

Stock Code: 603298

Company Name: Hangcha Group

Hangcha Group Co., Ltd.
2025 Annual Report



HANGCHA

April 2026

Important Notes

- 1. The Board of Directors and the Board of Supervisors of the Company and its directors, supervisors and senior executives 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 Pan-China Audit [2026] No.7708 issued by Pan-China Certified Public Accountants LLP, as of December 31, 2025, the consolidated financial statements of the Company indicated operating revenue of RMB17,738,651,997.86, net profit attributable to shareholders of the listed company amounted to RMB2,191,315,695.90, and distributable profit available to the parent company at the end of the period was RMB6,906,647,393.44. Neither statutory surplus reserve nor discretionary surplus reserve was accrued for the year. Considering the future capital requirements, cash flow, and sustained returns to shareholders, the Board of Directors resolved on the following profit distribution plan:

1. The Company intends to pay a cash dividend of RMB4 (tax inclusive) per 10 shares to all shareholders. As of December 31, 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 RMB523,924,819.60 (tax inclusive). The total cash dividends represent 23.91% of the net profit attributable to shareholders of the listed company for 2025. The remaining undistributed profits of the parent company, amounting to RMB6,382,722,573.84, are carried over to the following year.

On November 26, 2025, the Company implemented the equity distribution for the first three quarters of 2025, distributing a cash dividend of RMB2.00 (tax inclusive) per 10 shares, amounting to a total of RMB261,962,409.80. For details, please refer to the *Announcement on the Implementation of Equity Distribution for the First Three Quarters of 2025* (Announcement No. 2025-062).

The cash dividends distributed by the Company for 2025 totalled RMB785,887,229.40, accounting

for 35.86% of the net profit attributable to shareholders of the listed company for 2025.

2. No bonus shares will be issued, nor will the capital reserve be converted into share capital this year.

In case of any change to the total share capital of the Company prior to the registration date for the equity distribution, the per-share distribution amount will remain unchanged, while the total distribution amount will be adjusted accordingly.

The profit distribution plan is subject to the deliberation at the 2025 Annual General Meeting of the Company.

Unrecovered Losses in the Parent Company as of the End of the Reporting Period and the Impact thereof on the Company's Dividend and Other Matters

Applicable" Not applicable"

6. Risk statement regarding forward-looking statements

Applicable" Not applicable"

The forward-looking statements carried in this report, such as future plans, do not constitute any substantial commitments of the Company to investors. Please be cautious about 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" Not applicable"

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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.
	Original Audit Report bearing the seal of the accounting firm and the 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
Guozi Robotics	Refers to	Zhejiang Hangcha Guozi Robotics 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 Intelligent Technology 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 Manufacturing (Thailand)	Refers to	Hangcha Group Manufacturing (Thailand) Co., Ltd., a wholly-owned subsidiary of the Company
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 sub-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
Guozi Intelligent Equipment	Refers to	Zhejiang Guozi Intelligent Equipment Co., Ltd., a sub-subsidiary of the Company
Guozi Robotics	Refers to	Zhejiang Guozi Robotics Co., Ltd., a sub-subsidiary of the Company
Zhoushan Hangcha	Refers to	Zhoushan Hangcha International Financial Leasing Co., Ltd., a sub-subsidiary of the Company
Cavohc	Refers to	Hangzhou CAVO Hangcha Intelligent Cleaning Equipment Co., Ltd., a sub-subsidiary 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, 2025–December 31, 2025
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

Company Name in Chinese	Hangcha Group Co., Ltd.
Company Abbreviation 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

	Secretary of the Board	Representative of Securities Affairs
Name	Jiang Yun	
Contact Address	Securities Department,9/F, Building A, Hangcha Science and Innovation Park, No. 398 Shiqiao Road, Gongshu District, Hangzhou City, Zhejiang Province	
Tel	0571-88141328	
Fax	0571-88926713	
Email	jiangyun@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 Department,9/F, Building A, Hangcha Science and Innovation Park, No. 398 Shiqiao Road, Gongshu District, Hangzhou City, Zhejiang Province

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
	Accountants writing signatures	Huang Yuanxi, Tang Zheren

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

(1) Key accounting data

Unit: Yuan Currency: CNY

Key accounting data	2025	2024		Increase/Decrease compared with previous year (%)	2023	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Operating income	17738651997.86	16749658536.93	16485830318.58	5.90	16298640931.47	16271834470.72
Total profits	2599106925.74	2459473196.09	2443735843.07	5.68	2087056319.78	2092860324.57
Net profit attributable to shareholders of the listed company	2191315695.90	2012853136.12	2022025698.99	8.87	1715611831.59	1720313075.47
Net profit after deduction of non-recurring profits and losses attributable to the shareholders of the listed company (RMB)	2148796228.95	1964865705.59	1988854674.00	9.36	1688027697.88	1687795537.69
Net cash flows from operating activities	1683901243.07	1361574668.81	1336825600.12	23.67	1632087180.34	1621860863.22
	End of 2025	End of 2024		Increase/Decrease at the end of the current Reporting Period compared with the end of the previous year (%)	End of 2023	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Net assets attributable to shareholders of the listed company	11608341434.37	10116516467.53	10163895056.44	14.75	8619135437.22	8619865217.00
Total assets	19709344651.12	16871203269.11	16362547960.72	16.82	13995079169.19	13894213061.92

(2) Key financial indicators

Key financial indicators	2025	2024		Increase/Decrease compared with previous year (%)	2023	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (RMB/Share)	1.67	1.54	1.54	8.44	1.33	1.33
Diluted earnings per share (RMB/Share)	1.67	1.54	1.54	8.44	1.31	1.31
Basic earnings per share after the deduction of non-recurring gains and losses (RMB/Share)	1.64	1.50	1.52	9.33	1.31	1.31
Weighted average ROE (%)	20.34	21.68	21.64	Down by 1.34 percentage points	22.17	22.17
Weighted average ROE after the deduction of non-recurring gains and losses (%)	19.95	21.17	21.29	Down by 1.22 percentage points	21.81	21.81

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"

In July 2025, Zhejiang Hangcha Guozi Robotics Co., Ltd. (renamed in August 2025), a controlled subsidiary of the Company, acquired 99.23% equity interest in Zhejiang Guozi Robotics Co., Ltd. by way of capital increase and share expansion. Accordingly, Zhejiang Guozi Robotics Co., Ltd. was included in the scope of consolidation of the Company's consolidated financial statements during the Reporting Period. As such acquisition constitutes a business combination under common control, the consolidated financial statements for the previous period were retrospectively adjusted in accordance with the Accounting Standards for Business Enterprises.

2. The aforementioned earnings per share are calculated based on the latest share capital of the Company as of December 31, 2025.

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. Differences 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 2025 by Quarter

Unit: Yuan Currency: CNY

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating income	4455524706.04	4846493118.57	4669589651.54	3767044521.71
Net profit attributable to shareholders of the listed company	431975966.52	687866792.47	632914648.33	438558288.58
Net profit attributable to the shareholders of the listed company after the deduction of non-recurring gains and losses	419311660.58	663685128.27	626749864.74	439049575.36
Net cash flows from operating activities	198826564.31	148587583.78	341311374.48	995175720.50

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

Applicable" Not applicable"

In July 2025, Zhejiang Guozi Robotics Co., Ltd., a subsidiary of the Company, acquired 99.23% equity interest in Zhejiang Guozi Robotics Co., Ltd. through capital increase and share expansion. Since such acquisition constitutes a business combination under common control, the Company's relevant financial data should be retrospectively adjusted and re-presented pursuant to the Accounting Standards for Business Enterprises.

10. Non-recurring Gains and Losses Items and Amounts

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Non-recurring Gains and Losses Items	Amount in 2025	Note (if applicable)	Amount in 2024	Amount in 2023
Gains or losses on disposal of non-current assets (including write-off of provision for assets impairment)	478793.68		1064117.28	4545177.29
Government grants included in the current 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)	73249269.65		68958394.35	40699621.98
Gain or loss 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	-463932.23		898977.77	-13653244.56
Fund occupancy fees collected from non-financial enterprises and recognized in current gains or losses				357568.72
Gain or loss on assets under entrusted investment or management	1231024.48		41881.97	2205647.70
Reversal of impairment provision for accounts receivable subject to separate impairment testing	4221892.32		612384.24	2233814.00
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	-16004728.24		2597740.64	-5804004.79
Other non-operating revenue or expenditures	-2939750.40		1856247.13	1409267.51
Less: Effect of income tax	10250998.57		11878791.40	4175472.28
Non-controlling shareholders' equity affected (after tax)	7002103.74		16163521.45	234241.86
Total Amount	42519466.95		47987430.53	27584133.71

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. Net profit after deducting the effect of share-based payments as may be optionally disclosed by the Company with equity incentive plans or employee stock ownership plans

Applicable" Not applicable"

12. 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	85755439.73	100347215.23	14591775.50	1231024.48
Receivables financing	294961893.92	472523678.61	177561784.69	
Other non-current financial assets	26325621.62	28104279.77	1778658.15	
Derivative financial liabilities	366815.63		-366815.63	366815.63
Derivative financial assets	1635304.53		-1635304.53	-830747.86
Total Amount	409045075.43	600975173.61	191930098.18	767092.25

13. Other

Applicable" Not applicable"

Chapter 3 Management Discussion and Analysis

1. Introduction to the Company's Business During the Reporting Period

1. The major business of the Company

The Company's core business encompasses the research, development, manufacture, and distribution of a full spectrum of industrial vehicles and intelligent derivatives, such as forklifts, warehouse trucks, autonomous industrial vehicles, and logistics handling robots as well as aerial work platforms, dynamic compaction machinery, and cleaning equipment, along with critical components. Dedicated to the delivery of integrated smart logistics solutions and full-lifecycle aftermarket services for industrial vehicles, including parts selling, equipment leasing, and repair and maintenance services.

>> Forklift	
Class I Vehicles	Electric counterbalance forklift 
Class II Vehicles	Reach truck Order picker 
Class III vehicles	Warehouse forklift 
Class IV Vehicles	Internal combustion counterbalance forklift 
US-Spec Products	
>> Intelligent Logistics	
Logistics Humanoid Robot	Intelligent Handling Robot 
Intelligent Patrolling Robot	System Integration 
>> Other Complete Machine Segments	
Port Machinery	Other Vehicles 
>> Component Assembly Segments	
Key components	
Lithium-ion Battery	Charger 
Diversified Products of Hangcha Group	
Conveyor Line	

2. The business model of the Company

While deepening its core competencies across R&D, manufacturing, marketing, and service, the

Company efficiently mobilized and combined upstream and downstream resources along the industrial chain to forge an integrated business model. Anchored in its core business of industrial vehicles, the Company resolutely executes an innovation-driven strategy by concentrating its efforts on shaping new quality productive forces featuring advanced technology, superior efficiency, and premium quality. Drawing upon the formidable technological innovation capabilities, an excellent quality assurance regime, a highly resilient, secure, and efficient supply chain, as well as a global marketing and service network of extensive reach, the Company has successfully repositioned itself as an industry-leading provider of "high-end intelligent manufacturing + service-oriented manufacturing + comprehensive solutions". In addition to the constant refinement of "direct sales + distribution + e-commerce" sales architecture, the Company has been actively building a highly responsive and professionally adept global marketing pattern through wholly-owned subsidiaries, authorized distributors, franchise networks, and e-commerce platforms, in a bid to furnish global customers with premium, intelligent industrial vehicles and bespoke smart logistics solutions.

Explanation of New Important Non-core Businesses during the Reporting Period

Applicable" Not applicable"

2. Introduction to the Industry Where the Company Operates During the Reporting Period

Industrial vehicles, with forklifts at the epicenter, constitute the indispensable part underpinning materials handling operations across every sector of the national economy, and serve as the critical backbone for the efficient functioning of logistics warehousing, intelligent manufacturing, and commercial circulation. The industry's development is intimately correlated with macroeconomic conditions, industrial upgrading, and global logistics landscape, exhibiting the rigid demand and enduring resilience. In 2025, the global industrial vehicle industry maintained a stable growth, while the domestic sector started a profound transformation characterized by structural refinement and fundamental shift in growth drivers toward electrification, intelligentization, and globalization, propelling the industry's high-quality development. As the world's single largest market for industrial vehicles, China continued to command global leadership in industrial scale, underpinned by a deep market foundation and a firmly entrenched industrial base. According to statistics, total annual sales of powered industrial vehicles in 2025 once again exceeded the one-million threshold, reaching 1,451,800, a 12.93% increase over 2024; domestic market sales amounted to 906,800 units, a year-on-year increase of 12.65%; while export-oriented sales reached 545,000 units, growing 13.41% over 2024, all indicators attaining historic peaks that reflected robust industrial momentum. 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 5%, with a particularly significant decline of 9.34% 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 18%, respectively, with respective increases of 19% and 15% in the domestic and international markets.



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

From the perspective of product mix optimization, the industry steps up its electrification across all fronts. Electric forklifts, on the defining advantages of energy conservation, environmental compatibility, high operational efficiency, low energy consumption, and intelligent adaptability, witnessed a soaring market penetration, securing a dominant position in the domestic market. Lithium battery forklifts, distinguished by stable endurance, rapid recharge capability, and zero emissions, became the core driver for electrification. In contrast, traditional internal combustion forklifts, buffeted by the new energy substitution, the environmental policy constraints, and the upgrading demand of downstream customers, are experiencing a structural recalibration from sales volumes and sustained market share shrinkage, necessitating product iteration and structural optimization. Propelled by the iterative advancement of new energy technologies, the pervasive adoption of intelligent control systems, and downstream escalating demand for high-end equipment, a portfolio of premium, new-energy-powered, and intelligent products engineered to specific scenarios and integrated solution requirements has been progressively displacing traditional low-end offerings as the core growth driver for industry sales volumes, product added value, and industry profitability.

The competitive landscape and developmental logic of the industry reveals two defining shifts: 1) The ongoing optimization and recalibration of global trade pattern, coupled with the implementation of China's "dual carbon" strategy, has been compelling the industry to accelerate green transformation and value enhancement and driving competitive paradigm to fundamentally evolve from traditional, single-dimensional competition centered on product cost-performance toward comprehensive, full-value-chain competition encompassing "product + service + integrated solutions + industrial ecosystem", which imposes greater demands on technological R&D prowess, supply chain governance capabilities, global operational sophistication, and full-lifecycle service proficiency. 2) The industry concentration maintained its uptrend. Industry leaders endowed with core technological innovation

advantages, global distribution capabilities, well-established industrial ecosystem, and full-value-chain service system are continuously fortifying their competitive moats, further accentuating their market dominance. The industry is accelerating its progression toward standardization, intensification, and specialization.

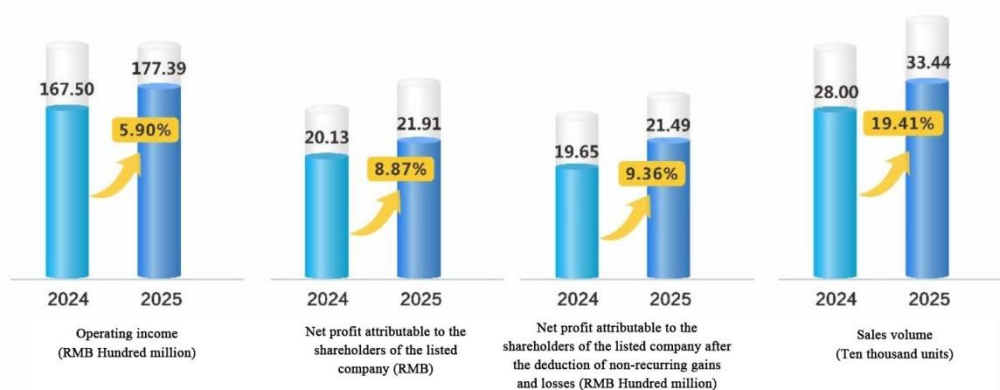
In 2025, from a model structure perspective, electric ride-on counterbalance forklifts (Class I vehicles) achieved sales of 230,000 units, up 23.70% YoY; electric ride-on warehouse forklifts (Class II vehicles) achieved sales of 35,300 units, up 18.77% YoY; electric walkie warehouse forklifts (Class III vehicles) achieved sales of 866,600 units, up 18.61% YoY; and internal combustion counterbalance forklifts (Class IV and V vehicles) achieved sales of 319,900 units, down 5.71% YoY. Lithium-ion forklifts accounted for 46.52% of electric forklift sales, with 562,200 units sold. Lithium-ion counterbalance forklifts accounted for 77.17% of electric counterbalance forklift sales. In 2025, 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 177,500 units, lithium-ion ride-on warehouse forklifts of 13,800 units, and lithium-ion walkie warehouse forklifts of 371,000 units. In terms of regional distribution, lithium-ion forklifts achieved domestic sales of 313,200 units and export sales of 249,000 units, with the export sales accounting for 44.29% of the total.



