit	7.60	6793507969.21	5334504538.97
Total owners' equity (or shareholders')		10163895056.44	8619135437.22

equity) attributable to the parent company			
Non-controlling interest		721733567.12	630937164.72
Total Owner's Equity (or Shareholder's Equity)		10885628623.56	9250072601.94
Total Liabilities and Owner's Equity (or Shareholder's Equity)		16362547960.72	13995079169.19

Head of the Company: Zhao Limin
Accounting Department: Yuan Guanghui

Chief Accountant: Zhang Shutong

Head of

Parent Company's Balance Sheet

12/31/2024

Prepared by: Hangcha Group Co., Ltd.

Unit: Yuan Currency: CNY

Item	Notes:	12/31/2024	12/31/2023
Current assets:			
Monetary funds		3009319307.95	2779724513.51
Held-for-trading financial assets		80000333.33	
Derivative financial assets			
Notes receivable		10289951.17	17533375.18
Accounts receivable	19.1	3036808048.50	1888049720.82
Receivables financing		241700512.87	133226535.78
Advances paid		42474339.91	41436429.31
Other receivables	19.2	36385301.01	24128538.11
Including: Interest receivable			
Dividend receivable			
Inventories		886530210.32	920933113.07
including: data source			
Contract assets		14916040.74	14307196.55
Assets held for sale			
Non-current assets due within one year			
Other current assets			3452385.10
Total current assets		7358424045.80	5822791807.43
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	19.3	3809634099.42	3084655235.76
Other equity instrument investments			
Other non-current financial assets		25591400.00	25591400.00
Investment property		116934882.69	125503792.06
Fixed assets		971997970.63	1036024795.74
Construction in progress		485529865.89	418255632.51
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets		321547885.32	318082925.82
including: data source			
Development expenditures			
including: data source			
Goodwill			
Long-term prepayments		15845397.68	14796751.38
Deferred tax assets		31848322.16	12904801.03

Other non-current assets			
Total non-current assets		5778929823.79	5035815334.30
Total assets		13137353869.59	10858607141.73
Current liabilities:			
Short-term borrowings		100000000.00	850742708.33
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		1017600000.00	540900000.00
Accounts payable		1769306207.71	1306081999.84
Advances received			
Contractual liabilities		91006780.99	102597540.85
Employee benefits payable		53208863.39	53529086.94
Taxes and rates payable		105503344.63	84350041.96
Other payables		36652318.12	5012067.85
Including: Interest payable			
Dividend payable			
Liabilities held for sale			
Non-current liabilities due within one year		600388888.89	
Other current liabilities		11830881.53	13337680.31
Total current liabilities		3785497285.26	2956551126.08
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		4578954.00	4578954.00
Long-term employee benefits payable			
Provisions			
Deferred income		89096793.31	49016214.64
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		93675747.31	53595168.64
Total liabilities		3879173032.57	3010146294.72
Owners' (shareholders') equity:			
Paid-in Capital (or Share Capital)		1309812049.00	935580035.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		1546607800.60	1914375439.40
Less: Treasury shares			
Other comprehensive income		-14670146.36	-32737146.49
Special reserve		1484527.12	1223802.51
Surplus reserve		656061435.10	560829183.85
Undistributed profit		5758885171.56	4469189532.74
Total Owner's Equity (or Shareholder's Equity)		9258180837.02	7848460847.01
Total Liabilities and Owner's Equity (or Shareholder's Equity)		13137353869.59	10858607141.73

Head of the Company: Zhao Limin
Accounting Department: Yuan Guanghui

Chief Accountant: Zhang Shutong

Head of

Consolidated Income Statement

January - December 2024

Unit: Yuan Currency: CNY

Item	Notes:	2024	2023
I. Total operating revenue	7.61	16485830318.58	16298640931.47
Including: Operating income	7.61	16485830318.58	16298640931.47
Interest income			
Premiums earned			
Revenue from handling charges and commission			
II. Total operating cost	7.61	14537003813.40	14578182826.29
Including: Operating cost	7.61	12603220242.48	12915289176.66
Interest expenses			
Handling charges and commission expenditures			
Surrender value			
Net payment of insurance claims			
Net provision of insurance policy reserve			
Premium bonus expenditures			
Reinsurance expenses			
Taxes and surcharges	7.62	73487504.14	64014861.51
Selling expenses	7.63	728012409.97	597205662.69
Administrative expenses	7.64	406617549.36	345284671.71
R&D expenses	7.65	774177062.16	739836786.84
Financial expenses	7.66	-48510954.71	-83448333.12
Including: Interest expense		35903231.84	51829568.92
Interest income		62988025.19	82750968.45
Add: Other earnings	7.67	212407744.40	124060363.58
Investment income (losses presented by "-")	7.68	383409328.29	277376161.12
Including: Earnings from the investment in associated company and joint venture		385124878.33	288812454.73
Gains from derecognition of financial assets at amortized cost			
Foreign exchange gains ("-") for losses)			
Net exposure hedging income ("-") for loss)			
Gains from changes in fair value ("-") for losses)	7.70	-362571.04	-3911.26
Credit impairment losses (losses presented by "-")	7.71	-71671551.44	-30671333.34
Assets impairment loss (losses presented by "-")	7.72	-32797059.11	-10070844.63
Gains on disposal of assets ("-") for losses)	7.73	2645073.50	5088170.62
III. Operating profit (losses presented by "-")		2442457469.78	2086236711.27
Add: Non-operating revenue	7.74	2462553.39	1919802.08
Less: Non-operating expenditure	7.75	1184180.10	1100193.57
IV. Profit before tax (or less: total loss)		2443735843.07	2087056319.78
Less: Income tax expenses	7.76	282818107.08	258248570.73
V. Net profit ("-") for net loss)		2160917735.99	1828807749.05
(I) Categorized by the continuity of operations			

1. Net profit from continuing operations ("-" for net loss)		2160917735.99	1828807749.05
2. Net profit from discontinuing operations (losses presented by "-")			
(II) Categorized by the portion of equity ownership			
1. Net income attributable to shareholders of the parent company ("-" for net loss)		2022025698.99	1715611831.59
2. Net profit attributable to non-controlling shareholders ("-" for net loss)		138892037.00	113195917.46
VI. Other comprehensive income after tax		6493446.93	30137967.88
(I) Items attributable to the owners of the parent company		6628422.93	30137967.88
1. Not to be reclassified subsequently to profit or loss			
1. Remeasurement gains or losses of a defined benefit plan			
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of enterprise's own credit risk			
2. To be reclassified subsequently to profit or loss		6628422.93	30137967.88
1. Other comprehensive income that can be reclassified to profit or loss in equity method		18067000.13	17489694.15
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserves			
6. Exchange differences on translation of foreign currency financial statements		-11438577.20	12648273.73
(7) Others			
(II) Items attributable to non-controlling shareholders		-134976.00	
VII. Total comprehensive income		2167411182.92	1858945716.93
(I) Items attributable to the owners of the parent company		2028654121.92	1745749799.47
(II) Items attributable to non-controlling shareholders		138757061.00	113195917.46
VIII. Earnings per share (EPS):			
(i) Basic earnings per share (RMB/share)		1.54	1.33
(ii) Diluted earnings per share (RMB/share)		1.54	1.31

In the case of a business combination under the same control in the current period, the net profit realized by the acquiree before the combination is: RMB -1,983,591.63 , and the net profit realized by the acquiree in the previous period was: RMB -5,804,004.79.

Head of the Company: Zhao Limin
Accounting Department: Yuan Guanghui

Chief Accountant: Zhang Shutong

Head of

Parent Company's Income Statement

January - December 2024

Unit: Yuan Currency: CNY

Item	Notes:	2024	2023
I. Business revenue	19.4	13528371666.54	13566775143.27
Less: Business cost	19.4	11302992882.10	11579161512.39
Taxes and surcharges		46934744.75	38035302.63
Selling expenses		72535257.70	73702617.45
Administrative expenses		193636017.07	158914601.76
R&D expenses		461983610.00	480248479.64
Financial expenses		-29315709.93	-29213311.64
Including: Interest expense		18974465.11	36178404.41
Interest income		51462498.51	66628638.40
Add: Other earnings		133462206.87	86701301.76
Investment income (losses presented by "-")	19.5	514438460.63	358822298.88
Including: Earnings from the investment in associated company and joint venture		385124878.33	289070371.77
Gains from derecognition of financial assets at amortized cost			
Net exposure hedging income("-" for loss)			
Gains from changes in fair value ("- for losses)		333.33	
Credit impairment losses (losses presented by "-")		-62361253.54	-26995914.48
Assets impairment loss (losses presented by "-")		-20465711.51	-8260093.26
Gains on disposal of assets ("- for losses)		-815733.52	69833.74
II. Operating profit ("- for loss)		2043863167.11	1676263367.68
Add: Non-operating revenue		983010.65	726377.49
Less: Non-operating expenditure		112067.23	764829.36
III. Total profit ("- for loss)		2044734110.53	1676224915.81
Less: Income tax expenses		192016202.96	161175624.20
IV. Net profit (losses presented by "-")		1852717907.57	1515049291.61
(I) Net profit from continuing operations (losses presented by "-")		1852717907.57	1515049291.61
(II) Net profit from discontinued operations (losses presented by "-")			
V. Other comprehensive income after tax		18067000.13	17489694.15
(I) Not to be reclassified subsequently to profit or loss			
1. Remeasurement gains or losses of a defined benefit plan			
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			

4. Changes in fair value of enterprise's own credit risk			
(II) To be reclassified subsequently to profit or loss		18067000.13	17489694.15
1. Other comprehensive income that can be reclassified to profit or loss in equity method		18067000.13	17489694.15
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserves			
6. Exchange differences on translation of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		1870784907.70	1532538985.76
VII. Earnings per share (EPS):			
(i) Basic earnings per share (RMB/share)			
(ii) Diluted earnings per share (RMB/share)			

Head of the Company: Zhao Limin Chief Accountant: Zhang Shutong Head of Accounting Department: Yuan Guanghui

Consolidated Statement of Cash Flows

January - December 2024

Unit: Yuan Currency: CNY

Item	Notes:	2024	2023
I. Cash flows from operating activities:			
Cash receipts from sales of goods or rendering of services		12019175100.35	13301353264.65
Net increase of client deposit and interbank deposit			
Net increase of central bank loans			
Net increase of loans from other financial institutions			
Cash receipts from original insurance contract premium			
Net cash receipts from reinsurance			
Net increase of policy-holder deposit and investment			
Cash receipts from interest, handling charges and commission			
Net increase of loans from others			
Net increase of repurchase			
Net cash receipts from agency security transaction			
Receipts of tax refund		694788689.11	736088223.96
Other cash receipts related to operating activities		550217992.12	615623531.29
Subtotal of cash inflows from operating activities		13264181781.58	14653065019.90
Cash payments for goods purchased and		9149464479.62	10389816661.88

services received			
Net increase of loans and advances to clients			
Net increase of central bank deposit and interbank deposit			
Cash payments for insurance indemnities of original insurance contracts			
Net increase of loans to others			
Cash payments for interest, handling charges and commission			
Cash payments for policy bonus			
Cash paid to and on behalf of employees		1264079291.83	1085195924.57
Cash payments for taxes and rates		759332278.62	764204768.87
Other cash payments related to operating activities		754480131.39	781760484.24
Subtotal of cash outflows from operating activities		11927356181.46	13020977839.56
Net cash flows from operating activities	7.78	1336825600.12	1632087180.34
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments			102205647.70
Cash receipts from investment income		28490000.00	8958500.00
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		19439560.79	21557459.51
Net cash receipts from the disposal of subsidiaries & other business units			
Other cash receipts related to investing activities		996834.60	8550000.00
Subtotal of cash inflows from investing activities		48926395.39	141271607.21
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		452043148.26	594982360.44
Cash payments for investments		92894141.62	
Net increase of pledged borrowings			
Net cash payments for the acquisition of subsidiaries & other business units		29860000.00	7272600.00
Other cash payments related to investing activities		1762249.85	34608908.55
Subtotal of cash outflows from investing activities		576559539.73	636863868.99
Net cash flows from investing activities	7.78	-527633144.34	-495592261.78
III. Cash flows from financing activities:			
Cash receipts from absorbing investments		50011960.00	31896400.00
Including: Cash received by subsidiaries from non-controlling shareholders as investments		50011960.00	31896400.00
Cash receipts from borrowings		1330467036.00	1126840000.07
Other cash receipts related to financing activities		230000000.00	54790211.00
Subtotal of cash inflows from financing activities		1610478996.00	1213526611.07
Cash payments for repayment of		1501486308.56	1037797716.78

borrowings			
Cash payments for distribution of dividends or profits and for interest expenses		585042150.64	463806879.10
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		90520278.70	49619258.30
Other cash payments related to financing activities		46703086.14	160289609.08
Subtotal of cash outflows from financing activities		2133231545.34	1661894204.96
Net cash flows from financing activities	7.78	-522752549.34	-448367593.89
IV. Effect of foreign exchange rate changes on cash & cash equivalents		15078940.43	68076646.55
V. Net increase in cash and cash equivalents		301518846.87	756203971.22
Add: Opening balance of cash and cash equivalents		3773016919.56	3016812948.34
VI. Closing balance of cash and cash equivalents		4074535766.43	3773016919.56

Head of the Company: Zhao Limin
Accounting Department: Yuan Guanghui

Chief Accountant: Zhang Shutong

Head of

Parent Company's Statement of Cash Flows

January - December 2024

Unit: Yuan Currency: CNY

Item	Notes:	2024	2023
I. Cash flows from operating activities:			
Cash receipts from sales of goods or rendering of services		9299141930.83	10541575336.14
Receipts of tax refund		9582046.49	24447996.58
Other cash receipts related to operating activities		310268611.38	307658497.93
Subtotal of cash inflows from operating activities		9618992588.70	10873681830.65
Cash payments for goods purchased and services received		7226509155.32	8541435848.91
Cash paid to and on behalf of employees		401061289.17	354104542.27
Cash payments for taxes and rates		416745006.83	348840843.89
Other cash payments related to operating activities		259234757.32	317669554.79
Subtotal of cash outflows from operating activities		8303550208.64	9562050789.86
Net cash flows from operating activities		1315442380.06	1311631040.79
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments			104287750.00
Cash receipts from investment income		162803581.30	77887721.15
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		67460648.96	6989709.44
Net cash receipts from the disposal of subsidiaries & other business units		1.00	900000.00

Other cash receipts related to investing activities			
Subtotal of cash inflows from investing activities		230264231.26	190065180.59
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		250180904.83	476980558.59
Cash payments for investments		428812610.00	119063006.00
Net cash payments for the acquisition of subsidiaries & other business units			
Other cash payments related to investing activities			
Subtotal of cash outflows from investing activities		678993514.83	596043564.59
Net cash flows from investing activities		-448729283.57	-405978384.00
III. Cash flows from financing activities:			
Cash receipts from absorbing investments			
Cash receipts from borrowings		1000000000.00	1000000000.00
Other cash receipts related to financing activities		100000000.00	
Subtotal of cash inflows from financing activities		1100000000.00	1000000000.00
Cash payments for repayment of borrowings		1250000000.00	851982716.78
Cash payments for distribution of dividends or profits and for interest expenses		487118302.05	400900824.33
Other cash payments related to financing activities			95000727.88
Subtotal of cash outflows from financing activities		1737118302.05	1347884268.99
Net cash flows from financing activities		-637118302.05	-347884268.99
IV. Effect of foreign exchange rate changes on cash & cash equivalents			
V. Net increase in cash and cash equivalents			
		229594794.44	557768387.80
Add: Opening balance of cash and cash equivalents		2779724513.51	2221956125.71
VI. Closing balance of cash and cash equivalents			
		3009319307.95	2779724513.51

Head of the Company: Zhao Limin
Accounting Department: Yuan Guanghui

Chief Accountant: Zhang Shutong

Head of

Consolidated Statement of Changes in Owners' Equity
January - December 2024

Unit: Yuan Currency: CNY

Item	2024													Non-controlling interest	Total equity
	Owners' equity attributable to the parent company														
	Paid-in Capital (or Share Capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Other	Subtotal		
Preferred shares		Perpetual bonds	Other												
I. Year-end balance of the previous year	935580035.00				1789662921.30		-10529703.70	2143872.40	559673773.25		5343334318.75		8619865217.00	631108347.64	9250973564.64
Add: Changes in accounting policies															
Correction for previous errors															
Other					8100000.00						-8829779.78		-729779.78	-171182.92	-900962.70
II. Opening balance for the current year	935580035.00				1797762921.30		-10529703.70	2143872.40	559673773.25		5334504538.97		8619135437.22	630937164.72	9250072601.94
Amount of increase/decrease within the current period ("-" for less)	374232014.00				-390314098.90		6628422.93	-22400.30	95232251.25		1459003430.24		1544759619.22	90796402.40	1635556021.62
(I) Total comprehensive income							6628422.93				2022025698.99		2028654121.92	138757061.00	2167411182.92
(II) Owners' investment and reductions in capital					-22546460.10								-22546460.10	42579620.10	20033160.00
1. Common shares invested by owners														49893160.00	49893160.00
2. Capital contribution from holders of other equity instruments															
3. Amount of share-based															

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payments recognized in owners' equity															
4. Other					-22546460.10								-22546460.10	-7313539.9	-29860000.00
(III) Profit distribution									95232251.25		-563022268.75		-467790017.50	-90540278.70	-558330296.20
1. Withdrawal of surplus reserves									95232251.25		-95232251.25				
2. Withdrawal of general risk reserve															
3. Distribution to owners (or shareholders)											-467790017.50		-467790017.50	-90540278.70	-558330296.20
4. Other															
(IV) Internal carry-forward of owners' equity	374232014.00				-374232014.00										
1. Capital reserves converted into capital (or stock)	374232014.00				-374232014.00										
2. Surplus reserves converted into capital (or stock)															
3. Makeup for loss of surplus reserves															
4. Changes from re-measurement of defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Other															
(V) Special reserve									-22400.30				-22400.30		-22400.30
1. Withdrawn for the current period									11895166.88				11895166.88		11895166.88

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Item	2024										
	Paid-in Capital (or Share Capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferr ed shares	Perpetual bonds	Other							
I. Year-end balance of the previous year	935580035.00				1914375439.40		-32737146.49	1223802.51	560829183.85	4469189532.74	7848460847.01
Add: Changes in accounting policies											
Correction for previous errors											
Other											
II. Opening balance for the current year	935580035.00				1914375439.40		-32737146.49	1223802.51	560829183.85	4469189532.74	7848460847.01
Amount of increase/decrease within the current period ("-" for less)	374232014.00				-367767638.80		18067000.13	260724.61	95232251.25	1289695638.82	1409719990.01
(I) Total comprehensive income							18067000.13			1852717907.57	1870784907.70
(II) Owners' investment and reductions in capital											
1. Common shares invested by owners											
2. Capital contribution from holders of other equity instruments											
3. Amount of share-based payments recognized in owners' equity											
4. Other											
(III) Profit									95232251.25	-563022268.75	-467790017.50

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distribution											
1. Withdrawal of surplus reserves								95232251.25	-95232251.25		
2. Distribution to owners (or shareholders)									-467790017.50	-467790017.50	
3. Other											
(IV) Internal carry-forward of owners' equity	374232014.00				-374232014.00						
1. Capital reserves converted into capital (or stock)	374232014.00				-374232014.00						
2. Surplus reserves converted into capital (or stock)											
3. Makeup for loss of surplus reserves											
4. Changes from re-measurement of defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Other											
(V) Special reserve							260724.61			260724.61	
1. Withdrawn for the current period							11910872.11			11910872.11	
2. Used for the current period							-11650147.50			-11650147.50	
(VI) Others					6464375.20					6464375.20	
IV. Ending balance of the current period	1309812049.00				1546607800.60		-14670146.36	1484527.12	656061435.10	5758885171.56	9258180837.02

Item	2023								
	Paid-in Capital (or	Other equity instruments	Capital reserve	Less: Treasury	Other	Special reserve	Surplus reserve	Undistributed profit	Total equity

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	Share Capital)	Prefe rred share s	Perpe tual bond s	Other		shares	comprehensive income				
I. Year-end balance of the previous year	866397337.00			172756051.39	856714915.00	9998014.45	-50226840.64	417771.53	560829183.85	3328372255.13	5725262658.81
Add: Changes in accounting policies											
Correction for previous errors											
Other											
II. Opening balance for the current year	866397337.00			172756051.39	856714915.00	9998014.45	-50226840.64	417771.53	560829183.85	3328372255.13	5725262658.81
Amount of increase/decrease within the current period ("-" for less)	69182698.00			-172756051.39	1057660524.40	-9998014.45	17489694.15	806030.98		1140817277.61	2123198188.20
(I) Total comprehensive income							17489694.15			1515049291.61	1532538985.76
(II) Owners' investment and reductions in capital					1052427298.71	95000727.88					957426570.83
1. Common shares invested by owners											
2. Capital contribution from holders of other equity instruments					1052427298.71						1052427298.71
3. Amount of share-based payments recognized in owners' equity											
4. Other						95000727.88					-95000727.88
(III) Profit distribution										-374232014.00	-374232014.00
1. Withdrawal of surplus reserves											
2. Distribution to owners (or shareholders)										-374232014.00	-374232014.00
3. Other											
(IV) Internal carry-forward of owners' equity	69182698.00			-172756051.39	-1425388.94	-104998742.33					
1. Capital reserves converted into capital (or stock)											

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2. Surplus reserves converted into capital (or stock)											
3. Makeup for loss of surplus reserves											
4. Changes from re-measurement of defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Other	69182698.00			-172756051.39	-1425388.94	-104998742.33					
(V) Special reserve							806030.98			806030.98	
1. Withdrawn for the current period							11191873.44			11191873.44	
2. Used for the current period							-10385842.46			-10385842.46	
(VI) Others					6658614.63					6658614.63	
IV. Ending balance of the current period	935580035.00				1914375439.40		-32737146.49	1223802.51	560829183.85	4469189532.74	7848460847.01

Head of the Company: Zhao Limin
Accounting Department: Yuan Guanghui

Chief Accountant: Zhang Shutong

Head of

III. Basic Company Information

1. Company Profile

Applicable" Not applicable"

Hangcha Group Co., Ltd. (hereinafter referred to as the “Company”), headquartered in Hangzhou, Zhejiang Province, was established with approval from the Leading Group of the People’s Government of Zhejiang Province for Enterprise Listing (Document ZSS [2003] No. 25). It was jointly initiated by Zhejiang Hangcha Holding Co., Ltd. (formerly Zhejiang Hangcha Group Co., Ltd.), Hangzhou Industrial Investment Group Co., Ltd. (formerly Hangzhou Industrial Assets Management Co., Ltd.), Hangzhou High-Tech Investment Co., Ltd., and 7 natural person shareholders including Zhao Limin, and registered with the Zhejiang Administration for Industry and Commerce on May 6, 2003. The Company currently holds a business license with the Unified Social Credit Code 9133000014304182XR, a registered capital of RMB 1,309,812,049, and the total shares of 1,309,812,049 (with a par value of RMB 1 per share). All of the shares are non-restricted outstanding A-shares. The Company’s stock has been listed on the Shanghai Stock Exchange since December 27, 2016.

Operating in the general equipment manufacturing industry, the Company primarily engages in the R&D, production, and sales of forklifts and other industrial vehicles. Its main products include internal combustion forklifts, electric forklifts, and other industrial vehicles.

These financial statements were approved for disclosure by the 20th Meeting of the 7th Board of Directors on April 17, 2025.

IV. Basis for Preparation of Financial Statements

1. Basis for preparation

These Financial Statements of the Company are prepared on a going concern basis.

2. Going concern

Applicable" Not applicable"

There is no matter or circumstance that results in any 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. Significant Accounting Policies and Accounting Estimates

Reminder to specific accounting policies and accounting estimates:

Applicable" Not applicable"

Important: The Company has made specific accounting policies and accounting estimates for transactions or events such as impairment of financial instruments, inventories, depreciation of fixed assets, depreciation of right-of-use assets, amortization of intangible assets and revenue recognition, based on its actual production and operation characteristics.

1. Statement of compliance with Accounting Standards for Business Enterprises

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

2. Fiscal period

The Company's fiscal year runs from January 1 to December 31 of the calendar year.

3. Operating cycle

Applicable" Not applicable"

The Company features a short period of business operations, with 12 months as the standard for the liquidity of its assets and liabilities.

4. Bookkeeping currency

The Company adopts RMB as its functional currency.

5. Determination method and selection basis of materiality standard

Applicable" Not applicable"

Item	Materiality standard
Significant accounts receivable with the provision for bad debts made on an individual basis	Individual amounts exceeding 0.3% of total assets
Recovery or reversal of provision for bad debts of significant accounts receivable	Individual amounts exceeding 0.3% of total assets
Significant Write-offs of Accounts Receivable	Individual amounts exceeding 0.3% of total assets
Significant other receivables with the provision for bad debts made on an individual basis	Individual amounts exceeding 0.3% of total assets
Recovery or reversal of provision for bad debts of significant other receivables	Individual amounts exceeding 0.3% of total assets
Significant Write-offs of Other Receivables	Individual amounts exceeding 0.3% of total assets
Important construction in progress	The total investment of a single project exceeds 0.3% of the total assets
Important cash flow from investing activities	Individual amounts exceeding 0.3% of total assets
Important subsidiary and non-wholly owned subsidiary	Revenue exceeding 15% of the Group's total revenue
Significant joint ventures and associates	The carrying amount of an individual long-term equity investment exceeds 1% of total assets
Important events subsequent to the balance sheet date	Profit distribution after the balance sheet date

6. Accounting treatment for merger of enterprises under or not under the joint control

Applicable" Not applicable"

(1) Accounting methods for merger of enterprises under the joint control

Assets and liabilities acquired by the Company in a merger are measured at the book value of the party being consolidated in the consolidated financial statements of ultimate controlling party at the date of merger. The Company adjusts capital surplus by the difference between the share of the book value of the owners' equity of the party being consolidated in the consolidated financial statements of the ultimate controlling party and the book value of the consideration paid for the consolidation or the total nominal value of the shares issued. If capital surplus is insufficient for write-down, the retained earnings shall be adjusted.

(2) Accounting methods for merger of enterprises not under the joint control

The Company recognizes the difference of the cost of consolidation minus the share of fair value of the identifiable net assets of the acquiree acquired in the consolidation at the date of purchase as the goodwill. 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, the Company firstly reviews the fair value of each of identifiable assets, liabilities and contingent liabilities acquired from the acquiree as well as the measurement of consolidation cost; and if the cost of consolidation remains less than the share of fair value of the identifiable net assets of the acquiree acquired in the consolidation upon review, the difference is recognized in the current gains or losses.

7. Determination criteria of control and preparation of consolidated financial statements

Applicable" Not applicable"

(1) Recognition of control

Control is recognized if one entity has the power over the invested entity, enjoying variable returns through participating in related activities of the invested entity, and has the ability to use the power over the invested entity to influence its variable return amount.

(2) Method of preparing consolidated financial statements

The parent company includes all subsidiaries it controls in the scope 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 Standards for Business Enterprises No. 33 – Consolidated Financial Statements with reference to other information.

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

Applicable" Not applicable"

(1) Joint venture arrangements are divided into joint operation and joint venture.

(2). Where the Company is a joint party in a joint operation, the following items related to the share of interest in the joint operation shall be recognized:

- a. To recognize the assets held assumed solely by the Company and the assets held assumed jointly as per the shares of the Company;
- b. to recognize the liabilities held assumed solely by the Company and the assets held assumed jointly as per the shares of the Company;
- c. to recognize revenue from disposal of the share of joint operations of the company to be sold;

- d. to recognize revenue from joint operations arising from the sale of assets based on the shares held by the Company; and
- e. to recognize fees solely incurred by Company and recognize fees from joint operations in appropriation to the share of the Company.

9. Recognition criteria of cash and cash equivalents

Cash equivalents are the Company's short-term (generally due within three months from the date of purchase), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Translation of transactions and financial statements denominated in foreign currencies

Applicable" Not applicable"

(1) Translation of foreign-currency transactions

A foreign currency transaction is, on initial recognition, translated into RMB at the spot exchange rate prevailing at the date of the transaction. At the balance sheet date, monetary items denominated in foreign currency are translated using the spot exchange rate prevailing at the balance sheet date, and exchange differences arising from the differences between the spot exchange rates are recognized in profit or loss for the period, except for those attributable to principal and interest of borrowings denominated in foreign currency that have been taken out specifically for the acquisition, construction or production of qualifying assets; non-monetary items denominated in foreign currency measured at historical costs are still translated using the spot exchange rate at the date of the transaction, without changing the amount in RMB; non-monetary items denominated in foreign currency that are measured at fair value are translated using the spot exchange rate prevailing on the date when fair value is determined and the resulting exchange differences will be recognized in profit or loss for the period or other comprehensive income.

(2). Translation of foreign-currency financial statements

Assets and liabilities in the balance sheet are translated at the spot exchange rates prevailing at the balance sheet date. Among the owners' equity items, the items other than "Retained earnings" are translated at the spot exchange rates at the date of the transaction. Revenue and expense items in the income statement are translated using the spot exchange rates at the date of the transaction. Differences in translation of foreign-currency financial statements arising from the foregoing are stated as other comprehensive income.

11. Financial instruments

Applicable" Not applicable"

1). Classification of financial assets and financial liabilities

Financial assets are classified into the three categories at initial recognition: (1) Financial assets measured at amortized cost; (2) financial assets measured at fair value through other comprehensive income; and (3) financial assets measured at fair value through current gains/losses.

Financial liabilities are classified into four categories at initial recognition: (1) Financial liabilities measured at fair value through current gains/losses; (2) financial liabilities resulting from unqualified transfer of financial assets on derecognition or from continued involvement in the transferred financial assets; (3) financial guarantee contracts that do not fall under (1) or (2) above and loan commitments that fall out of (1) above and that are loaned out at a lower-than-market interest rate; and (4) financial liabilities measured at amortized cost.

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

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

The Company recognizes an item of financial asset or financial liability at the time when it becomes one party to a contract of the financial instruments. On initial recognition, a financial asset or financial liability is measured at fair value; for financial assets and financial liabilities at fair value through current gains or losses, the related transaction costs are recognized directly in the current gains or losses; for other categories of financial assets or financial liabilities, relevant transaction costs are included in the amount of initial recognition. However, if the receivables initially recognized by the Company exclude significant financing components or if the Company does not consider any financing component in a contract of less than a year, the Company initially measures the receivables in accordance with the transaction price as defined in Accounting Standards for Business Enterprises No. 14 -Revenue.

(2) Subsequent measurement of financial assets

a. Financial assets measured at amortized cost

Such financial liabilities are measured subsequently at amortized cost by the actual interest rate method. Gains or losses arising from financial assets measured at amortized cost that are not part of any hedging relationship are recognized in the current gains or losses when they are derecognized, reclassified, amortized by the effective interest rate method or recognized as impairment.

b. Investment in debt instruments measured at fair value through other comprehensive income

Such financial asset is measured subsequently at fair value. Interest, impairment losses or gains and exchange gains/losses calculated using the method of effective interest rate are recognized in the current gains or losses for the period. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred out and recognized in current gains/losses.

c. Investment in equity instruments at fair value through other comprehensive income

Such financial asset is measured subsequently at fair value. Dividends received (except for those attributable to the investment costs recovered) are recognized in current gains/losses, and other gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred therefrom to retained earnings.

d. Financial assets measured at fair value through current gains/losses

Gains or losses arising from subsequent measurement at fair value, including interest and dividend income, are stated as current gains/losses unless the financial assets are part of a hedging relationship.

(3) Subsequent measurement of financial liabilities

a. Financial liabilities at fair value through current gains/losses

Such financial liabilities comprise those held for trading (including derivatives that are financial liabilities) and those designated for measurement at fair value through current gains/losses. Such financial liabilities are measured subsequently at fair value. The amount of changes in the fair value of financial liabilities designated for measurement at fair value through current gains/losses arising from changes in the Company's credit risk is recognized in other comprehensive income, unless such disposal would create or enlarge the accounting mismatch in gains/losses. Other gains or losses arising from such financial liabilities (including interest cost and changes in fair value other than those arising from changes in the Company's credit risk) are recognized in current gains/losses, unless the financial liabilities are part of a hedging relationship. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred therefrom to retained earnings.

b. Financial liabilities resulting from unqualified transfer of financial assets on derecognition or from continued involvement in the transferred financial assets

Such financial liabilities are measured in accordance with Accounting Standards for Business Enterprises No.23 -Transfer of Financial Assets.

c. Financial guarantee contracts that do not fall under (1) or (2) above and loan commitments that fall out of (1) above and that are loaned out at a lower-than-market interest rate

Subsequent measurement after initial recognition is based on, whichever is higher: ① The amount of the provision for losses determined in accordance with the regulations on impairment of financial instruments; or ② difference between the amount initially recognized minus the amount of cumulative amortization defined in accordance with Accounting Standards for Business Enterprises No. 14 - Revenue.

d. Financial liabilities measured at amortized cost

Such financial liabilities are measured at amortized cost using the effective interest method. Gains or losses arising from financial liabilities measured at amortized cost and not part of any hedging relationship are recognized in the current gains/losses at the time of derecognition and amortized by effective interest method.

(4) Derecognition of financial assets and financial liabilities

a. Financial assets are derecognized if one of the following conditions is satisfied:

- ① The contractual right to receive cash flows from financial assets is terminated;
- ② The financial asset is transferred, and such transfer satisfies the regulations on derecognition of financial assets under Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets.

b. Where a financial liability (or a portion thereof) is discharged from a present obligation, such financial liability (or such portion thereof) is derecognized accordingly.

3. Basis of recognition and measurement methods of financial assets

If the Company transfers nearly all the risks and rewards of ownership of a financial asset, such financial asset is derecognized, and the right and obligation arising from or retained in the transfer is recognized as an asset or a liability; if nearly all the risks and rewards on the ownership of a financial asset are retained, the transferred financial asset continues to be recognized. If the Company neither transfers nor retains nearly all risks and rewards on the ownership of a financial asset, the Company shall: (1) derecognize the financial asset and recognize the right and obligation arising from or retained in the transfer if it has no control over the asset; and (2) recognize the relevant financial asset and relevant financial liability by the extent of its continued involvement in the transferred financial asset if it has control over the said financial asset.

If the overall transfer of a financial asset satisfies the conditions for derecognition, the difference between (1) the book value of the transferred financial asset on the date of derecognition; and (2) the sum of the consideration from the transfer of the financial asset and the amount of derecognized portion in the accumulated changes of fair value originally stated as other comprehensive income (the financial asset involved in transfer is an investment in a debt instrument measured at fair value through other comprehensive income) is recognized in current gains/losses. Should a portion of a financial asset be transferred and such transferred portion as a whole is qualified for derecognition, the book value of such financial asset as a whole before the transfer is apportioned between the derecognized portion and the portion for continued recognition based on their respective fair value on the date of transfer; and the difference between (1) the book value of the derecognized portion and (2) the sum of the consideration for the derecognized portion and the amount of derecognized portion in the accumulated changes of fair value originally stated as other comprehensive income (the financial asset involved in transfer is an investment in a debt instrument measured at fair value through other comprehensive income) is recognized in current gains/losses.

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

The Company employs the appraisal technique that is applicable in current period and is supported by sufficient available data and other information to determine the fair value of financial assets and financial liabilities. The Company categorizes the inputs used in the valuation technique in the following levels and applies such inputs in a certain order:

- (1) Level-1 inputs are unadjusted offers in any active market for identical assets or liabilities that are available on the measurement date;
- (2) Level-2 inputs are those other than the Level-1 inputs and observable for underlying assets or liabilities, directly or indirectly, including offers for similar assets or liabilities in any active market; offers for identical or similar assets or liabilities in any inactive market; observable inputs other than offers (e.g., interest rates and yield curves observable in normal intervals of offering; and market-validated inputs;
- (3) Level-3 inputs are unobservable inputs for the underlying assets or liabilities, including interest rates that are not directly observable or cannot be verified with observable market data, stock volatility, future

cash flows assuming retirement obligations in a business merger, and financial projections with self-owned data.

5. Impairment of financial instruments

The Company impairs and recognizes provisions for loss based on expected credit losses on financial assets measured at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, receivables from leasing, loan commitments other than those classified as financial liabilities measured at fair value through current gains/losses, and financial guarantee contracts that are not classified as financial liabilities measured at fair value through current gains/losses or financial liabilities resulting from unqualified transfer of financial assets on derecognition or from continued involvement in the transferred financial assets.

Expected credit loss refers to the weighted average of credit loss of financial instruments weighted by the risk of default. Credit loss represents the difference between all contractual cash flows discounted at the original effective interest rate and receivable under the contract and all cash flows expected to be collected, i.e., the present value of the entire cash shortfall. In particular, for any financial asset purchased or originated by the Company with credit impairment, such asset is discounted at effective interest rate upon credit adjustment.

For any financial asset purchased or originated by the Company with credit impairment, the Company recognizes only the cumulative changes in expected credit losses over the entire period of existence from initial recognition as the provision for losses on the balance sheet date.

For lease receivables, receivables resulting from transactions regulated by *Accounting Standards for Business Enterprises No. 14 - Revenue* and contract assets, the Company measures the provision for losses based on the amount equal to the expected credit loss for the entire life under simplified approach. For any financial asset other than those measured by the above-mentioned methods, the Company evaluates on each balance sheet date whether the credit risk of such asset sees significant increase after initial recognition. If the credit risk has increased significantly since initial recognition, the Company measures the provision for losses based on the number of expected credit losses over the entire period of existence; if not, the Company measures the provision for losses based on the number of expected credit losses of such 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 sees significant increase after initial recognition by comparing the risk of default of the said financial instrument on the balance sheet date with the risk of default on the date of initial recognition.

On the balance sheet date, if the Company believes that a financial instrument features a low credit risk, it shall be assumed that its credit risk has not increased significantly since initial recognition.

The Company evaluates expected credit risks and measures expected credit losses based on a single financial instrument or a portfolio of financial instruments. Where a portfolio of financial instruments is applied, the Company classifies financial instruments into portfolios based on common risk features.

The Company remeasures expected credit losses on each balance sheet date, from which the amount increased or reversed from the provision for losses resulted is recognized as impairment gains or losses in current gains/losses. For any financial asset measured at amortized cost, the provision for losses is offset against the book value of such financial asset as stated in the balance sheet; for any debt investment measured at fair value through other comprehensive income, the Company recognizes its provision for losses in other comprehensive income, without offsetting the book value of the financial asset.

6. Offset between financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not mutually offset. However, where both of the following conditions are met, the financial assets and financial liabilities will be presented in the balance sheet with the net amount after mutual offset: (1) The Company has the legal right to offset the recognized amount, which is executable for; and (2) the Company plans to make settlement in net amount, or realizes the financial assets and settles the financial liabilities simultaneously.

When a financial asset is transferred without satisfying the conditions for derecognition, the Company does offset such transferred financial asset and related liabilities.

12. Notes receivable

Applicable" Not applicable"

Portfolio categories for which the provision for bad debts is made on a portfolio basis based on the credit risk characteristics and the basis for determination

Applicable" Not applicable"

For details on the Company’s determination methods and accounting treatment for expected credit losses on notes receivable, please refer to “5.11 Financial Instruments under Section X Financial Reports”.

Aging calculation method for portfolio of credit risk characteristics recognized based on aging

Applicable" Not applicable"

Determination criteria for provision for bad debts on an individual basis

Applicable" Not applicable"

13. Accounts receivable

Applicable" Not applicable"

Portfolio categories for which the provision for bad debts is made on a portfolio basis based on the credit risk characteristics and the basis for determination

Applicable" Not applicable"

Category	Basis for portfolio determination	Methods to measure expected credit losses
Bankers' acceptances receivable	Acceptance bill drawer	The Company calculates expected credit losses by reference to historical credit loss, taking into current conditions and projections of future economic conditions through default exposures and expected credit loss rate over the entire period of existence.

Commercial acceptances receivable	Ageing combination	Prepare a comparison table between the aging of accounts receivable, commercial acceptance bills receivable and contract assets and the expected credit loss rate for the entire life, and calculate the expected credit losses, based on current conditions and forecasts of future economic conditions, with reference to historical credit loss experience
Receivables - Ageing combination		
Contract assets - Aging portfolio		
Other receivables - Portfolio of deposits and margins receivable	Nature of payment	The Company calculates expected credit losses by reference to historical credit loss, taking into current conditions and projections of future economic conditions through default exposures and expected credit loss rate within the next 12 months or over the entire period of existence.
Other receivables - Temporary payments receivable		
Other receivables - Temporary employee borrowings		
Other receivables - Others		
Long-term receivables - Finance lease portfolio	Overdue aging	Prepare a comparison table between the overdue aging and the expected credit loss rate for the entire life, and calculate the expected credit losses, based on current conditions and forecasts of future economic conditions, with reference to historical credit loss experience

Aging calculation method for portfolio of credit risk characteristics recognized based on aging
 Applicable" Not applicable"

1) Comparison table of aging in the aging portfolio and expected credit loss rate for the entire life

Aging	Accounts receivable Expected credit loss rate (%)	Contract assets Expected credit loss rate (%)
Within one year (inclusive, the same below)	5	5
1-2 years	10	10
2-3 years	30	30
3-5 years	50	50
More than 5 years	100	100

2) Long-term receivables - Comparison table of finance lease portfolio and expected credit loss rate for the entire life

Overdue aging	Long-term receivables Expected credit loss rate (%)
Not past due	1
Less than 3 months past due	10
3 - 6 months past due	30
6 - 12 months past due	50
Over one year past due	100

The aging of accounts receivable, contract assets and long-term receivables is calculated from the month in which they are actually incurred.

Determination criteria for provision for bad debts on an individual basis

Applicable" Not applicable"

For accounts receivable and contract assets whose credit risk is significantly different from the portfolio credit risk, the Company measures expected credit losses on a single item basis.

14. Receivables financing

Applicable" Not applicable"

For details on the Company's determination methods and accounting treatment for expected credit losses on receivables financing, please refer to "11.(5) Impairment of Financial Instruments under Section X Financial Reports". The Company prepares a table of comparing the ageing of receivables and expected credit losses over the entire period of existence by reference to historical credit loss, taking into current conditions and projections of future economic conditions, in a bid to calculate the expected credit losses.

Portfolio categories for which the provision for bad debts is made on a portfolio basis based on the credit risk characteristics and the basis for determination

Applicable" Not applicable"

Ageing calculation method for portfolio of credit risk characteristics recognized based on ageing

Applicable" Not applicable"

Determination criteria for provision for bad debts on an individual basis

Applicable" Not applicable"

15. Other receivables

Applicable" Not applicable"

For details on the Company's determination methods and accounting treatment for expected credit losses on receivables financing, please refer to "11. (5) Impairment of Financial Instruments under Section X Financial Reports". The Company prepares a table of comparing the ageing of receivables and expected credit losses over the entire period of existence by reference to historical credit loss, taking into current conditions and projections of future economic conditions, in a bid to calculate the expected credit losses.

Portfolio categories for which the provision for bad debts is made on a portfolio basis based on the credit risk characteristics and the basis for determination

Applicable" Not applicable"

The Company makes a provision for bad debts on an individual basis and recognizes the expected credit losses for individual other receivables where there is an objective evidence of credit impairment. When it is not practicable to evaluate expected credit losses for individual other receivables at a reasonable cost, the Company classifies the receivables into several combinations based on the credit risk characteristics, and calculates the expected credit losses on a portfolio basis.

Ageing calculation method for portfolio of credit risk characteristics recognized based on ageing

Applicable" Not applicable"

Determination criteria for provision for bad debts on an individual basis

Applicable" Not applicable"

16. Inventories

Applicable" Not applicable"

Inventory categories, methods for inventory valuation on dispatch, inventory system, methods of amortization of low-value consumables and packaging materials

Applicable" Not applicable"

(1) Category of inventories

Inventories include finished products or commodities held for sale in daily operations, or work in progress, or materials and supplies to be consumed in production or provision of labour.

(2) Method for appraising outgoing inventories

The Company appraises outgoing inventories with weighted-average system at the end of the month.

(3) Stocktaking system of inventories

Stocktaking is based on perpetual inventory system.

(4) Amortization of low-value consumables and packages

a. Low-value consumables

Low-value consumables are amortized by lump sum.

b. Packages

Low-value consumables are amortized by lump sum.

Recognition criteria and accrual method for provision for decline in value of inventories

Applicable" Not applicable"

Inventories are valued at lower of cost and NRV (net realizable value) at the balance sheet date, and the provision for the decline in the value of inventories is made based on the difference between cost and NRV. The net realizable value of an inventory directly for sale is determined in the normal production and operation by its estimated selling price minus estimated selling expense(s) and related tax(es); and that of an inventory requiring processing is determined in normal production and operation by the estimated selling price of the finished product minus estimated cost(s) to incur by the time of completion, estimated selling expense(s) and related tax(es). In case the price of part of an inventory is specified in the contract but that of the other parts is not specified in the contract by the balance sheet date, their net realizable values are determined separately and compared with their corresponding costs in order to determine the amount for withdrawal or reversal of provision for inventory depreciation.

Portfolio categories for which the provision for depreciation of inventories on a portfolio basis and the basis for determination, and basis for determination of net realizable value of different categories of inventories

Applicable" Not applicable"

Calculation method and basis for determination of net realizable value of each inventory aging portfolio recognized based on inventory aging

Applicable" Not applicable"

17. Contract assets

Applicable" Not applicable"

Recognition method and criteria of 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 clients' payment. The contractual assets and liabilities under the same contract are shown on a net basis after mutual offset.

The Company presents the right to receive consideration from a client that it owns unconditionally (i.e., depending only on the passage of time) as a receivable and the right to receive consideration for a commodity transferred to a client (depending on any factor other than the passage of time) as a contract asset.

The obligation to transfer goods to a client, for which consideration has been received or is receivable from the client, is shown as a contractual liability.

Portfolio categories for which the provision for bad debts is made on a portfolio basis based on the credit risk characteristics and the basis for determination

Applicable" Not applicable"

Aging calculation method for portfolio of credit risk characteristics recognized based on aging

Applicable" Not applicable"

Determination criteria for provision for bad debts on an individual basis

Applicable" Not applicable"

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

Applicable" Not applicable"

The Company classifies non-current assets or disposal groups as held for sale where both of the following conditions are satisfied: (1) The sale is imminent under current conditions based on the common practice of selling such assets or disposal groups in similar transactions; and (2) the sale is highly possible, i.e., the Company has resolved on a plan for the sale and obtained a firm commitment to purchase, and the sale is expected to be completed within one year.

Non-current assets or disposal groups acquired by the Company for the sole purpose of resale are classified as held for sale on the date of acquisition if, on the date of acquisition, the condition that "the sale is expected to be completed within one year" is satisfied and other conditions for classification as held for sale are also likely to be satisfied within a short period of time (normally three months).

If any transaction between or among unconnected parties fails to be completed within one year for any of the following reasons beyond the control of the Company, and the Company remains committed to selling the non-current assets or disposal groups, such assets or groups will continue to be classified as held for sale: (1) The buyer or any other party unexpectedly sets conditions that result in a delay in the sale, and the Company has acted on those conditions in a timely manner and expects to successfully resolve the delay within one year upon the setting; (2) any rare event occurs that causes the sale of the non-current assets or disposal groups held for sale not to be completed within one year, and the Company has addressed such event within the initial year, for which the conditions for classification of those held for sale have been satisfied.

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

"√ Applicable" "□ Not applicable"

(1) Initial measurement and subsequent measurement

At the initial measurement of and remeasurement on balance sheet date of non-current assets or disposal groups held for sale, if the book value is higher than the fair value less costs to sell, the book value is written down to a net amount of fair value less costs to sell, and the amount of write-down is stated as an impairment loss on the assets through current gains/losses and a provision for impairment of the assets held for sale is withdrawn.

Non-current assets or disposal groups classified as held for sale on the date of acquisition measured at whichever is lower, amount of initial measurement that would have been determined assuming that they were not classified as held for sale or the net amount of fair value less costs to sell. Except for the non-current assets or disposal groups acquired in a business merger, the difference arising from the initial measurement of a non-current asset or disposal group at fair value less costs to sell is recognized in current gains/losses.

The amount of asset impairment loss recognized for a disposal group held for sale is offset against the book value of goodwill in the disposal group and then against the book value of each non-current asset on a pro rata basis by its proportion in the disposal group.

Non-current assets held for sale or in the disposal groups shall not be depreciated or amortized, and interest and other expenses of liabilities in the disposal groups held for sale shall be recognized.

(2) Accounting treatment for reversal of assets impairment loss

If the net amount of the fair value of non-current assets held for sale after subtracting the selling expense increases at subsequent balance sheet dates, the amount previously written down shall be restored. Moreover, the amount of assets impairment loss recognized after non-current assets are classified as held for sale shall be reversed and recorded in profit or loss for the current period. The assets impairment loss recognized before non-current assets are classified as held for sale shall not be reversed.

If the net amount of the fair value of disposal groups held for sale after subtracting the selling expense increases at subsequent balance sheet dates, the amount previously written down shall be restored. Moreover, the amount of assets impairment loss recognized after non-current assets are classified as held for sale shall be reversed and recorded in profit or loss for the current period. The book value of goodwill that has been written off and the assets impairment loss recognized before non-current assets are classified as held for sale shall not be reversed.

For the subsequently reversed amount of the assets impairment loss recognized on disposal groups held for sale, the book value shall be increased based on the proportion of the book value of each non-current asset except goodwill in the disposal group.

(3) Discontinued classification as held for sale and derecognition

When non-current assets or disposal groups are no longer classified as held for sale because they do not meet the corresponding conditions or non-current assets are removed from disposal groups held for sale, they shall be measured at the lower of the following: 1) the book value before being classified as held

for sale, adjusted for depreciation, amortization or impairment that would have been recognized had they not been classified as held for sale; 2) the recoverable amount.

At the time of derecognition of non-current assets or disposal groups held for sale, the unrecognized gains or losses shall be recorded in profit or loss for the current period.

Criteria for determination and presentation of discontinued operations

Applicable" Not applicable"

Recognition criteria for discontinued operations

A separately distinguishable component that has been disposed of or is held for sale and meets one of the following conditions is recognized as a discontinued operation:

- (1) The component represents an independent main business or an independent main business area;
- (2) The component is part of a plan concerning the proposed disposal of an independent main business or an independent main business area;
- (3) This component is a subsidiary acquired exclusively for resale.

Presentation of discontinued operations

The Company presents the profit or loss from continuing operations and the profit or loss from discontinued operations separately in the income statement. Operating profit or loss and profit or loss from disposal such as the impairment loss and the reversed amount from discontinued operations are reported as profit or loss from discontinued operations. For the discontinued operations reported in the current period, the data originally presented as the profit or loss from continuing operations shall be re-presented as the profit or loss from discontinued operations for the comparable period in the current financial statements. If the discontinued operation no longer meets the criteria to be classified as held for sale, the data originally presented as the profit or loss from discontinued operations shall be re-presented as the profit or loss from continuing operations for the comparable period in the current financial statements.

19. Long-term equity investments

Applicable" Not applicable"

(1) Recognition of joint control and significant influence

Joint control refers to the shared control over an arrangement, regarding which activities can be decided on only with the unanimous consent of the parties sharing control, as agreed upon. Significant influence refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies.

(2) Determination of investment cost

1) For business combination under common control, where long-term equity investments are obtained by cash paid, non-monetary funds paid, assumed liabilities or equity securities issued as consideration by the combining party, on the combination date, the initial investment cost shall be taken as the share of the owner's equity of the combined party at book value in the final control party's consolidated financial statements. According to the difference between the initial investment cost of long-term equity investments and the book value of the consideration paid or the aggregate nominal value of shares issued,

capital reserve shall be written down. If the capital reserve is not sufficient to be written down, then the retained earnings shall be written down.

For long-term equity investments resulting from business combinations involving entities under common control, which are achieved step by step in multiple transactions, the Company will assess whether these transactions constitute a "package deal". Each of these transactions shall be accounted for as a transaction for acquisition of control if they constitute a "package deal". Otherwise, the initial investment cost shall be recognized on the combination date according to the share of the combined party's net assets to be acquired after combination at book value in the final control party's consolidated financial statements. According to the difference between the initial investment cost of long-term equity investments on the combination date and the sum of the book value of long-term equity investments before combination plus the book value of the consideration paid for further acquisition of shares on the combination date, capital reserve shall be written down. If the capital reserve is not sufficient to be written down, then the retained earnings shall be written down.

2) For business combination not under common control, on the combination date, the initial investment cost of long-term equity investments shall be taken as the fair value of the consideration paid.

For long-term equity investments resulting from business combinations involving entities not under common control, which are achieved step by step in multiple transactions, different approaches in accounting treatment are adopted for individual financial statements and consolidated financial statements as follows:

a. For individual financial statements, the initial investment cost is calculated as the sum of the book value of investments in equity originally held plus the additional investment cost using the cost method.

b. For consolidated financial statements, whether these transactions constitute a "package deal" will be assessed. Each of these transactions shall be accounted for as a transaction for acquisition of control if they constitute a "package deal". For transactions that do not constitute a "package deal", the target entity's equity held before the purchase date shall be remeasured at the fair value of the equity on the purchase date, and the difference between the fair value and book value of the equity shall be recorded in investment income for the current period; if the target entity's equity held before the purchase date involves other comprehensive income accounted with the equity method, other comprehensive income associated, except when arising from the changes due to remeasurement of net liabilities or net assets of defined benefit plan by the investor, shall be transferred to income for the current period on the purchase date. However, this excludes other comprehensive income generated by changes in the remeasurement of the net liabilities or net assets of the investee related to the defined benefit plans.

c. Other long-term equity investments not resulting from business combination: For long-term equity investments obtained by cash paid, the initial investment cost shall be the amount actually paid. For those obtained by equity securities issued, the initial investment cost shall be the fair value of equity securities issued. For those obtained by debt restructuring, the initial investment cost shall be recognized according to Accounting Standards for Business Enterprises No. 12 - Debt Restructuring. For those

obtained by the exchange of non-monetary funds, the initial investment cost shall be recognized according to Accounting Standards for Business Enterprises No. 7 Exchange of Non-monetary funds.

(3). Subsequent measurement and recognition of profit or loss

Where the Company is able to exercise control over an investee, long-term equity investments are accounted for using the cost method. Long-term equity investments in associates and joint ventures are accounted for using the equity method.

(4). Accounting treatment for disposal of investments in subsidiaries step by step in multiple transactions and loss of control

1) Judgment principles of whether the transactions constitute a "package deal"

Where the equity investment in a subsidiary is disposed of step by step through multiple transactions until it loses control, the Company shall judge whether the transactions constitute a "package deal" based on information including the terms of the transaction agreement, the consideration of disposal obtained, the object of the sale of the equity, the method of disposal, and the time of disposal for each step of the step-by-step transaction. The multiple transactions constitute a "package deal" when the terms, conditions and economic impacts of the multiple transactions meet the following one or more conditions:

- a. These transactions are entered into at the same time or after considering their impacts on each other;
- b. These transactions as a whole may reach a complete business result;
- c. The occurrence of a transaction depends on at least the occurrence of another transaction;
- d. An individual transaction is not deemed as economic, but is deemed as economic when considered with other transactions.

2) Accounting treatments do not constitute a "package deal"

a. Individual financial statements

For the equity to be disposed of, the difference between its book value and the actual acquisition price shall be recorded in profit or loss for the current period. The residual equity that still has a significant influence on the investee or for which joint control is exercised over the investee shall be accounted for using the equity method. If no control or joint control is exercised over the investee or there is no significant influence on the investee, the accounting treatment shall be subject to Accounting Standards for Business Enterprises No. 22 Recognition and Measurement of Financial Instruments.

b. Consolidated financial statements

Prior to the loss of control, according to the difference between the disposal price and the share of long-term equity investments disposed of in the net assets of subsidiaries to be held and continuously calculated from the combination date, capital reserve (capital premium) shall be written down. If the capital reserve is not sufficient to be written down, then the retained earnings shall be written down.

For the loss of control over former subsidiaries, the residual equity shall be remeasured at the fair value on the date of such loss. The difference between the sum of the consideration received from the disposal of the equity plus the fair value of the residual equity and the share of former subsidiaries' net assets to

be held and continuously calculated from the combination date based on the shareholding ratio shall be recorded in investment income for the current period in which the loss of control occurs, and goodwill shall be written down. Other comprehensive income related to equity investments in former subsidiaries shall be transferred to investment income for the current period at the time of the loss of control.

3) Accounting treatments constitute a "package deal"

a. individual financial statements

Each of these transactions shall be accounted for as a transaction relating to disposal of investments in subsidiaries and loss of control. However, the difference between the disposal price and the book value of the long-term equity investment corresponding to the disposal investment shall be recognized as other comprehensive income in individual financial statements prior to the loss of control and, at the time of the loss of control, transferred to profit or loss for the current period in which the loss of control occurs.

b. consolidated financial statements

Each of these transactions shall be accounted for as a transaction relating to disposal of investments in subsidiaries and loss of control. However, the difference between the disposal price and the share of investments disposed of in the net assets of subsidiaries to be held shall be recognized as other comprehensive income in consolidated financial statements prior to the loss of control and, at the time of the loss of control, transferred to profit or loss for the current period in which the loss of control occurs.

20. Investment property

(1). If the investment properties are measured at cost:

Method of depreciation or amortization

- 1). Investment properties include land use rights leased out, land use rights held and to be transferred after appreciation and buildings leased out.
- 2). Investment properties are measured initially at cost and subsequently using the cost model and depreciated or amortized in the same way as fixed assets and intangible assets.

21. Fixed assets

(1). Recognition criteria

Applicable" Not applicable"

Fixed assets refer to tangible assets held for the purpose of commodity production, services rendering, renting or business administration with useful lives exceeding one accounting year. Fixed assets shall be recognized when economic benefits are likely to flow in and costs can be measured reliably.

(2). Depreciation method

Applicable" Not applicable"

Category	Depreciation method	Term of depreciation (year)	Residual rate	Annual depreciation rate
Buildings	Straight-line method	20	5	4.75
Machinery and equipment	Straight-line method	3-10	5	9.50-31.67
Transportation	Straight-line method	5	5	19.00

facilities				
Other equipment	Straight-line method	3-10	5	9.50-31.67

22. Construction in progress

"√ Applicable" "□ Not applicable"

(1). The construction in progress shall be recognized when the economic benefits are likely to flow to the Company, and the cost can be measured reliably. The construction in progress is measured at the actual cost incurred before it is ready for its intended use.

(2). The construction in progress shall be transferred to fixed assets at actual cost when it is ready for its intended use. It shall be transferred to fixed assets at estimated value when it is ready for its intended use but the final settlement of account has not been finished. The estimated value shall be adjusted according to the actual cost after the final settlement of account, while the accrued depreciation shall not be adjusted.

Category	The standard and time node for the construction in progress to be transferred to fixed assets
Buildings	Ready for intended use upon the project completion
Machinery, equipment and other equipment	The machinery and equipment meet the design requirements or the standards stipulated in the contract
Other construction in progress	Ready for intended use upon the project completion

23. Borrowing costs

"√ Applicable" "□ Not applicable"

(1) Recognition criteria for capitalization of borrowing costs

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognized as expenses and recorded in profit or loss for the current period when incurred.

(2). Capitalization period of borrowing costs

1) Borrowing costs can only begin to be capitalized if the following three conditions are all met simultaneously: 1) The expenditures to acquire assets have been incurred; 2) The borrowing costs have been incurred; 3) The acquisition, construction or production activities to make the asset ready for its intended use or sale have begun.

2) If the acquisition, construction or production of assets that meet the conditions for capitalization is suspended abnormally, and the suspension lasts for more than 3 months, the capitalization of borrowing costs will be suspended. The borrowing costs incurred during the suspension period will be recognized as current expenses until the acquisition, construction or production of such assets is resumed.

3) When the acquired, constructed or produced asset that meets the conditions for capitalization is ready for its intended use or sale, the capitalization of borrowing costs will be stopped.

(3). Capitalization rate and capitalized amount of borrowing costs

If a special loan is borrowed for the acquisition, construction or production of assets that meet the capitalization conditions, the amount of interest expenses (including amortization of discounts or

premiums determined using the effective interest method) actually incurred in the current period of the special loan shall be recognized as the interest amount to be capitalized after deduction of the interest income obtained by depositing the unused loan funds in the bank or the income from temporary investment. If general borrowings are occupied for the purpose of acquisition, construction or production of assets that meet the capitalization conditions, the Company shall calculate and determine the amount of interest of general borrowings to be capitalized based on the weighted average value of asset expenditures over which the accumulated asset expenditure exceeds the special borrowings multiplied by the capitalization rate of the occupied general borrowings.

24. Biological assets

Applicable" Not applicable"

25. Oil & gas assets

Applicable" Not applicable"

26. Intangible assets

(1). Useful life and the basis for determination, estimates, amortization method or review process thereof

Applicable" Not applicable"

1). Intangible assets include land use rights, software, proprietary technology and emission permit, which are initially measured at cost.

2). Intangible assets with limited useful lives shall be systematically and reasonably amortized during their useful lives according to the expected realization mode of economic benefits relating to such assets, and where the expected realization mode cannot be reliably determined, the assets shall be amortized using the straight-line method. The details are listed below:

Item	Useful life and basis for determination	Amortization method
Land use rights	The useful life is determined as 50 years based on the property right registration period	Straight Line Method
Software	The useful life is determined as 2 - 10 years based on the expected beneficial period	Straight Line Method
Proprietary technologies	The useful life is determined as 10 years based on the expected beneficial period	Straight Line Method
Emission permit	The useful life is determined as 20 years based on the expected beneficial period	Straight Line Method

The Company does not amortize intangible assets with indefinite useful lives, and the Company reviews the useful lives of these intangible assets in each accounting period.

(2). Adscription ranges of expenditures on research and development and relevant accounting treatment

Applicable" Not applicable"

1) Personnel and labor costs

Personnel and labor costs cover the wages and salaries of the Company's R&D personnel, basic endowment insurance premiums, basic medical insurance premiums, unemployment insurance premiums, work-related injury insurance premiums, maternity insurance premiums and housing provident funds, as well as labor costs for external R&D personnel.

For R&D personnel serving multiple R&D projects at the same time, the labor costs are confirmed based on the working hours records of the R&D personnel of each R&D project provided by the management department of the Company, and are distributed among different R&D projects on a proportional basis.

For personnel directly engaged in R&D activities and external R&D personnel engaged in non-R&D activities at the same time, the Company will distribute the actual personnel and labor costs incurred among R&D expenses and production and operation expenses based on working hours records of R&D personnel in different positions by adopting reasonable methods such as the proportion of actual working hours.

2) Direct investment costs

Direct investment costs refer to the relevant expenses actually incurred by the Company for the implementation of R&D activities, including: (1) the cost of materials, fuel and power directly consumed; (2) the development and manufacturing cost of molds and process equipment for intermediate testing and trial production, the purchase cost of samples, prototypes and general testing methods that do not constitute fixed assets, and the inspection cost of trial products; (3) the operation and maintenance, adjustment, inspection, testing and overhaul of instruments and equipment for R&D activities.

3) Depreciation expense and long-term deferred expenses

Depreciation expense represents the depreciation expense of instruments, equipment and buildings in use used in R&D activities.

For instruments, equipment and buildings in use used both in R&D activities and non-R&D activities, the necessary records shall be kept on the use of such instruments, equipment and buildings in use, and the actual depreciation expense incurred is allocated between R&D expenses and production and operating expenses by reasonable methods, with reference to factors such as actual working hours and usable area.

Long-term deferred expenses represent the long-term deferred expenses in the process of reconstruction, modification, decoration and repair of R&D facilities, which are aggregated according to actual expenditures and amortized in equal installments over a specified period of time.

4) amortization expense of intangible assets

The amortization costs of intangible assets mean that of software, proprietary technology and land used for research and development activities.

5) Other expenses

Other expenses refer to expenses other than those mentioned above that are directly related to the R&D activities, including information costs for technical books, data translation fees, expert consultation fees, high-tech research and development insurance premiums, search, demonstration, review, appraisal and

acceptance fees of R&D results, intellectual property rights application fees, registration fees, agency fees, conference fees, travel costs, communication fees, etc.

4. Expenditures for the research phase of internal R&D projects are recognised in the profit and loss for the current period when incurred. Expenditures incurred during the development phase of internal research and development projects shall be recognized as intangible assets if the following conditions are all met simultaneously: (1) It is technically feasible to complete the intangible asset so that it can be used or sold; (2) There is intention to complete the intangible asset for use or sales; (3) The methods for intangible assets to generate economic benefits are useful, and there is a potential market for the products manufactured by applying the intangible assets or for the intangible assets themselves (for intangible assets to be used internally, the usefulness can be proved); (4) Adequate technical, financial and other resources are available to finish the development of the intangible assets and use or sell the intangible assets; (5) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

27. Impairment of long-term assets

"Applicable" "Not applicable"

For long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with limited useful lives and other long-term assets, where there are indications of impairment at the balance sheet date, the recoverable amount shall be estimated. For goodwill arising from a business combination or intangible assets with indefinite useful lives, regardless of whether there are indications of impairment, an impairment test shall be conducted every year. Goodwill shall, together with the related asset group or combination of asset groups, be subject to the impairment test.

If the recoverable amount of any of the above-mentioned long-term assets is lower than its book value, the provision for assets impairment shall be recognized according to the difference and recorded in profit or loss for the current period.

28. Long-term prepayments

"Applicable" "Not applicable"

Long-term amortized expenses refer to expenses that have been paid and whose amortization period is more than 1 year (excluding 1 year). Long-term amortized expenses are recorded at the actual amounts incurred and amortized evenly over the benefit period or specified period. If a long-term amortized expense item does not bring benefits over the subsequent accounting periods, the amortized value of the item that has not been amortized shall be fully transferred to profit or loss for the current period.

29. Contractual liabilities

"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 clients' payment. The contractual assets and liabilities under the same contract are shown on a net basis after mutual offset.

The Company presents the right to receive consideration from a client that it owns unconditionally (i.e., depending only on the passage of time) as a receivable and the right to receive consideration for a commodity transferred to a client (depending on any factor other than the passage of time) as a contract asset.

The obligation to transfer goods to a client, for which consideration has been received or is receivable from the client, is shown as a contractual liability.

30. Payroll

(1). Accounting treatment for short-term compensation

Applicable" Not applicable"

In the accounting period in which employees have rendered services, the Company recognizes the short-term employee benefits actually incurred as a liability and charges to profit or loss for the current period or the cost of related assets.

(2). Accounting treatment for post-employment benefits

Applicable" Not applicable"

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

(1) During the accounting period in which employees have rendered services, the Company recognizes the contributions to be paid according to the defined contribution plans as a liability and charges to profit or loss for the current period or the cost of related assets.

(2) The accounting treatment of defined benefit plans generally covers the following steps:

1) It is necessary to use unbiased and mutually compatible actuarial assumptions based on the projected unit credit method to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plans and determine the periods to which the obligations are attributable. Furthermore, the obligations under the defined benefit plans shall be discounted to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the deficit or surplus by deducting the present value of the defined benefit plan obligations from the fair value of the defined benefit plan assets shall be recognized as a net liability or net asset of the defined benefit plan. The net asset of the defined benefit plan shall be measured at the lower of the surplus in the defined benefit plan and the asset ceiling.

3) At the end of the period, the employee benefit costs arising from defined benefit plans shall be recognized as the cost of service, the net interest on net liabilities or assets of defined benefit plans and the changes resulting from the remeasurement of net liabilities or assets of defined benefit plans. The cost of service and the net interest on net liabilities or assets of defined benefit plans are recorded in profit or loss for the current period or the cost of related assets, while the changes resulting from the remeasurement of net liabilities or assets of defined benefit plans are included in other comprehensive

income and shall not be transferred back to profit or loss in subsequent accounting periods. However, the amounts recognized as other comprehensive income may be transferred within the scope of equity.

(3). Accounting treatment for termination benefits

Applicable" Not applicable"

Termination benefits provided to employees are recognized as an employee benefit liability and charged to profit or loss for the current period at the earlier of the following dates: (1) The Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; (2) The Company recognizes costs or expenses related to the reconstructing that involves the payment of termination benefits.

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

Applicable" Not applicable"

Other long-term employee benefits provided to employees are accounted for in accordance with the requirements relating to defined contribution plans if the conditions for classifying as a defined contribution plan are met and otherwise are accounted for in accordance with the requirements relating to defined benefit plans. To simplify the relevant accounting treatment process, the employee benefit costs incurred are recognized as the cost of service, the net interest on net liabilities or assets of other long-term employee benefits and the changes resulting from the remeasurement of net liabilities or assets of other long-term employee benefits. The total net amount is included in profit or loss for the current period or the cost of related assets.