3. Discussion and Analysis on Operations

The year 2025 marked the conclusion of the "14th Five-Year Plan" and the envisioning of the "15th Five-Year Plan" blueprint, and also represented a pivotal juncture for the Company to build upon outstanding achievements and chart a course for the future towards our vision "to be the best forklift truck manufacturer in the world". Amid the increasingly complicated global economic landscape, intensifying geopolitical conflicts, and the manifold uncertainties engendered by trade barriers, the industry experienced contracting demand and heightened competition, manifesting a palpable dialectic

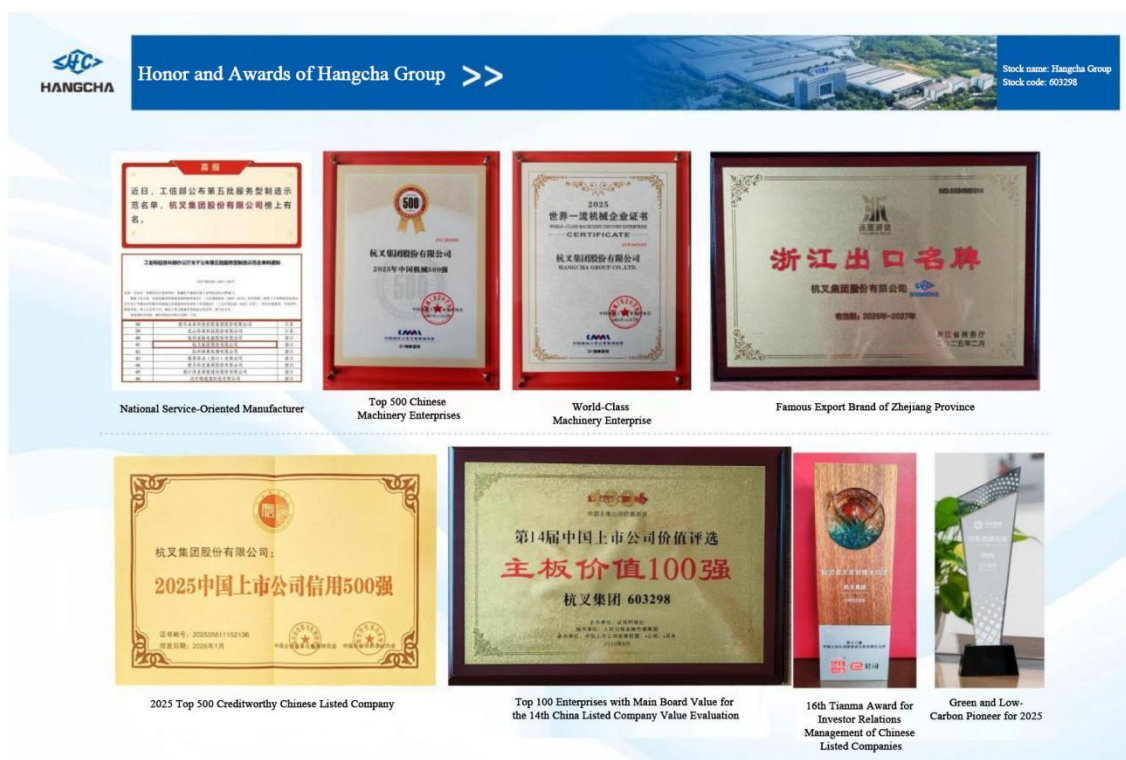
of "ferocious domestic rivalry with mounting external competition". Under the leadership of the Board of Directors, the Company deployed forward-looking, holistic strategies and innovation-driven initiatives with targeted measures to buck the prevailing headwinds. Adhering to the central theme of high-quality development around the core impetus of "innovation-led navigation", the Company has achieved remarkable breakthroughs across multiple domains, including technological R&D, market expansion, global expansion, industrial collaboration, intelligent manufacturing, and digital transformation. In 2025, the Company registered an operating revenue of RMB 17.739 billion, with a year-on-year increase of 5.90%, and net profit attributable to shareholders of the listed company of RMB 2.191 billion, a year-on-year increase of 8.87%. These results not only signified the successful attainment of all annual operational targets but also represented a holistic leap in product competitiveness, brand influence, and sustainable development, markedly strengthening the Company's core competitiveness and laying a solid foundation for high-quality development during the "15th Five-Year Plan" period.



Key Business Data for 2025

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. The Company was successively honored with recognitions, including National Service-Oriented Manufacturing Enterprise, 2025 China's Top 500 Manufacturing Enterprises, 2025 World-Class Machinery Enterprise Certificate, Zhejiang Export Famous Brand, 2025 China's Top 500 Listed Companies with High Credit, the 14th China Listed Companies Value Assessment Main Board Value Top 100, the 16th China Listed Companies Investor Relations Management Tianma Award, and the Sino-Securities Index "2025 Green and Low-Carbon Pioneer". During the Reporting Period, the Company delivered outstanding performance across a spectrum of honorary awards and industry recognitions while deepening the presence in key areas including product R&D, market expansion, intelligent manufacturing, and digital transformation, thus building a collaborative innovation system from various dimensions. With further integration of technological innovation and industrial upgrading, the Company accelerated the commercial application of new technologies and products in both overseas and domestic markets, yielding new breakthroughs in its

market footprint. The enhancement of smart manufacturing and digital management capabilities also injected fresh momentum into the optimization of operation efficiency and management effectiveness, further reinforcing the Company's leading position in the global industrial vehicle sector.



1. Sustained R&D advancement to fully unleash innovation momentum

Capitalizing on the opportunity as the industry pivots toward intelligent, ecological, and international operations, the Company has anchored its strategy in the diversified demands of global markets. With a product philosophy centered on high technological intensity, high added value, and high reliability, the Company steps up its innovation momentum with equal stress on product and technologies driven by “technical R&D and global promotion”, achieving a leap forward from isolated breakthroughs to systemic leadership towards mid-to-high end of the industrial and value chains.

During the Reporting Period, the Company maintained a sharp focus on green, intelligent, and high-end product evolution, successfully introducing over 60 new products and technologies throughout the year, some of which have filled voids in both domestic and overseas markets, offering robust support to the execution of our high-end, global, and diversified growth strategy. Key highlights include: 1) X-Series Hybrid Forklift (5t–10t). The world's first mass-produced 309V diesel-electric hybrid forklift, with a pioneering dual-power design that integrates diesel propulsion with lithium battery energy storage, featuring less fuel consumption by up to 40% compared to conventional internal combustion forklifts, effectively addressing a gap in the domestic market. 2) High-Voltage Lithium-Ion Off-Road Forklift (1.5t–1.8t). An extension of high-voltage lithium product portfolio that delivers performance on par with internal combustion off-road forklifts with extensive application in demanding sectors such as mining and infrastructure construction. 3) Four-Wheel Narrow-Tread Lithium-Ion Dedicated Forklift (1.5t–4t). A pioneering lithium platform for narrow-tread configurations that ensures operational efficiency, safety,

and reliability, engineered to meet the specialized requirements of the North American market. 4) XA-Series Stand-On/Sit-On Pallet Truck. An innovative dual-mode operation design that seamlessly balances high-throughput performance with ergonomic driving comfort. 5) X-Series Omnidirectional Side-Loading Electric Forklift (2t–3t). A multi-purpose model supporting six driving modes for complex environments such as narrow aisles and high-density warehousing with exceptional agility, substantially improving space utilization and operational flexibility.



The Company has intensified its pursuit of core technological breakthroughs centering on new energy, intelligence, and human-machine interface with breakthroughs in such pivotal areas as adaptive zone control system, highly environment-resilient on-board charger, localized dual-drive transmissions, VNA truck aisle safety control, steer-by-wire chassis technology, safety detection system for container reach stacker spreaders, universal handheld unit, VCU deployment, an electric vehicle electronic/electrical architecture, and a next-generation intelligent interactive dashboard, all dedicated to fortifying the core competitiveness of our product lineup. Typical cases include: 1) VNA Aisle Safety Control Technology. A dual mechanism of self-recognizing aisle and end-of-aisle safety control technologies remarkably enhances operation efficiency, safety, and intelligence in warehousing applications. 2) Vehicle Control Unit (VCU). A self-developed mechanism that delivers integrated, precision control over power delivery, safety protocols, intelligent regulation, and operator comfort through seamless synergy of intelligent algorithms and safety-rated hardware. 3) Highly Environment-Resilient On-Board Charger. A module engineered to overcome the challenges posed by extreme temperatures, high humidity, and high salinity and fully accommodate diverse operating conditions across global markets.

During the Reporting Period, the Company substantially scaled investment in innovation and R&D, while expanding patent portfolio and standards development, with a record of 142 patent applications (including 118 invention patents) filed and 163 patents (including 93 invention patents) granted, a dual increase in both patent quantity and quality over the same period in 2025. The Company led the drafting

of 19 national and industry standards, initiated three new industry standards, including the *Technical Specification for High-Voltage Industrial Vehicles*, and acquired the approval to join the Humanoid Robot Standard Working Group of the National Robot Standardization Technical Committee, and participated in the compilation of two national standards for humanoid robots. Of particular significance, the Company spearheaded the drafting of the national standard *Greenhouse gases—Quantification Methods and Requirements for Carbon Footprint of Products—Industrial Trucks*, which fills a critical industry void and provides a scientific foundation for carbon emission reduction and carbon trading within the sector, underscoring our technological foresight in the green and low-carbon arena.

With an acute insight over growth opportunities within future industrial ecosystems, notably the industrial Internet and robotics, the Company draws upon profound technological advantages in industrial vehicles and sustained investment in frontier technologies, including artificial intelligence, cloud computing, big data, and the Internet of Things to initiate the R&D of robotic products centering on material handling, formulating a clearly defined industrial development roadmap. During the Reporting Period, our subsidiary Hangcha Guozi Robotics completed the acquisition of a controlling interest in Guozi Robotics, and then Guozi Robotics became a core business segment of Hangcha Guozi Robotics, which represented a strategically vital move to integrate premium resources along the industrial chain and deepen technological footprint. .

Guozi Robotics is home to a top-tier team of talents specialized in intelligent product software and algorithms, with its core members from the RoboCup world champions in the State Key Laboratory of Industrial Control Technology of Zhejiang University. The team augmented our capabilities in software, algorithm, and system-level solutions with R&D framework and forms a powerful complement to our existing core strengths in hardware designing, manufacturing, quality management, and supply chain management, empowering our intelligent transformation with full autonomy.

In 2025, at the launchpad for intelligent strategy, the Company unveiled the X1 Series logistics robot at CeMAT ASIA in Shanghai. Trained through vast datasets from industrial logistics scenarios, the robot is built upon a dual-core driver of "efficient wheel mobility + flexible joint manipulation", with the former featuring a travel speeds of 2 m/s based on highly adaptable wheeled chassis and complex terrains such as narrow warehouse aisles and a millimeter-level navigation based on multimodal perception integrating 3D vision and LiDAR, while the latter achieving end-effector repeatability of ± 0.1 mm and comprehensive operational accuracy of ± 5 mm through a bionic upper-limb architecture of 22 independent joints and exhibiting zero-shot generalization for handling such objects as totes and cartons, in particular flexible operations like transferring, loading/unloading, and depalletizing/palletizing. The robot is adaptive to complex operations in warehousing and manufacturing, effectively bridging the gap left by traditional automation in flexible applications and affirming the Company's technological foresight and industry leadership in the logistics robotics domain.



The Company, with resolute focus on industrial logistics, seized the valuable opportunities from the intelligent logistics equipment sector. The global intelligent logistics market already surpassed the threshold of trillion, where a new generation of AI-powered handling logistics robots is approaching a pivotal inflection point. China, with its complete manufacturing and logistics infrastructure, has emerged as the world's largest application market and a nexus of technological innovation. Based on over six decades of expertise in industrial vehicles and the advantage of a global service network, the Company is deeply committed to the industrial application of next-generation intelligent technologies in logistics scenarios, striving to establish itself as a benchmark for global logistics handling robots and intelligent logistics solutions.

The Company prioritizes intelligent product R&D as its core strategy, developing full-stack capabilities across four critical pillars: Model, data, hardware, and scenario. In addition to our high-caliber model development team of over 200 members, the Company is now building a proprietary computing platform and a comprehensive R&D toolchain. By integrating the existing core technological assets of Guozi Robotics, we developed the logistics vertical domain model HC-Robo 1.0, along with HC-Sim digital twin simulation system, established the TransEasy software framework, and advanced a three-year R&D plan targeting "out-of-the-box" deployment, realizing an industrial-grade closed loop encompassing perception, decision-making, and execution. By leveraging technological heritage and scenario data assets in the industrial vehicle sector, we have built an exclusive industrial data repository that fuels algorithm iteration through a dual engine of simulation and field data, boosting the technological convergence of humanoid intelligent products and forklift robots and reinforcing strategic implementation in the intelligent logistics arena.

Our technological innovations are highly recognized by the industry with prestigious scientific and technological awards that attest to our formidable technical prowess. Particularly, the project "Key Technologies and Industrialization of High-Performance High-Voltage Electric Forklifts" was certified by the appraisal committee led by academicians as having achieved "world-leading overall technology"

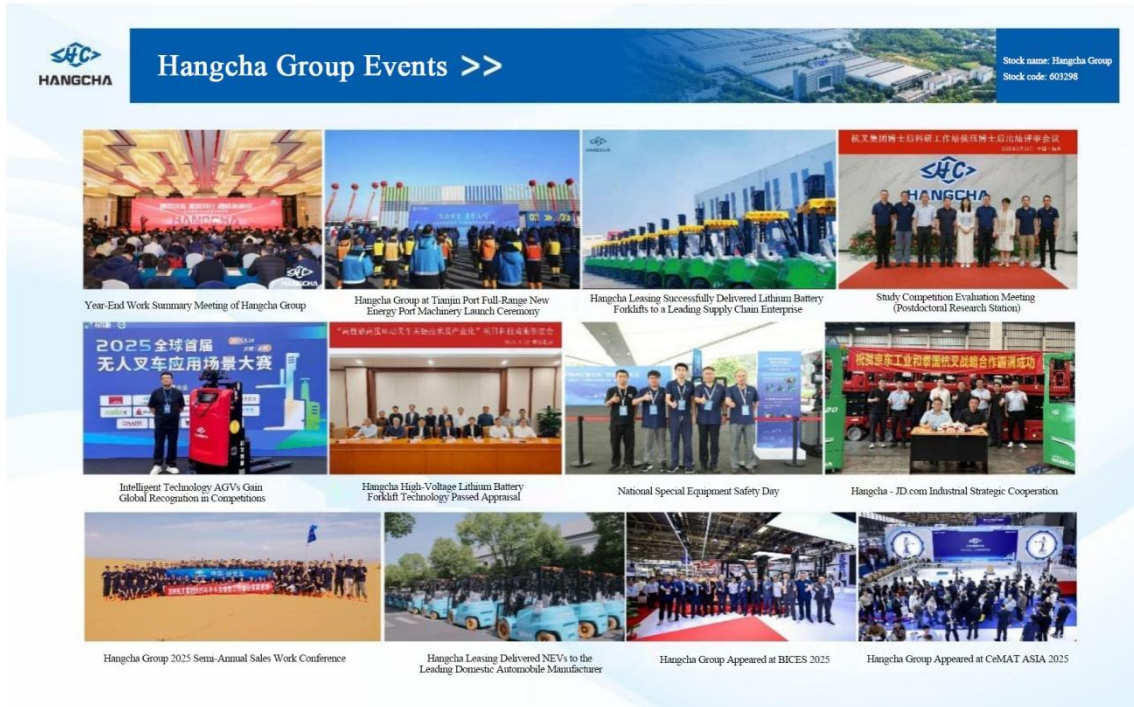
and won the Third Prize of the Science and Technology Progress Award of Zhejiang Province; the project “45-Ton Highly Adaptable High-Voltage Lithium-Ion Container Reach Stacker” was recognized as a the first-of-its-kind equipment within the province; the project “Research and Application of Key Technologies for 1.5t–2t Lithium-Ion Dedicated Mini Pallet Trucks” won the First Prize of the Zhejiang Mechanical Industry Science and Technology Award; and the project “X1 Series Wheeled Humanoid Logistics Robot” was granted the Zhejiang Robot Annual Product Award. The Company led the application for the 2026 Zhejiang "Pioneer" Science and Technology Program titled “Humanoid Robot Machine for Precise and Dexterous Operations and Typical Industrial Application Demonstration”, securing more policy and resource support for advanced technology R&D and industrial application.

2. Agile Response to Market Reform with Steady Expansion of Market Share

In the face of intensely competitive industry landscape, the Company adheres to a core marketing tenet of "defending market share over short-term pricing". By pioneering innovative marketing models, refining channel architecture, and elevating customer service standards, the Company stable growth in domestic sales, achieved breakthroughs in export markets, and realized leapfrog expansion in the rental business.

Guided by the objective of "high-quality development", our sales organization has been deepening its regional penetration while accelerating product portfolio transformation to support channel construction. Electric forklift sales secured the top position, featured by the outstanding distribution outcome of the XA series, substantial sales of A-series MINI, and competitive edge of Internal combustion trucks in the existing market through exclusive direct-sales and dynamic incentive policies.