31. Provisions

Applicable" Not applicable"

1). The Company recognizes an obligation arising from the provision of external guarantees, litigation matters, product quality assurance, loss contract, and other contingencies as a present obligation of the Company when it is probable that the performance of the obligation will result in an outflow of economic benefits from the Company and the amount of the obligation can be measured reliably, as a provision for liabilities.

2). The Company initially measures the provision for liabilities based on the best estimate of the expenditures required to meet the relevant present obligations and reviews the carrying amount of the provision for liabilities at the balance sheet date.

32. Share-based payments

Applicable" Not applicable"

33. Preferred shares, perpetual bonds and other financial instruments

Applicable" Not applicable"

Pursuant to the relevant standards for financial instruments and the *Regulations on Accounting Treatment for Perpetual Bonds* (CK [2019] No. 2), the Company classifies financial instruments issued

by it, such as preferred shares/perpetual bonds (e.g., long-term medium-term notes with embedded options)/warrants/convertible corporate bonds, or their components as financial assets, financial liabilities or equity instruments at initial recognition based on the contractual terms of the issued financial instruments and their economic substance rather than their legal form, in conjunction with the definitions of financial assets, financial liabilities, and equity instruments.

At the balance sheet date, for financial instruments classified as equity instruments, their interest expenses or dividend distributions are treated as profit distributions of the Company, and their repurchase or cancellation is accounted for as changes in equity; for financial instruments classified as financial liabilities, their interest expenses or dividend distributions are accounted for as borrowing costs, and gains or losses arising from their repurchase or redemption are recognized in profit or loss for the period.

34. Revenue

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

"√ Applicable" "□ Not applicable"

1. Revenue recognition principle

At the commencement date of a contract, the Company performs an assessment of the contract, identifies the individual performance obligation contained in the contract, and determines whether the individual performance obligation is performed within a certain period of time or at a certain point in time.

A performance obligation is satisfied within a certain period of time when one of the following conditions is met; otherwise, the performance obligation is satisfied at a certain point in time: (1) the client obtains and consumes the economic benefits brought by the performance of the company while the company performs; (2) the client is able to control the goods under construction during the performance of the Company; (3) Commodities produced in the course of the Company's performance have an irreplaceable use and the Company is entitled to collect payments for the part of performance that has been completed so far during the entire contract period.

For performance obligations performed over a period of time, the Company recognizes revenue based on the progress of the performance over that period of time. When the performance progress cannot be reasonably determined, if the costs incurred are expected to be compensated, revenue is recognized based on the number of costs incurred until the performance progress can be reasonably determined. For performance obligations performed at a certain point in time, revenue is recognized at the point in time when the client obtains control of the related goods or services. In determining whether the client has obtained control of the commodity, the Company considers the following indicators: (1) the Company has a present collection right in respect of the commodity, i.e. the client has a present payment obligation in respect of the commodity; (2) the Company has transferred the legal ownership of the commodity to the client, i.e. the client has owned the legal ownership of the commodity; (3) The Company has

physically transferred the commodity to the client, i.e. the client has physically occupied the commodity; (4) the Company has transferred the principal risks and rewards of ownership of the commodity to the client, i.e. the client has obtained the principal risks and rewards of ownership of the commodity; (5) the client has accepted the commodity; (6) Other indicators that the client has obtained control of the commodity.

2. Revenue measurement principles

(1) The Company measures revenue at the transaction price allocated to the individual performance obligation. The transaction price is the amount of consideration to which the Company is expected to be entitled to collect for the transfer of goods or services to the client, excluding amounts received on behalf of third parties and amounts expected to be returned to the client.

(2) Where there is a variable consideration in the contract, the Company determines the best estimate of the variable consideration based on the expected value or the amount that is most likely to occur, but the transaction price that contains the variable consideration does not exceed the amount by which it is highly probable that a significant reversal of the cumulative revenue recognized will not occur when the relevant uncertainty is eliminated.

(3) Where there is a significant financing component in the contract, the Company determines the transaction price based on the amount payable that is assumed to be paid in cash when the client obtains control of the goods or services. The difference between the transaction price and the contract consideration is amortised using the effective interest method over the contract period. At the commencement date of the contract, if the company expects the client to obtain control of the goods or services within one year of the customer paying the price, it does not consider the significant financing component in the contract.

(4) If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, allocate the transaction price to the individual performance obligation based on the relative proportion of the individual selling prices of the commodities promised by the individual performance obligation.

(2). Adoption of different business models for similar business types involves different revenue recognition methods and measurement approaches

"√ Applicable" "□ Not applicable"

The Company mainly engages in the sales of forklifts and parts, which represent performance obligations satisfied at a point in time. Domestic sales revenue is recognized when the Company delivers the products to the buyer as agreed in the contract, receives the payment or obtains the right to payment, and it is probable that the associated economic benefits will flow into the Company. Export sales revenue is recognized when the Company completes customs clearance as agreed in the contract, receives a bill of lading, receive the payment for goods or obtains the right to payment, and it is probable that the associated economic benefits will flow into the Company.

35. Contract costs

Applicable" Not applicable"

Incremental costs of the Company to acquire a contract that are expected to be recovered are recognized as an asset as contract acquisition cost. Costs of the Company for the performance of a contract, which fall out of the scope of regulation on standards about inventories, fixed assets, or intangible assets and fall in the following conditions, are recognized as an asset as contract performance cost:

- 1). Such cost is directly related to a current contract or a contract expected to be awarded, including the cost on direct labor, direct materials, manufacturing expense (or similar cost), cost explicitly attributable to a client and any other cost incurred solely as a result of contract;
- 2). Such cost increases the resources available to the Company to fulfil its performance obligations in the future; and
- 3). Such cost is expected to be recovered.

The Company amortizes assets related to contract costs on the same basis as income recognition for the commodities or services to which the asset connects through current gains/losses.

If the book value of an asset related to contract costs is greater than the remaining consideration expected to be received for the transfer of commodities or services related to the asset, less estimated costs estimated to be incurred, the Company withdraws a provision for impairment and recognizes an asset impairment loss for the excess. If, as a result of subsequent changes to the factors to impair the asset in a previous period, the residual consideration expected to be received for the transfer of the commodities or services on the asset, less estimated costs to be incurred, is greater than the book value of the asset, the original provision for impairment of the asset is reversed and stated as current gains/losses, provided that the book value of the asset after the reversal is no greater than what the asset would have been had no provision for impairment been withdrawn by the date of the reversal.

36. Government grants

Applicable" Not applicable"

1). A government grant is recognized when both of the following conditions are met: (1) the Company is able to meet the conditions attached to the government grant; (2) The Company is able to receive government grants. Where government grants are Monetary funds, they are measured at the amount received or receivable. Government grants that are non-monetary funds are measured at fair value; Where the fair value cannot be reliably obtained, the non-monetary funds shall be measured at the nominal amount.

2). Basis for judging government grants related to assets and accounting methods

Government documents provide that government grants used to purchase, build or otherwise forming long-term assets are classified as government grants related to the assets. If the government documents are not clear, the judgment shall be based on the basic conditions necessary to obtain the grant, and the government grant whose basic conditions are to purchase, build or otherwise form long-term assets shall be deemed as the government grant related to the asset. Government grants relating to assets offset against the carrying amount of the related assets or are recognized as deferred income. Where

government grants relating to assets are recognized as deferred income, they are credited to profit or loss over the useful life of the relevant assets in a reasonable and systematic manner. Government grants measured at nominal amounts are credited directly to profit or loss for the current period. Where the relevant asset is sold, transferred, scrapped or damaged before the end of its useful life, the undistributed balance of the relevant deferred income is transferred to the profit or loss of the current period in which the asset is disposed of.

3). Basis for judging government grants related to income and accounting method

Government grants other than those relating to assets are classified as income-related government grants. For government grants that contain both asset-related and revenue-related components, those that are difficult to distinguish between asset-related and income-related are classified as income-related government grants in their entirety. Government grants relating to income that compensate for related costs, expenses or losses in subsequent periods are recognized as deferred income, and are credited to profit or loss or reduced to related costs in the current period in which the related costs, expenses or losses are recognized; Those used to compensate the related costs or losses incurred are directly included in the current profit or loss or offset against the related costs.

4). Government grants relating to the Company's daily operating activities are included in other revenue or offset against related costs and expenses in accordance with the substance of the economic business. Government grants that are not related to the Company's daily activities are included in the non-operating revenue and expenses.

5). Accounting treatment for preferential loan with interest subsidy subject to the policy

(1) If the Ministry of Finance allocates the fund for interest subsidy to the lending bank, and the lending bank provides the loan to the Company at the preferential interest rate, the Company accounts for the loan at the actual amount of the loan received, and calculates the borrowing costs based on the principal and the preferential interest rate of the loan.

(2) When the government directly allocates the interest subsidy funds to the company, the corresponding subsidy amount is deducted from the relevant borrowing costs.

37. Deferred tax assets/deferred tax liabilities

"√ Applicable" "□ Not applicable"

1). A deferred income tax asset or a deferred income tax liability is recognized based on the difference between the carrying amount of an asset or liability and its tax basis (or the difference between the carrying amount of an item that is not recognized as an asset or liability and the tax basis if its tax basis can be determined in accordance with the provisions of the tax law) at the tax rates applicable in the period in which the asset is expected to be recovered or the liability is settled.

2). Deferred income tax assets are recognized to the extent of the amount of the taxable income that is likely to be obtained and deducted from deductible temporary difference. On the balance sheet date, deferred income tax assets that have not been recognized in previous accounting periods shall be recognized if there is conclusive evidence that sufficient taxable income is likely to be obtained in the future period to offset deductible temporary differences.

- 3). On the balance sheet date, the carrying value of deferred income tax assets is reviewed and, if it is probable that sufficient taxable income will not be available in future periods to offset the benefits of the deferred income tax assets, the carrying value of the deferred income tax assets is written down. The amount written down is reversed when it is probable that sufficient taxable income will be available.
- 4). The current corporate income tax and deferred income tax are included in the current profit or loss as income tax expense or earnings, but do not include income tax arising from (1) business combination; (2) Transactions or events recognized directly in owner's equity.
- 5). The Company will list the deferred tax assets and deferred tax liabilities as the net amounts upon offsetting where all the following conditions are met: (1) It has the statutory right to offset current tax assets against current tax liabilities; (2) The deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax administration department on the same taxpayer or related to different taxpayers, but during any future period in which important deferred tax assets or liabilities are reversed, the taxpayers involved have the intention to offset the current tax assets against the current tax liabilities, or acquire assets and settle liabilities concurrently.

38. Lease

Applicable" Not applicable"

Basis for determination of simplified treatment of and accounting treatment for short-term leases and leases of low-value assets as lessee

Applicable" Not applicable"

At the commencement date of the lease term, the Company considers a lease that has a lease term of not more than 12 months and does not contain a purchase option as a short-term lease; Leases that have a lower value when the individual leased asset is an entirely new asset are considered to be leases of low-value assets. Where the Company subleases or expects to sublease the leased asset, the original lease is not deemed as a lease of low-value assets.

For all short-term leases and leases of low-value assets, the Company includes the amount of lease payments into the relevant asset cost or current profit and loss according to the straight-line method during each period of the lease term.

In addition to the short-term leases and leases of low-value assets with simplified treatment described above, the Company recognizes right-of-use assets and lease liabilities for leases at the commencement date of the lease term.

(1) Right-of-use assets

Right-of-use assets are initially measured at cost, which includes: 1) the amount initially measured for the lease liability; 2) the number of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, less the amount of the lease incentive already enjoyed; 3) initial direct costs incurred by the lessee; 4) the costs that the lessee expects to incur to dismantle and remove the leased asset, restore the site on which the leased asset is located, or restore the leased asset to the condition agreed upon in the lease terms.

The Company depreciates the right-of-use assets on a straight-line basis. If it is reasonably certain that the ownership of assets leased will be obtained at the end of the lease term, the Company conducts depreciation during the remaining useful life of the leased assets. Otherwise, depreciation is conducted during the lease term or the remaining useful life of the leased assets, whichever is shorter.

(2) Lease liabilities

At the commencement date of the lease term, the Company recognizes the present value of the unpaid lease payments as the lease liabilities. The present value of lease payments is calculated using the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the corporate incremental borrowing rate is used as the discount rate. The difference between the lease payments and their present value is treated as an unrecognized finance charge. Interest expense is recognized in profit or loss for each lease term period at the discount rate used to recognize the present value of the lease payments. Variable lease payments that are not included in the measurement of lease liabilities are included in current profit or loss when they actually occur.

After the commencement date of the lease term, when there is a change in the amount of substantially fixed payments, a change in the amount expected to be payable for the remaining value of the guarantee, a change in the index or rate used to determine the amount of the lease payments, a change in the outcome of an assessment of a purchase option, a renewal option or a termination option, or a change in the actual exercise, the Company remeasures the lease liability based on the present value of the changed lease payments and adjusts the carrying value of the right-of-use asset accordingly. If the carrying value of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, the remaining amount is included in the current profit or loss.

Sale-and-leaseback

The Company assesses whether the transfer of assets in a sale-and-leaseback transaction is a sale in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 - Revenues.

If the transfer of an asset in a sale-and-leaseback transaction is a sale, the Company measures the right-of-use asset resulting from the sale-and-leaseback at the portion of the original asset's carrying value that relates to the right-of-use acquired through the leaseback, and recognizes a gain or loss related to the right transferred to the lessor only.

If the transfer of an asset in a sale-and-leaseback transaction is not a sale, the Company continues to recognize the transferred asset and, at the same time, recognizes a financial liability equal to the transfer proceeds and accounts for the financial liability in accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

Lease classification criteria and accounting treatment as lessor

Applicable" Not applicable"

At the commencement date of a lease, the Company classifies a lease as a finance lease in which substantially all the risks and rewards associated with ownership of the leased asset are transferred, with the exception of an operating lease.

(1) Operating leases

The Company recognizes lease receipts as rental income on a straight-line basis over each period of the lease term, capitalises the initial direct costs incurred and allocates them on the same basis as rental income recognition and is credited to profit or loss in installments. Variable lease payments relating to operating leases obtained by the Company that are not included in the lease receipts are included in profit or loss as they actually occur.

(2) Finance lease

At the commencement date of the lease term, the Company recognizes the finance lease payments receivable based on the net investment in the lease (the sum of the unguaranteed residual value and the present value of the lease receipts outstanding at the commencement date discounted at the interest rate implicit in the lease) and derecognizes the finance lease asset. The Company calculates and recognizes interest income at the interest rate implicit in the lease for each period of the lease term.

Variable lease payments received by the Company that are not included in the measurement of net lease investment are included in profit or loss as they actually occur.

The Company assesses whether the transfer of assets in a sale-and-leaseback transaction is a sale in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 - Revenues.

If the transfer of an asset in a sale-and-leaseback transaction is a sale, the Company accounts for the purchase of assets in accordance with other applicable Accounting Standards for Business Enterprises and accounts for the lease of assets in accordance with Accounting Standards for Business Enterprises No. 21 - Leases.

If the transfer of an asset in a sale-and-leaseback transaction is not a sale, the Company does not recognize the transferred asset, but recognizes a financial asset equal to the transfer proceeds and accounts for the financial asset in accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

39. Other significant accounting policies and accounting estimates

"√ Applicable" "□ Not applicable"

1. Basis for hedge accounting and accounting treatment

(1) Categories of hedges include fair value hedge/cash flow hedge/hedge of a net investment in a foreign operation.

(2) Hedges that meet the following criteria are accounted for using hedge accounting: 1) the hedging relationship consists solely of eligible hedging instruments and hedged items; 2) at the inception of the hedge, the Company formally designates the hedging instruments and hedged items, and documents in writing the hedging relationship as well as the risk management strategy and objectives for undertaking the hedge; 3) the hedging relationship meets the hedge effectiveness requirements.

A hedging relationship is deemed to meet the hedge effectiveness requirements only if all of the following criteria are satisfied: 1) there is an economic relationship between the hedged item and the hedging instrument; 2) the effect of credit risk does not dominate the value changes that result from that economic relationship; 3) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging

instrument that the Company actually uses to hedge that quantity of hedged item. However, that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument.

The Company assesses on an ongoing basis, both at the inception of the hedge and in subsequent periods, whether the hedging relationship meets the hedge effectiveness requirements. If a hedging relationship no longer meets the hedge effectiveness requirements due to changes in the hedge ratio, but the risk management objective for designating the hedging relationship has not changed, the Company will rebalance the hedging relationship.

(3) Accounting treatment for hedges

1) Fair value hedge

① Gains or losses arising from hedging instruments are recognized in profit or loss for the period. If the hedging instrument is to hedge a non-trading equity instrument (or a component thereof) to be measured at fair value through other comprehensive income, the gains or losses arising from the hedging instruments are recognized other comprehensive income.

② Gains or losses arising from risk exposure of hedged items are recognized in profit or loss for the period, while adjusting the carrying amount of recognized hedged items not measured at fair value. If the hedged item is a financial asset (or a component thereof) classified as measured at fair value through other comprehensive income in accordance with Article 18 of the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, the gains or losses arising from the hedged risk exposure are recognized in profit or loss for the period, and its carrying amount will be not adjusted as it has been measured at fair value; if the hedged item is a non-trading equity instrument investment (or a component thereof) designated by the Company to be measured at fair value through other comprehensive income, the gains or losses arising from the hedged risk exposure are recognized in other comprehensive income, and its carrying amount will be not adjusted as it has been measured at fair value.

If the hedged item is an unrecognized firm commitment (or a component thereof), the cumulative change in fair value attributable to the hedged risk after the designation of the hedging relationship is recognized as an asset or liability, with the related gains or losses recognized in profit or loss in each relevant period. When fulfilling the firm commitment to acquire an asset or assume a liability, the initial recognition amount of such asset or liability is adjusted to include the cumulative change in the fair value of the hedged item that was recognized.

If the hedged item is a financial instrument (or a component thereof) measured at amortized cost, the adjustment made by the Company to the carrying amount of the hedged item is amortized based on the recalculated effective interest rate at the date amortization begins, and recognized in profit or loss for the period. If the hedged item is a financial asset (or a component thereof) classified as measured at fair value through other comprehensive income in accordance with Article 18 of the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, the cumulative recognized hedging gains or losses are amortized in the same manner and recognized in

profit or loss for the period, but the carrying amount of the financial asset (or a component thereof) will not be adjusted.

2) Cash flow hedge

① The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income as a cash flow hedge reserve, while the ineffective portion is recognized in profit or loss for the period. The amount of the cash flow hedge reserve is recognized at the lower of the following (in absolute amounts): A. the cumulative gain or loss on the hedging instrument from inception of the hedge; B. the cumulative change in present value of the expected future cash flow of the hedged item from inception of the hedge.

② The hedged item is an anticipated transaction, and if that anticipated transaction subsequently results in the recognition of a non-financial asset or non-financial liability by the Company, or when the anticipated transaction for non-financial assets and liabilities forms a firm commitment eligible for fair value hedge accounting, the amount of the cash flow hedge reserve originally recognized in other comprehensive income is removed and included in the initial recognition amount of that asset or liability.

③ For other cash flow hedges, the amount of the cash flow hedge reserve originally recognized in other comprehensive income is removed in the same period when the hedged anticipated transaction affects the profit or loss, and recognized in profit or loss for the period.

3) Hedge of a net investment in a foreign operation

The portion of the gain or loss arising from hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income and subsequently reclassified to current profit or loss upon disposal of the foreign operation; the ineffective portion of the gain or loss arising from hedging instrument is recognized in profit or loss for the period.

2. Accounting treatment related to repurchase of the Company's shares

For share repurchases due to capital reduction or employee incentives, the actual amount paid is accounted for as treasury shares and registered for future reference. If the repurchased shares are canceled, the difference between the total par value of the canceled shares calculated based on the face value of the canceled shares and the number of canceled shares and the actual amount paid for the repurchase will be offset against the capital reserve. If the capital reserve is insufficient, the retained earnings will be offset against. If the repurchased shares are granted to employees of the Company as equity-settled share-based payment, when the payment is received from the employees for exercise of their right to purchase the Company's shares, the carrying amount of the treasury shares allocated to employees and the cumulative capital reserve (other capital reserves) recognized during the vesting period shall be de-recognized, while any difference arising from this transaction shall be adjusted against the capital reserve (share premium).

40. Changes in significant accounting policies and accounting estimates**(1). Changes in significant accounting policies**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

The content and reason of the change of accounting policy	Name of the Affected Financial Statement Items	Amount affected
The provisions on "Classification of Current Liabilities and Non-current Liabilities" in the <i>Interpretation No. 17 on Accounting Standards for Business Enterprises</i> issued by the Ministry of Finance are applied as of January 1, 2024	None	0
The provisions on "Accounting Treatment for Sale and Leaseback Transactions" in the <i>Interpretation No. 17 on Accounting Standards for Business Enterprises</i> issued by the Ministry of Finance are applied as of January 1, 2024	None	0
The provisions on "Disclosure of Supplier Financing Arrangements" in the <i>Interpretation No. 17 on Accounting Standards for Business Enterprises</i> issued by the Ministry of Finance are applied as of January 1, 2024	None	0
The provisions on "Accounting Treatment for Assurance-Type Warranties tot Considered Separate Performance Obligations" in the <i>Interpretation No. 18 on Accounting Standards for Business Enterprises</i> issued by the Ministry of Finance are applied as of December 6, 2024	None	0

Other notes:

None

(2). Changes in significant accounting estimates

"□ Applicable" "√ Not applicable"

(3). First application of new accounting standards or their interpretations from 2024 involves adjustments to the financial statements at the beginning of the first application year

"□ Applicable" "√ Not applicable"

41. Others

"□ Applicable" "√ Not applicable"

VI. Taxes**1. Main tax types and rates**

Main tax types and rates

"√ Applicable" "□ Not applicable"

Taxes	Tax basis	Tax rate
Value-added tax	The output tax is calculated based on the income from sales of goods and taxable services calculated in accordance with the provisions of the tax law. After deducting the deductible input tax for the current period, the difference is the value-added tax payable.	[Note 1]
Property tax	If levied on an ad valorem basis, calculated and paid at	1.2%,12%

	1.2% of the residual value after deducting 30% from the original value of the property; If levied on the rental, calculated and paid at 12% of the rental income	
Urban maintenance and construction tax	Actual turnover tax paid	[Note 2]
Education surcharge	Actual turnover tax paid	3%
Local education surcharge	Actual turnover tax paid	2%
Business income tax	Taxable amount of income	15%-29.66%

[Note 1] The subsidiary HANGCHA EUROPE GMBH is subject to tax at a rate of 19%, the subsidiary HANGCHA FORKLIFT CANADA INC at 14.975%, the subsidiary HANGCHA NETHERLANDS B.V. at 21%, the subsidiary HANGCHA (THAILAND) CO.LTD. at 7%, the subsidiary HC FORKLIFT AUSTRALIA PTY LTD. at 10%, the subsidiary HANGCHA BRASIL LTDA. at 12%, the subsidiary PT HANGCHA INDONESIA FORKLIFT at 11%, the subsidiary HANGCHA JAPAN CO.LTD. And HANGCHA (MALAYSIA) SDN.BHD. at 10%, and the subsidiary HANGCHA EUROPE RENTAL&SALES at 20%. The sales revenue of goods and taxable services by the Company and its other subsidiaries is subject to tax at a rate of 13%. Income from leasing of immovable property is subject to tax at a rate of 9% (for leasing of immovable property acquired by the Company prior to April 30, 2016, the tax rate of 5% under the simplified tax calculation method applies); the exported goods are entitled to the “exemption, credit and rebate” policy, with a tax rebate rate of 13% applicable to the vehicles. The tax rebate rate is 13% for key parts, and 0 for certain batteries and tires.

[Note 2] Except for the subsidiaries Shanghai Hangcha Forklift Sales Co., Ltd., Zhongshan Hangcha Forklift Co., Ltd., Ningxia Hangcha Forklift Sales Co., Ltd., Zhanjiang Hangcha Forklift Co., Ltd., Inner Mongolia Hangcha Forklift Sales Co., Ltd., Anhui Hangcha Forklift Sales Co., Ltd., Beijing Hangcha Forklift Co., Ltd. and Fujian Hangcha Forklift Co., Ltd., which are subject to a tax rate of 5% based on the amount of turnover tax payable, the Company and its other subsidiaries are subject to a tax rate of 7% based on the amount of turnover tax payable.

Disclosure of details when taxpayers are subject to different enterprise income tax rates
 Applicable" Not applicable"

Name of tax payer	Income tax rate
The Company and its 14 subsidiaries including Hangzhou Forklift Sheet Welding Co., Ltd	15%
HANGCHA NETHERLANDS B.V.	15%, 25.8% [Note 1]
HC FORKLIFT AMERICA CORPORATION	23.5% [Note 2]
HANGCHA FORKLIFT CANADA INC.	26.50% [Note 3]
HANGCHA EUROPE GMBH	29.66% [Note 4]
HANGCHA (THAILAND) CO.LTD.	20% [Note 5]
HANGCHA BRASIL LTDA.	15%, 25% [Note 6]
PT HANGCHA INDONESIA FORKLIFT	20%, 25% [Note 7]
HANGCHA JAPAN CO.LTD.	15%, 23.2% [Note 8]
HANGCHA (MALAYSIA) SDN.BHD.	24% [Note 9]
49 subsidiaries including Taizhou Hangcha Forklift Sales Co., Ltd.	20%
Other taxpayers other than those mentioned above	25%

[Note 1] The subsidiary HANGCHA NETHERLANDS B.V is subject to corporate income tax in accordance with the tax policies of the Netherlands where it is registered. The portion of taxable income not exceeding EUR 395,000.00 is subject to the tax rate of 15%, and the portion exceeding EUR 395,000.00 is subject to the tax rate of 25.8%

[Note 2] The subsidiary HC FORKLIFT AMERICA CORPORATION is subject to corporate income tax in accordance with the tax policies of the USA where it is registered, including federal tax of 21% and North Carolina tax of 2.5%

[Note 3] The subsidiary HANGCHA FORKLIFT CANADA INC. is subject to corporate income tax in accordance with the tax policies of Canada where it is registered, including federal tax of 15% and Quebec income tax of 11.5%

[Note 4] The subsidiary HANGCHA EUROPE GMBH is subject to corporate income tax in accordance with the tax policies of Germany where it is registered, including corporate income tax of 15%, solidarity surcharge of 0.83% and business tax of 13.83%

[Note 5] The subsidiary HANGCHA (THAILAND) CO. LTD. is subject to corporate income tax at a rate of 20% in accordance with the tax policies of Thailand where it is registered

[Note 6] The subsidiary HANGCHA BRASIL LTDA. is subject to corporate income tax in accordance with the tax policies of Brazil where it is registered. The tax rate is 15% for the portion of the Company's profit less than BRL 240,000, and 25% for the portion of the Company's profit exceeding BRL 240,000

[Note 7] The subsidiary PT HANGCHA INDONESIA FORKLIFT is subject to corporate income tax in accordance with the tax policies of Indonesia, where it is registered. If the Company's annual turnover is less than IDR 50 billion, the applicable tax rate is 20%; if more than IDR 50 billion, the applicable tax rate is 25%

[Note 8] The subsidiary HANGCHA JAPAN CO. LTD. is subject to corporate income tax in accordance with the tax policies of Japan where it is registered. The tax rate is 15% for the portion of taxable income less than JPY 8 million, and the applicable tax rate is 23.2% for the portion of taxable income above JPY 8 million

[Note 9] The subsidiary HANGCHA (MALAYSIA) SDN.BHD. is subject to corporate income tax at a rate of 24% in accordance with the tax policies of MALAYSIA where it is registered

2. Tax incentives

"√ Applicable" "□ Not applicable"

Relevant basis and explanations for the reduction and exemption of corporate income tax

1. Pursuant to the *Letter on the Filing of High-tech Enterprises Certified by Zhejiang Provincial Certification Agency in 2022* (GKHZ [2023] No. 33) issued by the National High-tech Enterprise Certification Management Leading Group Office on January 17, 2023, the subsidiaries Hangzhou Hangzhong Engineering Machinery Co., Ltd., Hangzhou Hangcha Kangli Forklift Parts Co., Ltd., and Hangzhou Hangcha Cab Co., Ltd. have been officially certified as high-tech enterprises, which remains valid for a period of three years. Subject to the relevant regulations including the *Corporate Income Tax Law*, these subsidiaries are entitled to a corporate income tax rate of 15% for national high-tech enterprises during the period from January 1, 2022 to December 31, 2024. Consequently, a reduced income tax rate of 15% is applicable to this period.

2. Pursuant to the *Announcement on the Filing of High-tech Enterprises Certified and Reported by Zhejiang Provincial Certification Agency in 2023* issued by the National High-tech Enterprise Certification Management Leading Group Office on December 28, 2023, the Company Hangcha Group Co., Ltd. and its subsidiaries Hangzhou Forklift Sheet Welding Co., Ltd., Hangzhou Forklift Mast Co., Ltd., Hangzhou Hangcha Electric Equipment Co., Ltd., Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd., Zhejiang Hangcha Intelligent Technology Co., Ltd., Hangzhou Hangcha Aerial Equipment Co., Ltd., and Hangzhou Hangcha Precision Manufacturing Co., Ltd. have been certified as high-tech enterprises, which remains valid for a period of three years. Subject to the relevant regulations

including the *Corporate Income Tax Law*, they are entitled to a corporate income tax rate of 15% for national high-tech enterprises during the period from January 1, 2023 to December 31, 2025. Consequently, a reduced income tax rate of 15% is applicable to this period.

3. Pursuant to the *Announcement on the Filing of High-tech Enterprises Certified and Reported by Zhejiang Provincial Certification Agency in 2024* issued by the National High-tech Enterprise Certification Management Leading Group Office on December 26, 2024, the subsidiaries Hangzhou Hangcha Axle & Gearbox Co., Ltd. and Zhejiang Hangcha Okamura Intelligent Technology Co., Ltd. have been certified as high-tech enterprises, which remains valid for a period of three years. Subject to the relevant regulations including the *Corporate Income Tax Law*, they are entitled to a corporate income tax rate of 15% for national high-tech enterprises during the period from January 1, 2024 to December 31, 2026. Consequently, a reduced income tax rate of 15% is applicable to this period.

4. Pursuant to the *Notice on Announcing the List of the Second Batch of High-tech Enterprises to be Certified by Shaanxi Province in 2023* issued by the Shaanxi Province High-tech Enterprise Certification Management Leading Group Office on July 31, 2023, the subsidiary Baoji Hangcha Engineering Machinery Co., Ltd. has been certified as a high-tech enterprise, which remains valid for a period of three years. Subject to the relevant regulations including the *Corporate Income Tax Law*, it is entitled to a corporate income tax rate of 15% for national high-tech enterprises during the period from January 1, 2023 to December 31, 2025. Consequently, a reduced income tax rate of 15% is applicable to this period.

5. Pursuant to the *Announcement on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Businesses* (Announcement [2021] No. 12 of the Ministry of Finance and the State Taxation Administration) and the *Announcement on Further Implementation of Preferential Income Tax Policies for Small and Micro Enterprises* (Announcement [2022] No. 13 of the Ministry of Finance and the State Taxation Administration) issued by the Ministry of Finance and the State Taxation Administration, 49 subsidiaries including Taizhou Hangcha Forklift Sales Co., Ltd. qualify as small and micro enterprises. The portion of annual taxable income not exceeding RMB 3 million is recognized in taxable income at a reduced income tax rate of 25% and subject to corporate income tax at a rate of 20% (resulting in an effective tax rate of 5%).

6. Pursuant to Article 2 of the *Announcement of the Ministry of Finance and the State Taxation Administration on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses* (Announcement [2023] No. 12 of the Ministry of Finance and the State Taxation Administration), from January 1, 2023 to December 31, 2027, the small-scale VAT taxpayers, small low-profit enterprises and individual businesses are entitled to a 50% reduction in resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), cultivated land occupation tax, education surcharges and local education surcharges. 49 subsidiaries of the Company are eligible and entitled to the preferential policies of 50% reduction in urban construction tax, education surcharge and local education surcharge.

7. Pursuant to the relevant provisions of the *Announcement of the Ministry of Finance and the State Taxation Administration on the Additional Value-added Tax Deduction Policy for Advanced Manufacturing Enterprises* (Announcement [2023] No. 43 of the Ministry of Finance and the State Taxation Administration), from January 1, 2023, to December 31, 2027, the eligible advanced manufacturing enterprises are permitted to claim an additional 5% deduction in their current deductible input VAT against the VAT amount payable for the period. During the current period, this Company Hangcha Group Co., Ltd. and its 17 subsidiaries including Hangzhou Forklift Sheet Welding Co., Ltd. are entitled to this preferential policy.

8. Pursuant to the *Circular on VAT Policies for Software Products* (CS [2011] No. 100), this Company Hangcha Group Co., Ltd. and its subsidiaries Hangzhou Hangcha Aerial Equipment Co., Ltd., Hangzhou Hangcha Cab Co., Ltd., Zhejiang Hangcha Intelligent Technology Co., Ltd., Hefei Hanhe Intelligent Logistics Technology Co., Ltd., Zhejiang Hangcha Okamura Intelligent Technology Co., Ltd. and Hangzhou Hangzhong Engineering Machinery Co., Ltd. are eligible for the immediate refund upon payment for the portion exceeding 3% of the actual VAT burden on software product sales.

3. Other

Applicable" Not applicable"

VII . Notes to the Consolidated Financial Statements Items

1. Monetary funds

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Cash on hand	1184642.16	1664527.92
Bank deposits	4084974640.77	3770560056.15
Other monetary capital	21769583.60	32039776.47
Deposits with Finance Companies		
Total Amount	4107928866.53	3804264360.54
Of which: Total amount of funds deposited beyond China	374943574.91	211873985.29

Other notes:

The closing balance of other monetary funds comprises: Guarantee Deposit of RMB 8,779,539.01, Letter of Credit (L/C) Deposit of RMB 3,361,119.30, Bank Acceptance (B/A) Deposit of RMB 8,554,271.21, Performance Bond of RMB 657,050.58, and Third-Party Payment Account Amount of RMB 417,603.50.

2. Held-for-trading financial assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance	Designated Reason and Basis
Financial assets measured at fair value and the changes are	80000333.33		/

included in current profits and losses			
Including:			
Wealth management products	80000333.33		/
Total Amount	80000333.33		/

Other notes:

Applicable" Not applicable"

3. Derivative financial assets

Applicable" Not applicable"

4. Notes receivable

(1). Notes Receivable Listed by Category

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Bank acceptance bills		
Commercial acceptance bills	17251330.80	20456574.93
Total Amount	17251330.80	20456574.93

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

Applicable" Not applicable"

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

Applicable" Not applicable"

(4). Disclosure of notes receivable by bad debt accrual method

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value Value	Book balance		Provision for bad debts		Book value Value
	Amount	Percentage (%)	Amount	Percentage of Provision (%)		Amount	Percentage (%)	Amount	Percentage of Provision (%)	
Provision made on a portfolio basis	18247890.00	100.00	996559.20	5.46	17251330.80	21757497.30	100.00	1300922.37	5.98	20456574.93
Including:										
Commercial acceptance bill	18247890.00	100.00	996559.20	5.46	17251330.80	21757497.30	100.00	1300922.37	5.98	20456574.93
Total Amount	18247890.00	/	996559.20	/	17251330.80	21757497.30	/	1300922.37	/	20456574.93

Provision for bad debts made on an individual basis:

Applicable" Not applicable"

Provision for bad debts by combination:

Applicable" Not applicable"

Items accrued in portfolio: Commercial acceptance bill

Unit: Yuan Currency: CNY

Item	Closing balance		
	Notes receivable	Provision for bad debts	Percentage of Provision (%)
Commercial acceptance bill as a combination	18247890.00	996559.20	5.46
Total Amount	18247890.00	996559.20	5.46

Notes to the provision for bad debts by portfolio

Applicable" Not applicable"

Provision for bad debts using the general model for expected credit losses.

Applicable" Not applicable"

Basis for Classification of Stages and Provision Rate for Bad Debts

N/A

Description of significant changes in carrying amount of notes receivable with provision for bad debts during the period

Applicable" Not applicable"

(5). Provision for bad debts

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Category	Opening balance	Amount of change during the period				Closing balance
		Make provision	Recovery or reversal	Write-off or Cancellation	Other changes	
Commercial acceptance bill as a combination	1300922.37	-304363.17				996559.20
Total Amount	1300922.37	-304363.17				996559.20

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:

Applicable" Not applicable"

Other notes:

None

(6). Actual notes receivable written off during the period

Applicable" Not applicable"

Of which significant write-offs of notes receivable

Applicable" Not applicable"

Description of notes receivable write-off:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

5. Accounts receivable

(1). Disclosure by ageing

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Ageing	Closing book balance	Opening book balance
Within 1 year		
Including: Sub-item within one year		
Within 1 year	2411766395.55	1552390473.45
Subtotal within one year	2411766395.55	1552390473.45
1 to 2 years	144333180.03	129935480.28
2 to 3 years	57169206.65	36125583.19
More than 3 years		
3 to 4 years	16456609.73	7902580
4 to 5 years	5689715.00	3092380.00
More than 5 years	7313002.38	6013556.97
Total Amount	2642728109.34	1735460053.89

(2). Disclosure of notes receivable by bad debt accrual method

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Percent age (%)	Amount	Percent age of Provision (%)		Amount	Percent age (%)	Amount	Percent age of Provision (%)	
Provision for bad debts made on an individual basis	7945132.95	0.30	7945132.95	100.00		5286560.25	0.30	5286560.25	100.00	
Including:										
Provision made on a portfolio basis	263478297.639	99.70	16838557.547	6.39	246639740.092	173017349.364	99.70	11094100.443	6.41	161923248.921
Including:										
Total Amount	2642728109.34	100.00	17633070.842	/	246639740.092	1735460053.89	100.00	11622756.468	/	161923248.921

Provision for bad debts made on an individual basis:

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance			
	Book balance	Provision for bad debts	Percentage of Provision (%)	Rationale for the provision
Provision for bad debts made on an individual basis	7945132.95	7945132.95	100.00	Difficult to be recovered as expected
Total Amount	7945132.95	7945132.95	100.00	/

Description of provision for bad debts by individual item

Applicable" Not applicable"

Provision for bad debts by combination:

Applicable" Not applicable"

Items accrued in portfolio: Ageing combination

Unit: Yuan Currency: CNY

Item	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of Provision (%)
Within 1 year	2411535995.55	120576799.80	5.00
1-2 years	139782030.95	13978203.11	10.00
2-3 years	55591753.98	16677526.20	30.00
3-5 years	21440299.13	10720149.58	50.00
More than 5 years	6432896.78	6432896.78	100.00
Total Amount	2634782976.39	168385575.47	6.39

Description of the provision for bad debts by portfolio:

Applicable" Not applicable"

Provision for bad debts using the general model for expected credit losses.

Applicable" Not applicable"

Basis for Classification of Stages and Provision Rate for Bad Debts

N/A

Description of significant changes in carrying amount of accounts receivable with provision for bad debts during the period

Applicable" Not applicable"

(3). Provision for bad debts

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Category	Opening balance	Amount of change during the period				Closing balance
		Make provision	Recovery or reversal	Write-off or Cancellation	Other changes	
Provision for Individual bad debt	5286560.25	4368985.84		1710413.14		7945132.95
Provision made on a portfolio basis	110941004.43	61291292.60	133982.00	3712739.56		168385575.47
Total	116227564.68	65660278.44	133982.00	5423152.70		176330708.42

Amount						
--------	--	--	--	--	--	--

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:
 Applicable" Not applicable"

Other notes:
 None

(4). Accounts receivable actually written off during the current period

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Amount written off
Accounts receivable actually written off	5423152.70

Of which significant accounts receivable write-offs:
 Applicable" Not applicable"

Description of notes receivable write-off:
 Applicable" Not applicable"

(5). Accounts receivable with top five closing balances grouped by party in default

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Unit name	Closing balance of accounts receivable	Ending Balance of Contract Assets	Total Ending Balance of Accounts Receivable and Contract Assets	Percentage of total accounts receivable and contract assets at the end of the period (%)	Closing balance of provision for bad debts
Customer One	119955163.15		119955163.15	4.34	5997758.16
Customer Two	57895384.88		57895384.88	2.09	2894769.24
Customer Three	53196066.82		53196066.82	1.92	2659803.34
Customer Four	51148715.85		51148715.85	1.85	2557435.79
Customer Five	50890107.16		50890107.16	1.84	2544505.36
Total Amount	333085437.86		333085437.86	12.04	16654271.89

Other notes:
 None

Other notes:
 Applicable" Not applicable"

6. Contract assets

(1). Contract Assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Warranty deposits receivable	121510035.34	13410471.76	108099563.58	87126418.27	8068101.24	79058317.03
Total Amount	121510035.34	13410471.76	108099563.58	87126418.27	8068101.24	79058317.03

(2). Amount of and reasons for significant changes in the book value during the reporting period:

"□ Applicable" "√ Not applicable"

(3). Disclosure of notes receivable by bad debt accrual method

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of Provision (%)		Amount	Percentage (%)	Amount	Percentage of Provision (%)	
Provision made on a portfolio basis	121510035.34	100.00	13410471.76	11.04	108099563.58	87126418.27	100.00	8068101.24	9.26	79058317.03
Including:										
Total Amount	121510035.34	100.00	13410471.76	/	108099563.58	87126418.27	100.00	8068101.24	/	79058317.03

Provision for bad debts made on an individual basis:

"□ Applicable" "√ Not applicable"

Description of provision for bad debts by individual item

"□ Applicable" "√ Not applicable"

Provision for bad debts by combination:

"√ Applicable" "□ Not applicable"

Items accrued in portfolio: Ageing combination

Unit: Yuan Currency: CNY

Item	Closing balance		
	Contract assets	Provision for bad debts	Percentage of Provision (%)
Ageing combination	121510035.34	13410471.76	11.04
Total Amount	121510035.34	13410471.76	11.04

Notes to the provision for bad debts by portfolio

"□ Applicable" "√ Not applicable"

Provision for bad debts using the general model for expected credit losses.
 Applicable" Not applicable"

Basis for Classification of Stages and Provision Rate for Bad Debts
 N/A

Description of significant changes in carrying amount of contract assets with provision for bad debts during the period
 Applicable" Not applicable"

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

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Opening balance	Amount of change during the period				Closing balance	Reason
		Provision during the period	Recovery or reversal during the period	Write-offs/Reversals during the period	Other changes		
Provision for impairment by combination	8068101.24	5342370.52				13410471.76	
Total Amount	8068101.24	5342370.52				13410471.76	/

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:
 Applicable" Not applicable"

Other notes:
 None

(5). Contract assets actually written off during the period

Applicable" Not applicable"

Including: Significant contract assets written off
 Applicable" Not applicable"

Contract asset write-off:
 Applicable" Not applicable"

Other notes:
 Applicable" Not applicable"

7. Receivables financing

(1). Receivables financing by category

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Bankers' acceptance bill	282597817.02	205590299.79
Total Amount	282597817.02	205590299.79

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

Applicable" Not applicable"

(3). Receivables financing endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Amounts derecognised at the end of the period	Amounts not derecognised at the end of the period
Bankers' acceptance bill	1927790677.90	
Total Amount	1927790677.90	

(4). Disclosure of notes receivable by bad debt accrual method

Applicable" Not applicable"

Provision for bad debts made on an individual basis:

Applicable" Not applicable"

Description of provision for bad debts by individual item

Applicable" Not applicable"

Provision for bad debts by combination:

Applicable" Not applicable"

Provision for bad debts using the general model for expected credit losses.

Applicable" Not applicable"

Basis for Classification of Stages and Provision Rate for Bad Debts

N/A

Description of significant changes in the carrying amount of receivables financing due to loss provision changes in the current period:

Applicable" Not applicable"

(5). Provision for bad debts

Applicable" Not applicable"

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:

Applicable" Not applicable"

Other notes:

None

(6). Actual write-offs of receivables financing during the current period

Applicable" Not applicable"

Including: Significant receivables financing write-offs

Applicable" Not applicable"

Description of write-off:

Applicable" Not applicable"

(7). Increase and decrease in receivables financing during the period and changes in fair value

Applicable" Not applicable"

(8). Other notes

Applicable" Not applicable"

The acceptors of bankers' acceptance bills are commercial banks with a high credit standing. The Company derecognises such bankers' acceptance bills that have been endorsed or discounted, as the commercial banks have a high level of creditworthiness and the likelihood of non-payment of bankers' acceptance bill at maturity is low. However, if such bills are not paid at maturity, the Company will still be jointly and severally liable to the bearer in accordance with the provisions of the Bills of Exchange Act.

8. Advances paid**(1). Prepayments by ageing**

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Ageing	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	338694575.44	98.61	492765223.53	99.05
1 to 2 years	3340952.75	0.97	3068636.39	0.62
2 to 3 years	872887.44	0.25	1639448.56	0.33
More than 3 years	577731.67	0.17	21378.00	0.00
Total Amount	343486147.30	100.00	497494686.48	100.00

A description of the reasons why prepayments aged more than one year and with significant amounts have not been settled in a timely manner:
None

(2). Prepayments with the top five ending balances aggregated by prepayment recipients

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Unit name	Closing balance	Percentage of total closing balance of prepayments (%)
Supplier I	33712332.59	9.81
Supplier II	32284350.08	9.40
Supplier III	27653477.45	8.05
Supplier IV	22868829.59	6.66
Supplier V	13771843.78	4.01
Total Amount	130290833.49	37.93

Other notes:
None

Other notes:
 Applicable" Not applicable"

9. Other receivables**Items**

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest receivable		
Dividend receivable		
Other receivables	274834855.58	153373157.90
Total Amount	274834855.58	153373157.90

Other notes:

Applicable" Not applicable"

Interest receivable**(1). Interest receivable**

Applicable" Not applicable"

(2). Significant overdue interest

Applicable" Not applicable"

(3). Disclosure of notes receivable by bad debt accrual method

Applicable" Not applicable"

Provision for bad debts made on an individual basis:

Applicable" Not applicable"

Description of provision for bad debts by individual item

Applicable" Not applicable"

Provision for bad debts by combination:

Applicable" Not applicable"

(4). Provision for bad debts using the general model for expected credit losses.

Applicable" Not applicable"

Basis for Classification of Stages and Provision Rate for Bad Debts

N/A

Description of significant changes in carrying amount of interest receivable with provision for bad debts during the period

Applicable" Not applicable"

(5). Provision for bad debts

Applicable" Not applicable"

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:

Applicable" Not applicable"

Other notes:

None

(6). Actual write-offs of interest receivable during the current period

Applicable" Not applicable"

Including: Significant write-offs of interest receivable

Applicable" Not applicable"

Description of write-off:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Dividend receivable

(7). Dividend receivable

Applicable" Not applicable"

(8). Significant dividend receivables aged over 1 year

Applicable" Not applicable"

(9). Disclosure of notes receivable by bad debt accrual method

Applicable" Not applicable"

Provision for bad debts made on an individual basis:

Applicable" Not applicable"

Description of provision for bad debts by individual item

Applicable" Not applicable"

Provision for bad debts by combination:

Applicable" Not applicable"

(10). Provision for bad debts using the general model for expected credit losses.

Applicable" Not applicable"

Basis for Classification of Stages and Provision Rate for Bad Debts

N/A

Description of significant changes in carrying amount of dividends receivable with provision for bad debts during the period

Applicable" Not applicable"

(11). Provision for bad debts

Applicable" Not applicable"

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:

Applicable" Not applicable"

Other notes:

None

(12). Actual write-offs of dividends receivable during the current period

Applicable" Not applicable"

Including: Significant write-offs of dividends receivable

Applicable" Not applicable"

Description of write-off:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Other receivables

(13). Disclosure by ageing

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Ageing	Closing book balance	Opening book balance
Within 1 year		
Including: Sub-item within one year		
Within 1 year	255195588.02	136367972.07
Subtotal within one year	255195588.02	136367972.07
1 to 2 years	16086746.86	13876740.47
2 to 3 years	12577309.75	4326906.62
More than 3 years		
3 to 4 years	4263968.5	3593715.12
4 to 5 years	2589542.32	2128017.28
More than 5 years	4938044.94	8037039.69
Total Amount	295651200.39	168330391.25

(14). By nature of amount

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Nature of payment	Closing book balance	Opening book balance
Export tax refund	217123393.52	108896343.50
Deposit Guarantee	50128555.80	33952237.20
Temporary borrowings by employees	15299254.76	15058459.88
Temporary payments receivable	8570459.64	3858359.69
Other	4529536.67	6564990.98
Total Amount	295651200.39	168330391.25

(15). Provision for bad debts

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Provision for bad debts	Phase I	Phase II	Phase III	Total Amount
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as of January 1, 2024	1373581.40	1387674.06	12195977.89	14957233.35

Balance January 1, 2024 during the period				
-- Transferred to Phase II	-517333.62	517333.62		
-- Transferred to Phase III		-1257730.98	1257730.98	
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision during the period	1047361.94	387390.54	5066943.22	6501695.70
Reversal during the period			612384.24	612384.24
Write-offs in the current period			30200.00	30200.00
Write-offs during the period				
Other changes				
Balance as of December 31, 2024	1903609.72	1034667.24	17878067.85	20816344.81

Basis for Classification of Stages and Provision Rate for Bad Debts
None

Description of significant changes in carrying amount of other receivables with provision for bad debts during the period
 Applicable" Not applicable"

Basis for using the amount of the provision for bad debts for the current period and basis for evaluating any significant increase in the credit risk of the financial instruments
 Applicable" Not applicable"

(16). Provision for bad debts

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Category	Opening balance	Amount of change during the period				Closing balance
		Make provision	Recovery or reversal	Write-off or Cancellation	Other changes	
Provision for bad debts made on an individual basis	5551811.00	2726464.83	612384.24			7665891.59
Provision made on a portfolio basis	9405422.35	3775230.87		30200.00		13150453.22
Total Amount	14957233.35	6501695.70	612384.24	30200.00		20816344.81

Of which the amount of provisions for bad debt reversed or recovered during the period is significant:
 Applicable" Not applicable"

Other notes:
None

(17). Other receivables actually written off during the period

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Amount written off
Other receivables actually written off	30200.00

Of which significant write-offs of other receivables:

Applicable" Not applicable"

Note on write-off of other receivables:

Applicable" Not applicable"

(18). Other receivables of the top 5 in ending balance of the debtor

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Unit name	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of payments	Ageing	Provision for bad debts Closing balance
Hangzhou Gongshu District Tax Service, State Taxation Administration	217123393.52	73.44	Export tax refund	Within 1 year	
Unit I	15168200.00	5.13	Deposit Guarantee	Within 1 year	758410.00
Unit II	4250000.00	1.44	Deposit Guarantee	2-3 years	1275000.00
Unit III	3000000.00	1.01	Temporary payments receivable	More than 5 years	3000000.00
Unit IV	2160000.00	0.73	Deposit Guarantee	With 1 year, 1- 2 years	178000.00
Total Amount	241701593.52	81.75	/	/	5211410.00

(19). Listed as other receivables due to centralized management of funds

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

10. Inventories

(1). Inventories by category

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or impairment of contractual performance costs	Book value	Book balance	Provision for decline in value of inventories or impairment of contractual performance costs	Book value
Raw materials	816369025.72	18825970.86	797543054.86	615825474.87	8218225.93	607607248.94

Work in progress	276877468.91	4023268.56	272854200.35	289571508.42	243376.35	289328132.07
Inventory	1121315798.89	7041024.64	1114274774.25	1195680504.70	5135421.46	1190545083.24
Commissioned processing materials	12401665.33		12401665.33	14749822.89		14749822.89
Contract performance costs	109150336.37		109150336.37	123754821.09		123754821.09
Total Amount	2336114295.22	29890264.06	2306224031.16	2239582131.97	13597023.74	2225985108.23

(2). Data resources recognized as inventories

Applicable" Not applicable"

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

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Opening balance	Amount of increase during the period		Amount of decrease during the period		Closing balance
		Make provision	Other	Reversal or write-offs	Other	
Raw materials	8218225.93	16655508.37		6047763.44		18825970.86
Work in progress	243376.35	4023268.55		243376.34		4023268.56
Inventory	5135421.46	6775911.67		4870308.49		7041024.64
Total Amount	13597023.74	27454688.59		11161448.27		29890264.06

Reasons for reversal or write-off of provision for decline in value of inventories in the current period

Applicable" Not applicable"

Item	Specific basis for determining net realizable value	Reasons for reversal of provision for inventory depreciation	Reasons for write-off of provision for inventory depreciation
Raw materials	Net realisable 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		Raw materials/products-in-progress for which provision for inventory depreciation was made at the beginning of the period have been claimed during the current period and the related inventories have been sold.
Work in progress			
Inventory		Finished goods, for which provision for inventory depreciation was made at the beginning of the period, have been sold during the current period.	

Allowance for Inventory Write-Down by Category

Applicable" Not applicable"

Recognition Standards for Allowance for Inventory Write-Down by Category

Applicable" Not applicable"

(4). Amount of borrowing costs capitalized included in the closing balance of inventories and the criteria and basis for calculation

Applicable" Not applicable"

(5). Explanation of the amount of amortisation of contract performance costs for the period

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

11 . Assets held for sale

Applicable" Not applicable"

12. Non-current assets due within one year

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Long-term receivables matured within one year	183727543.92	156388815.70
Total Amount	183727543.92	156388815.70

Debt investments matured within one year

Applicable" Not applicable"

Other debt investments matured within one year

Applicable" Not applicable"

Other description of non-current assets matured within one year:

None

13. Other current assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Value-added tax to be deducted	124955873.75	106493814.74
Prepaid enterprise income tax	15792645.79	7496892.74
Total Amount	140748519.54	113990707.48

Other notes:

None

14. Debt investments

(1). Debt investments

Applicable" Not applicable"

Changes in provision for impairment of debt investments during the current period

Applicable" Not applicable"

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

Applicable" Not applicable"

(3). Provision for impairment

Applicable" Not applicable"

Basis for classification of phases and proportion of impairment provisions

N/A

Description of significant changes in carrying amount of equity investment with provision for bad debts during the period:

Applicable" Not applicable"

Basis for using the amount of the impairment provision for Less debts for the current period and basis for evaluating any significant increase in the credit risk of the financial instruments

Applicable" Not applicable"

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

Applicable" Not applicable"

Including: Significant write-offs of debt investments

Applicable" Not applicable"

Description of write-offs of debt investments:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

15. Other debt investments

(1). Other debt investment

Applicable" Not applicable"

Others changes in provision for impairment of debt investments during the current period

Applicable" Not applicable"

(2). Other significant debt investments at the end of the period

Applicable" Not applicable"

(3). Provision for impairment

Applicable" Not applicable"

Basis for classification of phases and proportion of impairment provisions

N/A

Description of significant changes in carrying amount of other equity investment with provision for bad debts during the period:

Applicable" Not applicable"

Basis for using the amount of the impairment provision for Less debts for the current period and basis for evaluating any significant increase in the credit risk of the financial instruments

Applicable" Not applicable"

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

Applicable" Not applicable"

Including: Other significant write-offs of debt investments

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"

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance			Discount rate range
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Finance lease payments	85976464.39	3082999.22	82893465.17	75489957.47	2052475.04	73437482.43	4.04%-20.85%
Of which: unrealised financing gains	-4643114.21		-4643114.21	-3953299.97		-3953299.97	
Total Amount	85976464.39	3082999.22	82893465.17	75489957.47	2052475.04	73437482.43	/

(2). Disclosure of notes receivable by bad debt accrual method

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of Provision (%)		Amount	Percentage (%)	Amount	Percentage of Provision (%)	
Provision made on a portfolio basis	85976464.39	100.00	3082999.22	3.59	82893465.17	75489957.47	100.00	2052475.04	2.72	73437482.43
Including:										
Total Amount	85976464.39	/	3082999.22	/	82893465.17	75489957.47	/	2052475.04	/	73437482.43

Provision for bad debts made on an individual basis:

Applicable" Not applicable"

Description of provision for bad debts by individual item

Applicable" Not applicable"

Provision for bad debts by combination:

适用 不适用

Items accrued in portfolio: Portfolio

Unit: Yuan Currency: CNY

Item	Closing balance		
	Long-term receivables	Provision for bad debts	Percentage of Provision (%)
Provision made on a portfolio basis	85976464.39	3082999.22	3.59
Total Amount	85976464.39	3082999.22	3.59

Notes to the provision for bad debts by portfolio

Applicable" Not applicable"

(3). Provision for bad debts using the general model for expected credit losses.

Applicable" Not applicable"

Basis for Classification of Stages and Provision Rate for Bad Debts

N/A

Description of significant changes in carrying amount of long-term receivable with provision for bad debts during the period

Applicable" Not applicable"

Basis for using the amount of the provision for bad debts for the current period and basis for evaluating any significant increase in the credit risk of the financial instruments:

Applicable" Not applicable"

(4). Provision for bad debts

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Category	Opening balance	Amount of change during the period				Closing balance
		Make provision	Recovery or reversal	Write-off or Cancellation	Other changes	
Provision made on a portfolio basis	2052475.04	1030524.18				3082999.22
Total Amount	2052475.04	1030524.18				3082999.22

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:

Applicable" Not applicable"

Other notes:

None

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

Applicable" Not applicable"

Including: Significant long-term receivables written off

Applicable" Not applicable"

Description of long-term receivables written off:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

17. Long-term equity investments

(1). Long-term equity investments

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Invested units	Opening Account Balance	Increase and decrease during the period								Closing Account Balance	Closing balance of provision for impairment
		Additional investments	Decrease in investments	Gains and losses on investments recognised under the equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of issuing cash dividends or profits	Provision for accrual impairment	Other		
I. Joint ventures											
Subtotal											
II. Associated enterprises											
HANGCHA SOUTHEAST ASIA CO., LTD.	1548958.19			204490.24	50438.88					1803887.31	
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	96873437.09			13743415.72		532407.76	23868000.00			87281260.57	
Hangzhou Gangcun Transmission Co., Ltd.	30205453.27			945726.00						31151179.27	
Hangzhou Pengcheng New Energy Technology Co., Ltd.	35600570.73			-1645099.96						33955470.77	
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	1670401382.16			353709550.58	18016561.25	5679831.15				2047807325.14	
Henan Jiachen Intelligent Control Co., Ltd.	110654999.46			12748414.77		53902.93				123457317.16	

Changsha Zhongchuan Transmission Co., Ltd.	10237058.66		384403.68		198233.36				10819695.70	
Nanjing Hangcha Logistics Equipment Co., Ltd.	2668371.62		574839.78			560000.00			2683211.40	
Nanchang Hangcha Forklift Co., Ltd.	4134378.92		557335.41			630000.00			4061714.33	
Changsha Hangcha Forklift Sales Co., Ltd.	2970972.68		678044.79			562000.00			3087017.47	
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	4813694.34		592981.81			840000.00			4566676.15	
Taiyuan Hangcha Lift Truck Co., Ltd.	2754528.77		488052.80			525000.00			2717581.57	
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	3402652.56		868691.45			455000.00			3816344.01	
Yunnan Hangcha Lift Truck Co., Ltd.	2956038.76		651607.78			420000.00			3187646.54	
Shenyang Hangcha Lift Truck Sales Co., Ltd.	3200257.98		622423.48			630000.00			3192681.46	
Subtotal	1982422755.19		385124878.33	18067000.13	6464375.20	28490000.00			2363589008.85	
Total Amount	1982422755.19		385124878.33	18067000.13	6464375.20	28490000.00			2363589008.85	

(2). Impairment testing of long-term equity investments

Applicable" Not applicable"

Other notes:
None

18. Other equity instrument investments

(1). Investment in other equity instruments

Applicable" Not applicable"

(2). Description of the existence of derecognition during the current period

Applicable" Not applicable"

Other notes:
 Applicable" Not applicable"

19. Other non-current financial assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Financial assets measured at fair value and the changes thereof are included in current profits and losses	26325621.62	25591400.00
Including: Investment in other equity instruments	26325621.62	25591400.00
Total Amount	26325621.62	25591400.00

Other notes:
 Applicable" Not applicable"

Other non-current financial assets represent equity investments that do not constitute control and significant influence.

20. Investment property

Measurement model of investment properties

(1). Investment properties by using cost measurement model

Unit: Yuan Currency: CNY

Item	Houses, buildings	Land use rights	Total Amount
I. Original book value			
1. Opening balance	116336568.36	3718843.99	120055412.35
2. Increase amounts during the period			
(1) Outsourcing			
(2) Transfer from inventories\fixed assets\construction in progress			
(3) Increase in business combination			
3. Decrease amounts during the period			
(1) Disposals			
(2) Other transfers out			
4. Closing balance	116336568.36	3718843.99	120055412.35
II. accumulated depreciation and accumulated amortisation			

1. Opening balance	45884180.08	1225356.14	47109536.22
2. Increase amounts during the period	5835457.50	75044.67	5910502.17
(1) Accrual or amortisation	5835457.50	75044.67	5910502.17
3. Decrease amounts during the period			
(1) Disposals			
(2) Other transfers out			
4. Closing balance	51719637.58	1300400.81	53020038.39
III. Provision for impairment			
1. Opening balance			
2. Increase amounts during the period			
1) Accrual			
3. Decrease amounts during the period			
(1) Disposals			
(2) Other transfers out			
4. Closing balance			
IV. Book value			
1. Closing book value	64616930.78	2418443.18	67035373.96
2. Opening book value	70452388.28	2493487.85	72945876.13

(2). Investment properties with outstanding title certificates

Applicable" Not applicable"

(3). Impairment testing of investment properties by the cost measurement model

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

21. Fixed assets

Items

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Fixed assets	2196536129.01	1926935915.66
Liquidation of fixed assets		
Total Amount	2196536129.01	1926935915.66

Other notes:

Applicable" Not applicable"

Fixed assets

(1). Fixed assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Buildings	Machinery and	Transportation	Other equipment	Total Amount

		equipment	facilities		
I. Original book value:					
1. Opening balance	1321113637.97	933879658.60	924402360.92	107072540.37	3286468197.86
2. Increase amounts during the period	39047399.47	74248448.83	483411745.72	25632366.89	622339960.91
(1) Acquisitions	538608.69	16752236.15	35276305.58	10861613.34	63428763.76
(2) Transfer from construction in progress	38508790.78	54309126.40	219255.35	14770753.55	107807926.08
(3) Increase in business combination					
(4) Transferred from finished goods		3187086.28	447916184.79		451103271.07
3. Decrease amounts during the period	2389806.38	24625323.99	63279774.45	2498155.63	92793060.45
(1) Disposal or retirement	2389806.38	13474168.94	59190817.44	2498155.63	77552948.39
2) Transfer to construction in progress		8761601.50			8761601.50
3) Transfer to inventories		2389553.55	4088957.01		6478510.56
4. Closing balance	1357771231.06	983502783.44	1344534332.19	130206751.63	3816015098.32
II. Accumulated depreciation					
1. Opening balance	468008698.97	402360195.23	415091843.68	66501706.61	1351962444.49
2. Increase amounts during the period	65621920.66	69910007.58	182483114.12	14609531.16	332624573.52
1) Accrual	65621920.66	69910007.58	182483114.12	14609531.16	332624573.52
3. Decrease amounts during the period	1194627.24	9244419.99	55254802.40	2385234.17	68079083.80
(1) Disposal or retirement	1194627.24	6904839.05	53916315.28	2385234.17	64401015.74
2) Transfer to construction in progress		1684903.95			1684903.95
3) Transfer to inventories		654676.99	1338487.12		1993164.11
4. Closing balance	532435992.39	463025782.82	542320155.40	78726003.60	1616507934.21
III. Provision for impairment					
1. Opening balance	89206.35	6879583.64	134331.01	466716.71	7569837.71
2. Increase amounts during the period					
1) Accrual					
3. Decrease amounts during the period		4598802.61			4598802.61
(1) Disposal or		4598802.61			4598802.61

retirement					
4. Closing balance	89206.35	2280781.03	134331.01	466716.71	2971035.10
IV. Book value					
1. Closing book value	825246032.32	518196219.59	802079845.78	51014031.32	2196536129.01
2. Opening book value	853015732.65	524639879.73	509176186.23	40104117.05	1926935915.66

(2). Temporarily idle fixed assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value	Remarks
Buildings	180355.00	82130.90	89206.35	9017.75	
Machinery and equipment	9320931.33	6574122.75	2280781.03	466027.55	
Transportation facilities	557605.65	395394.96	134331.01	27879.68	
Other equipment	1335136.96	801668.89	466716.71	66751.36	
Subtotal	11394028.94	7853317.50	2971035.10	569676.34	

(3). Fixed assets leased through operating leases

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Book value at the end of the period
Machinery and equipment	111101395.77
Transport equipment	706561855.82
Other equipment	2385956.98
Subtotal	820049208.57

(4). Fixed assets for which title certificates have not been issued

Applicable" Not applicable"

(5). Impairment testing of fixed assets

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Liquidation of fixed assets

Applicable" Not applicable"

22. Construction in progress

Items

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
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Construction in progress	584836969.86	425329238.21
Engineering materials		
Total Amount	584836969.86	425329238.21

Other notes:

Applicable" Not applicable"

Construction in progress

(1). Construction in progress

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Hangcha Group Shiqiao Factory Upgrading Construction Project	450626697.66		450626697.66	353311606.67		353311606.67
Hangcha Intelligence Project on Annual Output of 10,000 Automation Equipment	96369579.73		96369579.73			
Intellectualization Reform Project of Hangzhou Cha on Core Process Capability with an Annual Output of 3,000 High-tonnage Forklifts for High-end Markets	21774574.45		21774574.45			
Prepayment of Equipment, Project Payment and Other Projects	12328740.56		12328740.56	7988846.03		7988846.03
Information project	3737377.46		3737377.46			
Investment Project for the Construction of 60,000 Units of New Energy Forklifts Annually				49188721.65		49188721.65
Marketing Network and Forklift Experience Center Construction Project				6585899.94		6585899.94
R&D Center Upgrade Construction Project				6203573.99		6203573.99

Group Information Technology Upgrade Construction Project					2050589.93		2050589.93
Total	584836969.86			584836969.86	425329238.21		425329238.21

(2). Changes in important construction projects in progress during the current period

"√ Applicable" "□ Not applicable"

Unit: Ten thousand yuan Currency: CNY

Item Name	Budgeted number	Opening Account Balance	Amount of increase during the period	Amounts transferred to fixed assets during the period	Other decrease in amounts during the period	Closing Account Balance	The proportion of cumulative investment in the project of the budget (%)	Progress of works	Accumulated interest capitalization amounts	Of which: Amount of interest capitalization during the period	Interest capitalization rate for the period (%)	Source of funds
Investment Project for the Construction of 60,000 Units of New Energy Forklifts Annually	7224 3.83	4918 .87	2968 .94	7861. 26	26.5 5		87.24	100. 00				Raised funds
Group Information Technology Upgrade Construction Project	8439. 90	205. 06	725. 24	46.54	883. 76		107.9 4	100. 00				Raised funds
Hangcha Group Shiqiao Factory Upgrading Construction Project	6000 0.00	3533 1.16	9731 .51			4506 2.67	83.92	83.9 2				Self-owned funds
Marketing Network and Forklift Experience Center Construction Project	9385. 34	658. 59		70.15	588. 44		103.1 6	100. 00				Raised funds

R&D Center Upgrade Construction Project	1292 7.43	620. 36	960. 60	1580. 96			63.46	100. 00				Raised funds
Hangcha Intelligence Project on Annual Output of 10,000 Automation Equipment	2500 0.00		9636 .96			9636 .96	43.56	43.5 6				Self-owned funds
Intellectualization Reform Project of Hangzhou Cha on Core Process Capability with an Annual Output of 3,000 High-tonnage Forklifts for High-end Markets	1600 0.00		2785 .20	607.7 4		2177 .46	19.67	19.6 7				Self-owned funds
Total Amount		4173 4.04	2680 8.45	10166 .65	1498 .75	5687 7.09	/	/			/	/

(3). Provision for impairment of construction in progress during the current period

Applicable" Not applicable"

(4). Impairment testing of construction in progress

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Engineering materials

(5). Construction materials

Applicable" Not applicable"

23. Productive biological assets

(1). Productive biological assets measured using the cost measurement model

Applicable" Not applicable"

(2). Impairment testing of productive biological assets measured at cost

Applicable" Not applicable"

(3). Productive biological assets using the fair value measurement model

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

24. Oil & gas assets

(1) Oil and gas assets

Applicable" Not applicable"

(2) Impairment testing of oil and gas assets

Applicable" Not applicable"

Other notes:

None

25. Right-of-use assets

(1) Right-of-use assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Buildings	Total Amount
I. Original book value		
1. Opening balance	148583109.18	148583109.18
2. Increase amounts during the period	115435287.56	115435287.56
Leased	115435287.56	115435287.56
3. Decrease amounts during the period	24963808.19	24963808.19
1) Disposal on lease termination	11833296.27	11833296.27
2) Disposal upon lease expiration	13130511.92	13130511.92
4. Closing balance	239054588.55	239054588.55
II. Accumulated depreciation		
1. Opening balance	44055456.03	44055456.03
2. Increase amounts during the period	41795323.39	41795323.39
(1) Accrual	41795323.39	41795323.39
3. Decrease amounts during the period	21422725.58	21422725.58
(1) Disposal		
(2) Disposal on lease termination	8292213.66	8292213.66
(3) Disposal upon lease expiration	13130511.92	13130511.92

4. Closing balance	64428053.84	64428053.84
III. Provision for impairment		
1. Opening balance		
2. Increase amounts during the period		
(1) Accrual		
3. Decrease amounts during the period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Closing book value	174626534.71	174626534.71
2. Opening book value	104527653.15	104527653.15

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

" Applicable" " Not applicable"

Other notes:

None

26. Intangible assets

(1). Intangible assets

" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Item	Land use rights	Software	Proprietary technologies	Emission permit	Total Amount
I. Original book value					
1. Opening balance	351641263.28	105306778.37	1504558.00	669191.66	459121791.31
2. Increase amounts during the period	31687875.00	21005104.64			52692979.64
(1) Acquisitions		432101.30			432101.30
(2) Internal R&D					
(3) Increase in business combination					
Carried over from constructions in progress	937875.00	20573003.34			21510878.34
Carried over from other non-current assets [Note]	30750000.00				30750000.00
3. Decrease amounts during the period	1495883.28	458174.37	1504558.00		3458615.65
(1) Disposal	1495883.28	458174.37	1504558.00		3458615.65
4. Closing balance	381833255.00	125853708.64		669191.66	508356155.30
II. Accumulated amortization					
1. Opening balance	67419603.61	20255099.39	1504558.00	183531.00	89362792.00

2. Increase amounts during the period	7900822.63	11655807.10		43232.44	19599862.17
1) Accrual	7900822.63	11655807.10		43232.44	19599862.17
3. Decrease amounts during the period	1495883.28	458174.37	1504558.00		3458615.65
(1) Disposal	1495883.28	458174.37	1504558.00		3458615.65
4. Closing balance	73824542.96	31452732.12		226763.44	105504038.52
III. Provision for impairment					
1. Opening balance		566347.35			566347.35
2. Increase amounts during the period					
1) Accrual					
3. Decrease amounts during the period					
(1) Disposal					
4. Closing balance		566347.35			566347.35
IV. Book value					
1. Closing book value	308008712.04	93834629.17		442428.22	402285769.43
2. Opening book value	284221659.67	84485331.63		485660.66	369192651.96

[Note] The original book value increased by RMB30,750,000.00 transferred from other non-current assets during the current period due to the land deposit paid in the previous period.