The Company capitalized on the emerging opportunities in the rental market to drive the integration of rental and sales operations and build a holistic model encompassing "rental + sales + spare parts + service". The rental business generated an annual revenue of RMB 580 million, an 85% year-on-year surge, with coverage extending across 30 provinces, municipalities, and autonomous regions nationwide and serving a customer base exceeding 3,000. In terms of business development, we forged long-term partnership with logistics giants such as SF Express and Cainiao, while rolling out flexible solutions tailored to small and medium-sized enterprises (SMEs), significantly scaling the rental business with key accounts as the primary growth driver. On the operational management front, we built a dedicated rental vehicle dispatch platform, shortening maintenance response time to two hours or less for customers, developing a cycle where "rental boosts sales, and sales fuel rental growth”.



We have built a dual-cycle brand communication ecosystem characterized by "internal-external synergy and omni-channel coverage". Digital media marketing, strategic exhibition participation, and open-day events were designed to amplify brand visibility and outreach efficiency, delivering robust market support for our business growth.



3. Extend Global Reach for Leapfrog Growth in International Business Operation

During the Reporting Period, the Company, under the overarching theme of "overseas operation capability building + structural growth", has been propelling its overseas operations from a

"sales-centric" to an "operations-centric" paradigm, with an institutionalized, process-empowered, and data-driven management system taking initial shape. The Company also achieved a phased leap from "proof of concept" to "scalable replication" in the new rental business model, positioning overseas markets as a core engine in the Company's growth trajectory.

The Company yielded substantial results in global business development with the establishment of the global operation pattern of "one core base + N regional hubs". Following the commencement of construction in April 2025, the Thailand manufacturing base was basically completed with the main structure by the year end and expected to start operation in Q2 2026 with an annual planned capacity of 10,000 forklifts and aerial work platforms. Our business-based subsidiaries in eight countries, including France, Vietnam, Malaysia, and Japan, were inaugurated. By the close of 2025, the Company had established over 20 overseas subsidiaries worldwide, forging an efficient global service network in collaboration with more than 300 dealers, marking a transformative upgrade of overseas marketing and service network from broad-based planning to precision operations as an impetus for global expansion.





Overseas Sales Business of Hangcha Group >>

Stock name: Hangcha Group
Stock code: 603298



Hangcha Indonesia Inaugurated



Hangcha Europe Rental & Sales Inaugurated



Grand Opening of Hangcha Vietnam



Grand Opening of Hangcha Malaysia



Hangcha America Smart Logistics Inaugurated



Hangcha and Manitou Established a Lithium Battery Joint Venture in France



Hangcha Japan Increased Capital to Introduce KOSEN



Hangcha Mexico Exhibition Hall Officially Opened



Hangcha Japan Officially Inaugurated



Hangcha Netherlands Relocated



Grand Opening of Hangcha Middle East in Dubai



Hangcha Southeast Asia Service Center Officially Established



Overseas Sales Business of Hangcha Group >>

Stock name: Hangcha Group
Stock code: 603298



Hangcha Showcased at the Holcim Latin America Supplier Conference



Hangcha Brazil Won the 100% Approved Supplier Award from Coca-Cola



Hangcha Intelligent and France's Aprolis Jointly Expand the European Market



Consul General of France in Shanghai Visited Hangcha



Delegation from the Dutch Association for Transport and Logistics Visited Hangcha



European Dealer Delegation Visited Hangcha



Hangcha Senior Executives Visited the Federation of Thai Industries



Hangcha and Yunantong Jointly Shipped Electric Industrial Vehicles to North America



Shipment to Morocco



108 Hydrogen Fuel Cell Forklifts Delivered in China



Hangcha Lithium Battery Forklifts Supported Romanian Paper Mill



How Rough Terrain Forklift Transforms at a Portugal Wood Company

During the Reporting Period, the Company registered an overseas product sales exceeding 120,000 units, representing a year-on-year growth of over 27%, with electric industrial vehicles accounting for over 77% of exports and overseas revenue climbing to 43.38%. By precisely addressing the demands of key account, the Company became the supplier of several international industry leaders, such as Coca-Cola, Tesla, Holcim, and Saint-Gobain. External projects served as critical pillars: The Manitou project in France registered significant growth; the MG off-road vehicle project in Italy advanced to the batch promotion stage; and the Taylor large truck project in the U.S. established standardized service protocols, enhancing responsiveness and driving a substantial uptick in sales of large trucks and port machinery.

Notably, a major milestone was achieved during the Reporting Period with the shipment of over 350 large-tonnage forklifts to the Southeast Asian region.

4. Diversified Industrial Structure to Fully Unleash Synergies

Anchored in the core industrial vehicle business, the Company has strategically deepened the presence in emerging sectors involving intelligent logistics, new energy lithium batteries, and core components to foster coordinated development across the entire industrial chain, while developing the competitive "Hangcha Ecosystem", where all business segments advance in concert with mutual complement.

During the Reporting Period, Hangcha Guozi Robotics acquired Guozi Robotics through capital increase and share expansion, further strengthening our R&D capabilities in intelligent logistics system building and product R&D while rounding out our mobile robot product matrix. Our product portfolio now covers system integration, AGV/AMR, intelligent warehousing equipment, and inspection robots under a dual-driver pattern of "hardware + solutions" dedicated to fortifying the Company's overall competitiveness and industrial added value. Following the acquisition, Zhejiang Hangcha Guozi Robotics Co., Ltd., as the main carrier for the Company's intelligent logistics business, generated revenue approaching RMB 1 billion in 2025, with contract value for intelligent logistics solutions surging substantially over 2024, maintaining our leadership in China's unmanned forklift-type AGV/AMR segment. The Company has established a comprehensive AGV and AMR product matrix powered by the GRACE core dispatch system that support operation among different machinery in collaboration, secured orders from prominent enterprises across the power, automotive, and FMCG sectors, and delivered several landmark projects at home and abroad. The newly commissioned intelligent manufacturing base continues to ramp up capacity, further consolidating our market advantage in intelligent logistics solutions.



With the expedition of independent and controllable high-end supply chain system, our capabilities in the in-house R&D and manufacturing of core components have been reinforced. Hangcha Electric developed over 2,000 lithium battery varieties and acquired numerous international, domestic, and industry certifications. Daily lithium battery production capacity scaled to 400 units, while the

warehousing and wiring harness production systems were upgraded with digital empowerment. Zhejiang Hangbo Electric Co., Ltd. (“Hangbo Electric Drive”) completed the conversion and validation of 19 Enpower motor models, developed eight products, and set up five automated production lines, achieving an annual capacity of 75,000 units. Cloudree, primarily engaged in the sales, manufacturing, and creation of chargers, developed a total of 162 products throughout the year to support the marketing of complete vehicles for the Company. During the Reporting Period, the Company, through efficient synergy within the "Hangcha Ecosystem", expanded and renovated the Qingshan Industrial Park and Hengfan Science and Technology Park to improve in-house capabilities for structural components, driving the upgrade of new energy power battery, drive motor, and motor controller as well as the intelligent logistics solutions. The combo of resource integration, technological breakthroughs, and ecosystem synergies also contributed to the establishment of a modern industrial landscape with independent and controllable core components as the foundation for efficient industrial chain connectivity.

5. Digital-Physical Upgrading for Production Efficiency Enhancement

Starting from technology transformation, the Company pioneered intelligent factory development by all means, such as artificial intelligence, smart manufacturing technologies, and intelligent equipment, to architect a responsive, high-yield, and synergistic smart production line ecosystem.

Hangcha Hengfan Science and Technology Park (Phase IV) with a capital investment exceeding RMB 100 million started operation, yielding 10,000+ annual units of AGV/AMR fleets, inspection robots, stacker cranes, and intelligent conveying systems. The efficient integration of R&D, manufacturing, and system significantly enhanced capacity assurance and delivery precision for intelligent logistics solutions, establishing the cornerstone for end-to-end smart logistics offerings. In January 2026, Shiqiao Science and Technology Innovation Park industrial was put into operation with optimized functions, depicting a well-defined growth trajectory.

The "machine-for-human" substitution contributed to the world’s largest standalone productivity of 400,000 units per year and a top-tier flexible manufacturing system accommodates 10,000+ bespoke configurations. Structural component lines became fully automated in feeding and welding; painting operations were completed autonomously via robotic systems; and the assembly lines were armed with traceable human-robot collaboration. Thanks to the "intelligent transformation", we engineered an end-to-end digital workflow from order to delivery: MES enables real-time visual production orchestration; IoT & digital twins power proactive equipment maintenance; and AS/RS-AGV synergy empowers millimeter-perfect material routing.

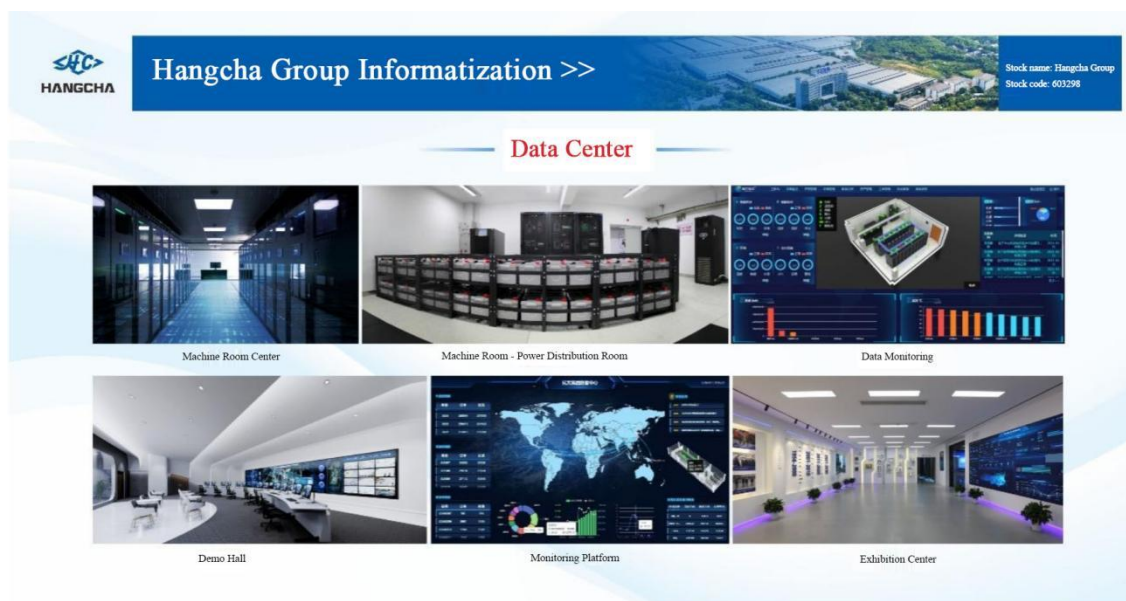


6. Digital transformation to boost management efficiency revolution

The Company has built an intelligent manufacturing architecture covering the whole value chain upon five digital pillars - digital business operations, digital process management, digital administration, digital marketing, and digital service.

Our RMB 100+ million industrial Internet platform has been running in full swing. With SAP as its core infrastructure, the platform integrates PLM, CRM, MES, and WMS systems that enable seamless workflow and data transmission within different sections of the Group. With full-element connectivity across 2,000+ intelligent devices, it serves as the central nervous system for enterprise-wide digital transformation.

During the Reporting Period, the Company completed the data center the Group, which established infrastructure for future IT evolution and localized AI deployment. While advancing AI framework construction, the Company has been depicting vertical knowledge graph of industrial vehicles in a bid to increase R&D efficiency and empower manufacturing optimization, precision marketing, and intelligent aftermarket service.



4. Core Competencies Analysis for the Reporting Period

"√ Applicable" "□ Not applicable"

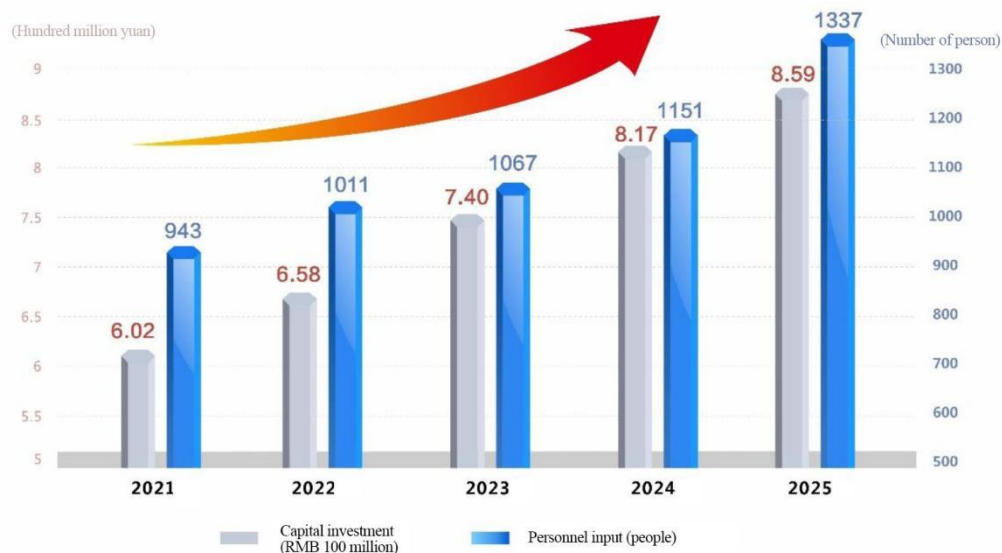
During the Reporting Period, the Company capitalized on the pivotal shift of the automotive sector toward green, intelligent, and high-end solutions. Drawing on the specialized expertise and sustained innovation for the past five decades, the Company focused on six core dimensions, namely technology R&D, industrial deployment, market expansion, intelligent manufacturing, ecosystem integration, and talent culture, to erect integrated competitive barriers spanning R&D innovation, full-chain manufacturing, global marketing and services, and smart logistics integration. Backed up by industry-leading technological capabilities, full-chain integration, and global operational competence, the Company has reinforced its market leadership, providing robust support for high-quality growth, global expansion, and intelligent transformation, with core competitive edges to be strengthened.

1. Product R&D and intelligent technology integration

Anchored in the green, intelligent, and high-end transformation, the Company adheres to the R&D philosophy of "targeting benchmarks, surpassing competitors, and developing the world's best forklift products" and has built a technological innovation system characterized by "one core, two wings, and comprehensive coordination", thus cementing our R&D leadership. The Company draws on an array of high-level platforms, such as the national enterprise technology center, national accredited laboratory, national industrial design center, national postdoctoral research station, and several provincial research institutes, to form a systematic and full-chain R&D support framework, thereby providing infrastructure and talent essential for frontier technology breakthroughs and core product iteration. We increased investment in key technologies with focus on the in-depth convergence of AI, new energy, 5G, and IoT with industrial vehicle application in green intelligence, comfort and safety, high efficiency and reliability, intelligent logistics and digital research and development, and achieved breakthroughs in hybrid power systems, zone-mode adaptive control, VNA aisle safety technology, steer-by-wire chassis, and localized dual-drive transmissions, accelerating the translation of R&D

outcomes into market-ready solutions. Leveraging sustained technological accumulation, the Company has assembled the most comprehensive new energy product portfolio, with the 309V diesel-electric hybrid forklift, high-voltage lithium off-road forklift, four-pivot small-wheelbase lithium forklift, and X-series omnidirectional lateral electric forklift, making global or domestic debuts, filling market gaps and reinforcing the Company's new energy leadership.

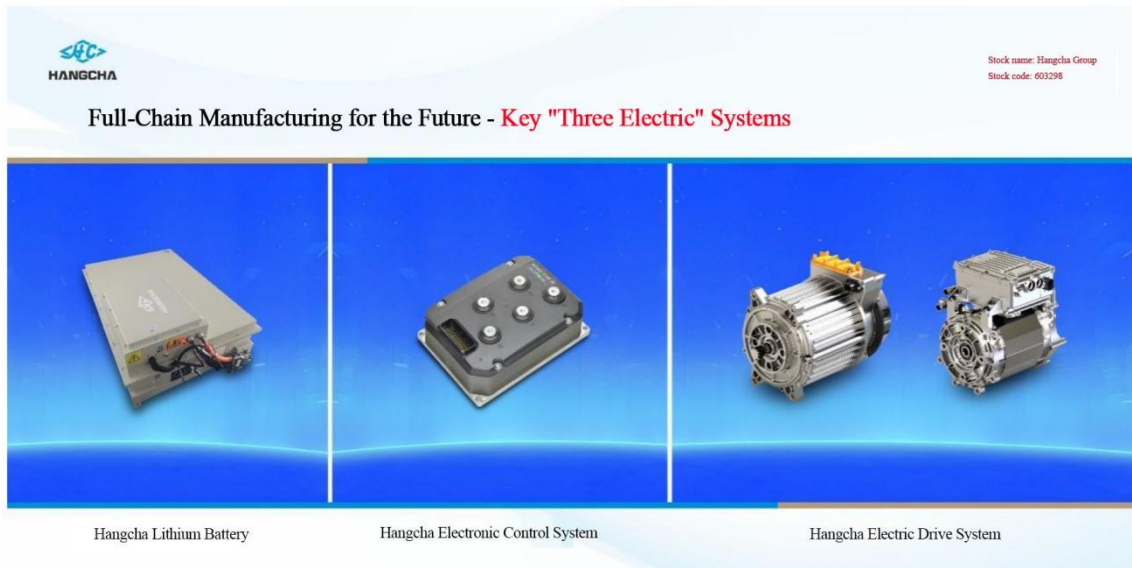
2021-2025 R&D Investment in Water Supply



Constant R&D investments consolidated our dominance in electric forklift while accelerating business operation in smart logistics and other strategic emerging businesses. Core technologies are rapidly transitioning from lab to market, with R&D serving as the central engine of transformation. The R&D team has expanded steadily, with a rising proportion of master's and doctoral degree holders and an increasingly optimized talent structure, which underpinned the Company's continued breakthroughs in new energy, intelligent systems, and autonomous driving.

2. Advantages in new energy industry chain

The Company has forged deeply integrated and independently controllable industrial chain advantages in new energy. Through a comprehensive ecosystem for core components, a full coverage has been achieved across battery, electric drive, and electric control technologies. In hydrogen energy, the Company has yielded deep collaboration with partners Just Power with fruitful outcome, including delivery of hundreds of hydrogen forklifts and validation of hydrogen powertrain reliability for the future extensive adoption. Strategic partnership with upstream battery leaders like EVE Energy evolved from simple procurement to "ecological symbiosis" with focus on joint R&D and scenario creation on advanced battery technology with intelligent equipment. The Company has also built a green evaluation system for suppliers to motivate over 300 core partners in a collective upgrade, fortifying our new energy leadership and global expansion.



3. Global operation and brand strength

The Company has established a three-tier service network of "Headquarters – Overseas Subsidiaries – Dealers", with over 20 overseas subsidiaries across Europe, North America, and Southeast Asia, and over 300 authorized dealers worldwide, an efficient coverage of key global markets. Supported by Hangcha Europe Rental & Sales Co., Ltd., Hangcha Middle East, and a planned Thailand manufacturing base with an annual capacity of 10,000 units, the Company has been reinforcing the capabilities of local manufacturing and rapid response to align with market demand. The partnership with global leaders such as Coca-Cola, Tesla, Holcim, and Saint-Gobain has markedly elevated the international standing of "Hangcha" brand.





4. Intelligent manufacturing and digital transformation

Committed to the continued iteration of our “Future Factory”, a pioneer in Zhejiang, and in-depth empowerment of the full value chain, the Company has launched "Future Factory 3.0" with an investment of hundreds of millions for upgrading. Through "5G+AGV Smart Logistics", “MES Intelligent Manufacturing Platform”, and digital twin system, we have achieved full-process automation and data-driven control from blanking to assembly, with key equipment networking exceeding 95%, order delivery cycles shortened by 40%, and overall equipment effectiveness amounting to 85%. Our “Industrial Internet Platform” has become a provincial key platform integrating PLM and WMS for full-lifecycle digital management. In AI application, the Company employed multimodal technology to build a vertical knowledge graph for industrial vehicles that encompass vehicle parameters, operational

data, and customer behavior, shifting aftermarket service mode from reactive response to proactive prediction featuring a significant increase of diagnostic accuracy and service efficiency. Data accumulated from various terminals fuels continuous iteration of intelligent industrial vehicles and robots, accelerating the transition from traditional equipment manufacturer to full-scenario smart logistics provider.



5. Smart logistics solution integration

The Company has built full-stack capability from core hardware to intelligent systems, with in-depth and scenario-specific deployment. The 2025 global launch of the X1 series logistics robot marked a strategic milestone for a highly coordinated "hand-foot-eye-brain" operation under unstructured conditions with millimeter navigation precision, hence a great breakthrough in the upgrade to full-scenario smart logistics solutions. Through in-depth integration with Guozi Robotics, our smart logistics segment has achieved a quantum leap in both scale and quality, forming a dual-wheel drive of "hardware + solutions". Our product portfolio covers AGVs/AMRs, intelligent warehousing, inspection robots, and system integration, with benchmarks established across over 20 industries like new energy and automotive, highlighting the great leap from single device supply to replicable industry benchmarking.



6. Cultural leadership and talent development

After six decades of accumulation and two decades of renovation, the Company has effectively combined a market-driven and flexible employment mechanism with systematic, standardized management and a deep humanistic ethos towards the mission to "Make material handling easier", the vision "To be the best forklift truck manufacturer in the world", the core values of "Integrity, responsibility, sharing", the spirit of "Progressive, practical, creative, harmonious", and the "family" culture that "Hangcha is our home, built by all, serving all, loved by all". Leaders set the example to foster the philosophy of accountability, pioneering innovation, and collaborative unity, with cultural cohesion anchoring enterprise development. The Company holds annual skill competitions to celebrate craftsmanship and enrich employee life, further strengthening team spirit and sense of belonging, making the "family" culture a key engine for our innovation and progress.

The Company regards talent as its primary resource while shaping a global multi-level empowerment system to underpin high-quality development and world-class business building. While refining

transnational talent incentive and training mechanism, the Company has dispatched outstanding management and technical talents to overseas subsidiaries in Vietnam, Japan, Malaysia, and Indonesia to strengthen localized operations; optimized the independent evaluation system for intermediate professional titles in special equipment engineering and accelerated the recruitment and cultivation of advanced innovative talent under the support of National Postdoctoral Research Station and Zhejiang University; initiated the "Star Plan" program to deepen industry-education integration for the development of high-skilled professionals in smart logistics and aftermarket service; and set up an independent professional skill evaluation system across seven professions covering skill training and certification in pursuit of high-quality industrial workforce. The advanced cultural philosophy and talent empowerment strategy significantly enhanced the loyalty, satisfaction, and sense of belonging and strengthened internal dynamism and core competitiveness, offering robust value guidance, cultural cohesion, spiritual impetus, and talent assurance for global expansion and intelligent transformation.



5. Main Operating Results during the Reporting Period

For the Reporting Period, the Company achieved an operating income of RMB 17.739 million, representing a YoY increase of 5.90%, net profit attributable to shareholders of the listed company of RMB 2.191 million, a YoY increase of 8.87%, and net profit after deduction of non-recurring gains and losses attributable to the shareholders of the listed company of RMB 2.149 million, a YoY increase of 9.36%.

(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 (%)
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Operating income	17738651997.86	16749658536.93	5.90
Operating cost	13342717775.81	12775733409.22	4.44
Selling expenses	889497442.79	751517469.51	18.36
Administrative expenses	488776232.52	425264957.02	14.93
Financial expenses	6557982.24	-37979616.30	N/A
R&D expenses	858946791.62	817491897.92	5.07
Net cash flows from operating activities	1683901243.07	1361574668.81	23.67
Net cash flows from investing activities	-554696292.21	-463213874.23	N/A
Net cash flows from financing activities	-944445772.66	-680831617.02	N/A

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

Explanation of Changes in Net Cash Flows from Financing Activities: The change was primarily attributable to an increase in dividend payments during the current period.

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"

During the Reporting Period, the Company logged an operating revenue of RMB17.739 billion, a year-on-year increase of 5.90%, and operating cost of RMB13.343 billion, a year-on-year increase of 4.44%.

(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	1744649.05	1311604.29	24.82	5.77	4.58	Increase by 0.86 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	975132.17	778261.92	20.19	1.99	0.86	Increase by 0.89 pp
Overseas	769516.88	533342.37	30.69	10.97	10.51	Increase by 0.29

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

None

(2). Analysis of production and sales volumes

"√ Applicable" "□ Not applicable"

Main products	Unit	Production volume	Sales volume	Inventory volume	Increase/decrease in production volume over the previous year (%)	Increase/decrease in sales volume over the previous year (%)	Increase/decrease in inventory volume over the previous year (%)
Forklifts, etc.	Unit	341447	334360	26141	22.02	19.41	37.19

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: CNY

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	1198881.65	92.87	1113029.40	92.97	7.71	
Forklifts, etc. and accessories	Labor and wages	42657.22	3.30	35852.78	2.99	18.98	
Forklifts, etc. and accessories	Depreciation	8296.49	0.64	7714.61	0.64	7.54	
Forklifts, etc. and accessories	Energy	10403.76	0.81	8485.60	0.71	22.60	
Forklifts, etc. and accessories	Other	30714.03	2.38	32188.12	2.69	-4.58	

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

Customers or suppliers controlled by the same controller are presented on a consolidated basis as a single customer or supplier, unless being controlled in effect by the same state-owned asset management authority.

Explanation of the Presentation of the Following Customer and Supplier Information on a Consolidated Basis under the Same Control

None

A. Major Sales Customers and Major Suppliers for the Company

Applicable" Not applicable"

Sales to the top five customers amounted to RMB115,243.55, accounting for 6.50% of total annual sales, among which, sales to related parties within the top five customers was RMB0, accounting for 0% of the total annual sales.

Purchases from the top five suppliers amounted to RMB279,426.40, accounting for 20.30% of total annual purchases, among which, purchases from related parties within the top five suppliers was RMB120,605.67, accounting for 8.76% of the total annual purchases.

B. 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"

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"

C. Delisting Risk Warning or Other Risk Warnings to the Company's Shares During the Reporting Period

Top Five Sales Customers

Applicable" Not applicable"

Top Five Suppliers

Applicable" Not applicable"

D. Revenue from Trading Business during the Reporting Period

Applicable" Not applicable"

Unit: Ten thousand yuan Currency: CNY

Trading Business	Operating revenue for the current period	Operating revenue for the previous period	Changes in operating revenue for the current period vs the previous period (%)
Trading business	16270.57	12820.99	26.91

Top five sales customers with trading business revenue exceeding 10% of operating revenue

Applicable" Not applicable"

Top five suppliers with trading business revenue exceeding 10% of operating revenue

Applicable" Not applicable"

Other notes:

None

3. Expenses

Applicable" Not applicable"

Unit: RMB 10,000 Currency: RMB

Item	Amount for the current period	Preceding period comparative	Change (%)	Reason for change
Financial expenses	655.80	-3797.96	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: CNY

R&D investment as expenses in the current period	858946791.62
R&D investment as capital in the current period	
Total R&D investment	858946791.62
Proportion of total R&D investment to Operating income	4.84
Proportion of R&D investment as capital	

(2). R&D personnel

Applicable" Not applicable"

Number of R&D personnel	1337
Proportion of number of R&D personnel to total number of employees (%)	18.48
Educational background of R&D personnel	
Educational background category	Personnel by educational background
Doctor	2
Master	153
Bachelor's degree	703
Junior college	327
Senior high school or below	152
Age composition of R&D personnel	
Age composition category	Personnel by age composition
Younger than 30 (excluding 30)	553
30 - 40 (including 30, excluding 40)	494
40 - 50 (including 40, excluding 50)	203
50 - 60 (including 50, excluding 60)	80
60 and elder	7

(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	Preceding period comparative	Change (%)	Notes
Receipts of tax refund	94745.26	70190.80	34.98	Primarily attributable to the increase in export tax rebates received during the current period.
Cash payments for taxes and rates	104042.98	76997.00	35.13	Primarily attributable to the increase in value-added tax paid during the current period.
Cash receipts from withdrawal of investments	18506.50	3540.26	422.74	Primarily attributable to the increase in cash received from the redemption of wealth management products during the current period.
Cash receipts from investment income	1358.78	3030.36	-55.16	Primarily attributable to the decrease in dividends received from associates during the current period.
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	981.27	1968.25	-50.15	Primarily attributable to the decrease in gains on disposal of fixed assets during the current period.
Net cash receipts from the disposal of subsidiaries & other business units	282.28		100.00	Primarily attributable to the increase in cash received from the disposal of any sub-subsidiary during the current period.
Other cash receipts related to investing activities	42.89	539.36	-92.05	Primarily attributable to the decrease in amounts recovered from fixed assets leased out under finance leases during the current period.
Cash payments for investments	21470.07	9864.43	117.65	Mainly due to increase in scale of wealth management in current period.
Other cash payments related to investing activities		176.22	-100.00	Primarily attributable to the absence of relevant business activities during the current period.
Cash receipts from absorbing investments	7466.07	5001.20	49.29	Primarily attributable to the increase in capital contributions from minority shareholders during the current period.
Cash payments for distribution of dividends or profits and for interest expenses	103002.93	59225.03	73.92	Primarily attributable to the increase in dividend payments during the current period.
Other cash payments related to financing activities	45043.42	23085.99	95.11	Primarily attributable to the increase in the repayment of bill financing during the current period.
IV. Effect of foreign exchange rate changes on cash & cash equivalents	1063.66	1635.43	-34.96	Primarily attributable to the impact of exchange rate fluctuations on foreign currency-denominated assets 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: CNY

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
Derivative financial assets			163.53	0.01	-100.00	Primarily attributable to the settlement of forward foreign exchange contracts during the current period.
Receivables financing	47252.37	2.40	29496.19	1.75	60.20	Mainly due to increase in unendorsed bankers' acceptance bills retained at the end of the current period.
Long-term receivables	10982.20	0.56	8289.35	0.49	32.49	Primarily attributable to the expansion of the financial leasing business during the current period.
Fixed assets	324412.22	16.46	220271.04	13.06	47.28	Primarily attributable to the transfer of completed construction in progress and the increase in leasing activities during the current period.
Construction in progress	11595.40	0.59	58483.70	3.47	-80.17	Primarily attributable to the conversion of construction in progress to fixed assets during the current period.
Right-of-use assets	25716.32	1.30	17462.65	1.04	47.26	Mainly due to increase in housing lease and lease terms in the current period.
Deferred tax assets	15635.06	0.79	11682.84	0.69	33.83	Primarily attributable to the increase in deductible temporary differences arising from leasing transactions.
Short-term borrowings	80968.12	4.11	50378.22	2.99	60.72	Primarily attributable to the increase in short-term bank borrowings.
Derivative financial liabilities			36.68	0.002	-100.00	Primarily attributable to the settlement of forward foreign exchange contracts during the current period.
Notes payable	169301.70	8.59	90216.63	5.35	87.66	Mainly due to increase in bankers' acceptance bills issued for settlement for materials in the current period.
Advances received	264.22	0.01	91.35	0.01	189.23	Primarily attributable to the increase in advance receipts of rental payments during the current period.
Other payables	8984.82	0.46	22642.14	1.34	-60.32	Primarily attributable to the

						repayment of current accounts during the current period.
Non-current liabilities due within one year	4584.34	0.23	62979.88	3.73	-92.72	Primarily attributable to the decrease resulting from the reclassification of long-term borrowings during the current period.
Long-term borrowings	49800.00	2.53	5471.71	0.32	810.14	Mainly due to increase in long-term bank borrowings in the current period.
Lease liabilities	21640.11	1.10	14390.99	0.85	50.37	Mainly due to increase in housing lease and lease terms in the current period.
Long-term payables	5006.37	0.25	457.90	0.03	993.34	Primarily attributable to the increase in sale and leaseback transactions during the current period.
Other comprehensive income	2734.97	0.14	-415.45	-0.02	N/A	Mainly due to changes in other comprehensive income that can be reclassified to profit or loss in equity method.
Special reserve	71.21	0.004	212.15	0.01	-66.43	Primarily attributable to the provision for special reserves less than the actual amount applied during the current period.

Other notes:

None

2. Overseas assets

Applicable" Not applicable"

(1). Size

Where: The overseas assets were 259,114.09 (Unit: Ten thousand yuan Currency: CNY), accounting for 13.15% of the total assets.

(2). 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
Cash and bank balances	40769564.91	Guarantee deposits, foreign exchange derivative deposits, bank acceptance bill deposits, performance bond
Fixed assets	46617155.54	Restrictions to sale and leaseback

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

Overall Analysis of External Equity Investments

Applicable" Not applicable"

The Company continued business expansion along the industry chain on its principal business, while strengthening key business operation, intelligent business strategies, and aftermarket service capabilities. In July 2025, Zhejiang Hangcha Guozi Robotics Co., Ltd., a subsidiary of the Company, acquired 99.23% equity interest in Zhejiang Guozi Robotics Co., Ltd. through capital increase and share expansion. During the Reporting Period, the Company increased contributions totaling RMB71 million to companies including Hangcha Electric, Hangcha Leasing, and Tianjin New Energy, and invested RMB188 million in the establishment of new entities such as Hangcha Manufacturing (Thailand), and Hangcha Europe Rental & Sales, with investment for the year totaling RMB259 million.