The proportion of intangible assets formed through in-house R&D to the balance of intangible assets at the end of the period was RMB0

(2). Data resources recognized as intangible assets

Applicable" Not applicable"

(3). Land use rights for which title certificates have not been issued

Applicable" Not applicable"

(3) Impairment testing of impairment of intangible assets

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

27. Goodwill

(1). Original carrying amount of goodwill

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Name of investee or matters forming goodwill	Opening balance	Increase for the period	Decrease for the period	Closing balance
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		Resulting from business combinations		Disposals		
Hangzhou Forklift Sheet Metal Welding Co., Ltd.	1099023.98					1099023.98
Hangzhou Forklift Mast Co., Ltd.	1662110.47					1662110.47
Hangzhou Hangcha Bridge Box Co., Ltd.	6571.29					6571.29
Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	612684.02					612684.02
HC FORKLIFT AUSTRALIA PTY. LTD.	7272600.00					7272600.00
Total Amount	10652989.76					10652989.76

(2). Provision for impairment of goodwill

Applicable" Not applicable"

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

Applicable" Not applicable"

Item	Composition and basis of the asset group or portfolio to which the goodwill belongs	Operating segment and basis	Consistency with previous years
Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Goodwill was formed upon the acquisition of equity interests, and the asset group where the goodwill belonged at the end of the period was consistent with the asset group identified at the purchase date.	Business on forklift trucks and accessories	Yes
Hangzhou Forklift Mast Co., Ltd.	Goodwill was formed upon the acquisition of equity interests, and the asset group where the goodwill belonged at the end of the period was consistent with the asset group identified at the purchase date.	Business on forklift trucks and accessories	Yes
Hangzhou Hangcha Bridge Box Co., Ltd.	Goodwill was formed upon the acquisition of equity interests, and the asset group where the goodwill belonged at the end of the period was consistent with the asset group identified at the purchase date.	Business on forklift trucks and accessories	Yes
Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	Goodwill was formed upon the acquisition of equity interests, and the asset group where the goodwill belonged at the end of the period was consistent with the asset group identified at the purchase date.	Business on forklift trucks and accessories	Yes
HC FORKLIFT AUSTRALIA PTY. LTD.	Goodwill was formed upon the acquisition of equity interests, and the asset group where the goodwill belonged at the end of the period was consistent with the asset group identified at the purchase date.	Business on forklift trucks and accessories	Yes

Changes in asset groups or its portfolio

Applicable" Not applicable"

Other notes:

"□ Applicable" "√ Not applicable"

(4). Specific method to determine recoverable amount

The recoverable amount is determined based on the fair value less costs of disposal.

"□ Applicable" "√ Not applicable"

The recoverable amount was determined based on the present value of expected future cash flows

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Book value	Recoverable amount	Amount of impairment	Years of the forecast period	Key parameters for the forecast period (growth rate, profit margin, etc.)	Basis for determining the parameters in the forecast period	Key parameters for the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stationary phase
Hangzhou Forklift Sheet Metal Welding Co., Ltd.	1099023.98	1099023.98		3	Average revenue growth rate of 10%, average profit margin of 2.44%, pre-tax discount rate of 15%	The Management determines key parameters for the forecast period based on historical data and forecasts of market development.	Average revenue growth rate of 10%, average gross profit margin of 2.29%, pre-tax discount rate of 15%	Reference to the data at the end of the forecast period
Hangzhou Forklift Mast Co., Ltd.	1662110.47	1662110.47		3	Average revenue growth rate of 10%, average profit margin of 1.31%, pre-tax discount rate of 15%	The Management determines key parameters for the forecast period based on historical data and forecasts of market development.	Average revenue growth rate of 10%, average gross profit margin of 1.21%, pre-tax discount rate of 15%	Reference to the data at the end of the forecast period
Hangzhou Hangcha Bridge Box Co., Ltd.	6571.29	6571.29		3	Average revenue growth rate of 10%, average profit margin of 2.14%, pre-tax discount rate of 15%	The Management determines key parameters for the forecast period based	Average revenue growth rate of 10%, average gross profit margin of 2.08%,	Reference to the data at the end of the forecast period

						on historical data and forecasts of market development.	pre-tax discount rate of 15%	
Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	612684.02	612684.02		3	Average revenue growth rate of 10%, average profit margin of 21.95%, pre-tax discount rate of 15%	The Management determines key parameters for the forecast period based on historical data and forecasts of market development.	Average revenue growth rate of 10%, average gross profit margin of 16.11%, pre-tax discount rate of 15%	Reference to the data at the end of the forecast period
HC FORKLIFT AUSTRALIA PTY. LTD.	7272600.00	7272600.00		3	Average revenue growth rate of 20%, average profit margin of 2.59%, pre-tax discount rate of 15%	The Management determines key parameters for the forecast period based on historical data and forecasts of market development.	Average revenue growth rate of 20%, average gross profit margin of 5.01%, pre-tax discount rate of 15%	Reference to the data at the end of the forecast period
Total Amount	10652989.76	10652989.76		/	/	/	/	/

Reasons for Differences Between the Above Information and the Information or External Information Used in Previous Years' Impairment Tests

Applicable" Not applicable"

Reasons for the Significant Discrepancy Between the Information Used in Previous Years' Impairment Tests and the Actual Situation in the Current Year

Applicable" Not applicable"

(5). Performance commitments and corresponding goodwill impairment

Performance commitments existed at the time of the formation of goodwill and the reporting period or the previous reporting period falls within the performance commitment period.

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

28. Long-term prepayments

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Opening	Amount of	Amortization	Other	Closing balance
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	balance	increase during the period	amounts for the period	decreases in amounts	
Operating expenses on improvement of fixed assets leased	16458700.91	15844847.00	6743624.48		25559923.43
Total Amount	16458700.91	15844847.00	6743624.48		25559923.43

Other notes:
None

29. Deferred tax assets/deferred tax liabilities

(1). Deferred income tax assets not offset

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax Assets	Deductible temporary differences	Deferred income tax Assets
Provision for impairment of assets	218356270.95	43290941.65	150072384.05	29415276.48
-- Unrealized profits of internal transactions	294793611.86	69871358.84	210315808.79	49211705.22
Deferred income	93427574.52	14014136.18	54161691.30	8124253.69
Changes in fair value of derivative financial liabilities	366815.63	91703.91	3911.26	977.82
Deductible losses	67068213.75	10088544.77	119658405.88	19398144.68
Lease transactions	166355768.98	42466522.93	98300677.85	24472216.03
Total Amount	840368255.69	179823208.28	632512879.13	130622573.92

(2). Deferred income tax liabilities not offset

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax Liabilities	Taxable temporary differences	Deferred income tax Liabilities
Accelerated depreciation differences	138715544.04	20807331.60	168348739.76	25252310.96
Lease transactions	173928041.98	42753114.55	100274976.40	24436543.69
Total Amount	312643586.02	63560446.15	268623716.16	49688854.65

(3). Deferred income tax assets or liabilities listed by the net value of offsets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Amount of deferred tax assets and liabilities offset at end of period	Ending balance of deferred income tax assets or liabilities after offsetting	Amount of deferred tax assets and liabilities offset at beginning of period	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred tax assets	62913443.04	116909765.24	49622585.42	80999988.50
Deferred tax liabilities	62913443.04	647003.11	49622585.42	66269.23

(4). Details of unrecognized deferred income tax assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Deductible temporary differences	30149335.14	14957233.35
Deductible losses	54553297.01	50734454.82
Total Amount	84702632.15	65691688.17

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Years	Closing amount	Opening amount	Remarks
2024		506367.34	
2025	1841085.35	1841085.35	
2026	12053290.59	12053290.59	
2027	7114927.51	7114927.51	
2028	29218784.03	29218784.03	
2029	4325209.53		
Total Amount	54553297.01	50734454.82	/

Other notes:

"□ Applicable" "√ Not applicable"

30. Other non-current assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Land deposit				30750000.00		30750000.00
Total Amount				30750000.00		30750000.00

Other notes:

None

31. Assets with restricted ownership or right of use

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Closing				Opening			
	Book balance	Book value	Types of restrictions	Restricted Situation	Book balance	Book value	Types of restrictions	Restricted Situation
Monetary funds	12041120.00	12041120.00	Other	Restricted use due to incomplete bank account information of a newly established company				
Notes receivable					1435714.00	1435714.00	Other	Endorsed outstanding commercial promissory notes
Intangible assets	31687875.00	31159743.70	Mortgaged	Mortgage of borrowings				
Monetary funds	21351980.10	21351980.10	Other	Letter of guarantee bond, letter of credit bond, bankers' acceptance bill bond, and performance bond	31247440.98	31247440.98	Other	Letter of guarantee bond, letter of credit bond, bankers' acceptance bill bond, and performance bond
Total Amount	65080975.10	64552843.80	/	/	32683154.98	32683154.98	/	/

Other notes:

None

32. Short-term borrowings

(1). Short-term borrowings by category

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Credit borrowing	273011861.12	880073299.60
Guaranteed borrowing	58730480.71	47769073.42
Total Amount	331742341.83	927842373.02

Notes on classification of short-term borrowings:

None

(2). Overdue short-term borrowings

Applicable" Not applicable"

Including: Significant overdue short-term borrowings as below

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

33. Held-for-trading financial liabilities

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

34. Derivative financial liabilities

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Foreign exchange derivatives [Note]	366815.63	3911.26
Total Amount	366815.63	3911.26

[Note] Foreign exchange derivatives were converted from financial liabilities held for trading to the derivative financial liabilities in accordance with the *Compilation of Application Guidelines for Business Accounting Standards 2024*.

Other notes:

None

35. Notes payable

(1). Notes payable

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Type	Closing balance	Opening balance
Commercial acceptance bill		
Bankers' acceptance bill	881330175.61	575292393.95
Total Amount	881330175.61	575292393.95

The total amount of notes payable that were due and unpaid at the end of the current period was 0 Yuan.

Reason for notes payable due and unpaid: Not applicable

36. Accounts payable

(1). Accounts payable

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Materials	2388648634.77	1872593328.42
Project equipment	146750146.17	146471792.91
Other	29735495.83	29409578.29
Total Amount	2565134276.77	2048474699.62

(2). Significant accounts payable aged over one year or overdue

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

37. Advances received

(1). Accounts received in advance

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Rent	913546.17	915837.83
Total Amount	913546.17	915837.83

(2). Significant accounts received in advance aged over one year

Applicable" Not applicable"

(3). Amount of and reasons for significant changes in the book value during the reporting period:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

38. Contractual liabilities

(1). Contract liabilities

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Loans	307715552.05	599700870.86
Total Amount	307715552.05	599700870.86

(2). Important contract liabilities with aging over 1 year

Applicable" Not applicable"

(3). Amount of and reasons for significant changes in the book value during the reporting period:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

39. Employee benefits payable

(1). Payroll payable

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Opening	Increase for the	Decrease for the	Closing balance
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	balance	period	period	
I. Short-term employee benefits	107844046.44	1167962383.69	1161375576.90	114430853.23
II. Post-employment benefits - defined contribution plans	13852275.37	103419590.68	103161465.99	14110400.06
3. Termination Benefits		789888.46	773460.46	16428.00
IV. Other benefits due within one year				
Total Amount	121696321.81	1272171862.83	1265310503.35	128557681.29

(2). 1. Short-term remunerations

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Salary, bonus, subsidy and grant	51060089.36	976200891.14	970542895.20	56718085.30
II. Employee welfare		47964840.13	47964840.13	
III. Social insurance premium	9631616.06	68936039.21	67295644.31	11272010.96
Including: Medical insurance premiums	8606096.36	63056027.70	61507778.09	10154345.97
Work injury compensation insurance premiums	782414.14	5499632.11	5403389.26	878656.99
Maternity insurance premiums	243105.56	380379.40	384476.96	239008.00
IV. Housing provident fund	592451.74	60567230.85	60321249.36	838433.23
V. Trade union fee and staff education fee	46559889.28	14293382.36	15250947.90	45602323.74
VI. Short-term compensated absence				
VII. Short-term profit-sharing plan				
Total Amount	107844046.44	1167962383.69	1161375576.90	114430853.23

(3). Defined contribution plan

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	13478249.28	99694870.51	99430395.87	13742723.92
2. Unemployment insurance premiums	374026.09	3724720.17	3731070.12	367676.14
3. Enterprise pension				

contribution				
Total Amount	13852275.37	103419590.68	103161465.99	14110400.06

Other notes:

Applicable" Not applicable"

40. Taxes and rates payable

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Business income tax	117854715.76	93548795.44
Value-added tax	26140843.27	23696496.24
Property tax	13942413.58	12697605.61
Land use tax	7348258.54	7174343.63
Withheld individual income tax	5502513.73	4288593.32
Stamp duty	3451182.39	3279625.60
Urban maintenance and construction tax	1446469.47	906744.71
Property tax	711241.86	
Education surcharge	658732.22	423719.89
Local education surcharge	429484.71	264550.91
Disability insurance fund	386571.09	223822.07
Local water conservancy development fund	74966.85	76746.26
Vehicle and vessel tax		450.00
Other	484.91	461.37
Total Amount	177947878.38	146581955.05

Other notes:

None

41. Other payables

(1). Items

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest payable		
Dividend payable	40000.00	20000.00
Other payables	86638278.91	85111164.62
Total Amount	86678278.91	85131164.62

Other notes:

Applicable" Not applicable"

(2). Interest payable

By category

Applicable" Not applicable"

Significant overdue interest payable

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

(3). Dividend payable

By category

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Common Stock Dividends		
Dividends on preferred shares/perpetual bonds classified as equity instruments		
Dividends payable to minority shareholders of subsidiaries	40000.00	20000.00
Total Amount	40000.00	20000.00

Other notes, including significant dividends payable overdue for over 1 year and reasons for non-payment:

N/A

(4). Other payables

Other payables by the nature of funds

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Deposit Guarantee	73457042.30	75216711.88
Temporary receipts payable	10747890.28	7665465.20
Other	2433346.33	2228987.54
Total Amount	86638278.91	85111164.62

Significant other accounts payable aged over one year or overdue

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

42. Liabilities held for sale

Applicable" Not applicable"

43. Non-current liabilities matured within one year

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Long-term loans matured within one year	600388888.89	
Bonds payable matured within one year		
Long-term payables matured within one year		
Lease liabilities matured within one year	29409865.55	25913389.64
Total Amount	629798754.44	25913389.64

Other notes:

None

44. Other current liabilities

Other current liabilities

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Short-bonds payable		
Refund payable		
Output tax amount to be forwarded	69453487.35	78751022.97
Endorsed outstanding commercial promissory notes		1435714.00
Total Amount	69453487.35	80186736.97

Increase/decrease in short-term bonds payable:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

45. Long-term borrowings

(1). Long-term borrowings

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Pledge borrowing		
Mortgage	54717119.68	
Guaranteed borrowing		
Credit borrowing		
Total Amount	54717119.68	

Notes on classification of long-term borrowings:

None

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 corporate bonds

Applicable" Not applicable"

Accounting treatment and judgment basis for conversion of equity shares

Applicable" Not applicable"

(4). Notes on other financial instruments classified as financial liabilities

General information on preferred stock, perpetual bonds and other financial instruments outstanding at the end of the period

Applicable" Not applicable"

Changes in preferred stock, perpetual bonds and other financial instruments outstanding at the end of the period

Applicable" Not applicable"

Notes on the basis of classing other financial instruments as financial liabilities

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

47. Lease liabilities

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
House lease	143909897.42	74459998.09
Total Amount	143909897.42	74459998.09

Other notes:

None

48. Long-term payables

Items

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Long-term payables	4578954.00	4578954.00
Specific payables		
Total Amount	4578954.00	4578954.00

Other notes:

Applicable" Not applicable"

Long-term payables

(1). Long-term payables by nature

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
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Medical retention for retirees of enterprises before restructuring [Note]	4578954.00	4578954.00
Total Amount	4578954.00	4578954.00

[Note] The amount of the medical fee retention of retirees of the Company at the time of restructuring from the Hangzhou Forklift Truck Factory into a limited liability company.

Other notes:

None

Specific payables

(2). Special accounts payable by nature

Applicable" Not applicable"

49. Long-term employee benefits payable

Applicable" Not applicable"

50. Provisions

Applicable" Not applicable"

51. Deferred income

Deferred income

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason for formation
Government grants	54161691.30	53475718.28	14209835.06	93427574.52	Financial allocation
Total Amount	54161691.30	53475718.28	14209835.06	93427574.52	/

Other notes:

Applicable" Not applicable"

52. Other non-current liabilities

Applicable" Not applicable"

53. Share capital

Applicable" Not applicable"

Unit: Yuan Currency: CNY

	Opening balance	Increase/decrease (+, -) in current change					Closing balance
		New shares issued	Bonus shares	Provident fund Conversion of shares	Other	Subtotal	

Total number of shares	935580035.00		374232014.00		374232014.00	1309812049.00
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Other notes:

In accordance with the *Proposal on Profit Distribution and Conversion of Capital Reserve into Share Capital of the Company for 2023* approved at the 2023 annual general meeting of the Company on May 10, 2024, the Company converted four shares for every ten to each shareholder by conversion of capital reserve on the basis of the total 935,580,035 shares as at the date of registration of interests on December 31, 2023, with the total of 374,232,014 shares to be converted. Following the conversion, the registered capital of the Company was RMB1,309,812,049.00. The aforesaid capital increase was audited by Pan-China Certified Public Accountants LLP (Special General Partnership), which issued the *Capital Verification Report* (Pan-China [2024] No. 214), and the Company has completed the registration on industrial and commercial changes on June 25, 2024.

54. Other equity instruments

(1). General information on preferred stock, perpetual bonds and other financial instruments outstanding at the end of the period

Applicable" Not applicable"

(2). Changes in preferred stock, perpetual bonds and other financial instruments outstanding at the end of the period

Applicable" Not applicable"

Increase/decrease in other equity instruments during the period, reasons for changes, and bases of related accounting treatment:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

55. Capital reserve

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share premium)	1763474386.50	1688911.92	398467386.02	1366695912.40
Other capital reserves	34288534.80	6464375.20		40752910.00
Total Amount	1797762921.30	8153287.12	398467386.02	1407448822.40

Other notes, including increase/decrease during the period and reasons for changes:

1) Increase in equity premium during the period

During the current period, the Company increased the capital of Hangzhou Hangcha Aerial Platform Co., Ltd. and Hangcha Group Leasing Co., Ltd. and the difference between the capital increase and the net

assets entitled after the increase was RMB1,688,911.92, with an increase of capital surplus by RMB1,688,911.92 accordingly.

2) Decrease in capital premium during the period

① During the current period, after the Company acquired part of the equity of Hangzhou Hangcha Machinery & Equipment Manufacturing Co., Ltd, the minority shareholders increased the capital of Hangzhou Hangcha Machinery & Equipment Manufacturing Co., Ltd, and the difference between the cost of the Company's share purchases and the net assets entitled was RMB31,520.89, with decrease of capital surplus by RMB31,520.89 accordingly. During the period, the Company increased the capital of Zhumadian Hangcha Forklift Truck Co., Ltd. and the difference between the capital increase and the net assets entitled after the capital increase was RMB17,251.13, with the decrease of capital surplus by RMB17,251.13 accordingly.

② In the conversion of capital reserve into share capital during the current period, the capital premium was reduced by RMB374,232,014.00, as stated in Section X, Financial Report VII 55.

③ As for the business merger under the same control of Zhejiang Guozi Intelligent Equipment Co., Ltd. during the current period, the capital premium decreased by RMB24,186,600.00.

3) Increase of other capital reserve during the current period

Due to the change of capital reserve of associates accounted for under the equity method, capital reserve was increased by RMB6,464,375.20 accordingly.

56. Treasury shares

Applicable" Not applicable"

57. Other comprehensive income

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Opening Account Balance	Accrued amount in the current period						Closing Account Balance
		Accrued amount before income tax in the period	Less: Amounts of transferring from other comprehensive income recognized in previous periods to gains and losses in the period	Less: Amounts of transferring from other comprehensive income recognized in previous periods to retained earnings in the period	Less: Income tax expenses	After-tax amount attributable to the parent company	After-tax amount attributable to non-controlling shareholders	
I. Not to be reclassified subsequently to profit or loss								
Including: Remeasurements of the								

net defined benefit plan								
Items under equity method that will not be reclassified to profit or loss								
Changes in fair value of other equity instrument investments								
Changes in fair value of own credit risk								
II. To be reclassified subsequently to profit or loss	-1052970 3.70	6493446.9 3				6628422.9 3	-134976.00	-3901280. 77
Including: Items under equity method that may be reclassified to profit or loss	-3273714 6.49	18067000. 13				18067000. 13		-1467014 6.36
Changes in fair value of other debt investments								
Profit or loss from reclassification of financial assets into other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedging reserve								
Translation reserve	22207442. 79	-1157355 3.20				-1143857 7.20	-134976.00	10768865. 59
Total of other comprehensive income	-1052970 3.70	6493446.9 3				6628422.9 3	-134976.00	-3901280. 77

Other notes, including effective portion of gains/losses of cash flow hedging reclassified to adjustment to initially recognized amount of hedged items:

None

58. Special reserve

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Safety production fee	2143872.40	11895166.88	11917567.18	2121472.10
Total Amount	2143872.40	11895166.88	11917567.18	2121472.10

Other notes, including increase/decrease during the period and reasons for changes:

The increase in the current period was due to the Company's withdrawal of safety production expenses based on production characteristics and in accordance with the *Management Measures for the Withdrawal and Use of Safety Production Expenses* (Caizi [2022] No. 136), while the decrease was incurred due to the safety production expenses.

59. Surplus reserve

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	559673773.25	95232251.25		654906024.50
Discretionary surplus reserve				
Reserve fund				
Corporate development fund				
Other				
Total Amount	559673773.25	95232251.25		654906024.50

Notes on surplus reserves, including increase/decrease during the period and reasons for changes:

In accordance with the *Company Law of the People's Republic of China* and the Articles of Association of the Company, the Company is required to withdraw 10% of its annual net profit as legal reserve, which may be discontinued when the accumulated amount of legal reserve reaches 50% of the registered capital. The Company has appropriated statutory surplus reserve of RMB95,232,251.25 for 2024, and the accumulated amount of statutory surplus reserve after appropriation has reached 50% of the registered capital.

60. Undistributed profit

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	5343334318.75	3997253257.28

Total opening undistributed profit after adjustment (+ for increase; - for decrease)	-8829779.78	-4128535.90
Undistributed profits at the end of the period after adjustment	5334504538.97	3993124721.38
Add: Net profits attributable to owners of the parent company	2022025698.99	1715611831.59
Less: Provision of statutory surplus reserve	95232251.25	
Discretionary surplus reserve		
Withdrawal of general risk reserve		
Dividends payable for common shares	467790017.50	374232014.00
Common dividend converted into share capital		
Undistributed profits at the end of the period	6793507969.21	5334504538.97

Breakdown of adjustment to undistributed profits at the beginning of the period:

- 1) The undistributed profits at the beginning of the period by RMB 0 due to the retrospective adjustment according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) The undistributed profits at the beginning of the period by RMB 0 due to changes in the accounting policies.
- 3) The undistributed profits at the beginning of the period by RMB 0 due to significant accounting error correction.
- 4) The undistributed profits at the beginning of the period by RMB -8,829,779.78 due to changes in the scope of consolidation caused by the common control.
- 5) The undistributed profits at the beginning of the period by RMB 0 due to the total of other adjustments.

61. Operating revenue and cost

(1). Operating revenue and cost Description

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023		Jan.-Sept. 2022	
	Revenue	Cost	Revenue	Cost
Operating	16231527540.45	12369506117.41	16054436345.59	12720572739.18
Non-operating	254302778.13	233714125.07	244204585.88	194716437.48
Total Amount	16485830318.58	12603220242.48	16298640931.47	12915289176.66

(2). Breakdown of operating revenue and cost

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Contract category	Total Amount	
	Operating income	Operating cost
Goods category		
Forklift trucks, accessories, and others	16159066408.31	12342372212.20
Categorization by region		
Domestic	9312991276.41	7599697397.74

Overseas	6846075131.90	4742674814.46
Categorization by time of goods transfer		
Revenue is recognized at a point in time	16159066408.31	12342372212.20
Total Amount	16159066408.31	12342372212.20

Other notes:

Applicable" Not applicable"

(3). Description of performance obligations

Applicable" Not applicable"

(4). Description of apportionment to remaining performance obligations

Applicable" Not applicable"

(5). Material contract changes or material transaction price adjustments

Applicable" Not applicable"

Other notes:

None

62. Taxes and surcharges

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Urban maintenance and construction tax	21207119.04	20880723.18
Education surcharge	9139290.94	8995869.87
Local education surcharge	6099231.71	5993192.98
Property tax	14373515.25	12655292.99
Land use tax	7854908.93	1343564.96
Vessel and vehicle use tax	263571.86	276120.52
Stamp duty	13095915.07	13309976.88
Property tax	711241.86	
Other	742709.48	560120.13
Total Amount	73487504.14	64014861.51

Other notes:

None

63. Selling expenses

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Salary, benefits, and insurance	385306464.52	325543570.24
After-sale service fee	90183762.77	67660093.44
Lease	43272485.48	27997095.63

Advertising and promotion fee	38898732.68	37384287.55
Vehicle expenses	33282568.51	27475808.68
Packaging and printing expenses	18548736.14	16413073.52
Other	118519659.87	94731733.63
Total Amount	728012409.97	597205662.69

Other notes:

None

64. Administrative expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Salary, benefits, and insurance	200676071.46	174962387.83
Depreciation and amortization	61380831.10	40538522.41
General Service Charge	38966663.77	35013182.37
House lease	18735264.15	21273526.64
Repair cost	12788400.01	10098023.54
Office expenses	11282492.58	11687261.88
Other	62787826.29	51711767.04
Total Amount	406617549.36	345284671.71

Other notes:

None

65. R&D expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Salary, benefits, and insurance	280704679.57	253206441.19
Direct input	374553650.92	384954426.64
Depreciation and amortization	11311846.20	11623098.55
Other	107606885.47	90052820.46
Total Amount	774177062.16	739836786.84

Other notes:

None

66. Financial expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Interest expenses	35903231.84	51829568.92
Interest income	-62988025.19	-82750968.45
Gains or losses on foreign exchange	-26272818.24	-54863355.31
Handling fees	4846656.88	2336421.72
Total Amount	-48510954.71	-83448333.12

Other notes:

None

67. Other income

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

By nature	Jan.-Sept. 2023	Jan.-Sept. 2022
Government grants related to assets	11324835.06	7673344.92
Government grants related to income	52970369.02	51290934.08
Refund of handling fees for withholding personal income tax	1566539.13	544668.75
Additional deduction of value-added tax	146546001.19	64551415.83
Total Amount	212407744.40	124060363.58

Other notes:

None

68. Income from investment

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Income from long-term equity investments recognised under the equity method	385124878.33	288812454.73
Investment income from disposal of long-term equity investments	-1320847.10	67329.73
Investment income from held-for-trading financial assets during the holding period	-394702.94	-11503623.34
Dividend income from investments in other equity instruments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of held-for-trading financial assets		
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Revenue from debt restructuring		
Total Amount	383409328.29	277376161.12

Other notes:

None

69. Net exposure hedging income" Applicable" " Not applicable"**70. Gains from changes in fair value**" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Sources generating gains on changes in fair value	Jan.-Sept. 2023	Jan.-Sept. 2022
Held-for-trading financial assets	333.33	
Including: Gains on changes in fair value from derivative financial liabilities	333.33	
Derivative financial liabilities	-362904.37	-3911.26
Investment properties measured at fair value		
Total Amount	-362571.04	-3911.26

Other notes:

None

71. Credit impairment loss" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Bad debt losses on notes receivable	304363.17	713073.9
Loss due to bad debt of accounts receivable	-65392314.44	-22425612.18
Loss due to bad debt of other receivables	-5276927.22	-6954585.84
Impairment losses on debt investments		
Impairment losses on other debt investments		
Bad debt losses on long-term receivables	-1306672.95	-2004209.23
Impairment losses related to financial guarantees		
Total Amount	-71671551.44	-30671333.34

Other notes:

None

72. Assets impairment loss" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
I. Impairment losses on contract assets	-5342370.52	-2358617.50
II. Loss on decline in value of inventories or impairment of contractual performance costs	-27454688.59	-7712227.13
III. Impairment losses on long-term equity investments		
IV. Impairment losses on investment properties		
V. Impairment losses on fixed assets		
VI. Impairment losses on construction 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. Goodwill impairment losses		
XII. Others		
Total Amount	-32797059.11	-10070844.63

Other notes:

None

73. Gains on disposal of assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Gains on disposal of fixed assets	2376287.58	4600925.55
Right-of-use assets	268785.92	487245.07
Total Amount	2645073.50	5088170.62

Other notes:

None

74. Non-operating revenue

Non-operating revenue

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022	Amounts included in non-recurring gains and losses of the period
Total gains from disposal of non-current assets	86976.17	244382.78	86976.17
Including: Gains from disposal of fixed assets	86976.17	244382.78	86976.17
Gains from disposal of intangible assets			
Gains from exchange of non-monetary assets			
Receipt of donations			
Government grants			
Accounts not to be paid	1205475.07	909739.56	1205475.07
Gains from confiscation	943965.67	734712.00	943965.67
Other	226136.48	30967.74	226136.48
Total Amount	2462553.39	1919802.08	2462553.39

Other notes:

Applicable" Not applicable"

None

75. Non-operating expenditures

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022	Amounts included in non-recurring gains and
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			losses of the period
Total losses from disposal of non-current assets	422102.12	844741.99	422102.12
Including: Losses from disposal of fixed assets	422102.12	844741.99	422102.12
Losses from disposal of intangible assets			
Losses from exchange of non-monetary assets			
Outward donations	3000.00	20000.00	3000.00
Compensation and liquidated damages	313371.57		313371.57
Fines	225534.38	133398.01	225534.38
Other	220172.03	102053.57	220172.03
Total Amount	1184180.10	1100193.57	1184180.10

Other notes:

None

76. Income tax expenses

(1). Statement of income tax expenses

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Current income tax expenses	318147149.94	276271764.87
Deferred income tax expenses	-35329042.86	-18023194.14
Total Amount	282818107.08	258248570.73

(2). Process of adjusting accounting profits and income tax expenses

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023
Total profits	2443735843.07
Income tax expenses calculated based on statutory/applicable tax rates	366560376.47
Impact of different tax rates applicable to subsidiaries	39736814.01
Impact of adjusting income tax in previous periods	
Impact of non-taxable income	-78011393.94
Impact of non-deductible costs, expenses, and losses	5885128.99
Impact of applying deductible losses for which no deferred income tax assets have been recognized in previous periods	
Impact of deductible temporary differences or deductible losses for which no deferred income tax assets have been recognized in the current period	3923778.85
Effect of addition and deduction	-55276597.30
Income tax expenses	282818107.08

Other notes:

Applicable" Not applicable"

77. Other comprehensive income

"√ Applicable" "□ Not applicable"

See Note VII (57) in Section X of this Report for details of other comprehensive income

78. Items of the cash flow statement**(1). Cash related to operating activities**

Other cash received related to business activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Government grants	84787376.99	51660573.74
Lease income	43701484.48	44631245.79
Interest income	62988025.19	82750968.45
Receipt of rent from finance lease business	244762287.05	191885601.80
Receipt and return of guarantee deposits	62479645.22	187933962.77
Receipt of monetary funds and guarantee deposits not classified as cash and cash equivalents	28958687.56	32954685.21
Receipt of equity transfer on behalf of individual shareholders		5643700.00
Other	22540485.63	18162793.53
Total Amount	550217992.12	615623531.29

Notes on other cash receipts related to operating activities:

None

Other cash paid related to business activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Payment and return of deposits	80406284.24	160054065.19
Payment of principal for finance lease operations	94758805.10	118756348.24
Payment on behalf of individual shareholders for transfer of equity		5643700.00
Monetary funds and guarantee deposits not classified as cash and cash equivalents	31104346.68	39370573.66
Cash paid for sales expenses	313124129.83	231490408.42
Cash paid for administrative expenses	123037856.00	113038375.67
Cash paid for R&D expenses	107246744.78	89284752.75
Other	4801964.76	24122260.31

Total Amount	754480131.39	781760484.24
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Notes on other cash payments related to operating activities:

None

(2). Cash related to investment activities

Cash received in relation to significant investment activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Redemption of bank finance		102205647.70
Total Amount		102205647.70

Description of cash received in relation to significant investment activities

None

Cash paid in relation to significant investment activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Purchase of bank finance	80000000.00	
Payment for investment in subsidiaries	12041120.00	
Purchase of other non-current financial assets	734221.62	
Purchase of interests of minority subsidiaries	118800.00	
Total Amount	92894141.62	

Description of cash paid in relation to significant investment activities

None

Other cash received related to investment activities

"□ Applicable" "√ Not applicable"

Other cash paid related to investment activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Losses on payment of derivative financial assets	436229.58	23037775.52
Disposal of cash outflow of subsidiaries	1326020.27	3021133.03
Return of investments		8550000.00
Total Amount	1762249.85	34608908.55

Notes on other cash payments related to investment activities:

None

(3). Cash received in relation to financing activities

Other cash received related to fund-raising activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Discounted outstanding notes	230000000.00	
Borrowings from non-banking financial institutions		45942461.00
Disposal of part of equity interest in subsidiaries		6847750.00
Factoring of accounts receivable		2000000.00
Total Amount	230000000.00	54790211.00

Notes on other cash receipts related to fund-raising activities:

None

Other cash paid related to fund-raising activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Rental payments	46703086.14	29880807.79
Repurchase of treasury shares		95000727.88
Repayment of borrowings from non-banking financial institutions and interest		19908073.41
Repayment of borrowings from non-banking financial institutions		15500000.00
Total Amount	46703086.14	160289609.08

Notes on other cash payments related to fund-raising activities:

None

Changes in Liabilities Arising from Financing Activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Cash Change	Non-cash change	Cash Change	Non-cash change	
Short-term borrowings	927842373.02	555860000.00	17333533.14	1169293564.33		331742341.83
Long-term borrowings		54607036.00	372793.99	262710.31		54717119.68
Long-term borrowings due within one year		950000000.00	9050777.25	358661888.36		600388888.89
Lease liabilities	100373387.73		208066575.97	44978499.28	90141701.45	173319762.97

(including those due within one year)						
Total Amount	1028215760.75	1560467036.00	234823680.35	1573196662.28	90141701.45	1160168113.37

(4). Description of cash flows listed on a net basis

Applicable" Not applicable"

(5). Significant activities and financial effects that do not involve current cash receipts and disbursements but affect the Company's financial position or may affect the Company's cash flows in the future

Applicable" Not applicable"

Item	Current period cumulative	Preceding period comparative
Amount of commercial bills transferred through endorsement	5061018231.26	5116352763.53
including: payment for goods	5061018231.26	5116352763.53

79. Additional information on cash flow statement**(1). Additional information on cash flow statement**

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Additional information	Amount for the current period	Amount in the previous period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	2160917735.99	1828807749.05
Add: Provision for impairment of assets	32797059.11	10070844.63
Credit impairment loss	71671551.44	30671333.34
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	380330399.08	296799854.31
Amortization of right-of-use assets		
Amortization of intangible assets	19599862.17	12048233.41
Amortization of long-term amortized expenses	6743624.48	3859568.05
Loss on disposal of fixed assets, intangible assets, and other long-term assets (or less: income)	-2645073.50	-5088170.62
Loss on scrapping of fixed assets (or less: income)	335125.95	600359.21
Loss from changes in fair value (or less: income)	362571.04	3911.26
Financial expenses (or less: income)	9630413.60	-3033786.39
Investment losses (or less: income)	-383409328.29	-277376161.12
Decrease in deferred income tax assets	-35909776.74	451195.48

(or less: increase)		
Increase in deferred income tax liabilities (or less: decrease)	580733.88	-37494121.22
Decrease in inventory (or less: increase)	-551896335.44	-646799943.38
Decrease in operating receivables (or less: increase)	-1045313177.29	-246207903.42
Increase in operating payables (or less: decrease)	673052614.94	645256682.01
Other	-22400.30	19517535.74
Net cash flows from operating activities	1336825600.12	1632087180.34
2. Significant investing and financing activities not involving cash receipts and payments:		
Debt converted to capital		
Convertible corporate bonds maturing within one year		
Financial lease of fixed assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	4074535766.43	3773016919.56
Less: Opening balance of cash	3773016919.56	3016812948.34
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	301518846.87	756203971.22

(2). Net cash from acquiring subsidiaries paid in the period

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

	Amount
Cash or cash equivalents paid in the current period for business combination occurring in the current period	29860000.00
Less: Cash and Cash Equivalents Held by Subsidiaries Acquired	0.00
Add: Cash or cash equivalents paid during the current period for business merger in previous periods	0.00
Net cash payments for the acquisition of subsidiaries	29860000.00

Other notes:

None

(3). Net cash from disposal of subsidiaries received in the period

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

	Amount
Cash or cash equivalents received in the current period for disposal of subsidiaries in the current period	1.00
Less: Cash and cash equivalents held by the Company on the date of loss of control	1326021.27
Add: Cash or cash equivalents received in the current period from the disposal of subsidiaries in previous periods	0.00
Net cash received from the disposal of subsidiaries	-1326020.27

Other notes:
None

(4). Composition of cash and cash equivalents

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
I. Cash	4074535766.43	3773016919.56
including: cash on hand	1184642.16	1664527.92
Bank deposits readily available for payment	4072933520.77	3770560056.15
Other monetary fund readily available for payment	417603.50	792335.49
Central bank deposit available for payment		
Deposit from the same trade		
Call loan to the same trade		
II. Cash Equivalents		
including: bond investment maturing within three months		
II. Closing balance of cash and cash equivalents	4074535766.43	3773016919.56
Including: Cash and cash equivalents restrictedly used in the parent company or subsidiaries		

(5). Restricted scope of use but still presented as cash and cash equivalents

Applicable" Not applicable"

(6). Monetary funds not classified as cash and cash equivalents

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Amount for the current period	Amount in the previous period	Because
Other monetary capital	8779539.01	7621326.14	Letter of guarantee margin
Other monetary capital	3361119.30	6100715.59	Deposits for letter of credit
Other monetary capital	8554271.21	16839231.60	Guarantee deposit for bank acceptance
Other monetary capital	657050.58	686167.65	Performance Bond
Bank deposits	12041120.00		Restricted use due to incomplete bank account information of a newly established company
Total Amount	33393100.10	31247440.98	/

Other notes:

Applicable" Not applicable"

80. Notes to items in the statement of changes in owners' equity

Notes on item "Others" for adjustment to closing balance of the previous period, adjustment amount, etc.:

"□ Applicable" "√ Not applicable"

81. Monetary items in foreign currency**(1). Monetary items in foreign currency**

"√ Applicable" "□ Not applicable"

Unit:

Item	Closing balance of foreign currencies	Exchange rate for translation	In RMB at the end of the period Account Balance
Monetary funds	-	-	473197133.87
Including:	38827526.81	7.1884	279107793.72
EUR	5790201.84	7.5257	43575321.99
CAD	6760481.07	5.0498	34139077.31
AUD (Australian Dollars)	7787514.52	4.5070	35098327.94
JPY	669849757.00	0.0462	30947058.77
THB	87595462.77	0.2126	18622795.38
BRL (Brazilian Real)	26822399.76	1.1821	31706758.76
Accounts receivable	-	-	1560013925.23
Including: USD	193084416.58	7.1884	1387968020.14
EUR	4832060.25	7.5257	36364635.82
CAD	3034195.56	5.0498	15322080.74
AUD (Australian Dollars)	7718435.89	4.5070	34786990.56
THB	325514741.45	0.2126	69204434.03
BRL (Brazilian Real)	13846344.59	1.1821	16367763.94
Other receivables	-	-	8552409.72
Including: USD	498738.07	7.1884	3585128.74
EUR	54572.00	7.5257	410692.50
CAD	517760.39	5.0498	2614586.42
AUD (Australian Dollars)	169471.80	4.5070	763809.40
JPY	6204867.95	0.0462	286664.90
THB	2090514.96	0.2126	444443.48
BRL (Brazilian Real)	378211.89	1.1821	447084.28
Accounts payable	-	-	196124819.12
Including: USD	19627181.61	7.1884	141088032.29
EUR	4511536.11	7.5257	33952467.30
CAD	200400.52	5.0498	1011982.55
AUD (Australian Dollars)	4114839.39	4.5070	18545581.13
THB	7181353.95	0.2126	1526755.85
Other payables	-	-	2264595.30
Where: Euro	26570.53	7.5257	199961.84
CAD	114693.45	5.0498	579178.98
AUD (Australian Dollars)	6579.00	4.5070	29651.55
THB	1720873.28	0.2126	365857.66
BRL (Brazilian Real)	922041.51	1.1821	1089945.27

Other notes:

None

(2). Notes on overseas operating entities, including the principal overseas operating locations, bookkeeping currencies and selection basis to be disclosed of significant overseas operating entities. If there are changes bookkeeping currencies, the reasons should also be disclosed.

"√ Applicable" "□ Not applicable"

(1) Hangcha Forklift America, with main business domicile in the U.S. and USD as its bookkeeping currency.

(2) Hangcha Europe, with main business domicile in Germany and EUR as its bookkeeping currency.

(3) Hangcha Forklift Canada, with main business domicile in Canada and CAD as its bookkeeping currency.

(4) Hangcha Netherlands B.V., with main business domicile in the Netherlands and EUR as its bookkeeping currency.

(5) Hangcha Australia Pty Ltd, with main business domicile in Australia and AUD as its bookkeeping currency.

(6) Hangcha Thailand, with main business domicile in Thailand and THB as its bookkeeping currency.

(7) Hangcha Forklift Brazil, with main business domicile in Brazil and BRL as its bookkeeping currency.

(8) Hangcha Indonesia, with main business domicile in Indonesia and INR as its bookkeeping currency.

(9) Hangcha Japan, with main business domicile in Japan and JPY as its bookkeeping currency.

(10) Hangcha Europe Rental & Sales, with main business domicile in France and EUR as its bookkeeping currency.

(11) Hangcha Forklift Malaysia, with main business domicile in Malaysia and MYR as its bookkeeping currency.

82. Lease

(1) As lessee

"√ Applicable" "□ Not applicable"

The Company as lessee

1) Relevant disclosures of right-of-use assets are included in Section 10 – Financial Statements, Note 7.25

2) Refer to Section X. Financial Reporting, V. 38. Description of Leases for details of the Company's accounting policies for short-term leases and leases of low-value assets. The expenses for short-term leases and leases of low-value assets recognized in current profits and losses are as follows:

Item	Current period cumulative	Preceding period comparative
Expenses for short-term lease	25293785.80	49270622.27
Total	25293785.80	49270622.27

3) Current profits and losses and cash flow related to leasing

Item	Current period cumulative	Preceding period comparative
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Interest expense for lease liabilities	8857519.70	2267427.39
Total cash outflow related to leasing	71996871.94	79151430.06

4) Refer to Section X. Financial Reporting, XII. 1. Description of Risks of Financial Instruments for details of maturity analysis of lease liabilities and corresponding liquidity risk management.

Variable lease payments that are not included in the measurement of lease liabilities
 Applicable" Not applicable"

Lease expenses for short-term leases or low-value asset leases that are accounted for using the simplified approach

Applicable" Not applicable"

Short-term leasing expenses using simplified treatment included in current profit or loss for the current period amounted to 25,293,785.80 (Unit: Yuan, Currency: RMB)

Sale and leaseback transactions and basis of judgment

Applicable" Not applicable"

Total cash outflows associated with leases: 71,996,871.94(Unit: Yuan; Currency: CNY)

(2) As lessor

Operating leases as the lessor

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Lease income	Including: Income related to variable lease payments not included in lease receivables
Lease income	310857727.20	
Total Amount	310857727.20	

Financing leases as the lessor

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Sale profit and loss	Financing income	Income related to variable lease payments not included in net investment in leases
Financing income from net leasing investment		15906183.07	
Total Amount		15906183.07	

Reconciliation table between undiscounted lease receivables and net lease investment

Applicable" Not applicable"

Item	Closing balance	Opening balance
Undiscounted lease receipts	288892719.57	245978969.25
less: unrealised financing gains related to lease receipts	15468884.62	12520511.07
Net leasing investment	273423834.95	233458458.18

Undiscounted lease receivables for the next five years

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Annual undiscounted lease receivables	
	Closing amount	Opening amount
Year 1	196164232.60	167396444.68
Year 2	67371462.93	63225467.60
Year 3	20035613.32	13220960.93
Year 4	3568152.72	2077295.32
Year 5	1753258.00	58800.72
Total undiscounted lease receivables after five years	288892719.57	245978969.25

(3) Recognition of gains and losses on sales under finance leases as a manufacturer or distributor

Applicable" Not applicable"

Other notes:

The Company, as a lessor, mainly leases means of transportation for a term ranging from one to five years with the option for renewal.

83. Data resources

Applicable" Not applicable"

84. Other

Applicable" Not applicable"

VIII. R&D expenditure

1. By nature of expense

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Salary, benefits, and insurance	280704679.57	253206441.19
Direct input	374553650.92	384954426.64
Depreciation and amortization	11311846.20	11623098.55
Other	107606885.47	90052820.46
Total Amount	774177062.16	739836786.84
Including: expenditures on research and development that are expensed	774177062.16	739836786.84
Capitalized R&D expenditures		

Other notes:

None

2. Development expenditures on R&D projects eligible for capitalization

Applicable" Not applicable"

Significant capitalized R&D projects

Applicable" Not applicable"

Provision for impairment of development expenditures

Applicable" Not applicable"

Other notes:

None

3. Significant outsourced R&D projects in progress

" Applicable" " Not applicable"

IX. Changes in the scope of merger

1. Business merger not under common control

" Applicable" " Not applicable"

2. Consolidation of businesses under common control

" Applicable" " Not applicable"

(1). Merger of enterprises under the same control within the current period

" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Consolidated entity	Proportion of equity obtained in the business merger	Basis for recognizing business merger under the common control	Date of merger	Basis of recognizing date of merger	Revenues of the merged entity from the beginning of the period during which the merger takes place to the date of merger	Net profits of the merged entity from the beginning of the period during which the merger takes place to the date of merger	Revenues of the merged entity in the comparative period	Net profits of the merged entity in the comparative period
Zhejiang Guozi Intelligent Equipment Co., Ltd.	100.00%	Under the control of the same beneficial owner before and after the transfer of shares	January 31, 2024	Acquisition of control	0	-1983591.63		-1346472.77

Other notes:

None

(2). Merger costs

" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Merger costs	Zhejiang Guozi Intelligent Equipment Co., Ltd.
-- Cash	29860000.00
-- Book value of non-cash assets	
-- Book value of issued or undertaken obligations	
-- Book value of issued equity securities	
-- Contingent consideration	

-- Notes on contingent considerations and their changes:

None

Other notes:

None

(3). Book value of assets and liabilities of merged entities on dates of merger

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

	Zhejiang Guozi Intelligent Equipment Co., Ltd.	
	Date of merger	End of the previous period
Assets:	64611668.25	103566107.27
Current assets	62290830.21	101242975.73
Non-current assets	2320838.04	2323131.54
Liabilities:	67496222.58	104467069.97
Current liabilities	65405949.80	103459211.67
Non-current liabilities	2090272.78	1007858.30
Net assets	-2884554.33	-900962.70
Less: Non-controlling interests		
Acquired net assets	-2884554.33	-900962.70

Contingent liabilities of merged entities undertaken in business mergers:

None

Other notes:

None

3. Counter purchase

"□ Applicable" "√ Not applicable"

4. Disposal of subsidiaries

Existence of any transaction or event leading to the loss of control during the current period

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Subsidiary	Time of loss of control	Disposal price at the time of loss of control	Disposal proportion (%) at the time of loss of control	Disposal method at the time of loss of control	Basis for determining the time of loss of control	Difference between the disposal price and the share of the net assets of the subsidiary on the consolidated financial statements corresponding to the disposal of the investment	Proportion (%) of remaining equity at the date of loss of control	Carrying value of the remaining equity interest on the consolidated financial statements on the date of loss of control	Fair value of the remaining equity interest on the consolidated financial statements on the date of loss of control	Gains or losses arising from the remeasurement of the remaining equity interest at fair value	Method of determining the fair value of the remaining equity interest on the consolidated financial statements on the date of loss of control and major assumptions	Amount of other comprehensive income related to equity investments in original subsidiaries transferred to investment gains or losses or retained earnings
Zhejiang Asteroid Investment Management Co., Ltd.	January 31, 2024	1.00	100.00	Transfer/Assignment	Equity transfer payment received and industrial and commercial change completed	-1320847.10						

Other notes:

Applicable" Not applicable"

Is there any situation where the investment in a subsidiary are disposed of in several steps and the loss of control takes place in the current period?

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

5. Changes in the scope of merger for other reasons

Notes on changes in the scope of mergers due to other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related information:

Applicable" Not applicable"

Company name	Method of equity acquisition	Date of equity acquisition	Contribution	Proportion of contribution
Hangzhou Hangcha Yunrui Technology Co., Ltd.	Established	June 2024	RMB10.2 million	51.00%
Zhejiang Hangbo Electrical Drive Co., Ltd.	Established	July 2024	RMB27,50 million	55.00%
PT HANGCHA INDONESIA FORKLIFT	Established	August 2024	USD1 million	100.00%
HANGCHA JAPAN CO.LTD.	Established	August 2024	JPY300 million	100.00%
HANGCHA EUROPE RENTAL & SALES	Established	November 2024	EUR1 million	60.00%
HANGCHA (MALAYSIA) SDN.BHD.	Established	October 2024	USD0.5 million	100.00%

6. Other

Applicable" Not applicable"

X. Interests in other entities**1. Interests in subsidiaries****(1). Composition of the Group**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Subsidiary Item	Principal operating locations	Registered capital	Place of registration	Nature of business	Holding proportion (%)		Method of method
					Direct	Indirect	
Hangzhou Forklift Mast Co., Ltd.	Lin'an, Zhejiang Province	5040.00	Lin'an, Zhejiang Province	Manufacturing	65.00		Established
Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Lin'an, Zhejiang Province	4000.00	Lin'an, Zhejiang Province	Manufacturing	71.37		Business merger not under common control
Hangzhou Hangcha Bridge Box Co., Ltd.	Lin'an, Zhejiang Province	3000.00	Lin'an, Zhejiang Province	Manufacturing	62.33		Business merger not under common control
Jinan Hangcha Forklift Sales Co., Ltd.	Jinan, Shandong Province	1275.00	Jinan, Shandong Province	Commerce	35.00		Established
Guangzhou Zhehang Forklift Co., Ltd.	Guangzhou, Guangdong Province	1100.00	Guangzhou, Guangdong Province	Commerce	34.09		Established
Shanghai Hangcha Forklift Sales Co., Ltd.	Shanghai	1300.00	Shanghai	Commerce	35.00		Established
Zhejiang Hangcha Import and Export Co., Ltd.	Hangzhou, Zhejiang province	2070.00	Hangzhou, Zhejiang province	Commerce	51.07		Established
Hangzhou Hangcha Foundry Co., Ltd.	Lin'an, Zhejiang Province	4500.00	Lin'an, Zhejiang Province	Manufacturing	77.78		Established
Hangzhou Hangcha Electrical Co., Ltd.	Lin'an, Zhejiang Province	2000.00	Lin'an, Zhejiang Province	Manufacturing	65.35		Established
Hangzhou Hangcha Materials Trading Co., Ltd.	Lin'an, Zhejiang Province	8000.00	Lin'an, Zhejiang Province	Commerce	100.00		Established
Baoji Hangcha Engineering Machinery Co., Ltd.	Baoji, Shaanxi Province	3004.01	Baoji, Shaanxi Province	Manufacturing	69.91		Established
Hangzhou Hangcha Machining Co., Ltd.	Lin'an, Zhejiang Province	450.00	Lin'an, Zhejiang Province	Manufacturing	51.00		Established
Hangzhou Hangcha Kangli Forklift Attachments Co., Ltd.	Lin'an, Zhejiang Province	1260.00	Lin'an, Zhejiang Province	Manufacturing	74.81		Established
Hangzhou Hangcha Aerial Equipment Co., Ltd.	Lin'an, Zhejiang Province	5000.00	Lin'an, Zhejiang Province	Manufacturing	67.00		Established
Hangzhou Hangcha Cab	Lin'an,	520.00	Lin'an,	Manufacturing	51.92		Established

Co., Ltd.	Zhejiang Province		Zhejiang Province				
Hangcha Group Leasing Co., Ltd.	Lin'an, Zhejiang Province	20000.00	Lin'an, Zhejiang Province	Commerce	95.64		Established
Wuxi Hangcha Forklift Sales Co., Ltd.	Wuxi, Jiangsu Province	600.00	Wuxi, Jiangsu Province	Commerce	35.00		Established
Suzhou Hangcha Forklift Sales Co., Ltd.	Suzhou, Jiangsu Province	250.00	Suzhou, Jiangsu Province	Commerce	35.00		Established
Wuhan Hangcha Forklift Sales Co., Ltd.	Wuhan, Hubei Province	350.00	Wuhan, Hubei Province	Commerce	30.00		Established
Nantong Hangcha Forklift Sales Co., Ltd.	Nantong, Jiangsu Province	350.00	Nantong, Jiangsu Province	Commerce	31.00		Established
Kunshan Hangcha Forklift Sales Co., Ltd.	Kunshan, Jiangsu Province	320.00	Kunshan, Jiangsu Province	Commerce	35.00		Established
Taizhou Hangcha Forklift Sales Co., Ltd.	Taizhou, Zhejiang Province	400.00	Taizhou, Zhejiang Province	Commerce	35.00		Established
Xuzhou Hangcha Forklift Sales Co., Ltd.	Xuzhou, Jiangsu Province	570.00	Xuzhou, Jiangsu Province	Commerce	35.00		Established
Beijing Hangcha Forklift Co., Ltd.	Beijing	400.00	Beijing	Commerce	34.00		Established
Yancheng Hangcha Forklift Sales Co., Ltd.	Yancheng, Jiangsu Province	400.00	Yancheng, Jiangsu Province	Commerce	33.00		Established
Gansu Hangcha Forklift Co., Ltd.	Gansu Province	260.00	Gansu Province	Commerce	35.00		Established
Fujian Hangcha Forklift Co., Ltd.	Fuzhou, Fujian Province	320.00	Fuzhou, Fujian Province	Commerce	35.00		Established
Taixing Hangcha Forklift Sales Co., Ltd.	Taixing, Jiangsu Province	510.00	Taixing, Jiangsu Province	Commerce	30.00		Established
Yantai Hangcha Forklift Sales Co., Ltd.	Yantai, Shandong Province	200.00	Yantai, Shandong Province	Commerce	35.00		Established
Qingdao Hangcha Forklift Sales Co., Ltd.	Qingdao, Shandong Province	350.00	Qingdao, Shandong Province	Commerce	35.00		Established
Changchun Hangcha Forklift Sales Co., Ltd.	Changchun, Jilin Province	200.00	Changchun, Jilin Province	Commerce	35.00		Established
Nanning Hangcha Forklift Sales Co., Ltd.	Nanning, Guangxi Zhuang Autonomous Region	240.00	Nanning, Guangxi Zhuang Autonomous Region	Commerce	35.00		Established
Guiyang Hangcha Forklift Sales Co., Ltd.	Guiyang, Guizhou Province	220.00	Guiyang, Guizhou Province	Commerce	34.77		Established
Tangshan Hangcha Forklift Sales Co., Ltd.	Tangshan, Hebei	216.00	Tangshan, Hebei	Commerce	35.00		Established

	Province		Province				
Xiangyang Hangcha Forklift Sales Co., Ltd.	Xiangyang, Hubei Province	150.00	Xiangyang, Hubei Province	Commerce	33.00		Established
Dongguan Hangcha Forklift Co., Ltd.	Dongguan, Guangdong Province	320.00	Dongguan, Guangdong Province	Commerce	35.00		Established
Henan Zhehang Forklift Sales Co., Ltd.	Zhengzhou, Henan Province	600.00	Zhengzhou, Henan Province	Commerce	35.00		Established
Heilongjiang Hangcha Forklift Sales Co., Ltd.	Harbin, Heilongjiang Province	200.00	Harbin, Heilongjiang Province	Commerce	35.00		Established
Xi'an Hangcha Forklift Co., Ltd.	Xi'an, Shaanxi Province	300.00	Xi'an, Shaanxi Province	Commerce	35.00		Established
Shenzhen Hangcha Forklift Co., Ltd.	Shenzhen, Guangdong Province	380.00	Shenzhen, Guangdong Province	Commerce	35.00		Established
Foshan Hangcha Forklift Sales Co., Ltd.	Foshan, Guangdong Province	550.00	Foshan, Guangdong Province	Commerce	35.00		Established
Huizhou Hangcha Forklift Co., Ltd.	Huizhou, Guangdong Province	260.00	Huizhou, Guangdong Province	Commerce	35.00		Established
Inner Mongolia Hangcha Forklift Sales Co., Ltd.	Hohhot, Inner Mongolia	300.00	Hohhot, Inner Mongolia	Commerce	35.00		Established
Zhongshan Hangcha Forklift Co., Ltd.	Zhongshan, Guangdong Province	350.00	Zhongshan, Guangdong Province	Commerce	35.00		Established
Yichang Hangcha Forklift Sales Co., Ltd.	Jingzhou, Hubei Province	100.00	Jingzhou, Hubei Province	Commerce	35.00		Established
Zhanjiang Hangcha Forklift Co., Ltd.	Zhanjiang, Guangdong Province	200.00	Zhanjiang, Guangdong Province	Commerce	35.00		Established
Rizhao Hangcha Forklift Sales Co., Ltd.	Rizhao, Shandong Province	400.00	Rizhao, Shandong Province	Commerce	26.25		Established
Qingyuan Hangcha Forklift Co., Ltd.	Qingyuan, Guangdong Province	180.00	Qingyuan, Guangdong Province	Commerce	35.00		Established
Ningxia Hangcha Forklift Sales Co., Ltd.	Ningxia	200.00	Ningxia	Commerce	39.00		Established
Lianyungang Hangcha Forklift Sales Co., Ltd.	Lianyungang, Jiangsu Province	150.00	Lianyungang, Jiangsu Province	Commerce	35.00		Established
Zhangjiagang Hangcha Forklift Sales Co., Ltd.	Zhangjiagang, Jiangsu Province	250.00	Zhangjiagang, Jiangsu Province	Commerce	35.00		Established
Yiwu Hangcha Forklift Sales Co., Ltd.	Yiwu, Zhejiang Province	250.00	Yiwu, Zhejiang Province	Commerce	35.00		Established
Anhui Hangcha Forklift Sales Co., Ltd.	Hefei, Anhui Province	320.00	Hefei, Anhui Province	Commerce	51.56		Established
Dalian Zhehang Forklift	Dalian,	200.00	Dalian,	Commerce	35.00		Established

Sales Co., Ltd.	Liaoning Province		Liaoning Province				
HANGCHA EUROPE GMBH I.G.	Europe	3517.74	Europe	Commerce	100.00		Established
HC FORKLIF AMERICA CORPORATION	The US	3306.68	USA	Commerce	100.00		Established
Hangzhou Hangzhong Engineering Machinery Co., Ltd.	Hangzhou, Zhejiang province	8500.00	Hangzhou, Zhejiang province	Manufacturing	81.18		Established
Wuhu Hangcha Forklift Sales Co., Ltd.	Wuhu, Anhui Province	200.00	Wuhu, Anhui Province	Commerce	35.00		Established
Guigang Hangcha Forklift Sales Co., Ltd.	Guigang, Guangxi Zhuang Autonomous Region	200.00	Guigang, Guangxi Zhuang Autonomous Region	Commerce	35.00		Established
Zibo Hangcha Forklift Sales Co., Ltd.	Zibo, Shandong Province	200.00	Zibo, Shandong Province	Commerce	35.00		Established
Zhejiang Hangcha Intelligent Technology Co., Ltd.	Lin'an, Zhejiang Province	5000.00	Lin'an, Zhejiang Province	Manufacturing	81.00		Established
Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd.	Lin'an, Zhejiang Province	2300.00	Lin'an, Zhejiang Province	Manufacturing	60.87		Established
Hangcha Group (Tianjin) Financing Leasing Co., Ltd.	Tianjin	25000.00	Tianjin	Commerce	100.00		Established
Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	Hefei, Anhui Province	320.00	Hefei, Anhui Province	Service	62.50		Business merger not under common control
Hangcha Group (Tianjin) Forklift Sales Co., Ltd.	Tianjin	300.00	Tianjin	Commerce	35.00		Established
Hangcha Forklift Canada Inc.	Canada	709.01	Canada	Commerce	100.00		Established
Hangcha Group (Tianjin) New Energy Forklift Co., Ltd.	Tianjin	1500.00	Tianjin	Manufacturing	100.00		Established
Zhumadian Hangcha Forklift Co., Ltd.	Zhumadian, Henan Province	240.00	Zhumadian, Henan Province	Commerce	39.58		Established
Hangcha Netherlands B.V.	Netherlands	1575.00	Netherlands	Commerce	100.00		Established
Zhejiang Hangcha Parts Sales Co., Ltd.	Lin'an, Zhejiang Province	5000.00	Lin'an, Zhejiang Province	Commerce	80.00		Established
Zhejiang Hangcha Occam Intelligent Technology Co., Ltd.	Lin'an, Zhejiang Province	10000.00	Lin'an, Zhejiang Province	Manufacturing	51.00		Established
HC FORKLIFT AUSTRALIA PTY. LTD.	Australia	3593.25	Australia	Commerce	100.00		Established
HANGCHA (THAILAND) CO.LTD.	Thailand	2142.40	Thailand	Commerce	100.00		Established
HANGCHA BRASIL LTDA.	Brazil	2054.94	Brazil	Commerce	100.00		Established
Hangzhou Hangcha	Lin'an,	2000.00	Lin'an,	Manufacturing	90.00		Established

Precision Manufacturing Co., Ltd.	Zhejiang Province		Zhejiang Province				
Zhejiang Hangcha Siweis International Trade Co., Ltd.	Lin'an, Zhejiang Province	2000.00	Lin'an, Zhejiang Province	Commerce	51.00		Established
Hangzhou Hangcha E-commerce Co., Ltd.	Lin'an, Zhejiang Province	450.00	Lin'an, Zhejiang Province	Commerce	51.00		Established
Hangcha New Energy Forklift (Wenzhou) Co., Ltd.	Lin'an, Zhejiang Province	100.00	Lin'an, Zhejiang Province	Commerce	100.00		Established
Hangzhou Hangcha Yunrui Technology Co., Ltd.	Lin'an, Zhejiang Province	2000.00	Lin'an, Zhejiang Province	Manufacturing	51.00		Established
Zhejiang Hangbo Electrical Drive Co., Ltd.	Lin'an, Zhejiang Province	5000.00	Lin'an, Zhejiang Province	Manufacturing	55.00		Established
PT HANGCHA INDONESIA FORKLIFT	Indonesia	1425.00	Indonesia	Commerce	100.00		Established
HANGCHA JAPAN CO.LTD.	Japan	1496.7	Japan	Commerce	100.00		Established
HANGCHA EUROPE RENTAL & SALES	Malaysia	365.58	Malaysia	Commerce	100.00		Established
HANGCHA (MALAYSIA) SDN.BHD.	Europe	773.66	Europe	Commerce	60.00		Established

Notes on inconsistency between the shareholding proportion and the vote proportion in a subsidiary:

The Company holds less than 50% of the shares in 45 subsidiaries including Jinan Hangcha Forklift Sales Co., Ltd., but pursuant to the Voting Trust Agreement by and between the Company and other shareholders of such subsidiaries, the voting rights corresponding to the shares held by certain other shareholders in the target companies will be exercised by the Company on their behalf. As a result, the Company has more than 50% of the voting rights in all of these subsidiaries.

Basis for controlling an invested entity despite holding half or less of votes or not controlling an invested entity despite holding more than half of votes:

None

Basis for controlling significant structured entities included in the scope of consolidation:

None

Basis for determining whether the Company is an agent or principal:

None

Other notes:

None

(2). Subsidiaries with material non-controlling interests

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Subsidiary	Holding proportion of non-controlling	Gains or losses attributable to non-controlling	Declared dividends to be distributed to	Closing non-controlling interests
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	shareholders	interests in the period	non-controlling interests in the period	
Hangzhou Forklift Mast Co., Ltd.	35.00%	10862375.97	6174000.00	49782430.15
Hangzhou Forklift Sheet Metal Welding Co., Ltd.	28.63%	6864077.17	19468163.70	23198441.80
Hangzhou Hangcha Bridge Box Co., Ltd.	37.67%	7867699.05	3955000.00	37066849.78
Jinan Hangcha Forklift Sales Co., Ltd.	65.00%	4131025.50	3729375.00	19606953.92
Guangzhou Zhehang Forklift Co., Ltd.	65.91%	1964261.69	1087500.00	14256736.08
Shanghai Hangcha Forklift Sales Co., Ltd.	65.00%	4528467.27	2957500.00	20765447.06
Zhejiang Hangcha Import and Export Co., Ltd.	48.93%	13175306.49	7090440.00	48032519.96
Hangzhou Hangcha Foundry Co., Ltd.	22.22%	920385.71		18798454.78
Hangzhou Hangcha Electrical Co., Ltd.	34.65%	8372067.06	3465000.00	25816238.85

Notes on inconsistency between the shareholding proportion and the vote proportion of non-controlling shareholders in a subsidiary:

Applicable" Not applicable"

For details, please refer to Note 10.1.(1) of this Report

Other notes:

Applicable" Not applicable"

(3). Key financial information of significant non-wholly-owned subsidiaries

"√ Applicable" "□ Not applicable"

Unit: Ten thousand yuan Currency: CNY

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Hangzhou Forklift Frame	51837.16	13525.30	65362.46	50783.50	355.41	51138.91	33557.38	15589.79	49147.17	35589.28	673.87	36263.15
Hangzhou Forklift & Metal Working & Welding	24888.76	9197.33	34086.09	25440.09	56.46	25496.55	31010.63	7485.64	38496.27	25092.54	411.71	25504.25
Hangcha Bridge Box	16206.13	4919.23	21125.36	11250.17	36.43	11286.60	14836.86	3294.70	18131.56	9107.92	223.45	9331.37
Jinan Hangcha	3452.74	495.60	3948.34	928.57	3.44	932.01	3679.57	357.75	4037.32	1023.96	58.83	1082.79
Guangzhou Zhehang	3470.55	981.76	4452.31	1922.81	371.22	2294.03	3477.49	339.44	3816.93	1770.55	21.13	1791.68
Shanghai Hangcha	7557.29	3324.89	10882.18	7434.48	252.13	7686.61	7822.54	2979.31	10801.85	7352.27	495.69	7847.96
Hangcha Imp. & Exp.	219497.45	2429.87	221927.32	212110.48		212110.48	133957.37	1620.41	135577.78	126977.36	27.26	127004.62
Hangcha Casting	7207.94	3432.77	10640.71	2380.21		2380.21	6561.81	3703.46	10265.27	2418.98		2418.98
Hangcha Electric Appliance	35683.08	628.88	36311.96	28861.38		28861.38	13426.79	204.96	13631.75	7597.36		7597.36

Subsidiary	Jan.-Sept. 2023				Jan.-Sept. 2022			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities

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Hangzhou Forklift Frame	165898.74	3103.54	3103.54	-6057.32	172082.01	2608.24	2608.24	1236.26
Hangzhou Forklift & Metal Working & Welding	82239.37	2397.51	2397.51	10168.33	85544.47	3102.68	3102.68	-348.73
Hangcha Bridge Box	82661.60	2088.58	2088.58	2577.02	90096.60	2039.78	2039.78	3810.44
Jinan Hangcha	24887.40	635.54	635.54	959.99	25475.30	616.66	616.66	542.25
Guangzhou Zhehang	19682.68	298.02	298.02	280.96	24181.88	150.89	150.89	519.37
Shanghai Hangcha	25455.46	696.69	696.69	775.11	26597.86	283.74	283.74	661.06
Hangcha Imp. &Exp.	605405.10	2692.68	2692.68	-2140.17	591937.42	3435.19	3435.19	-7947.45
Hangcha Casting	112591.90	414.21	414.21	401.48	123045.53	334.57	334.57	-172.08
Hangcha Electric Appliance	108193.12	2416.18	2416.18	694.01	74618.21	1029.43	1029.43	-2143.42

Other notes:

None

(4). Significant restrictions on the use of business group assets and the repayment of business group debts

" Applicable" " Not applicable"

(5). Financial or support provided to structured entities included in the scope of consolidated financial statements

" Applicable" " Not applicable"

Other notes:

" Applicable" " Not applicable"

2. Transactions where the controlling interests in subsidiaries are maintained after the share of owner's equity changes

" Applicable" " Not applicable"

(1). Explanations on changes in share in owners' equity of the subsidiaries

" Applicable" " Not applicable"

Subsidiary	Date of change	Holding proportion before change (%)	Holding proportion after change (%)
Zhumadian Hangcha Forklift Co., Ltd.	February 2024	35.00	39.58
Hangzhou Hangcha Aerial Equipment Co., Ltd.	June 2024	51.58	67.00
Hangcha Group Leasing Co., Ltd.	August 2024	93.46	95.64
Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd.	July 2024	63.70	60.87

(2). Impact of transactions on non-controlling shareholders' equity and owner's equity attributable to the parent company

" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

	Zhumadian Hangcha Forklift Co., Ltd.	Hangzhou Hangcha Aerial Equipment Co., Ltd.	Hangcha Group Leasing Co., Ltd.
Cost of purchase/consideration of disposal			
-- Cash	118800.00	31548660.00	155000000.00
-- Fair value of non-cash assets			
Total cost of purchase/consideration of disposal	118800.00	31548660.00	155000000.00
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired/disposed of	101548.87	33139506.55	155098065.37
Difference	17251.13	-1590846.55	-98065.37
Including: Adjustment to the capital reserve	17251.13	-1590846.55	-98065.37
Adjustment to the surplus reserve			
Adjustment to the undistributed profits			

	Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd.
Cost of purchase/consideration of disposal	
-- Cash	2519000.00

-- Fair value of non-cash assets	
Total cost of purchase/consideration of disposal	2519000.00
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired/disposed of	2487479.11
Difference	31520.89
Including: Adjustment to the capital reserve	31520.89
Adjustment to the surplus reserve	
Adjustment to the undistributed profits	

Other notes:

Applicable" Not applicable"

3. Interests in joint ventures or associates

(1). Applicable" Not applicable"

(1). Material joint ventures or associates

Applicable" Not applicable"

Joint venture or associated enterprise	Principal operating locations	Place of registration	Nature of business	Holding proportion (%)		Accounting treatment method applied to investment in the joint venture or associated enterprise
				Direct	Indirect	
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Hangzhou, Zhejiang province	Hangzhou, Zhejiang province	Business services	27.8571		Equity method accounting

Notes on inconsistency between the shareholding proportion and the vote proportion in a joint venture or associated enterprise:

None

Basis for imposing significant influence despite holding less than 20% of votes or imposing no significant influence despite holding more than 20% or more votes:

None

(2). Key financial information of material joint ventures

Applicable" Not applicable"

(3). Key financial information of significant joint ventures

Applicable" Not applicable"

Unit: Ten thousand yuan Currency: CNY

	Closing balance/accrued amount in the current period	Opening balance/accrued amount in the previous period
	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.

Current assets	2176705.08	1855834.93
Non-current assets	2511870.32	2323629.66
Total assets	4688575.40	4179464.59
Current liabilities	2253119.75	2092263.42
Non-current liabilities	606179.15	554730.87
Total liabilities	2859298.90	2646994.29
Non-controlling interest	1094165.04	932838.10
Shareholders' equity attributable to the parent company	735111.45	599632.19
Share of net assets calculated based on the holding proportion	204780.73	167040.14
Adjustments		
-- Goodwill		
-- Unrealized profits of internal transactions		
-- Others		
Book value of equity investment in associated enterprises	204780.73	167040.14
Fair value of equity investments in associated enterprises with publicly quoted prices		
Operating income	3925480.99	3525225.46
Net profit	317343.21	242747.40
Net profits of discontinued operations		
Other comprehensive income	15743.54	15236.05
Total comprehensive income	333086.75	257983.45
Dividends from associated enterprises received in the year		

Other notes:

None

(4). Summary of financial information on insignificant joint ventures and associated enterprises

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

	Closing balance/accrued amount in the current period	Opening balance/accrued amount in the previous period
Associates:		
Total book value of investment		
Total of following items calculated by based on the holding proportion		
-- Net profits		
-- Other comprehensive income		
-- Total comprehensive income		
Joint ventures:		
Total book value of investment	310429131.43	306668820.75
Total of following items calculated by based on the holding proportion		
-- Net profits	31415327.75	29122993.40
-- Other comprehensive income	50438.88	53896.03

-- Total comprehensive income	31465766.63	29176889.43
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Other notes:

None

(5). Notes on significant limitations on the ability of joint ventures and associated enterprises to transfer funds to the Company

Applicable" Not applicable"

(6). Excess loss incurred by joint ventures or associated enterprises

Applicable" Not applicable"

(7). Unrecognized commitments related to investments in joint venture

Applicable" Not applicable"

(8). Contingent liabilities related to investments in joint ventures or associated enterprises

Applicable" Not applicable"

4. Material joint operations

Applicable" Not applicable"

5. Equity in structured entities included in the scope of consolidated financial statements

Notes on structured entities not included in the scope of consolidated financial statements:

Applicable" Not applicable"

6. Other

Applicable" Not applicable"

XI. Government grants

1. Government grants recognized at the amount receivable at the end of the reporting period

Applicable" Not applicable"

Reasons for not receiving the expected amount of government grants at the anticipated time

Applicable" Not applicable"

2. Liability items related to government grants

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Financial statement item	Opening balance	Increase amounts in grants during the period	Non-operating revenues recorded in the period	Transferred to other income in the current period	Other Changes for the Current Period	Closing balance	Related to assets/income
Deferred income	51276691.30	53475718.28		11324835.06		93427574.52	Related to assets
Deferred income	2885000.00			2885000.00			Related to income
Total Amount	54161691.30	53475718.28		14209835.06		93427574.52	/

3. Government grants included in current gains and losses:

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Type	Jan.-Sept. 2023	Jan.-Sept. 2022
Related to assets	11324835.06	7673344.91
Related to income	52970369.02	46921459.76
Total Amount	64295204.08	54594804.67

Other notes:

None

XII. Risks associated with financial instruments**1. Risks arising from financial instruments**

"√ Applicable" "□ Not applicable"

The Company's objective for managing risks associated with financial instruments is to balance risk and return, minimize the negative impact of risks on the Company's operating results, and maximize returns for shareholders and other equity investors. According to the risk management objective, the Company has developed a basic risk management strategy to identify and analyze the various risks faced by the Company, establish appropriate risk tolerance thresholds and risk controls, and monitor risks in a timely and reliable manner, keeping them within predefined limits.

In its daily activities, the Company faces various risks associated with financial instruments, primarily including credit, liquidity and market risks. The management has reviewed and approved policies for managing these risks, summarized below.

(I) Credit risks

Credit risk refers the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

1. Credit risk management practices**(1) Credit risk evaluation methods**

The Company evaluates at each balance sheet date whether the credit risks of relevant financial instruments have increased significantly since their initial recognition. When determining whether credit risks have increased significantly since their initial recognition, the Company considers reasonable and supported information that is available without unnecessary extra cost or effort, including qualitative and quantitative analyses based on historical data, external credit risk ratings and forward-looking information. The Company evaluates financial instruments either individually or collectively under similar credit risk characteristics, by comparing the risk of default occurring at the balance sheet date with the risk of default at initial recognition, to determine changes in the risk of default over the expected life of the financial instrument.

The Company considers that the credit risk of a financial instrument has increased significantly when one or more of the following quantitative or qualitative criteria are triggered:

- 1) As the main quantitative criterion, the probability of default in the remaining term on the balance sheet date has increased by over a certain percentage compared to that in the initial recognition;
- 2) As the main qualitative criteria, significant adverse changes appear in the operational or financial situation of debtors, or existing or anticipated changes in the technological, market, economic or legal environment would have a significant adverse effect on debtors' ability to meet their obligations to the Company, etc.

(2) Definition of default and credit-impaired assets

The Company defines a financial asset as in default when one or more of the following conditions are met, which are consistent with the definition of credit-impaired assets:

- 1) The debtor faces significant financial difficulty;
- 2) The debtor breaches contractual covenants binding on the debtor;
- 3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;
- 4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk. The Company develops a model of the probability of default, loss rate of default, and exposure to default risk on the basis of quantitative analysis of historical data (e.g. counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. For details on the reconciliation statement between the opening balance and the closing balance of provision for losses of financial instruments, please refer to the explanations in 7.4, 7.5, 7.6, 7.9, 7.13, and 7.16 under Section X Financial Reports.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to monetary funds and receivables. In order to control such risks, the Company has taken the following measures.

(1) Monetary funds

The Company deposits its bank balances and other monetary funds in financial institutions with a relatively high credit rating, and therefore its credit risk is relatively low.

(2) Receivables and contract assets

The Company performs credit assessment on customers using credit settlement on a continuous basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on balance of receivables, to avoid significant risks in bad debts.

For domestic customers, the Company has differentiated credit policies for different customers. For general customers, payment-before-delivery or payment-upon-acceptance-after-delivery terms are primarily adopted; for the bidding customers and key accounts, payment in installments through negotiation is applied (with the final payment and warranty retention money generally not exceeding one year); for network partners, payment in advance is mainly used (except for special circumstances); and

for large foreign trade companies or large enterprises, certain businesses are settled by means of the bank acceptance bills.

For foreign customers, the Company primarily applies the methods of payment including L/C (letter of credit), T/T (telegraphic transfer) and O/A (open account). The Company adopts different methods of payment and extends credit periods ranging from 30 to 180 days based on factors such as customer relationship and credit status. 1) In the case of 10% deposit + L/C, According to the company's credit policy, the Company only accepts L/C issued or confirmed by banks banks that maintain correspondent relationships with its settlement bank; 2) in the case of 10 - 30% deposit + balance by T/T after the B/L date with document release after full payment receipt, the Company has an internal credit rating system for foreign customers, and adopts payment-before-delivery terms for customers with records of payment delays or those from regions with politically/economically unstable conditions; 3) in the case of O/A as the method of payment for customers , after receiving a deposit of 10% - 20% in advance, the Company require purchasing export credit insurance from China Export & Credit Insurance Corporation (Sinosure) and manage it in strict compliance with the requirements of Sinosure. It is agreed in the insurance policy that Sinosure provides 70% - 90% coverage for various risks including bankruptcy of the buyer, default of payment for goods, rejection of goods, or political factors, yet the occurrence of bad debts cannot be completely prevented. For customers who have a close cooperative relationship with the Company (in the case of OEM projects) but have not taken out insurance, the accounts receivable generated from the Company's export sales are subject to risks such as irrecoverable or overdue.

Since the exposure to risks of the Company's accounts receivable is distributed among multiple partners and customers, as of December 31, 2024, 1the Company's accounts receivable and contract assets attributable to the top five customers by balance accounted for 12.04% (December 31, 2023: 11.85%), and the Company does not have significant credit concentration risk.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset at the balance sheet.

(II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement. Liquidity risk is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparties of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company comprehensively utilized financing tools such as notes settlement, bank borrowings, etc. and adopts long-term and short-term financing methods to optimize financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks to meet working capital requirements and expenditures.

Financial liabilities classified based on remaining time period till maturity

Item	Closing balance				
	Book value	Contract amount not yet discounted	Within 1 year	1-3 years	More than 3 years

Bank borrowings	986848350.40	1005274244.55	946238488.97	25757913.20	33277842.38
Derivative financial liabilities	366815.63	366815.63	366815.63		
Notes payable	881330175.61	881330175.61	881330175.61		
Accounts payable	2565134276.77	2565134276.77	2565134276.77		
Other payables	86678278.91	86678278.91	86678278.91		
Lease liabilities due within one year	29409865.55	29409865.55	29409865.55		
Lease liabilities	143909897.42	167546602.21		64767450.64	102779151.57
Long-term payables	4578954.00	4578954.00	4578954.00		
Subtotal	4698256614.29	4740319213.23	4513736855.44	90525363.84	136056993.95

(Continued)

Item	Opening balance				
	Book value	Contract amount not yet discounted	Within 1 year	1-3 years	More than 3 years
Bank borrowings	927842373.02	937708126.97	937708126.97		
Derivative financial liabilities	3911.26	3911.26	3911.26		
Notes payable	575292393.95	575292393.95	575292393.95		
Accounts payable	2048474699.62	2048474699.62	2048474699.62		
Other payables	85131164.62	85131164.62	85131164.62		
Non-current liabilities due within one year	25913389.64	25913389.64	25913389.64		
Lease liabilities	74459998.09	84411996.88		36282441.62	48129555.26
Long-term payables	4578954.00	4578954.00	4578954.00		
Subtotal	3741696884.20	3761514636.94	3677102640.06	36282441.62	48129555.26

(III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market price. Market risk mainly includes interest risk and foreign currency risk.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market interest. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating-rate financial instruments. The Company determines the proportion of fixed-rate financial instruments and

floating-rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and monitoring.

2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company's foreign currency risk relates mainly to foreign currency monetary funds and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, the Company may trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

For details on the Company's monetary assets and liabilities denominated in foreign currencies at the end of the period, please refer to 7.81 monetary items denominated in foreign currency under Section X Financial Reports.

2. Hedging

(1) The Company undertakes hedging activities for risk management purposes

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

(2) The Company undertakes eligible hedging activities and applies hedge accounting

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

(3) The Company undertakes hedging activities for risk management purposes and is expected to achieve risk management objective but has not applied hedging accounting

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

3. Transfer of financial assets

(1) Classification of methods of transfer

Applicable" Not applicable"

(2) Financial assets de-recognized due to transfer

Applicable" Not applicable"

(3) Continued involvement in transferred financial assets

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

XIII. Disclosures of fair value**1、 Fair value of assets and liabilities at fair value at the balance sheet date**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Fair value as of the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total Amount
I. Continuing fair value measurement				
(I) Trading financial assets			106325954.95	106325954.95
1. Financial assets at fair value through current profit or loss			106325954.95	106325954.95
(1) Investment in debt instruments				
(2) Investment in equity instruments			26325621.62	26325621.62
(3) Derivative financial assets				
(4) Wealth management products			80000333.33	80000333.33
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
3. Receivables financing			282597817.02	282597817.02
(II) Other debt investments				
(III) Investments in other equity instruments				
(IV) Investment Property				
1. Land use rights for lease				
2. Buildings leased				
3. Land use rights held for transfer after appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
Total assets continuously measured at fair value			388923771.97	388923771.97
(VI) Trading financial assets				
1) Financial liabilities at fair value through current gains/losses				
Including: Bonds held for trading issued				
Derivative financial liabilities	366815.63			366815.63

Other				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities measured at fair value on a continuing basis	366815.63			366815.63
II. Non-continuing 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 level 1 fair value at recurring and non-recurring fair measurement

Applicable" Not applicable"

The derivative financial liabilities of Company at the end of the period are foreign exchange forward contracts that have not yet expired, and their fair value is determined based on the forward rate quoted by the financial institutions at the end of the period as determined by the remaining delivery period.

3. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 2 fair value at recurring and non-recurring fair measurement

Applicable" Not applicable"

4. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair measurement

Applicable" Not applicable"

The cost is used as the best estimate of fair value for all wealth management products purchased by the Company and equity investments that do not constitute control or significant influence.

The receivables financing held by the Company is a bank acceptance bill, and its fair value is determined at the face value.

5. Continuous third level fair value measurement items, adjustment information between opening balance and closing balance and sensitivity analysis of the non-observable parameter

Applicable" Not applicable"

6. Continuous fair value measurement items, the reasons for conversion and the policy for conversion time determination if the conversion occurs between different levels during current period

Applicable" Not applicable"

7. Valuation techniques changing and its reason in current period

Applicable" Not applicable"

8. The fair value of financial assets and financial liabilities not measured with fair value.

Applicable" Not applicable"

9. Other

Applicable" Not applicable"

XIV. Related parties and related-party transactions**1. Parent company of the Company**

Applicable" Not applicable"

Unit: Ten thousand yuan Currency: CNY

Parent company	Place of registration	Nature of business	Registered capital	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
Zhejiang Hangcha Holding Co., Ltd	Hangzhou, Zhejiang province	Industrial investment	8908	41.34	41.34

Information on the parent company

Zhejiang Hangcha Holding Co., Ltd. (formerly Zhejiang Hangcha Group Co., Ltd.) was jointly established by 703 natural person shareholders including Chen Dansheng and Jin Bolin. It was registered with Zhejiang Administration for Industry and Commerce on January 23, 2003, and now holds a business license with the unified social credit code 91330000747006398M. After a series of capital increases and shares transfers, as of December 31, 2024, Zhejiang Hangcha Holding Co., Ltd. Had a registered capital of RMB 89,080,000.00, of which GreatStar Holding Group Co., Ltd. (hereinafter referred to as "GreatStar Group") contributed RMB 70,351,544.00, accounting for 78.98% of the registered capital.; Hangzhou GreatStar Industrial Co., Ltd. (hereinafter referred to as "GreatStar Industrial") contributed RMB 17,816,000.00, accounting for 20.00% of the registered capital; seven natural person shareholders including contributed RMB 912,456.00, accounting for 1.02% of the registered capital.

Business scope of the parent company: industrial investment, development, property management and premises leasing.

The Company's ultimate controlling party is Qiu Jianping.

Other notes:

GreatStar Group holds 78.98% shares of Zhejiang Hangcha Holding Co., Ltd. The Company is ultimately controlled by Qiu Jianping, a natural person, as he holds 85.60% shares of GreatStar Group.

2. Subsidiaries of the Company

For details on the subsidiaries of the Company, please refer to Notes

Applicable" Not applicable"

For details on the subsidiaries of the Company, please refer to "10. Interests in other entities under Section X Financial Reports".

3. Joint ventures and associates of the Company

For details on material joint ventures or associates of the Company, please refer to Notes

"√ Applicable" "□ Not applicable"

For details on material joint ventures or associates of the Company, please refer to “10. Interests in other entities under Section X Financial Reports”.

The information of other associates or joint ventures with related party transactions to the Company in current period or with existing balance with the Company in previous periods are as follows:

"√ Applicable" "□ Not applicable"

Associates/ joint ventures names	Relationship with the Company
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Joint ventures
Hangzhou Gangcun Transmission Co., Ltd.	Joint ventures
Changsha Zhongchuan Transmission Co., Ltd.	Joint ventures
HANGCHA SOUTHEAST ASIA CO., LTD.	Joint ventures
Henan Jiachen Intelligent Control Co., Ltd.	Joint ventures
Hangzhou Pengcheng New Energy Technology Co., Ltd.	Joint ventures
Shenyang Hangcha Lift Truck Sales Co., Ltd.	Joint ventures
Taiyuan Hangcha Lift Truck Co., Ltd.	Joint ventures
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Joint ventures
Nanjing Hangcha Logistics Equipment Co., Ltd.	Joint ventures
Changsha Hangcha Forklift Sales Co., Ltd.	Joint ventures
Nanchang Hangcha Forklift Co., Ltd.	Joint ventures
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	Joint ventures
Yunnan Hangcha Lift Truck Co., Ltd.	Joint ventures

Other notes:

"□ Applicable" "√ Not applicable"

4. Other related parties

"√ Applicable" "□ Not applicable"

Other related parties	Relationships with the Company
Hangzhou GreatStar Industrial Co., Ltd.	Same actual controller and shareholder of the parent company
Hangzhou Great Star Hardware Tools Co., Ltd.	Same actual controller
Hangzhou GreatStar Tools Co., Ltd.	Same actual controller
Zhejiang GreatStar Tools Co., Ltd.	Same actual controller
Hangzhou Lianhe Tools Manufacturing Co., Ltd.	Same actual controller
Hangzhou Lianhe Electric Manufacturing Co., Ltd.	Same actual controller
Zhejiang Xinchai Co., Ltd.	Same actual controller
Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	Same actual controller
Zhejiang Guozi Robotics Co., Ltd.	Same actual controller
Zhongce Rubber Group Company Limited	Same actual controller
Haining GreatStar Intelligent Equipment Co., Ltd.	Same actual controller
Hangzhou Ole-Systems Co., Ltd.	Same actual controller
Zhongshan Geelong Industry Co., Ltd.	Same actual controller
Zhongshan Geelong Import and Export Trading Co., Ltd.	Same actual controller
Zhongce Rubber (Tianjin) Co., Ltd.	Same actual controller
Zhilun (Hangzhou) Technology Co., Ltd.	Same actual controller
Zhejiang Shiwanke Electrical Appliance Co., Ltd.	Same actual controller
Wuhu Xinchai Prestolite Power Technology Co., Ltd.	Same actual controller

Hangzhou Haichao Rubber Co., Ltd.	Same actual controller
HONGKONG GREATSTAR INTERNATIONAL CO., LIMITED	Same actual controller
Hangzhou Zhongce Qiantang Industrial Co., Ltd.	Same actual controller
Hangzhou United Tools Co., Ltd.	Same actual controller
Hangzhou CIEC Group Co., Ltd.	Subsidiary of shareholders holding more than 5% of shares
Zhejiang CIEC Zhongbang Supply Chain Services Co., Ltd.	Subsidiary of shareholders holding more than 5% of shares
Hangzhou CIEC Logistics Technology Co., Ltd.	Subsidiary of shareholders holding more than 5% of shares
Zhejiang Hanghua New Material Technology Co., Ltd.	Subsidiary of shareholders holding more than 5% of shares

Other notes:
None

5. Related-party transactions

(1). Related party transactions for purchase and sale of goods, rendering and acceptance of labor services

Purchase of goods and receiving of services
"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Related parties	Content of transaction	Jan.-Sept. 2023	Approved transaction limit (if applicable)	Above the transaction limit or not (if applicable)	Jan.-Sept. 2022
Zhejiang Xinchai Co., Ltd.	Purchase of goods	693767822.38			757439987.18
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Purchase of goods	474542736.91			434758460.12
Hangzhou Pengcheng New Energy Technology Co., Ltd.	Purchase of goods	288096519.40			451575582.00
Zhongce Rubber Group Company Limited	Purchase of goods	225389548.08			232898101.46
Hangzhou CIEC Group Co., Ltd.	Purchase of goods	205805051.59			118305230.64
Henan Jiachen Intelligent Control Co., Ltd.	Purchase of goods	160853142.39			168156418.65
Changsha Zhongchuan Transmission Co., Ltd.	Purchase of goods	62375836.66			61083185.69
Hangzhou Gangcun Transmission Co., Ltd.	Purchase of goods	50867070.60			78349708.61
Zhejiang Guozi Robotics Co., Ltd.	Purchase of goods	28733710.97			6873506.38
Zhejiang CIEC Zhongbang Supply Chain Services Co., Ltd.	Purchase of goods	18817915.86			44986356.15

Hangzhou Great Star Hardware Tools Co., Ltd.	Purchase of goods	11893990.10			12855935.71
Hangzhou GreatStar Industrial Co., Ltd.	Purchase of goods	3339390.88			3874607.18
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	Purchase of goods	3393172.04			6107292.04
Changsha Hangcha Forklift Sales Co., Ltd.	Purchase of goods	2587209.42			3791685.30
Hangzhou Ole-Systems Co., Ltd.	Purchase of goods	2230442.40			2148008.87
Nanchang Hangcha Forklift Co., Ltd.	Purchase of goods	2294289.50			3495104.42
Shenyang Hangcha Lift Truck Sales Co., Ltd.	Purchase of goods	1848707.08			3863267.26
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Purchase of goods	1688441.88			2017783.12
Hangzhou CIEC Logistics Technology Co., Ltd.	Purchase of goods	1387821.52			684537.91
Nanjing Hangcha Logistics Equipment Co., Ltd.	Purchase of goods	1231645.13			1722657.52
Yunnan Hangcha Lift Truck Co., Ltd.	Purchase of goods	971442.48			1458982.30
Taiyuan Hangcha Lift Truck Co., Ltd.	Purchase of goods	249740.18			719392.72
Wuhu Xinchai Prestolite Power Technology Co., Ltd.	Purchase of goods	77506.19			
Zhilun (Hangzhou) Technology Co., Ltd.	Purchase of goods				6814.23
Hangzhou GreatStar Sheffield Trading Co., Ltd.	Purchase of goods	56637.17			
Subtotal		2242499790.81			2397172605.46

Sale of goods and rendering of services
 Applicable" Not applicable"

Unit: Yuan Currency: CNY

Related parties	Content of transaction	Jan.-Sept. 2023	Jan.-Sept. 2022
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Forklifts, parts and materials, etc.	128752215.79	183704034.49
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	Forklifts, parts and materials, etc.	108205261.79	127395107.02
Taiyuan Hangcha Lift Truck Co., Ltd.	Forklifts, parts and materials, etc.	87048499.59	123138042.53
Nanchang Hangcha Forklift Co., Ltd.	Forklifts, parts and materials, etc.	82418883.57	118531289.27
Changsha Hangcha Forklift Sales Co., Ltd.	Forklift and spare parts	79412051.33	79604156.65
Shenyang Hangcha Lift Truck Sales Co., Ltd.	Forklifts, parts and materials, etc.	76560427.72	82806015.81
Yunnan Hangcha Lift Truck Co., Ltd.	Forklifts, parts and materials, etc.	75956436.93	83093944.32

Nanjing Hangcha Logistics Equipment Co., Ltd.	Forklifts, parts, etc.	71887599.18	118138986.02
Zhongce Rubber Group Company Limited	Forklifts, parts, etc.	65629518.15	13240796.46
Zhejiang Guozi Robotics Co., Ltd.	Forklifts, parts, etc.	62304018.10	84569139.01
Haining GreatStar Intelligent Equipment Co., Ltd.	Forklifts, parts, etc.	16825452.23	26551265.49
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Forklifts, parts and materials, etc.	9026392.39	7908059.75
Hangzhou Pengcheng New Energy Technology Co., Ltd.	Forklifts, parts and materials, etc.	7198036.85	23040618.85
Hangzhou GreatStar Industrial Co., Ltd.	Forklifts, parts, etc.	6562811.35	3334407.92
Hangzhou Gangcun Transmission Co., Ltd.	Forklifts, parts, etc.	1528943.74	192915.19
Changsha Zhongchuan Transmission Co., Ltd.	Forklifts, parts, etc.	1166030.20	2724371.42
Zhejiang Xinchai Co., Ltd.	Forklifts, parts, etc.	1121627.44	833965.95
Zhejiang GreatStar Tools Co., Ltd.	Forklifts, parts, etc.	312212.05	104879.69
Zhongshan Geelong Import and Export Trading Co., Ltd.	Spare parts	167582.34	190862.83
Hangzhou Great Star Hardware Tools Co., Ltd.	Parts, materials, etc.	114046.90	20163.73
Zhongshan Geelong Industry Co., Ltd.	Forklifts, parts, etc.	111066.44	3991.15
Henan Jiachen Intelligent Control Co., Ltd.	Forklifts, parts and materials, etc.	67028.96	59869.36
Hangzhou United Tools Co., Ltd.	Forklifts, parts, etc.	54960.40	
Zhejiang Shiwanke Electrical Appliance Co., Ltd.	Forklifts, parts, etc.	29661.46	29380.53
Hangzhou Lianhe Tools Manufacturing Co., Ltd.	Parts, materials, etc.	28542.47	2438.94
Wuhu Xinchai Prestolite Power Technology Co., Ltd.	Spare parts	19954.68	
Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	Spare parts	1557.53	27345.13
Hangzhou GreatStar Tools Co., Ltd.	Spare parts	1485.84	
Hangzhou CIEC Group Co., Ltd.	Material		91677777.26
HANGCHA SOUTHEAST ASIA CO., LTD.	Forklift		24385413.11
Zhejiang CIEC Zhongbang Supply Chain Services Co., Ltd.	Forklifts, parts, etc.		6957725.42
Zhongce Rubber (Tianjin) Co., Ltd.	Forklifts, parts and materials, etc.		539757.55
Hangzhou Haichao Rubber Co., Ltd.	Forklifts, parts and materials, etc.		118267.26
Zhejiang Hanghua New Material Technology Co., Ltd.	Forklifts, parts, etc.		51769.91
HONGKONG GREATSTAR INTERNATIONAL CO., LIMITED	Forklifts, parts and materials, etc.		17608.77
Hangzhou Lianhe Electric Manufacturing Co., Ltd.	Spare parts		9884.07
Subtotal		882512305.42	1203004250.86

Note on purchase and sale of goods, rendering and receiving of services
 Applicable" Not applicable"

(2). Situation for related entrusted management/contracting and entrusting management/subcontracting

The situation for entrusted management/contracting

Applicable Not applicable

Notes for related entrusting/contracting situation

Applicable Not applicable

Table of entrusted management/subcontracting:

Applicable Not applicable

Notes for related management/subcontracting

Applicable Not applicable

(3). Related-party leases

The Company as the lessor:

Applicable Not applicable

Unit: Yuan Currency: CNY

Lessees	Types of asset leased	Lease income recognized for current period	Lease income recognized for previous period
Hangzhou Gangeun Transmission Co., Ltd.	Buildings	3397373.51	1935360.00
Hangzhou Pengcheng New Energy Technology Co., Ltd.	Buildings	595809.55	1527771.48
Changsha Hangcha Forklift Sales Co., Ltd.	Buildings	543577.98	317087.16
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	Buildings	481440.23	641887.94
Nanchang Hangcha Forklift Co., Ltd.	Transportation facilities	78584.07	85132.71
Henan Jiachen Intelligent Control Co., Ltd.	Transportation facilities	52662.86	52662.86
Zhongshan Geelong Import and Export Trading Co., Ltd.	Transportation facilities	47566.38	
Nanjing Hangcha Logistics Equipment Co., Ltd.	Transportation facilities	9845.06	52211.44
Shenyang Hangcha Lift Truck Sales Co., Ltd.	Transportation facilities	7848.11	390983.86
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Buildings		298628.57
Taiyuan Hangcha Lift Truck Co., Ltd.	Transportation facilities		56371.77
Yunnan Hangcha Lift Truck Co., Ltd.	Transportation facilities		50814.06
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	Transportation facilities		41405.97
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Transportation facilities		23446.92
Hangzhou GreatStar Industrial Co., Ltd.	Transportation facilities		7244.20

The Company as the lessee:

Applicable" Not applicable"

Notes for related party leases

Applicable" Not applicable"

(4). Related-party guarantees

The Company as the guarantor

Applicable" Not applicable"

The Company as the guaranteed party

Applicable" Not applicable"

Notes for related party guarantee

Applicable" Not applicable"

(5). Borrowings from related parties

Applicable" Not applicable"

(6). Transfer of assets and debt restructuring of related parties

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Related parties	Content of transaction	Jan.-Sept. 2023	Jan.-Sept. 2022
		Zhejiang Guozi Robotics Co., Ltd.	Acquisition of subsidiaries

(7). Key management's emoluments

Applicable" Not applicable"

Unit: Ten thousand yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Key management's emoluments	1666.60	1595.30

(8). Other related-party transactions

Applicable" Not applicable"

6. Unsettled items such as receivables from and payables to related parties

(1). Receivables

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item Name	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	Zhejiang Guozi Robotics Co., Ltd.	51148715.85	2557435.79	780000.00	39000.00
	Shenyang Hangcha Lift Truck Sales Co., Ltd.	9541312.49	477065.62	5773324.34	288666.22
	Haining GreatStar	7602689.00	380134.45		