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	388923771.97	347215.23			6160719601.69	5949015415.28		600975173.61
Total Amount	388923771.97	347215.23			6160719601.69	5949015415.28		600975173.61

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"

(1). 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 (%)
Bank of Ningbo RMB Swap			167000.00		14359000.00	14526000.00		
Bank of Ningbo RMB Swap			71400.00		14359000.00	14430400.00		
Bank of Ningbo Forward Foreign Exchange Transactions			185955.50		35897500.00	36083455.50		
Bank of Ningbo Foreign Currency-to-Foreign Currency Options					35897500.00	35897500.00		
China Merchants Bank Forward Foreign Exchange Contracts	43077000.00	-366815.63	366815.63					
Total Amount	43077000.00	-366815.63	791171.13		100513000.00	100937355.50		
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	The actual gains from derivative transactions undertaken for hedging purposes amounted to RMB79,120 during the Reporting Period.							
Effect of hedging	The Company mitigated foreign exchange market risks through foreign currency hedging. Exchange rate fluctuations during the Reporting Period had no material 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)	

(2). 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"

Opinions of Independent Directors

None

(6) significant asset and equity sales

Applicable" Not applicable"

(7) analysis of major companies with controlling or minor interests

Applicable" Not applicable"

Details of main subsidiaries and equity participation companies that affect the Company's net profit by 10% or more

"√ Applicable" "□ Not applicable"

Unit: Ten thousand yuan Currency: CNY

Company name	Type	Principal business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Hangzhou Forklift Frame	Subsidiary	Forklift mast production	5040.00	63328.97	15296.58	171903.39	2903.98	2837.03
Hangzhou Forklift & Metal Working & Welding	Subsidiary	Forklift structural component production	4000.00	26185.89	9355.44	78691.47	2295.27	2165.90
Hangcha Bridge Box	Subsidiary	Forklift axle production	3000.00	19845.31	10496.02	92532.47	1885.79	1707.26
Jinan Hangcha	Subsidiary	Forklift sales	1275.00	3676.55	3121.63	19838.30	936.73	679.07
Guangzhou Zhehang	Subsidiary	Forklift sales	1100.00	5602.26	2106.66	23867.46	309.23	223.38
Shanghai Hangcha	Subsidiary	Forklift sales	1300.00	12459.32	3226.69	25860.51	653.69	551.11
Hangcha Imp.&Exp.	Subsidiary	Forklift sales	2070.00	248969.24	8973.89	696589.56	700.10	399.05
Hangcha Casting	Subsidiary	Forklift casting production	4500.00	13373.86	8114.72	112545.44	406.13	304.22
Hangcha Electric Appliance	Subsidiary	Forklift electrical component production	5000.00	37288.63	13846.59	117461.39	3652.43	3156.02
Zhongce Haichao	Equity participation company	Corporate management and equity investment	350000.00	5411986.18	2593477.63	4495623.03	416914.31	403436.28

Acquisition and disposal information of subsidiaries during the Reporting Period

"√ Applicable" "□ Not applicable"

Company name	Acquisition and disposal method of subsidiaries during	Impact on overall production, operation and performance

	the Reporting Period	
HANGCHA FORKLIFT VIETNAM CO. LTD.	New	This matter will not have an adverse impact on the production, operation, or financial position of the Company, nor will it prejudice the lawful rights and interests of the Company and all shareholders.
HANGCHA MIDDLE EAST GENERAL TRADING FZE	New	This matter will not have an adverse impact on the production, operation, or financial position of the Company, nor will it prejudice the lawful rights and interests of the Company and all shareholders.
HANGCHA GROUP MANUFACTURING(THAILAND) CO. LTD.	New	This matter will not have an adverse impact on the production, operation, or financial position of the Company, nor will it prejudice the lawful rights and interests of the Company and all shareholders.
Zhejiang Zhichu Jia Material Handling Equipment Co., Ltd.	New	This matter will not have an adverse impact on the production, operation, or financial position of the Company, nor will it prejudice the lawful rights and interests of the Company and all shareholders.
Hangzhou Hangcha Property Management Service Co., Ltd.	New	This matter will not have an adverse impact on the production, operation, or financial position of the Company, nor will it prejudice the lawful rights and interests of the Company and all shareholders.

Other notes

Applicable" Not applicable"

(8) Structured entities controlled by the company

Applicable" Not applicable"

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

(1) Industry Landscape and Trends

"√ Applicable" "□ Not applicable"

1. Industry competition landscape

In 2025, in the face of global political and economic complexity and volatility as well as the challenges of industrial chain restructuring, China's industrial vehicle sector demonstrated remarkable resilience. While leading global production and sales, the industry is undergoing a profound transformation from scale expansion to value enhancement. Since the fundamental logic of competition has shifted decisively: The homogenized "battle for volume" has given way to a "contest of value", where technology, brand equity, service excellence, and ecosystem synergy constituted the new battleground^{quot;}https://finance.sina.cn/stock/re/news/hk/2025-12-30/detail-inheqqfn4224447.d.html?_vt_4&wm=3049_0005632640601&cid=76524&node_id=76524.

Amid the accelerating concentration at a pronounced pace, market resources are gravitating toward industry leaders endowed with competitive edges, forming a distinct pattern of "consolidation at the apex, differentiation across regions". Industry pacesetters, armed with deep-rooted legacy, formidable R&D prowess, refined channels, and life-cycle service capabilities, have erected formidable competitive moats, fortified by scale effects and bargaining power on the industry chain ^{quot;}<https://news.yiche.com/hao/wenzhang/105302407/>^{quot;}https://finance.sina.cn/stock/re/news/hk/2025-12-30/detail-inheqqfn4224447.d.html?_vt_4&wm=3049_0005632640601&cid=76524&node_id=76524. In contrast, those bereft of distinctive technologies or scale edge find their operation space constantly compressed, as the forces of consolidation and natural selection intensify, rendering the polarization increasingly stark ^{quot;}<https://news.yiche.com/hao/wenzhang/105302407/>^{quot;}. Such trend is also manifest on and through the supply chain, where vehicle manufacturers are imposing more stringent demands on the reliability, efficiency, and local security of core components such as powertrain systems, while suppliers possessing proprietary core technologies and integrated solutions are seeing their comparative advantages decisively pronounced ^{quot;}<https://www.huaon.com/channel/trend/1101723.html>^{quot;}.

Cross-sector incursions and new contender participation are injecting fresh variables into the competitive landscape. In such arenas as new energy and intelligent systems, players from the passenger vehicle and construction machinery domains are swiftly gaining traction by means of capital, technology, or business model to mount challenges in specific segments, compounding the intricacy and intensity of market competition ^{quot;}<https://www.bitauto.com/article/1003103896084/>^{quot;}<http://field.10jqka.com.cn/20260126/c674300347.shtml>^{quot;} beyond product pricing and performance, extending to comprehensive value proposition of energy solution, intelligent integration, and full-lifecycle service delivery. future success. In summation, the industrial vehicle sector falls into a paradigm where "the strong grow stronger" while "innovators forge new paths". A single pillar no longer suffices to underwrite long-term viability, and a systemic competitiveness pattern of technology, product portfolio, supply chain integrity, service sophistication, and global operational acumen has emerged as

the decisive factor https://finance.sina.cn/stock/re/news/hk/2025-12-30/detail-inheqqfn4224447.d.html?vt=4&wm=3049_0005632640601&cid=76524&node_id=76524.

2. Industry trends

As the global technological revolution and industrial transformation advance intensively and extensively, the industrial vehicles are growing towards digital, ecological, and intelligent momentum that injects formidable vitality into the industry's high-quality development. Digital intelligence, new energy transition, and international shift constitute the defining threads of industry evolution, driving the continuous reconfiguration of product architectures, business models, and competitive frontiers https://finance.sina.cn/stock/re/news/hk/2025-12-30/detail-inheqqfn4224447.d.html?vt=4&wm=3049_0005632640601&cid=76524&node_id=76524 <https://auto.cri.cn/20251128/16f1421b-2c56-4e6b-9fbd-32e362e9739e.html>.

First, the new energy transition is now driven by market demand, with booming electrification across the board. Propelled by the "dual carbon" strategy and the cost advantage of full lifecycle, new energy industrial vehicles have transitioned from policy-catalyzed adoption to market-demand proliferation https://finance.sina.cn/stock/re/news/hk/2025-12-30/detail-inheqqfn4224447.d.html?vt=4&wm=3049_0005632640601&cid=76524&node_id=76524 <https://www.xd56b.com/m/view.php?aid=52579> <https://www.huaon.com/channel/trend/1101723.html> <https://www.huaon.com/channel/trend/1101723.html>. In 2025, the electrification penetration rate of industrial vehicles continued its upward trend, represented by the displacement of lead-acid batteries by lithium-based alternatives and the ongoing exploration of diversified technologies like hydrogen fuel cells in specific application scenarios, forming a multi-energy architecture of "lithium as the mainstay, hydrogen as the complement" <https://www.huaon.com/channel/trend/1101723.html> <https://www.huaon.com/channel/trend/1101723.html>. The market space for conventional internal combustion vehicles is projected to contract further, with green, low-carbon product configurations becoming the prevailing norm within the industry <https://www.xd56b.com/m/view.php?aid=52579> <https://www.xd56b.com/m/view.php?aid=52579>.

Second, intelligence technologies are transitioning from conceptual abstraction to scenario-specific implementation as the linchpin of value creation. With the further fusion of AI with commercial operation, the industry shifted its focal point from baseline configuration to customized solutions to operation, efficiency, and safety-specific applications in intelligence enhancement https://finance.sina.cn/stock/re/news/hk/2025-12-30/detail-inheqqfn4224447.d.html?vt=4&wm=3049_0005632640601&cid=76524&node_id=76524. Intelligence is no longer a mere product differentiator, but a critical pillar for building defensible competitive barriers and executing the strategic metamorphosis from equipment suppliers to comprehensive logistics solution providers http://dianzibao.cb.com.cn/html/2025-12/01/content_338741.htm?div=-1 <https://www.xd56b.com/m/view.php?aid=52579> <https://www.xd56b.com/m/view.php?aid=52579>.

Finally, internationalization is undergoing a qualitative elevation from "product export" to "ecosystem export" as the players worldwide are deeply engaged in system deployment. Confronted with

stock-based competition within the domestic market, the overseas arena has become the major engine of industry growth <https://www.bitauto.com/article/1003103896084/> https://finance.sina.cn/stock/relnews/hk/2025-12-30/detail-inheqqfn4224447.d.html?vt=4&wm=3049_0005632640601&cid=76524&node_id=76524. In 2025, the internationalization strategies of preeminent enterprises have transcended trade-based export, pivoting toward the establishment of an all-round ecosystem integrating indigenous R&D, manufacturing, in-market sales, service delivery, and financial support https://finance.sina.cn/stock/relnews/hk/2025-12-30/detail-inheqqfn4224447.d.html?vt=4&wm=3049_0005632640601&cid=76524&node_id=76524 <https://auto.cri.cn/20251128/16f1421b-2c56-4e6b-9fbd-32e362e9739e.html> http://dianzibao.cb.com.cn/html/2025-12/01/content_338741.htm?div=-1 <http://field.10jqka.com.cn/20260126/c674300347.shtml> Competition priorities have ascended from price-centric rivalry to a comprehensive contest of brand resonance, technological standards promotion, and industrial chain orchestration prowess, thereby driving upwards Chinese industrial vehicle brands along the global value chain http://dianzibao.cb.com.cn/html/2025-12/01/content_338741.htm?div=-1 <http://field.10jqka.com.cn/20260126/c674300347.shtml>.

(2) Company Development Strategy

Applicable" Not applicable"

Dedicated to the mission to “make materials handling easier, make logistics Intelligent smarter” and the strategy of “professional manufacturing, brand-driven operation, group-based management, and international integration,” the Company has been concentrating its strategic resources on six pivotal vectors: New energy vehicles, intelligent logistics systems, aftermarket services, construction machinery, core components, and cleaning equipment. Upholding the corporate ethos of "progressive, practical, creative, harmonious", the Company is resolutely committed to value creation and societal contribution, striving with unwavering determination toward the realization of its aspirational vision: "To be the best forklift truck manufacturer in the world.”

(3) Operational Plan

Applicable" Not applicable"

2026 marks the inaugural year of the "15th Five-Year Plan” of the Company with steadfast commitment to its six strategic priorities, guided by the overarching principle of "stabilizing growth, optimizing structure, driving innovation, and strengthening synergy". The Company will further empower its high-quality development across the board through collaborative development of various sectors: New energy vehicles lead the iteration of lithium battery and hydrogen energy products; smart logistics propel the application of cutting-edge intelligent technologies like robotics; core components bolster in-house mastery of the three core electric systems; aftermarket service optimization expedite the transition toward full-lifecycle value delivery; global expansion intensify localization strategy while establishing a growth engine centering on new energy for the global market.

1. Deepen Technological Innovation and Form New Quality Productive Forces

Guided by the new energy strategy, the Company will build a technological innovation system on lithium battery, hydrogen energy, and hybrid power foundations, with intelligent technology at its core and globally coordinated distribution to place energy products on the industry's top tier. The Company will leverage the opportunity presented by the Hengfan Science and Technology Park (Phase IV) to enrich product matrix to expedite technological breakthroughs and development for intelligent products and advance the strategic implementation and industrial upgrading of the smart logistics segment.

2. Accelerate Worldwide Business Expansion and Consolidate Global Competitive Advantages

The Company will maintain its dual-engine drive across domestic and international markets. In the domestic market, we will continue to optimize marketing workforce and achieve leapfrog development in the aftermarket on leasing, spare parts, and services. In the overseas market, we will further drive the global deployment of products and technologies across such dimensions as brand momentum and product portfolio.

In building an agile and efficient global operation system, the Company will push forward the operation of the Thailand manufacturing base as a strategic pivot for international market expansion. Additional overseas subsidiaries in underrepresented regions such as Central Asia, the Middle East, and Africa will be established to further enhance international partnerships for the sustainability of our overseas lithium battery joint venture.

3. Optimize Industrial Ecosystem and Strengthen Collaboration among Parks

The Company is expected to forge a highly synergistic industrial ecosystem among the three flagship industrial parks in Qingshan, Hengfan, and Shiqiao: 1) Qingshan Innovation Park - Complete vehicle R&D and high-end manufacturing; 2) Hengfan Science and Technology Park - Intelligent logistics equipment and core components; 3) Shiqiao Innovation Park - Wellspring of frontier technology innovation, gateway for international business, and showcase for the Company's corporate image. We will step up the commercialization of innovation outcome and foster upstream-downstream industrial chain integration to improve operational efficiency and industrial resilience.

4. Leverage Artificial Intelligence and Accelerate Transformation and Upgrading

Towards the strategic vision of becoming the world's foremost logistics equipment supplier, the Company is driving all-round upgrading across organizational structure, technology R&D, manufacturing, marketing, and services. By consolidating the Group-wide resources and technical expertise of our intelligent logistics segment, the Company will establish an intelligent logistics research institute, an embodied AI research institute, and a robotics innovation center, and bring up to market more competitive AGV, AMR, and inspection robot products for sustaining our industry leadership. We will build a project management-centric capability framework covering the project management talent through the Company and refine an end-to-end project delivery system. We will also advance the construction and mass production of the embodied robotics pilot base, develop a broader array of intelligent logistics robots. Intelligent technologies will be harnessed to transform and upgrade our conventional product lines, including forklifts, aerial work platforms, and cleaning equipment, while our manufacturing, marketing, and service functions will be fully improved to support intelligent logistics

solutions.

5. Strengthen Talent Development and Fortify Talent Base

Guided by the talent-empowered enterprise initiative and in the principles of targeted talent acquisition, systematic development, institutionalized retention, and synergistic deployment, the Company will introduce more high-caliber interdisciplinary professionals in new energy and artificial intelligence, enhance full-cycle talent development system with more focus on the young and high-potential talent, and optimize incentive mechanism and career promotion system, and enhance the collaboration across different divisions. The Company is building a talent ecosystem fully aligned with industrial architecture to elevate organizational vitality and innovation momentum to support sustainability.

6. Reinforcing Risk Management and Practice Social Responsibility

The Company will fortify the full-chain risk management framework by strengthening proactive, preemptive oversight of operation risks at home and abroad, with more emphasis on mitigating international trade barriers, managing exchange rate volatility, strengthening regulatory compliance of overseas subsidiaries, and formulating risk early-warning and response protocols. In terms of ESG governance, the Company will continue to implement the *Sustainable Development (ESG) Management Policy*, incorporating ESG requirements into both strategic decision-making and routine businesses, regularly publish bilingual ESG reports in both Chinese and English, and safeguard the rights and interests of employees in line with the philosophy of safety, inclusivity, and sustainability.

(4) Possible Risks

"√ Applicable" "□ Not applicable"

The Company's development is closely intertwined with the global macro-economy, industry policies, market competition landscape, and operation capabilities. In its way to global leadership for a good start of the "15th Five-Year Plan", the Company is clearly aware of possible risks and challenges in future operations, to which purpose it has taken active measures.

1. Risks from external complexity and volatility

The current global economic recovery remains sluggish overall, geopolitical conflicts continue to disrupt the global economic and trade order, uncertainties are highlighted in the macroeconomic policy adjustments by major economies, and international trade barriers are being intensified. In overseas markets, particularly strategically significant regions, possible shifts in the business climate, regulatory frameworks, and geopolitical conditions may engender material headwinds for the Company's international expansion in operational integrity of overseas manufacturing facilities, resilience of the global supply chain, and momentum of export activities. In domestic markets, economy finds itself navigating a pivotal inflection point of structural metamorphosis and high-quality development, where tectonic realignments in market demand might exert short-term compression on business performance.

The Company will remain resolutely anchored to its innovation-driven strategy, systematically sharpening its core competitive edge through synergistic advances across management, technology, marketing, and production, thereby fortifying its institutional resilience against risks. On the global business landscape, the Company will deepen its "localized operations + structural growth" doctrine to

prudently steward overseas production bases while aggressively setting footprints in high-potential emerging markets such as Central Asia, the Middle East, and Africa. By shaping a global operation landscape of "one core hub + N regional centers", the Company will nimbly navigate the labyrinth of tariff and non-tariff barriers across different regions and effectively diversify away from the risk of single-market concentration.

2. Risks from intensified industry rivalry and constant technological innovation

China's industrial vehicle sector continues to operate at a massive sales volume of one million units in annual throughput, with the ongoing electrification and intelligentization inexorably characterized by a palpable dialectic of "ferocious domestic rivalry with mounting external competition". The increasing homogenization of electric product offerings is fueling acute price compression, while cross-sector businesses and global energy powers are redoubling capital allocation toward new energy and intelligent logistics, dramatically boosting technological innovation. Should the Company prove unable to sustain its technological leadership, product iteration velocity, and cost control edges, its market share and profitability profile could come under tangible strain.

To address the risks, the Company will deepen its "system primacy" R&D and innovation strategy to build competitive moats through the frontier intelligent technologies. Towards the "New Energy Strategy", the Company will continuously curate and refine a diversified new energy product portfolio covering lithium battery, hydrogen fuel cell, and hybrid powertrain solutions to maintain its technical performance benchmark and market competitiveness indelibly ensconced within the industry's apex tier. Meanwhile, the Company will harness intelligent manufacturing and our own IoT platform to elevate production agility, efficiency, and cost performance, and deepen customer entanglement and augment full life-cycle value through a "hardware + solutions" combo for intelligent logistics under a sophisticated aftermarket service ecosystem, thereby consolidating and extending its market hegemony.

3. Risks in volatile exchange rate and cross-border trade settlement

With the continued expansion of the Company's overseas sales, its international business involve an increasing number of currencies in settlement, where the exchange rate volatility may directly impact the gains and losses from exchange rate conversion and operating results. Against a backdrop of intractable geopolitical conflicts and changing monetary policies, the heightened unpredictability of currency movements may materially impinge upon profitability.

To address the risks, the Company will maintain vigilant over the trend of major currencies and the evolution of monetary policies, buttress its exchange rate risk early-warning architecture and governance mechanisms, deploy a calibrated array of financial instruments for hedging purposes to immunize against undue exposure. In the international trading, the Company will proactively champion settlement in Renminbi or currencies exhibiting relative stability, while embedding exchange rate risk-sharing covenants within contractual frameworks. Furthermore, the Company plans to speed up overseas localization by routing sales and procurement through foreign subsidiaries, thereby compressing cross-border capital flows and achieving a natural hedge against risks on exchange rate.

4. Risks for scale amplification and global operations

The Company's asset base, headcount, and business scope are undergoing sustained and compounding expansion, with a total workforce surpassing 7,200 (including 380+ foreign nationals) across 20+ overseas subsidiaries. The emergence of a diversified industrial ecosystem imposes heightened exigencies upon corporate governance, cross-cultural stewardship, resource synergy, compliance and risk control, and operational efficiency. If the management system, business flows, and talent development fail to keep synchronous pace, the Company may encounter operation effectiveness decline, internal control deficiencies, or overseas compliance transgression.

To address the risks, the Company will vigorously boost its digital transformation, leveraging its established industrial Internet platform and group data center to instantiate five integrated pillars - digital operation, digital business management, digital administration, digital marketing, and digital services for the purposes of global business visualization, process standardization, and data-driven decision-making. The Company will also refine and promote its excellence-centric performance management model and build a "full-chain risk control system", with particular emphasis on fortifying compliance governance and risk pre-screening across the overseas subsidiaries. On the human resources enhancement, the Company will systematically advance its "Talent-Strengthening Enterprise Initiative", intensify the recruitment, cultivation, and retention of internationally adept and specialized professionals while optimizing incentive mechanism to ensure that managerial capability in lockstep with organizational scale.

5. Risks in uncertainties from incubation of new technologies and emerging industries

The Company is prosecuting forward-looking R&D and industrial positioning in frontier domains such as intelligent robotics and autonomous systems that are characterized by profound uncertainties in technical path, market demand, and commercialization. If technical breakthroughs fail to be achieved as anticipated, or the market adoption fall materially short of expectations, investments may not yield near-term economic returns, exerting certain inertial pressure on consolidated performance.

To address such risks, the Company will pursue a strategy blending "indigenous R&D with open-ended collaboration" and leverage newly instantiated research entities on core technological breakthroughs. With more emphasis on technological trend and market signaling, the Company has been forging technology stacks and business models through pilot deployment for the creation of flagship intelligent product lines. The scale and pacing of upfront investment will be prudently governed, with R&D vectors and market strategies subject to milestone-based recalibration for the purpose of well-defined risk management over capital investment in innovation projects.

(5) Others

Applicable" Not applicable"

7. 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 Environmental, Social, and Corporate Governance

1. Statement on Corporate Governance

Applicable" Not applicable"

During the Reporting Period, the Company strictly complied with the provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other relevant laws and regulations, as well as the normative documents on corporate governance issued by the China Securities Regulatory Commission and the Shanghai Stock Exchange. Taking into account its own circumstances, the Company revised its Articles of Association and other corporate governance systems, further refined the reform of its corporate governance structure, abolished its Board of Supervisors, and strengthened the competence of the Audit Committee. 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, and senior executives 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.

In accordance with the latest laws, regulations, exchange rules and guidelines, and reforms to its corporate governance structure, the Company revised five existing systems, namely the Articles of Association, the Rules of Procedure for the General Meeting of Shareholders, the Rules of Procedure for the Board Meeting, the Working Rules for Independent Directors, and the Rules of Procedure for the Audit Committee. The Rules of Procedure for the General Meeting of Shareholders were renamed as the Rules of Procedure for the Shareholders' Meeting. To strengthen its market capitalization management, further standardize its market capitalization management practices, effectively protect the legitimate rights and interests of the Company, investors, especially small and medium-sized ones, and other stakeholders, and enhance the company's investment value, the Company formulated a Market Capitalization Management System based on the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidelines for the Regulation of Listed Companies No. 10—Market Value Management and other relevant laws and regulations, as well as its Articles of Association and own circumstances. Through these efforts, the Company ensures that its governance system adapts to the times and regulatory requirements.

(2) Effective and standardized operation of Shareholders' Meetings and Board Meetings

Since its listing, the Company has established relevant governance systems, including the Rules of Procedure for the Shareholders' Meeting and the Rules of Procedure for the Board Meeting, and has ensured the effective implementation of the internal governance system featuring a clear, reasonable, rigorous, and standardized division of responsibilities. All operational procedures comply with the provisions of relevant laws and regulations, as well as the Articles of Association of the Company. Meeting records are standardized and complete, and file management is logical and orderly.

1. Shareholders and Shareholders' Meetings: During the Reporting Period, the Company held four sessions of shareholders' Meetings. The Company convened and held shareholders' meetings in strict accordance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, and the Rules of Procedure for the Shareholders' Meeting. The preparation, proposals, procedures, voting, resolutions, and information disclosure of the meetings met the stipulated 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. All meetings were conducted in the presence of lawyers, who provided formal legal opinions.

2. Directors, Board Meetings, and Specialized Committee Meetings: During the Reporting Period, the Company held thirteen sessions of board meetings, six sessions of audit committee meetings, four sessions of nomination committee meetings, one session of remuneration and evaluation committee meeting, and one session of strategy committee meeting. 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, the Audit Committee, the Nomination Committee, and the Remuneration and Evaluation Committee—boasted reasonable member structures and strong professional expertise, working collaboratively to ensure the Board's efficient performance. The Strategy Committee under the Company's Board of Directors plays a comprehensive role in coordinating and guiding the ESG practices of the Company, continuously improving and promoting strategic goals for the Company's ESG development.

(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 its controlling shareholder with regard to personnel, assets, finance, institutions, and business, ensuring the independent operation of the Board of Directors, Board of Supervisors, Audit Committee, and internal management mechanism. 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 Company conducted insider information registration in strict accordance with the Registration Management System of Insiders, continuously strengthening its insider information management. Adhering to the principle of prevention first, the Company handled all confidential matters in a prudent manner, striving to minimize the access scopes, and registered insiders at meetings such as the shareholders' meetings and management team meetings prior to the disclosure of periodic reports. The company strictly controls the external transmission of undisclosed financial information.

(5) Active Efforts in Investor Relations Maintenance and Management

The Company has focused on balancing its sustainable development with shareholder investment returns. It successfully implemented its equity distribution plan for 2024 and the first three quarters of 2025, providing substantial financial returns to investors. The Company attaches great importance to investor relations. The Board Office has personnel responsible for investor relations management. Led by the Board Secretary, such personnel explain the company's operating status to investors, answer their questions, solicit their views and suggestions on corporate governance and development, and improve the two-way communication mechanism between the Company and investors in a comprehensive and systematic manner via multiple channels, including phone calls, emails, online performance briefings, investor strategy meetings by securities firms, industry exhibitions, SSE E-interactive, on-the-spot communication, visits to listed companies, investor reception days, roadshows, and reverse roadshows.

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. Information on Directors and Senior Managers

(1) changes in shareholdings and remuneration of current and former directors and senior managers during the reporting period

"√ Applicable" "□ Not applicable"

Unit: Share

Name	Title	Gender	Age	Commencement date of term	Termination date of term	Beginning of Year Shareholding	End of Year Shareholding	Change in Shareholding During the Year	Reason for Change	Total pre-tax remuneration received from the Company during the Reporting Period (Ten thousand yuan)	Whether to receive remuneration from related parties of the Company
Zhao Limin	Chairman of the Board	Male	69	09/26/2019	09/07/2028	28616014	28616014	0		236.50	No
	General Manager			09/26/2019	12/31/2025						
Fang Xiang	Vice chairman	Male	51	05/08/2025	09/07/2028	0	0	0			Yes
Qiu Jianping	Director	Male	64	09/26/2019	09/07/2028	0	0	0			Yes
Qiu Fei	Director	Female	36	09/08/2025	09/07/2028	0	0	0			Yes
Sheng Leijia	Director	Female	42	09/08/2025	09/07/2028	0	0	0			Yes
Jin Huashu	Deputy General Manager	Male	48	09/09/2022	12/31/2025	229211	229211	0		155.10	No
	Employee Representative Director			09/08/2025	09/07/2028						
	General Manager			12/31/2025	09/07/2028						
Zhu Yaer	Independent Director	Female	63	09/09/2022	09/07/2028	0	0	0		10.00	No
Zhu Lihong	Independent Director	Female	62	09/08/2025	09/07/2028	0	0	0		3.33	No

Zou Manli	Independent Director	Female	74	09/08/2025	09/07/2028	0	0	0		3.33	No
Xu Zhengyu	Director	Male	56	09/26/2019	09/08/2025	3482445	3482445	0		185.70	No
	Chief Engineer			09/26/2019	09/07/2028						
Li Yuansong	Deputy Chief Engineer	Male	49	09/26/2019	09/08/2025	416380	416380	0		131.40	No
	Deputy General Manager	Male	49	09/08/2025	09/07/2028						
Chen Saimin	Assistant General Manager	Male	60	09/26/2019	12/31/2025	4270000	4260000	-10000	Personal funding needs	153.30	No
	Secretary of the Board			09/26/2019	12/31/2025						
	Deputy General Manager			12/31/2025	09/07/2028						
Wu Jianxin	Assistant General Manager	Male	61	09/09/2022	12/31/2025	660044	660044	0		166.20	No
	Deputy General Manager			12/31/2025	09/07/2028						
Shi Quanhong	Marketing Director	Male	46	09/08/2025	09/07/2028	0	0	0		34.00	No
	Deputy General Manager			12/31/2025	09/07/2028						
Jin Zhihao	Chief Designer	Male	62	09/26/2019	09/07/2028	5129161	5129161	0		148.80	No
Zhang Shutong	Chief Accountant	Male	61	06/28/2020	09/08/2025	0	0	0		121.00	No
	Persons in Charge of Finance			06/28/2020	09/07/2028						
	Chief Financial Officer			09/08/2025	09/07/2028						
Zhou Suhua	Deputy Chief Engineer	Female	62	09/26/2019	12/31/2025	856684	856684	0		131.30	No
	Assistant			12/31/2025	09/07/2028						

	General Manager										
Li Minghui	Deputy Chief Engineer	Male	51	09/08/2025	12/31/2025	0	0	0	24.50	No	
	Assistant General Manager			12/31/2025	09/07/2028						
Jiang Yun	Sectary of the Board	Female	37	12/31/2025	09/07/2028	0	0	0	-	No	
Lu Hongbo (Former)	Vice chairman	Female	50	09/07/2020	04/07/2025	0	0	0		Yes	
Xu Zheng (Former)	Director	Female	42	09/26/2019	09/08/2025	0	0	0		Yes	
Zhao Yuchen (Former)	Director	Male	37	05/10/2023	09/08/2025	0	0	0		Yes	
Shou Jian (Former)	Independent Director	Male	55	09/26/2019	09/08/2025	0	0	0	7.50	No	
Cai Yunfeng (Former)	Independent Director	Male	48	09/26/2019	09/08/2025	0	0	0	7.50	No	
Wang Guoqiang (Former)	Deputy General Manager	Male	61	09/09/2022	09/08/2025	1209439	1191939	-17500	Personal funding needs 124.60	No	
Ren Haihua (Former)	Chief Economist	Male	46	09/26/2019	09/08/2025	606239	606239	0	105.60	No	
Total	/	/	/	/	/	45475617	45448117	-27500	/	1749.66	/

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 Co., Ltd. From April 2000 to May 2003, served as the General Manager of Hangzhou Forklift Co., Ltd. From June 2003 to December 2008, served as the General Manager of the Company. Has held the position of Chairman and General Manager of the Company since December 2008 and has been the Party Secretary since May 2018. Currently serves as the Party Secretary and Chairman of the Company.
Fang	Born in December 1975, Chinese nationality, member of the Communist Party of China, Master's degree. From August 1998 to December 2002, served as a technician at the

Xiang	Hangzhou Industrial Information Center in Zhejiang Province. From December 2002 to May 2015, served as Staff Member, Senior Staff Member, Principal Staff Member, and Deputy Division Director of the Technological Progress and Equipment Division of the Hangzhou Municipal Economic Commission in Zhejiang Province. From May 2015 to October 2016, served as Deputy Division Director of the Intelligent Manufacturing Industry Division of the Hangzhou Economy and Information Technology Commission in Zhejiang Province. From October 2016 to May 2019, served as Division Director of the Information Security Industry Division (Safety Production Industry Division) and Division Director of the Cloud Computing and Big Data Industry Division of the Hangzhou Economy and Information Technology Commission in Zhejiang Province. From May 2019 to July 2023, served as Division Director of the Information Infrastructure Division (Cloud Computing and Big Data Industry Division) of the Hangzhou Municipal Bureau of Economy and Information Technology in Zhejiang Province. Has been Director of the Investment and Development Department and the Science and Technology Industry Department of Hangzhou Industrial Investment Group Co., Ltd. since July 2023, and Director of Hangzhou Goldfish Electrical Appliances Group Co., Ltd. since March 2024. Has held the position of Chairman and General Manager of Zhejiang Hanghua New Material Technology Co., Ltd. since March 2025. Has been Director and Vice Chairman of the Company since May 2025.
Qiu Jianping	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 Robotics 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.
Qiu Fei	Born in April 1990, Chinese nationality, without permanent residence abroad, Master's degree. From October 2012 to August 2013, served as Manager of the Investment Banking Division at the Hangzhou Branch of CITIC Bank. From November 2014 to October 2023, served as Deputy General Manager of GreatStar Holding Group Co., Ltd. Has held the position of General Manager at GreatStar Holding Group Co., Ltd. since October 2023. Has been a Director of Zhejiang Hangcha Holding Co., Ltd. since January 2019, and has been a Director of Zhongce Rubber Group Co., Ltd. since September 2021. Has been a Director of the Company since September 2025.
Sheng Leijia	Born in December 1984, Chinese nationality, member of the Communist Party of China, Master's degree. From September 2008 to April 2015, served as a member of the Project Management Department of Hangzhou GreatStar Technology Co., Ltd. From April 2015 to July 2021, served as the Director of the Board Office of Hangzhou GreatStar Technology Co., Ltd. From July 2021 to May 2022, served as the Deputy Secretary of the Party Committee and Minister for Economic Development of GreatStar Holding Group Co., Ltd. From May 2022 to February 2024, served as the Deputy Secretary of the Party Committee and Director of the Chairman's Office of GreatStar Holding Group Co., Ltd. Has been the Deputy Secretary of the Party Committee and Vice President of GreatStar Holding Group Co., Ltd. since March 2024. Has been a Director of the Company since September 2025.
Jin Huashu	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, served as a technician and planner in the Manufacturing Department of Hangzhou Forklift Co., Ltd. Since June 2003, has served as a technician, planner, assistant minister, deputy minister, minister, production director, and deputy general manager of the Manufacturing Department at the Company, and Chairman and Executive Director of subsidiaries such as Hangzhou Forklift & Metal Working & Welding Co., Ltd. Currently serves as Employee Representative Director and General Manager of the Company.
Zhu Yaer	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.
Zhu Lihong	Born in 1964, Chinese nationality, member of the China Democratic League, without permanent residency abroad, postgraduate degree, associate professor. Joined Zhejiang Gongshang University in 1999, engaging in undergraduate and postgraduate education at the School of Accounting of Zhejiang Gongshang University, and serving as a lecturer for finance-related courses in high-end training programs at Zhejiang University and other institutions. Served as an Independent Director for Tederic Machinery Co., Ltd., Allied Machinery Co., Ltd., Zhejiang Xinhua Chemical Co., Ltd., Joy Kie Co., Ltd., Asia Silicon (Qinghai) Co., Ltd., Zhejiang Asia Pacific Electromechanical Co., Ltd., and Shanghai Balance Automotive Equipment Co., Ltd. Has been an Independent Director of the company since September 2025.
Zou Manli	Born in 1952, Chinese nationality, bachelor's degree, senior political engineer. Has held the position of Deputy Secretary General and Director of the Office of the Hangzhou Ningbo Promotion Association for Economic Construction since September 2001. Has been the Executive Director of Hangzhou Hangzhou Bay Advertising Media Co., Ltd. since June 2004, and has been the Secretary General of the Ningbo Chamber of Commerce in Hangzhou since April 2011. From September 2016 to September 2022, served as Independent Director of Hangcha Group Co., Ltd. Has been Independent Director of the Company since September 2025.
Xu Zhengyu	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, served as a technician, designer at the research institute, and Deputy Chief Designer at Hangzhou Forklift General Factory. From March 2000 to May 2003, served as Chief Designer at the research institute of Hangzhou Forklift Co., Ltd. Since June 2003, has served as Deputy Section Chief, Section Chief, Deputy Chief Designer, Deputy Chief Engineer, and Chief Engineer of the research institute at the Company, and as a Director of Henan Jiachen Intelligent Control Co., Ltd. From September 2019 to September 2025, served as a Director of the Company. Has been Chief Engineer of the Company since September 2019.
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 served as a designer of the research institute, Deputy Section Chief of the internal combustion forklift research institute, Section Chief of the heavy-duty vehicle research institute, Section Chief of the dynamic compaction machine research institute, Director of the R&D center in North America, and Deputy Chief Engineer at the Company, and as Executive Director and General Manager of Hangcha Group (Tianjin) New Energy Forklift Co., Ltd. Currently serves as Vice General Manager of the Company.
Chen Saimin	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, served as a salesperson in the sales department of Hangzhou Forklift General Factory, an R&D designer in the research institute, an assistant engineer, and a sales manager at KL Forklift Components. From October 2000 to May 2003, served as Sales Manager, General Manager, and Executive Director at Hangzhou Hangcha KL Forklift Components Co., Ltd. Since June 2003, has served as Executive Director and General Manager, Assistant General Manager, Chief Engineer, and Board Secretary of Hangzhou Hangcha KL Forklift Components Co., Ltd., and as Executive Director and Director of subsidiaries such as Hangzhou Hangcha KL Forklift Components Co., Ltd. Currently serves as Vice General Manager of the Company.
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, served as a technician in the Technological Section, workshop technician, Deputy Director of the workshop, equipment department technician, and planning office technician at Hangzhou Forklift General Factory. From March 2000 to November 2005, served as a planner in the Board Office and Deputy Director of the Import and Export Department of the Group Company. Since November 2005, has served as Deputy General Manager, General Manager, General Manager of the International Department, and Assistant General Manager of Zhejiang Hangcha Imp. & Exp. Co., Ltd., and as Executive Director of Hangcha Forklift America and Hangcha Forklift Canada. Currently serves as Vice General Manager of the Company.
Shi Quanhong	Born in April 1980, Chinese nationality, bachelor's degree, member of the Communist Party of China. From September 2004 to October 2006, served as a designer at the research institute. From October 2006 to February 2013, served as a salesperson and Assistant Manager at Guangzhou Hangcha Forklift Co., Ltd. From February 2013 to December 2015, served as Manager of the Dongguan Branch and Shenzhen Branch. Since December 2015, has served as Head of the Key Client Department, Head of the Warehouse and Vehicle