	Intelligent Equipment Co., Ltd.				
	Zhongce Rubber Group Company Limited	5376023.25	268801.16		
	Hangzhou GreatStar Industrial Co., Ltd.	2923806.00	146190.30	1197371.00	58868.55
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	2739510.61	136975.53	9587777.39	479388.87
	Nanjing Hangcha Logistics Equipment Co., Ltd.	1211939.35	60596.97		
	Taiyuan Hangcha Lift Truck Co., Ltd.	1089621.70	54481.09	945129.28	47256.46
	Zhejiang Huachang Hydraulic Machinery Co., Ltd.	768659.67	38432.98		
	Henan Jiachen Intelligent Control Co., Ltd.	612512.53	30625.63		
	Changsha Zhongchuan Transmission Co., Ltd.	565273.01	28263.65	1103548.02	55177.40
	Changsha Hangcha Forklift Sales Co., Ltd.	165977.00	8298.85		
	Nanchang Hangcha Forklift Co., Ltd.	55659.60	2782.98		
	Shijiazhuang Hangcha Forklift Sales Co., Ltd.	33570.00	1678.50		
	Zhejiang GreatStar Tools Co., Ltd.	33326.00	1666.30	7198.00	359.90
	Hangzhou Gangcun Transmission Co., Ltd.	28200.00	1410.00		
	Hangzhou United Tools Co., Ltd.	9994.37	499.72		
	Hangzhou Great Star Hardware Tools Co., Ltd.	6078.00	303.90	1519.00	75.95
	Wuhu Xinchai Prestolite Power Technology Co., Ltd.	3775.80	188.79		
	Hangzhou Lianhe Tools Manufacturing Co., Ltd.	2948.00	147.40	403.54	20.18
	HANGCHA SOUTHEAST ASIA CO., LTD.			9737162.47	486858.12
	Hangzhou Haichao Rubber Co., Ltd.			133642.00	6682.10
	Zhongce Rubber (Tianjin) Co., Ltd.			109356.10	5467.81
	Zhongshan Geelong Import and Export Trading Co., Ltd.			64160.00	3208.00
	Hangzhou GreatStar Tools Co., Ltd.			60000.00	6000.00
	Zhejiang Xinchai Co., Ltd.			20922.00	1046.10
	Hangzhou Lianhe Electric Manufacturing Co., Ltd.			9014.00	450.70
Subtotal		83919592.23	4195979.61	29530527.14	1478526.36

Contract assets					
	Zhongce Rubber Group Company Limited	7222000.00	361100.00		
	Zhejiang Xinchai Co., Ltd.	138000.00	13800.00	138000.00	6900.00
	Hangzhou Pengcheng New Energy Technology Co., Ltd.			1810000.00	90500.00
	Zhejiang Guozi Robotics Co., Ltd.			390000.00	19500.00
Subtotal		7360000.00	374900.00	2338000.00	116900.00
Advances paid					
	Hangzhou CIEC Group Co., Ltd.	33712332.59			
	Changsha Zhongchuan Transmission Co., Ltd.	1999731.53			
	Henan Jiachen Intelligent Control Co., Ltd.	123893.81			
	Zhejiang Huachang Hydraulic Machinery Co., Ltd.	103552.76		651002.14	
	Hangzhou Gangcun Transmission Co., Ltd.	30000.00			
	Hangzhou GreatStar Industrial Co., Ltd.	5420.00			
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	4700.00			
	Zhejiang CIEC Zhongbang Supply Chain Services Co., Ltd.			7577154.54	
	Zhejiang Xinchai Co., Ltd.			23800.00	
Subtotal		35979630.69		8251956.68	
Long-term receivables	Shenyang Hangcha Lift Truck Sales Co., Ltd.	53708.77	537.09	112056.74	1120.57
	Nanjing Hangcha Logistics Equipment Co., Ltd.			84539.34	845.39
Subtotal		53708.77	537.09	196596.08	1965.96
Other receivables					
	Hangzhou Zhongce Qiantang Industrial Co., Ltd.	20000.00	1000.00		
Subtotal		20000.00	1000.00		
Non-current assets due within one year					
	Chongqing Hangcha Forklift Truck Sales Co., Ltd.	156107.36	1561.07		
	Nanjing Hangcha Logistics Equipment Co., Ltd.	84537.63	845.38	185453.23	1854.53

	Shenyang Hangcha Lift Truck Sales Co., Ltd.	61239.79	612.40	58007.88	580.08
Subtotal		301884.78	3018.85	243461.11	2434.61

(2). Payables

"√ Applicable" "□ Not applicable"

		Unit: Yuan Currency: CNY	
Item Name	Related parties	Closing book balance	Opening book balance
Accounts payable			
	Zhejiang Huachang Hydraulic Machinery Co., Ltd.	66697577.62	45803045.07
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	32809300.38	54654006.07
	Henan Jiachen Intelligent Control Co., Ltd.	19964585.27	7976078.77
	Zhongce Rubber Group Company Limited	18360819.60	16192695.38
	Zhejiang Xinchai Co., Ltd.	13084796.88	15146581.45
	Hangzhou Gangcun Transmission Co., Ltd.	9425701.90	2407049.34
	Zhejiang Guozi Robotics Co., Ltd.	4528741.58	
	Hangzhou Great Star Hardware Tools Co., Ltd.	1530906.47	1258686.03
	Hangzhou Ole-Systems Co., Ltd.	446000.00	872000.00
	Wuhu Xinchai Prestolite Power Technology Co., Ltd.	188518.54	6590.98
	Hangzhou GreatStar Industrial Co., Ltd.	94199.87	82857.38
	Taiyuan Hangcha Lift Truck Co., Ltd.	4360.00	
	Changsha Zhongchuan Transmission Co., Ltd.		5079858.74
	Hangzhou CIEC Logistics Technology Co., Ltd.		62571.85
	Nanjing Hangcha Logistics Equipment Co., Ltd.		1634.03
Subtotal		167135508.11	149543655.09
Notes payable			
	Henan Jiachen Intelligent Control Co., Ltd.	2880.00	
Subtotal		2880.00	
Advances received			
	Nanjing Hangcha Logistics Equipment Co., Ltd.		1747.79
Subtotal			1747.79
Contractual liabilities			
	Zhejiang Guozi Robotics Co., Ltd.	950202.59	
	Changsha Hangcha Forklift Sales Co., Ltd.	6011814.95	3371691.56
	Nanchang Hangcha Forklift Co., Ltd.	5121515.66	3816410.41
	Shijiazhuang Hangcha Forklift Sales Co., Ltd.	4025659.04	6124517.76
	Chongqing Hangcha Forklift Truck Sales Co., Ltd.	3742296.90	
	Zhongce Rubber Group Company Limited	273900.00	
	Yunnan Hangcha Lift Truck Co., Ltd.	170997.75	
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	65262.21	
	Zhejiang Xinchai Co., Ltd.	28700.00	18743.81

	Hangzhou United Tools Co., Ltd.	4869.43	
	Zhejiang GreatStar Tools Co., Ltd.	4500.00	3982.30
	Hangzhou Zhongce Qiantang Industrial Co., Ltd.		10730973.45
	Hangzhou GreatStar Industrial Co., Ltd.		2962831.86
	Nanjing Hangcha Logistics Equipment Co., Ltd.		104463.23
Subtotal		20399718.53	27133614.38
Other payables			
	Hangzhou Gangcun Transmission Co., Ltd.	155520.00	
	Shenyang Hangcha Lift Truck Sales Co., Ltd.	16464.00	
	Zhejiang Guozi Robotics Co., Ltd.	10595.13	
	Nanjing Hangcha Logistics Equipment Co., Ltd.	5000.00	
Subtotal		187579.13	

(3). Other items

Applicable" Not applicable"

7. Related-party commitments

Applicable" Not applicable"

8. Other

Applicable" Not applicable"

XV. Share-based payments

1. Equity instruments

Applicable" Not applicable"

Stock options or other equity instruments outstanding at the end of the period

Applicable" Not applicable"

2. Equity-settled share-based payments

Applicable" Not applicable"

3. Cash-settled share-based payments

Applicable" Not applicable"

4. Share-based payment expenses for the period

Applicable" Not applicable"

5. Modification or termination of share-based payments

Applicable" Not applicable"

6. Other

Applicable" Not applicable"

XVI. Commitments and contingencies

1. Material commitments

Applicable" Not applicable"

Material external commitments, nature and amount on the balance sheet date

As of the balance sheet date, the Company has no materials commitments to be disclosed.

2. Contingencies

(1). Important contingent matters as at the balance sheet date

Applicable" Not applicable"

As of the balance sheet date, the Company has no material contingencies to be disclosed.

(2). If the Company has no important contingent matters to disclose, a statement thereof shall be made

Applicable" Not applicable"

3. Other

Applicable" Not applicable"

XVII. Post balance sheet events

1. Material non-adjusting events

Applicable" Not applicable"

2. Profit distributions

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Profits or dividends to be distributed	654906024.50
Profits or dividends declared after consideration and approval	

The Company intends to distribute a cash dividend of RMB 5 (inclusive of tax) to all shareholders for every 10 shares based on the total share capital on the record date for equity distribution. As of April 17, 2025, based on the total share capital of 1,309,812,049 shares of the Company, the total cash dividend amount to be distributed is RMB654,906,024.50 (tax inclusive). If the total share capital of the Company changes during the record date for equity distribution, the distribution ratio per share will remain unchanged, and the total amount to be distributed will be adjusted accordingly. The profit distribution plan has been considered and approved at the 20th meeting of the 7th Board of Directors of the Company, and still needs to be submitted to the 2024 Annual General Meeting of Shareholders for deliberation.

3. Sales return

Applicable" Not applicable"

4. Other events after the balance sheet date

Applicable" Not applicable"

XVIII. Other significant events

1. Correction of accounting errors in prior period

(1). Retrospective restatement

Applicable" Not applicable"

(2). Prospective application

Applicable" Not applicable"

2. Significant debt restructuring

Applicable" Not applicable"

3. Assets Exchange

(1). Non-cash Assets Exchange

Applicable" Not applicable"

(2). Other assets Exchange

Applicable" Not applicable"

4. Annuity Plan

Applicable" Not applicable"

5. Discontinued operations

Applicable" Not applicable"

6. Segment information

(1). Determination basis and accounting policy of the reportable segments

Applicable" Not applicable"

The Company primarily engage in the production and sales of forklift products. The Company manages this business and evaluate its operating results as a whole. As a result, the Company is not required to disclose the information of its business segments. For details on the breakdown of the Company's revenue, please refer to Note 7(61) under Section X hereof.

(2). Financial information of reporting segments

Applicable" Not applicable"

(3). If the Company has no reporting segments or cannot disclose the total assets and liabilities of each reporting segments, the reasons shall be explained

Applicable" Not applicable"

(4). Other notes

Applicable" Not applicable"

7. Other important transactions and matters that can affect investor decision - making

" Applicable" " Not applicable"

8. Other

" Applicable" " Not applicable"

XIV. Notes to the Principal Items in the Financial Statements of the Parent Company

1. Accounts receivable

(1). Disclosure by ageing

" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Ageing	Closing book balance	Opening book balance
Within 1 year		
Including: Sub-item within one year		
Within 1 year	3102311741.58	1919739193.36
Subtotal within one year	3102311741.58	1919739193.36
1 to 2 years	95167063.73	67598837.64
2 to 3 years	4331505.00	2156259.50
More than 3 years		
3 to 4 years	1256863.56	2765842.15
4 to 5 years	602102.72	1203461.06
More than 5 years	4393144.13	4217331.18
Total Amount	3208062420.72	1997680924.89

(2). Disclosure of notes receivable by bad debt accrual method

" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value Value	Book balance		Provision for bad debts		Book value Value
	Amount	Percent age (%)	Amount	Percent age of Provisi on (%)		Amount	Percent age (%)	Amount	Percent age of Provisi on (%)	
Provisio n for bad debts made on an individu al basis	460024.00	0.01	460024.00	100.00		531024.00	0.03	531024.00	100.00	
Including:										
Provisio n made on a portfolio basis	320760239 6.72	99.99	17079434 8.22	5.32	303680804 8.50	199714990 0.89	99.97	10910018 0.07	5.46	188804972 0.82
Including:										
Ageing combinat ion	320760239 6.72	99.99	17079434 8.22	5.32	303680804 8.50	199714990 0.89	99.97	10910018 0.07	5.46	188804972 0.82
Total Amount	320806242 0.72	/	17125437 2.22	/	303680804 8.50	199768092 4.89	/	10963120 4.07	/	188804972 0.82

Provision for bad debts made on an individual basis:

" Applicable" " Not applicable"

Provision for bad debts by combination:

Applicable" Not applicable"

Items accrued in portfolio: Ageing combination

Unit: Yuan Currency: CNY

Item	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of Provision (%)
Within 1 year	3102311741.58	155115587.08	5.00
1-2 years	95167063.73	9516706.37	10.00
2-3 years	4331505.00	1299451.50	30.00
3-5 years	1858966.28	929483.14	50.00
More than 5 years	3933120.13	3933120.13	100.00
Total Amount	3207602396.72	170794348.22	5.32

Description of the provision for bad debts by portfolio:

Applicable" Not applicable"

Provision for bad debts using the general model for expected credit losses.

Applicable" Not applicable"

Basis for Classification of Stages and Provision Rate for Bad Debts

None

Description of significant changes in carrying amount of accounts receivable with provision for bad debts during the period

Applicable" Not applicable"

(3). Provision for bad debts

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Category	Opening balance	Amount of change during the period				Closing balance
		Make provision	Recovery or reversal	Write-off or Cancellation	Other changes	
Provision for Individual bad debt	531024.00			71000.00		460024.00
Provision made on a portfolio basis	109100180.07	62809615.07	10200.00	1105246.92		170794348.22
Total Amount	109631204.07	62809615.07	10200.00	1176246.92		171254372.22

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:

Applicable" Not applicable"

Other notes:

None

(4). Accounts receivable actually written off during the current period

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Amount written off
Accounts receivable actually written off	1176246.92

Of which significant accounts receivable write-offs:

"□ Applicable" "√ Not applicable"

Description of notes receivable write-off:

"□ Applicable" "√ Not applicable"

(5). Accounts receivable with top five closing balances grouped by party in default

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Unit name	Closing balance of accounts receivable	Ending Balance of Contract Assets	Total Ending Balance of Accounts Receivable and Contract Assets	Percentage of total accounts receivable and contract assets at the end of the period (%)	Closing balance of provision for bad debts
Customer One	1688052234.10		1688052234.10	52.35	84402611.71
Customer Two	367956639.02		367956639.02	11.41	18397831.95
Customer Three	334247506.00		334247506.00	10.37	16712375.30
Customer Four	186681877.50		186681877.50	5.79	12965082.17
Customer Five	47428562.84		47428562.84	1.47	2371428.14
Total Amount	2624366819.46		2624366819.46	81.39	134849329.27

Other notes:

None

Other notes:

"□ Applicable" "√ Not applicable"

2. Other receivables

Items

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest receivable		

Dividend receivable		
Other receivables	36385301.01	24128538.11
Total Amount	36385301.01	24128538.11

Other notes:

Applicable Not applicable

Interest receivable

(1). Interest receivable

Applicable Not applicable

(2). Significant overdue interest

Applicable Not applicable

(3). Disclosure of notes receivable by bad debt accrual method

Applicable Not applicable

Provision for bad debts made on an individual basis:

Applicable Not applicable

Description of provision for bad debts by individual item

Applicable Not applicable

Provision for bad debts by combination:

Applicable Not applicable

(4). Provision for bad debts using the general model for expected credit losses.

Applicable Not applicable

Basis for Classification of Stages and Provision Rate for Bad Debts

N/A

Description of significant changes in carrying amount of interest receivable with provision for bad debts during the period

Applicable Not applicable

(5). Provision for bad debts

Applicable Not applicable

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:

Applicable Not applicable

Other notes:

None

(6). Actual write-offs of interest receivable during the current period

Applicable Not applicable

Including: Significant write-offs of interest receivable

Applicable Not applicable

Description of write-off:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Dividend receivable

(7). Dividend receivable

Applicable" Not applicable"

(8). Significant dividend receivables aged over 1 year

Applicable" Not applicable"

(9). Disclosure of notes receivable by bad debt accrual method

Applicable" Not applicable"

Provision for bad debts made on an individual basis:

Applicable" Not applicable"

Description of provision for bad debts by individual item

Applicable" Not applicable"

Provision for bad debts by combination:

Applicable" Not applicable"

(10). Provision for bad debts using the general model for expected credit losses.

Applicable" Not applicable"

Basis for Classification of Stages and Provision Rate for Bad Debts

None

Description of significant changes in carrying amount of dividends receivable with provision for bad debts during the period

Applicable" Not applicable"

(11). Provision for bad debts

Applicable" Not applicable"

Of which the amount of provisions for bad debt recovered or reversed during the period is significant:

Applicable" Not applicable"

Other notes:

None

(12). Actual write-offs of dividends receivable during the current period

Applicable" Not applicable"

Including: Significant write-offs of dividends receivable

Applicable" Not applicable"

Description of write-off:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Other receivables

(13). Disclosure by ageing

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Ageing	Closing book balance	Opening book balance
Within 1 year		
Including: Sub-item within one year		
Within 1 year	25275081.63	9593092.28
Subtotal within one year	25275081.63	9593092.28
1 to 2 years	6594481.49	8653582.27
2 to 3 years	7026040.86	8035975.34
More than 3 years		
3 to 4 years	2015733.83	3578982.42
4 to 5 years	1025689.21	424404.91
More than 5 years	2280869.13	1570369.13
Total Amount	44217896.15	31856406.35

(14). By nature of amount

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Nature of payment	Closing book balance	Opening book balance
Deposit Guarantee	11955098.00	13476907.00
Temporary borrowings by employees	10598000.00	10418000.00
Temporary payments receivable	20511518.02	6977392.35
Other	353280.13	984107.00
Total Amount	43417896.15	31856406.35

(15). Provision for bad debts

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Provision for bad debts	Phase I	Phase II	Phase III	Total Amount
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as of January 1, 2024	479654.61	865358.23	6382855.40	7727868.24
Balance January 1, 2024 during the period				
-- Transferred to	-329724.07	329724.07		

Phase II				
-- Transferred to Phase III		-702604.09	702604.09	
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision during the period	1113823.54	166969.94	-1176066.58	104726.90
Reversal during the period				
Write-offs in the current period				
Write-offs during the period				
Other changes				
Balance as of December 31, 2024	1263754.08	659448.15	5909392.91	7832595.14

Basis for Classification of Stages and Provision Rate for Bad Debts

None

Description of significant changes in carrying amount of other receivables with provision for bad debts during the period

Applicable" Not applicable"

Basis for using the amount of the provision for bad debts for the current period and basis for evaluating any significant increase in the credit risk of the financial instruments

Applicable" Not applicable"

(16). Provision for bad debts

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Category	Opening balance	Amount of change during the period				Closing balance
		Make provision	Recovery or reversal	Write-off or Cancellation	Other changes	
Provision for Individual bad debt	800000.00					800000.00
Provision made on a portfolio basis	6927868.24	104726.90				7032595.14
Total Amount	7727868.24	104726.90				7832595.14

Of which the amount of provisions for bad debt reversed or recovered during the period is significant:

Applicable" Not applicable"

Other notes:

None

(17). Other receivables actually written off during the period

Applicable" Not applicable"

Of which significant write-offs of other receivables:

Applicable" Not applicable"

Note on write-off of other receivables:

Applicable" Not applicable"

(18). Other receivables of the top 5 in ending balance of the debtor

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Unit name	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of payments	Ageing	Provision for bad debts Closing balance
Unit I	20229797.41	45.75	Temporary payments receivable	Within 1 year	1011489.87
Unit II	4250000.00	9.61	Deposit Guarantee	2-3 years	1275000.00
Unit III	1400000.00	3.17	Deposit Guarantee	1-2 years	140000.00
Unit IV	800000.00	1.81	Deposit Guarantee	More than 5 years	800000.00
Entity 5	430000.00	0.97	Deposit Guarantee	Within 1 year	21500.00
Total Amount	27109797.41	61.31	/	/	3247989.87

(19). Listed as other receivables due to centralized management of funds

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

1、 Long-term equity investments

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	1451397642.85		1451397642.85	1107585032.85		1107585032.85
Investment in joint ventures and associated enterprises	2358236456.57		2358236456.57	1977070202.91		1977070202.91
Total Amount	3809634099.42		3809634099.42	3084655235.76		3084655235.76

(1). Investment in subsidiaries

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Invested units	Opening balance (book value)	Beginning Balance of Impairment Provision	Increase and decrease during the period				Closing balance (book value)	Closing balance of provision for impairment
			Additional investments	Decrease in investments	Provision for accrual impairment	Other		
Hangzhou Hangcha Aerial Equipment Co., Ltd.	8765123.09		31548860.00				40313983.09	
Hangzhou Forklift Sheet Metal Welding Co., Ltd.	23290211.05						23290211.05	
Hangzhou Forklift Mast Co., Ltd.	18944100.00						18944100.00	
Zhejiang Hangcha Import and Export Co., Ltd.	16592000.00						16592000.00	
Hangzhou Hangcha Bridge Box Co., Ltd.	9350000.00						9350000.00	
Hangzhou Hangcha Electrical Co., Ltd.	29942890.73						29942890.73	
Hangzhou Hangcha Machining Co., Ltd.	1693914.95						1693914.95	
Hangzhou Hangcha Foundry Co., Ltd.	35000000.00						35000000.00	
Hangzhou Hangcha Kangli Forklift Attachments Co., Ltd.	5795480.34						5795480.34	
Hangzhou Hangcha Cab Co., Ltd.	2740500.00						2740500.00	
Hangzhou Hangcha Materials Trading Co., Ltd.	80000000.00						80000000.00	
Hangcha Group Leasing Co., Ltd.	248304547.78		155000000.00				403304547.78	
Baoji Hangcha Engineering Machinery Co., Ltd.	20868932.61						20868932.61	
Taizhou Hangcha Forklift Sales Co., Ltd.	560000.00						560000.00	
Beijing Hangcha Forklift Co., Ltd.	1448000.00						1448000.00	
Heilongjiang Hangcha Forklift Sales Co., Ltd.	700000.00						700000.00	
Changchun Hangcha Forklift Sales Co., Ltd.	702813.73						702813.73	
Tangshan Hangcha Forklift Sales Co., Ltd.	420000.00						420000.00	
Henan Zhehang Forklift Sales Co., Ltd.	2213524.75						2213524.75	
Jinan Hangcha Forklift Sales Co., Ltd.	2288461.54						2288461.54	
Yantai Hangcha Forklift Sales Co., Ltd.	718117.65						718117.65	
Qingdao Hangcha Forklift Sales Co., Ltd.	1021854.17						1021854.17	

Rizhao Hangcha Forklift Sales Co., Ltd.	1158705.88						1158705.88
Xi'an Hangcha Forklift Co., Ltd.	1109500.00						1109500.00
Gansu Hangcha Forklift Co., Ltd.	1009149.25						1009149.25
Suzhou Hangcha Forklift Sales Co., Ltd.	593055.56						593055.56
Wuxi Hangcha Forklift Sales Co., Ltd.	2978422.71						2978422.71
Kunshan Hangcha Forklift Sales Co., Ltd.	743448.28						743448.28
Xuzhou Hangcha Forklift Sales Co., Ltd.	2277814.51						2277814.51
Taixing Hangcha Forklift Sales Co., Ltd.	841494.12		630000.00				1471494.12
Nantong Hangcha Forklift Sales Co., Ltd.	1170258.81						1170258.81
Yancheng Hangcha Forklift Sales Co., Ltd.	1193292.45						1193292.45
Wuhan Hangcha Forklift Sales Co., Ltd.	1679884.41						1679884.41
Xiangyang Hangcha Forklift Sales Co., Ltd.	586184.21						586184.21
Fujian Hangcha Forklift Co., Ltd.	1203200.00						1203200.00
Nanning Hangcha Forklift Sales Co., Ltd.	1066800.00						1066800.00
Guiyang Hangcha Forklift Sales Co., Ltd.	907290.00						907290.00
Shanghai Hangcha Forklift Sales Co., Ltd.	4550000.00						4550000.00
Guangzhou Zhehang Forklift Co., Ltd.	4283333.33						4283333.33
Dongguan Hangcha Forklift Co., Ltd.	1238608.70						1238608.70
Foshan Hangcha Forklift Sales Co., Ltd.	2194087.50						2194087.50
Shenzhen Hangcha Forklift Co., Ltd.	1739077.84						1739077.84
Zhongshan Hangcha Forklift Co., Ltd.	1372000.00						1372000.00
Huizhou Hangcha Forklift Co., Ltd.	1089358.95						1089358.95
Qingyuan Hangcha Forklift Co., Ltd.	786678.26						786678.26
Zhanjiang Hangcha Forklift Co., Ltd.	772790.85						772790.85
Yichang Hangcha Forklift Sales Co., Ltd.	350000.00		350000.00				700000.00
Inner Mongolia Hangcha Forklift Sales Co., Ltd.	1050000.00						1050000.00
Zhangjiagang Hangcha Forklift Sales Co., Ltd.	999519.23						999519.23
Ningxia Hangcha Forklift Sales Co., Ltd.	390000.00						390000.00
Lianyungang Hangcha	525000.00						525000.00

Forklift Sales Co., Ltd.								
Yiwu Hangcha Forklift Sales Co., Ltd.	959134.62						959134.62	
Anhui Hangcha Forklift Sales Co., Ltd.	1999900.00						1999900.00	
HANGCHA EUROPE GMBH	35480838.00						35480838.00	
Dalian Zhehang Forklift Sales Co., Ltd.	700000.00						700000.00	
Zhejiang Asteroid Investment Management Co., Ltd.	5000000.00			5000000.00				
HC FORKLIFT AMERICA CORPORATION	33066839.81						33066839.81	
Guigang Hangcha Forklift Sales Co., Ltd.	700000.00						700000.00	
Zhejiang Hangcha Intelligent Technology Co., Ltd.	49500000.00						49500000.00	
Hangzhou Hangzhong Engineering Machinery Co., Ltd.	1.00						1.00	
Wuhu Hangcha Forklift Sales Co., Ltd.	700000.00						700000.00	
Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd.	10350000.00		10000000.00				20350000.00	
Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	2037886.18						2037886.18	
Zibo Hangcha Forklift Sales Co., Ltd.	700000.00						700000.00	
Hangcha Group (Tianjin) New Energy Forklift Co., Ltd.	15000000.00						15000000.00	
Hangcha Group (Tianjin) Forklift Sales Co., Ltd.	1050000.00						1050000.00	
Hangcha Group (Tianjin) Financing Leasing Co., Ltd.	170000000.00		80000000.00				250000000.00	
Hangcha Forklift Canada Inc.	7090100.00						7090100.00	
Zhumadian Hangcha Forklift Co., Ltd.	840000.00		118800.00				958800.00	
HANGCHA NETHERLANDS B.V.	15750000.00						15750000.00	
Zhejiang Hangcha Parts Sales Co., Ltd.	40000000.00						40000000.00	
Zhejiang Hangcha Occam Intelligent Technology Co., Ltd.	51000000.00						51000000.00	
HANGCHA (THAILAND) CO.LTD.	21424000.00						21424000.00	
HC FORKLIFT AUSTRALIA PTY. LTD.	35932500.00						35932500.00	
Zhejiang Hangcha Siweis	10200000.00						10200000.00	

International Trade Co., Ltd.								
Hangzhou Hangcha Precision Manufacturing Co., Ltd.	23040000.00						23040000.00	
Hangzhou Hangcha E-commerce Co., Ltd.	2295000.00						2295000.00	
Hangcha New Energy Forklift (Wenzhou) Co., Ltd.	1000000.00						1000000.00	
HANGCHA BRASIL LTDA.	20549406.00						20549406.00	
Hangzhou Hangcha Yunrui Technology Co., Ltd.			10200000.00				10200000.00	
Zhejiang Hangbo Electrical Drive Co., Ltd.			27500000.00				27500000.00	
PT HANGCHA INDONESIA FORKLIFT			7105600.00				7105600.00	
HANGCHA JAPAN Co., Ltd.			14967000.00				14967000.00	
HANGCHA EUROPE RENTAL & SALES			7736600.00				7736600.00	
HANGCHA (MALAYSIA) SDN.BHD.			3655750.00				3655750.00	
Total Amount	1107585032.85		348812610.00	5000000.00			1451397642.85	

(2). Investment in joint ventures and associated enterprises

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Investments Unit	Opening Account Balance	Increase and decrease during the period								Closing Account Balance	Closing balance of provision for impairment
		Additional investments	Decrease in investments	Gains and losses on investments recognised under the equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of issuing cash dividends or profits	Provision for accrual impairment	Other		
I. Joint ventures											
Subtotal											
II. Associated enterprises											
HANGCHA SOUTHEAST ASIA CO., LTD.	1548958.19			204490.24	50438.88					1803887.31	
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	92931504.38			13743415.72		532407.76	23868000.00			83339327.86	
Hangzhou Gangcun Transmission Co., Ltd.	30205453.27			945726.00						31151179.27	
Hangzhou Pengcheng New Energy Technology Co., Ltd.	35600570.73			-1645099.96						33955470.77	
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	1670401382.16			353709550.58	18016561.25	5679831.15				2047807325.14	
Henan Jiachen Intelligent Control Co., Ltd.	110654999.46			12748414.77		53902.93				123457317.16	
Changsha	10237058.66			384403.68		198233.36				10819695.70	

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Zhongchuan Transmission Co., Ltd.										
Nanjing Hangcha Logistics Equipment Co., Ltd.	2667963.84		574839.78			560000.00			2682803.62	
Nanchang Hangcha Forklift Co., Ltd.	4134295.76		557335.41			630000.00			4061631.17	
Changsha Hangcha Forklift Sales Co., Ltd.	2650713.16		678044.79			562000.00			2766757.95	
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	4736008.07		592981.81			840000.00			4488989.88	
Taiyuan Hangcha Lift Truck Co., Ltd.	2390871.90		488052.80			525000.00			2353924.70	
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	3402652.56		868691.45			455000.00			3816344.01	
Yunnan Hangcha Lift Truck Co., Ltd.	2678523.08		651607.78			420000.00			2910130.86	
Shenyang Hangcha Lift Truck Sales Co., Ltd.	2829247.69		622423.48			630000.00			2821671.17	
Subtotal	1977070202.91		385124878.33	18067000.13	6464375.20	28490000.00			2358236456.57	
Total Amount	1977070202.91		385124878.33	18067000.13	6464375.20	28490000.00			2358236456.57	

(3). Impairment testing of long-term equity investments

Applicable" Not applicable"

Other notes:

None

4. Operating revenue and cost

(1). Operating revenue and cost Description

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023		Jan.-Sept. 2022	
	Revenue	Cost	Revenue	Cost
Operating	13322693337.86	11149653367.21	13350418986.30	11413188702.65
Non-operating	205678328.68	153339514.89	216356156.97	165972809.74
Total Amount	13528371666.54	11302992882.10	13566775143.27	11579161512.39

(2). Breakdown of operating revenue and cost

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Contract category	Total Amount	
	Operating income	Operating cost
Goods category		
Forklift trucks, accessories, and others	13484317468.76	11276359039.64
Categorization by time of goods transfer		
Revenue is recognized at a point in time	13484317468.76	11276359039.64
Total Amount	13484317468.76	11276359039.64

Other notes:

Applicable" Not applicable"

(3). Description of performance obligations

Applicable" Not applicable"

(4). Description of apportionment to remaining performance obligations

Applicable" Not applicable"

(5). Material contract changes or material transaction price adjustments

Applicable" Not applicable"

Other notes:

None

5. Income from investment

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Jan.-Sept. 2023	Jan.-Sept. 2022
Income from long-term equity investments	134313581.30	66723741.70

accounted for under the cost method		
Income from long-term equity investments recognised under the equity method	385124878.33	289070371.77
Investment income from disposal of long-term equity investments	-4999999.00	822705.96
Investment income from held-for-trading financial assets during the holding period		
Dividend income from investments in other equity instruments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of held-for-trading financial assets		
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Revenue from debt restructuring		
Investment income from holding financial instruments		2205479.45
Financial assets measured at fair value and the changes thereof are included in current profits and losses		2205479.45
Total Amount	514438460.63	358822298.88

Other notes:

None

6. Other

Applicable" Not applicable"

XX. Additional information

1. Current non-recurring profit and loss statement

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Amount	Note
Gains or losses on disposal of non-current assets, including write-off of provision for assets impairment	989100.45	
Government grants included in profit or loss, excluding those closely related to operating activities of the Company and granted constantly affecting the Company's profits or losses in accordance with certain standards based on state policies	45521493.77	
Gains or losses from changes in fair value of value and disposal of financial assets and liabilities held by non-financial enterprises,	-799155.95	

excluding those arising from hedging business related to the Company's normal operating activities		
Fund occupancy fees collected from non-financial enterprises and recognized in current gains or losses		
Profit or loss on entrusted investment or management of assets	41881.97	
Gains or losses from external entrusted loans		
Loss on assets due to force majeure factors, including natural disasters		
Reversal of impairment provision for accounts receivable subject to separate impairment testing	612384.24	
Gains arising from the investment cost in acquiring subsidiaries, associates and joint ventures being lower than the fair value of the invested entities' identifiable net assets entitled upon investment		
Net profit or loss of subsidiaries from the beginning of the period to the date of consolidation arising from a business combination under the same control	-1983591.63	
Gains or losses from exchange of non-monetary assets		
Gains or losses from debt restructuring		
Non-recurring expenses incurred by the Company, including compensation for employee relocation, due to the discontinuation of its related business activities		
One-off impact on current profit or loss due to adjustments to the laws and regulations relating to taxation or accounting		
One-off recognition of share-based payment expenses due to cancellation or modification of equity incentive plans		
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee benefits payable after the vesting date		
Gains or losses arising from changes in fair value of investment property subsequently measured using the fair value model		
Gains arising from non-arm's length transactions		
Gains or losses arising from contingencies not related to the company's normal business operations		
Income from trustee fees for entrusted operations		
Other non-operating income and expenses except the aforementioned items	1613499.24	
Other gains or losses in compliance with the definition of non-recurring gains or losses		
Less: Impact of income tax	7373343.17	
Impact of minority equity (after tax)	5451243.93	
Total Amount	33171024.99	

For items of non-recurring gains and losses defined by the Company that are of a significant amount and not listed in the "Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Shares to the Public—Non-recurring Gains and Losses", as well as for items of recurring gains and losses defined by the Company that are listed in the "Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Shares to the Public—Non-recurring Gains and Losses" as non-recurring gains and losses, reasons shall be specified.

Applicable" " Not applicable"

Other notes:

Applicable" " Not applicable"

2. Return on equity and earnings per share

Applicable" " Not applicable"

Profit for the reporting period	Weighted average ROE (%)	Earnings per share (RMB/ share)	
		Basic EPS (yuan per share)	Diluted EPS (yuan per share)
Net profit attributable to ordinary shareholders of the Company	21.64	1.54	1.54
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gains and losses	21.29	1.52	1.52

3. Differences in Accounting Data under Domestic and Overseas Accounting Standards

Applicable" " Not applicable"

4. Other

Applicable" " Not applicable"

Chairman: Zhao Limin

Date of submission to the Board of Directors for approval April 17, 2025

Revision

Applicable" " Not applicable"