	Sales Department, General Manager of the Sales Company, and Marketing Director at the Company. Currently serves as Vice General Manager and Marketing Director 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, served as a designer, Chief Engineer, and Deputy Section Chief of the research institute at Hangzhou Forklift General Factory. From March 2000 to May 2003, served as Deputy Section Chief of the research institute at Hangzhou Forklift Co., Ltd. Since June 2003, has served as Deputy Section Chief, Section Chief, and Chief Designer of the research institute at 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, served as Head of the Planning, Statistics, Accounting, and Finance Departments at Hangzhou Measuring Tool Co., Ltd. From May 1995 to March 2000, served as the accountant and Deputy Division Director of the Finance Division at Hangzhou Forklift General Factory. From April 2000 to October 2007, served as Deputy Director of the Finance Department at the Company. Since November 2007, has served as Director of the Finance Department, Deputy Chief Accountant, Chief Accountant, and Head of Finance at the Company. Currently serves as Chief Financial Officer and Head of Finance at the Company.
Zhou Suhua	Born in May 1964, Chinese nationality, holds a bachelor's degree, Senior Engineer. From August 1985 to March 2000, served as a technician and Assistant Director of heat treatment workshop at Hangzhou Forklift General Factory. From April 2000 to May 2003, served as Factory Director of heat treatment branch at Hangzhou Forklift Co., Ltd. Since June 2003, has served as Factory Director of heat treatment branch, Director of the process research institute, Head of the product inspection department, and Deputy Chief Engineer at the Company. Currently serves as the Assistant General Manager of the Company.
Li Minghui	Born in September 1975, Chinese nationality, bachelor's degree and master's degree in engineering, senior engineer. From May 2004 to November 2007, served as a designer and test engineer at the research institute. From November 2007 to January 2022, served as Deputy Director of the pilot production workshop, Director of the testing and inspection center, and Director of the research institute. Since January 2022, has served as General Manager and Deputy Chief Engineer of Hangzhou Hangcha Electric Appliance Co., Ltd. and Zhejiang Hangbo Electric Drive Co., Ltd. Currently serves as the Assistant General Manager of the Company.
Jiang Yun	Born in March 1989, Chinese nationality, master's degree in finance. From 2015 to 2017, served as an analyst at China Merchants Securities Co., Ltd. From 2017 to 2021, served as the Board Secretary of Zhejiang Guozi Robotics Co., Ltd. From 2021 to 2025, served as the Chief Financial Officer and Deputy General Manager of Zhejiang JYSS Bio-Engineering Co., Ltd. Since May 2025, has served as Deputy Director of the Board Office, Director of Investor Relations, and Head of the Securities Investment Department of Hangcha Group Co., Ltd. Currently serves as the Board Secretary of the Company.
Lu Hongbo	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. from June 2020 to June 2025 and served as Deputy Chairman of the company from September 2020 to April 2025.
Xu Zheng	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 Robotics 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 Robotics 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. Served as a Director of the Company from March 2011 to September 2025.
Zhao Yuchen	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. Served as a Director of the Company from May 2023 to September 2025.
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. Served as an Independent Director of the Company from September 2019 to September 2025.
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. Served as an Independent Director of the Company from September 2019 to September 2025.
Wang Guoqiang	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, served as a worker in the assembly workshop and a dispatcher in the dispatching department of Hangzhou Forklift General Factory. From March 2000 to May 2003, served as a dispatcher in the dispatching department, Deputy Division Director of the marketing division, and Manager of Guangzhou Branch at Hangzhou Forklift Co., Ltd. From June 2003 to November 2014, served as Manager of Guangzhou Branch and Manager of Shenzhen Branch, General Manager of Guangzhou Hangcha Forklift Co., Ltd. and Guangzhou Zhehang Forklift Co., Ltd., and General Manager of the Guangdong Region. From December 2014 to September 2025, served as Assistant General Manager, Marketing Director, and Deputy General Manager of the Company.
Ren Haihua	Born in March 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, served as a technician in the Quality Management Department of Hangzhou Forklift Co., Ltd. Since June 2003, has served as a quality management technician, Assistant Factory Director, Deputy Director and Director of the Comprehensive Management Department, and Deputy Chief Economist at the Company, and as Director of the Information Management Office and the Human Resources Department, Chairman and General Manager of Zhejiang Hangcha Guozi Robotics Co., Ltd., and Executive Director of Hefei Hanhe Intelligent Logistics Technology Co., Ltd. From September 2019 to September 2025, served as Chief Economist of the Company.

Additional Information

"□ Applicable" "√ Not applicable"

(2) Positions of current and former directors and senior managers 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	
Qiu Fei	Zhejiang Hangcha Holding Co., Ltd	Director	January 2019	
Xu Zheng	Zhejiang Hangcha Holding Co., Ltd	Supervisor	January 2011	
Fang Xiang	Hangzhou Industrial Investment Group Co., Ltd.	Director of the Investment and Development Department and the Science and Technology Industry Department	©June 2023	
Explanation of employment in corporate shareholders	None			

2. Employment in other organizations

"√ Applicable" "□ Not applicable"

Employee name	Other Organizations	Position	Commencement date of term	Termination date of term
Zhao Limin	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Director	February 2020	
	Zhongce Rubber Group Company Limited	Director	October 2019	
	Baoji Hangcha Engineering Machinery Co., Ltd.	Director	May 2018	
	Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Director	April 2018	
	Hangzhou Forklift Mast Co., Ltd.	Director	April 2018	
	Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Director	April 2018	
	Zhejiang Hangcha Import and Export Co., Ltd.	Executive director	August 2020	
Fang Xiang	Zhejiang Hangcha Guozi Robotics Co., Ltd.	Director	August 2025	
	Zhejiang Hanghua New Material Technology Co., Ltd.	Chairman and General Manager	March 2025	
	Hangzhou Goldfish Electrical Appliances Group Co., Ltd.	Director	January 2024	August 2025
	Zhejiang Huafeng Paper Group Co., Ltd.	Director	January 2024	May 2025
	Hangzhou Low-Altitude Industry Development Co., Ltd.	Director	May 2024	April 2025
Qiu Jianping	Hangzhou Industrial Digital Technology (Hangzhou) Co., Ltd.	Director	July 2025	
	Hangzhou Chaoyang Haoyun Enterprise Management Partnership (Limited Partnership)	Executive Partner	April 2019	
	Hangzhou Chaoyang Wenxing Enterprise Management Partnership (Limited Partnership)	Executive Partner	January 2021	
	GreatStar Holding Group Co., Ltd.	Chairman of the Board	August 2009	
	Hangzhou GreatStar Industrial Co., Ltd.	Chairman of the Board	August 2010	

		Board		
	Zhejiang Xinchai Co., Ltd.	Director	December 2019	
	Xinjiang Lianhe Investment Co., Ltd.	Executive Partner	November 2001	
	Hangzhou Kunxia Enterprise Management Partnership (Limited Partnership)	Executive Partner	January 2018	
	Zhejiang Zhongtai GreatStar Real Estate Co., Ltd.	Director	May 2005	
	Hangzhou Chaoyang Risheng Enterprise Management Partnership (Limited Partnership)	Executive Partner	January 2021	
	Zhejiang United Investment Co., Ltd.	Director	April 2015	October 2025
	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Chairman of the Board	April 2019	
	Zhongce Rubber Group Company Limited	Director	October 2019	
	Zhejiang Equity Service Group Co., Ltd.	Director	November 2017	
	Zhejiang Youbon Small Loan Co., Ltd.	Director	December 2009	
	Hangzhou Xihu Tiandi Development Co., Ltd.	Director	November 2012	January 2025
	Zhejiang Guozi Robot Technology Co., Ltd.	Director	October 2014	
	Zhejiang Hangcha Guozi Robotics Co., Ltd.	Director	August 2025	
	Hangzhou Great Star Precision Machinery Co., Ltd.	Chairman of the Board	December 2018	
	Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	Director	August 2015	
	Dongguan Ouda Electronics Co., Ltd.	Chairman of the Board	March 2017	
	Hangzhou Lujing Culture and Creativity Co., Ltd.	Executive director	November 2015	
	Hangzhou GreatStar Energy Co., Ltd.	Executive Director and General Manager	December 2022	July 2025
	Hangzhou Chaoyang Risheng Enterprise Management Partnership (Limited Partnership)	Executive Partner	February 2021	
	Hangzhou GreatStar Industrial Co., Ltd.	Executive director	December 2018	
	Hangzhou GreatStar Lianhe International Holding Co., Ltd.	Director and Manager	January 2026	
Qiu Fei	Hangzhou Oak Private Fund Management Co., Ltd.	Executive director	March 2018	
	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Manager, Director	April 2019	
	Zhejiang Guozi Robot Technology Co., Ltd.	Director	May 2020	
	GreatStar Holding Group Co., Ltd.	Director and General Manager	January 2020	
	Hangzhou BeA Machinery Equipment Manufacturing Co., Ltd.	Legal Representative and Director	April 2025	
	Hangzhou Jinsong Younuo Electrical Co., Ltd.	Vice chairman	November 2025	
	Hangzhou Weina Technologies Co., Ltd.	Director	August 2025	
	Hangzhou Great Star Precision Machinery Co., Ltd.	General Manager	March 2020	
	Hangzhou Lujing Culture and Creativity Co., Ltd.	Manager	April 2020	
	Hangzhou GreatStar Industrial Co., Ltd.	Manager	February 2022	
	GH Optics (Jiangsu) Co., Ltd.	Director	May 2021	
	Hangzhou Quanlin Investment Partnership (Limited Partnership)	Executive Partner	November 2015	
	Zhongce Rubber Group Company Limited	Director	October 2021	
	Hangzhou GreatStar Industrial Co., Ltd.	Director	May 2024	

	Zhejiang Xinchai Co., Ltd.	Director	December 2023	
Sheng Leijia	GreatStar Holding Group Co., Ltd.	Vice president	March 2024	
Jin Huashu	Hangzhou Jingsheng Enterprise Management Partnership (Limited Partnership)	Executive Partner	January 2023	
	Baoji Hangcha Engineering Machinery Co., Ltd.	Director	May 2023	
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	Director	July 2018	
	Hangzhou Hangcha Materials Trading Co., Ltd.	Executive director	April 2018	
	Hangzhou Forklift Mast Co., Ltd.	Chairman of the Board	May 2017	
	Hangzhou Gangcun Transmission Co., Ltd.	Director	November 2022	
	Hangzhou Hangcha Foundry Co., Ltd.	Chairman of the Board	May 2018	
	Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Chairman of the Board	January 2017	
	Hangzhou Hangcha Bridge Box Co., Ltd.	Chairman of the Board	April 2018	
	Hangzhou Hangcha Aerial Equipment Co., Ltd.	Executive director	August 2020	
	Changsha Zhongchuan Transmission Co., Ltd.	Director	August 2020	
	Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd.	Chairman of the Board	May 2018	
	Hangzhou Hangcha Precision Manufacturing Co., Ltd.	Executive director	February 2021	
	Hangzhou Hangcha Electric Appliance Co., Ltd.	Executive director	April 2018	
	Hangzhou Hangcha Machining Co., Ltd.	Executive director	April 2018	
	Hangzhou Zhiban Enterprise Management Partnership (Limited Partnership)	Executive Partner	March 2024	
	Zhejiang Hangbo Electrical Drive Co., Ltd.	Chairman of the Board	August 2024	
	Zhejiang Zhichu Jia Material Handling Equipment Co., Ltd.	Chairman of the Board	January 2025	
	Hangzhou Hangcha Yunrui Technology Co., Ltd.	Chairman of the Board	June 2024	
	Zhu Yaer	Hangzhou Shaohai Information Technology Co., Ltd.	Director	January 2019
Zeda Precision (Hangzhou) Biopharmaceutical Co., Ltd.		Supervisor	January 2023	
Zhu Lihong	Shanghai Balance Automotive Equipment Co., Ltd.	Independent Director	May 2025	
	Hangzhou Xiangbin Electronic Technology Co., Ltd.	Independent Director	September 2025	
Zou Manli	Hoshine Silicon Industry Co., Ltd.	Independent Director	September 2021	
Xu Zhengyu	Henan Jiachen Intelligent Control Co., Ltd.	Director	April 2018	
Li Yuansong	Shanghai Hangcha Okamura Co., Ltd.	Director	April 2022	
	Hangcha Group (Tianjin) New Energy Forklift Co., Ltd.	Executive Director and General Manager	September 2020	
Chen Saimin	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Director	May 2019	
	Baoji Hangcha Engineering Machinery Co., Ltd.	Director	January 2018	

	Hangzhou Hangcha Kangli Forklift Attachments Co., Ltd.	Executive director	January 2007	
	Hangzhou Hangcha Cab Co., Ltd.	Executive director	December 2012	
	Hangzhou Forklift Mast Co., Ltd.	Director	May 2024	
	Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Director	May 2024	
	Hangcha Europe GmbH	Executive director	December 2021	
Wu Jianxin	Zhejiang Hangcha Siweis International Trade Co., Ltd.	Executive director	May 2023	
	Zhejiang Hangcha Import and Export Co., Ltd.	General Manager	November 2021	
	HC Forklift America Corporation	Executive director	August 2017	
	Hangcha Forklift Canada Inc.	Executive director	October 2019	
	Hangcha Australia Pty. Ltd.	Executive director	June 2022	
	Hangcha Forklift Mexico Inc.	Executive director	December 2022	
	Hangcha Group Manufacturing (Thailand) Co., Ltd.	Executive director	October 2024	
	Hangcha Europe Rental & Sales	Executive director	November 2024	
Zhang Shutong	Hangcha Group (Tianjin) Financing Leasing Co., Ltd.	Chairman of the Board	August 2020	
	Hangzhou Hangzhong Engineering Machinery Co., Ltd.	Executive director	September 2025	
	Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Supervisor	August 2020	
	Hangzhou Forklift Mast Co., Ltd.	Director	August 2020	
	Hangzhou Gangcun Transmission Co., Ltd.	Director	November 2022	
	Hangzhou Hangcha Foundry Co., Ltd.	Director	October 2020	
	Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Director	August 2020	
	Hangzhou Hangcha Bridge Box Co., Ltd.	Director	August 2020	
	Hangzhou Hangcha E-commerce Co., Ltd.	Executive director	October 2023	
	Hangcha New Energy Forklift (Wenzhou) Co., Ltd.	Executive director	July 2023	
	Hangzhou Hangcha Yunrui Technology Co., Ltd.	Director	June 2024	
	Hangcha International Leasing (Tianjin) Co., Ltd.	Executive director	May 2025	
	Zhoushan Hangcha International Financial Leasing Co., Ltd.	Director	February 2026	
	Hangcha Forklift (Vietnam) Co., Ltd.	Legal Representative	February 2025	
	Hangzhou Hangcha Property Management Service Co., Ltd.	Executive Director and Chief Financial Officer	January 2025	
	Hangcha International Leasing (Tianjin) Co., Ltd.	Director	May 2025	
Li Minghui	Hangzhou Hangcha Electric Appliance Co., Ltd	General Manager	January 2022	
	Zhejiang Hangbo Electrical Drive Co., Ltd.	Director and General Manager	July 2024	
	Hangzhou Hongmai Intelligent Control Technology Co., Ltd.	Chairman and General Manager	February 2026	
	HM Battery Solutions (France)	Chairman of the Board	January 2026	
Lu Hongbo	Zhongce Rubber Group Company Limited	Director	July 2020	July 2025
	Hangshi Asset Management (Hangzhou) Co., Ltd.	Chairman and General Manager	October 2018	March 2025

Xu Zheng	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Supervisor	April 2019	
	Hangzhou GreatStar Industrial Co., Ltd.	Employee Representative Director	June 2025	
	Zhongce Rubber Group Company Limited	Chairman of the supervisory board	October 2019	Demcember 2025
	GreatStar Holding Group Co., Ltd.	Supervisor	February 2016	
	Zhejiang Hangcha Holding Co.,Ltd	Supervisor	January 2011	
Zhao Yuchen	Hangzhou Jinsong Younuo Electrical Co., Ltd.	Director	November 2021	November 2025
	Zhejiang Xinchai Co., Ltd.	Director	May 2018	
	Hangzhou Taifeng Business Management Co., Ltd.	Executive director	February 2023	
	Hangzhou West Lake Tiandi Property Service Co., Ltd.	Executive director	January 2021	
	Hangzhou Liangya Building Materials Co., Ltd.	Executive Director and General Manager	March 2023	
	Hangzhou Xihu Tiandi Development Co., Ltd	Director	January 2025	
	Hangzhou GreatStar Lianhe International Holding Co., Ltd.	Manager, Director	March 2025	January 2026
Shou Jian	Hangzhou Zhouzhang Network Technology Co., Ltd.	Supervisor	August 2020	
	Hangzhou Chengying Data Technology Co., Ltd.	Director	October 2018	February 2026
	Hangzhou Yuexin Network Technology Co., Ltd.	Executive Director and General Manager	August 2020	
	Hangzhou Yunfu Network Technology Co., Ltd.	Supervisor	September 2020	
	Vala Inc. (Hong Kong)	Independent Non-Executive Director	May 2022	
Cai Yunfeng	Hangzhou Zhongming Tax Firm Co., Ltd.	Executive Director and General Manager	December 2014	
	Hangzhou Zhongyin Accounting Firm Co., Ltd.	Executive Director and General Manager	December 2018	
	Hangzhou Zhongyin Technology Service Co., Ltd.	Executive Director and General Manager	September 2019	
	Hangzhou Beisheng Financial Consulting Co., Ltd.	Supervisor	July 2010	
Wang Guoqiang	Hangcha Group Leasing Co., Ltd.	Executive director	May 2015	September 2025
	Zhejiang Hangcha Parts Sales Co., Ltd.	Executive director	May 2021	September 2025
Ren Haihua	Shanghai Hangcha Okamura Co., Ltd.	Chairman of the Board	April 2022	
	Zhejiang Hangcha Guozi Robotics Co., Ltd.	Director and Manager	February 2018	
	Shanghai Hangcha Okamura Co., Ltd.	Executive director	August 2022	
	Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	Executive Director and General	May 2024	

		Manager		
	Zhejiang Guozi Intelligent Equipment Co., Ltd.	Executive director	January 2024	
	Hangzhou Kangqian Enterprise Management Partnership (Limited Partnership)	Executive Partner	March 2024	
	Hangcha America Smart Logistics Solution Corporation	Executive director	January 2025	
Note on positions with other organizations	None			

(3) Remuneration of directors and senior managers

"√ Applicable" "□ Not applicable"

Decision-making processes of remuneration for directors and senior managers	The Company's remuneration practices for directors are reviewed and approved at the Board Meetings and Shareholders' Meetings. Non-independent directors and senior managers who hold positions or undertake management functions in the Company are remunerated in accordance with relevant remuneration regulations of the Company based on their specific management positions in the Company or its subsidiaries. Independent directors receive a fixed allowance. The remuneration of senior managers is implemented according to the standards reviewed at the Board Meetings.
Do Directors Abstain From Voting on Their Own Compensation Matters?	Yes
Details of recommendations made by the Remuneration and Evaluation Committee or by independent directors at special meetings regarding the remuneration of directors and senior managers	On April 17, 2025, the Company held its 7th Meeting of the Remuneration and Evaluation Committee of the Board of Directors to review the 2024 remuneration of senior managers in operational and management roles within the Company.
Basis for determining the remuneration of directors and senior managers	The remuneration was determined based on the Company's position-based remuneration practices, position responsibilities, term-based performance assessments, and operating performance.
Payment of remuneration for directors and senior managers	Actual payments were made in accordance with the aforementioned principles and relevant documents. The specific amounts are detailed in the "Changes in Shareholdings and Remuneration of Current and Former Directors and Senior Managers During the Reporting Period" table in this section.
Total remuneration actually paid to all directors and senior managers at the end of the Reporting Period	RMB 17,496,600 (pre-tax).
Assessment basis and completion status of the remuneration actually paid to all directors and senior managers at the end of the Reporting Period	In accordance with the Remuneration Management System of the Company for Directors and Senior Managers, as well as other relevant regulations, the Company's directors and senior managers have performed their duties diligently, and the remuneration assessment has been completed.
Deferred payment for the actual remuneration paid to all directors and senior managers at the end of the Reporting Period	N/A
Cessation of payments and recovery of the remuneration actually paid to all directors and senior managers at the end of the Reporting Period	N/A

(4) Changes in directors and senior managers of the Company

"√ Applicable" "□ Not applicable"

Name	Position	Changes	Reason for change
Lu Hongbo	Vice chairman	Resignation	Job Transfer
Fang Xiang	Vice chairman	Election	Succession
Qiu Fei	Director	Election	Succession
Sheng Leijia	Director	Election	Succession
Jin Huashu	Director	Election	Job Transfer
	General Manager	Appointment	
	Deputy General Manager	Resignation	
Xu Zheng	Director	Resignation	Succession
Xu Zhengyu	Director	Resignation	Succession
Zhao Yuchen	Director	Resignation	Succession
Shou Jian	Independent Director	Resignation	Succession
Cai Yunfeng	Independent Director	Resignation	Succession
Zhu Lihong	Independent Director	Election	Succession
Zou Manli	Independent Director	Election	Succession
Chen Saimin	Deputy General Manager	Appointment	Job Transfer
	Assistant General Manager and Board Secretary	Resignation	
Wang Guoqiang	Deputy General Manager	Resignation	Succession
Shi Quanhong	Vice General Manager and Marketing Director	Appointment	Succession
Wu Jianxin	Deputy General Manager	Appointment	Job Transfer
	Assistant General Manager	Resignation	
Jiang Yun	Sectary of the Board	Appointment	Job Transfer
Li Yuansong	Deputy General Manager	Appointment	Job Transfer
	Deputy Chief Engineer	Resignation	
Zhou Suhua	Assistant General Manager	Appointment	Job Transfer
	Deputy Chief Engineer	Resignation	
Li Minghui	Assistant General Manager	Appointment	Job Transfer
	Deputy Chief Engineer	Resignation	

(5) statement on penalties from securities regulators in the last three years

"□ Applicable" "√ Not applicable"

(6) Other

"□ Applicable" "√ Not applicable"

4. 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 Meetings Attended
Zhao	No	13	13	0	0	0	No	4

Limin								
Lu Hongbo	No	0	0	0	0	0	No	-
Fang Xiang	No	10	10	0	0	0	No	3
Qiu Jianping	No	13	13	0	0	0	No	4
Qiu Fei	No	3	3	0	0	0	No	2
Sheng Leijia	No	3	3	0	0	0	No	2
Jin Huashu	No	3	3	0	0	0	No	2
Xu Zheng	No	10	10	0	0	0	No	2
Xu Zhengyu	No	10	10	0	0	0	No	2
Zhao Yuchen	No	10	10	0	0	0	No	2
Zhu Yaer	Yes	13	13	0	0	0	No	4
Shou Jian	Yes	10	10	0	0	0	No	2
Cai Yunfeng	Yes	10	10	0	0	0	No	2
Zhu Lihong	Yes	3	3	0	0	0	No	2
Zou Manli	Yes	3	3	0	0	0	No	2

Explanation for Consecutive Absences from Board Meetings:

Applicable" Not applicable"

Number of Board Meetings Held in the Year:	13
Among these: Number of in-person meetings:	13
Number of meetings held via communication:	0
Number of meetings held using both in-person and communication methods:	0

(2) 3. Objections raised by directors on matters related to the company

Applicable" Not applicable"

(3) other

Applicable" Not applicable"

5. Specialized Committees under the Board of Directors

Applicable" Not applicable"

(1) Members of Specialized Committees

Specialized Committee Category	Member Names
Audit Committee	Zhu Lihong, Zou Manli, Fang Xiang, Cai Yunfeng (resigned), Shou Jian (resigned), Lu Hongbo (resigned)
Nomination Committee	Zou Manli, Zhu Ya'er, Jin Huashu, Shou Jian (resigned), Xu Zhengyu (resigned)
Remuneration and Evaluation Committee	Zhu Ya'er, Zhu Lihong, Qiu Fei, Cai Yunfeng (resigned)
Strategy Committee	Zhao Limin, Qiu Jianping, Zhu Yaer

Note: Ms. Lu Hongbo resigned in April 2025 and no longer serves as the director of the Company or

holds a position on the relevant specialized committee; Mr. Xu Zhengyu, Mr. Cai Yunfeng, and Mr. Shou Jian no longer serve as the director of the Company or hold a position on the relevant specialized committee after the election of new directors for the board at the 2nd interim meeting of the shareholders' meeting of 2025 held on September 8, 2025.

(2) The Audit Committee held six sessions of meetings during the Reporting Period

Date of convening	Agenda	Important Opinions and Suggestions	Other Performance of Duties
01/20/2025	Members of the Audit Committee communicated with the audit firm for the Company's annual report regarding matters related to the 2024 annual report		
04/17/2025	Consideration and adoption: Company's 2024 Audit Report, Company's 2024 Annual Report and Summary, Company's 2024 Financial Statement, 2024 Internal Control Evaluation Report, Proposal on Renewal of the Company's Audit Firm for 2025, Evaluation Report on the Performance of Pan-China Certified Public Accountants LLP, Report on the Audit Committee's Performance of Duties in 2024, Report on the Audit Committee's Performance of Supervisory Duties over Pan-China Certified Public Accountants LLP, and Internal Audit Report.		
04/21/2025	Resolutions Passed: "Company 2025 First Quarter Report"		
07/07/2025	Consideration and adoption: Proposal on the Subsidiary's Proposed Capital Increase and Share Expansion to Acquire 99.23% equity shares in Zhejiang Guozi Robotics Co., Ltd. and Related Party Transactions		
08/21/2025	Consideration and adoption: Company's 2025 Semi-Annual Report and Summary.		
10/22/2025	Resolutions Passed: "Company 2025 Third Quarter Report"		

(3) The Strategy Committee held one session of meetings during the Reporting Period

Date of convening	Agenda	Important Opinions and Suggestions	Other Performance of Duties
04/17/2025	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.		

(4) The Remuneration and Evaluation Committee held one session of meeting during the Reporting Period

Date of convening	Agenda	Important Opinions and Suggestions	Other Performance of Duties
04/17/2025	Consideration and adoption: Proposal on the Remuneration and Evaluation of the General Manager and Other Senior Executives for 2024		

(5) The Nomination Committee held four sessions of meeting during the Reporting Period

Date of convening	Agenda	Important Opinions and Suggestions	Other Performance of Duties
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04/17/2025	Consideration and adoption: Proposal on the Election of Additional Directors		
08/22/2025	Consideration and adoption: Proposal on the Election of Independent Directors for the 8th Board of Directors		
09/08/2025	Consideration and adoption: Proposal on the Election of the Chairman of the Company, Proposal on the Election of the Vice Chairman of the Company, Proposal on the Election of Members and Chairs of the Specialized Committees of the Board of Directors, Proposal on the Employment of the General Manager, and Proposal on the Employment of Senior Managers		
12/31/2025	Consideration and adoption: Proposal on the Adjustment of the Positions of Certain Senior Managers, and Proposal on the Employment of the Board Secretary		

(6) specifics of disputed matters:

Applicable" Not applicable"

6. Description of Risks Identified by the Audit Committee within the Company

Applicable" Not applicable"

The Audit Committee raised no objection to the supervisory matters during the Reporting Period.

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

(1) Employee

Number of employees in the parent company	1920
Number of employees in major subsidiaries	5313
Total number of employees	7233
Number of retired employees whose expenses are borne by the parent company and main subsidiaries	0
Specialty composition	
Specialty category	Number of Specialty Personnel
Production personnel	3228
Sales personnel	1959
Technical personnel	1739
Financial personnel	182
Administrative personnel	125
Total Amount	7233
Education level	
Education level category	Employees (person)
Master's degree or above	238
Bachelor's degree and above	1555
Associate degree	1536
Senior high school or below	3904
Total Amount	7233

(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

Applicable" Not applicable"

8. 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 complies with the aforementioned profit distribution plan and review procedures of the China Securities Regulatory Commission (CSRC), and conforms to the Company Law, the CSRC's *Regulatory Guidelines for Listed Companies No. 3—Distribution of Cash Dividends of Listed Companies (2025 Revision)*, the Articles of Association, and other relevant policies and procedural requirements. The legitimate rights and interests of minority investors were fully protected. No adjustments were 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)	
Cash dividends distributed for every 10 shares (RMB) (including tax)	4.00
Bonus shares added for every 10 shares	
Total cash dividend amount (inclusive of tax)	523924819.60
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements	2191315695.90
Cash dividend amount as a percentage of net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%):	23.91
Amount spent on repurchasing shares counted as cash dividends	
Total dividend amount (inclusive of tax)	523924819.60
Total dividend amount as a percentage of net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%):	23.91

Note: On November 26, 2025, the Company implemented its equity distribution plan for the first three quarters of 2025, distributing a cash dividend of RMB 2.00 (including tax) to all shareholders for every 10 shares. The total amount of cash dividends is RMB 261,962,409.80. For details, please refer to the *Announcement on the Implementation of Equity Distribution for the First Three Quarters of 2025* (Announcement No. 2025-062). For the year of 2025, the Company's total cash dividends amounted to RMB 785,887,229.40, accounting for 35.86% of the net profit attributable to the parent company in 2025.

(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)	1908583271.40
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)	1908583271.40
Annual average net profit for the last three accounting years (4)	1973260221.20
Cash dividend ratio for the last three accounting years (%) (5) = (3) / (4)	96.72
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the most recent accounting year	2191315695.90
Undistributed profits at the end of the most recent accounting year in the parent company's financial statements	6906647393.44

9. 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 executives during the Reporting Period

Applicable" Not applicable"

(4) Evaluation mechanism for senior executives during the Reporting Period, and the establishment and implementation of the incentive mechanism

Applicable" Not applicable"

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

Applicable" Not applicable"

Please refer to the "2025 Annual Internal Control Evaluation Report" disclosed by the company on April 22, 2026, on the Shanghai Stock Exchange website (www.sse.com.cn).

Explanation of Significant Deficiencies in Internal Control During the Reporting Period

Applicable" Not applicable"

11. 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 in accordance with documents such as the Subsidiary Management System and Regulations on the Management of Overseas Institutions. 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 its holding subsidiaries and establishes internal reporting systems for significant matters and for the disclosure of major issues. The Company regularly obtains and analyzes 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 practices. According to relevant regulations, the Company entrusts accounting firms to audit the financial reports of its holding subsidiaries and is able to evaluate the implementation and supervision of internal control systems of holding subsidiaries.

Risk warning regarding abnormal management and control of subsidiaries

Applicable" Not applicable"

12. 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, 2025, and issued a report stating that "Hangcha Group Co., Ltd. maintained effective internal control over financial reporting as of December 31, 2025, 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:

Was a non-standard audit opinion on internal controls issued during the Reporting Period or the previous year

Yes" No"

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

None

14. Environmental information of listed companies and their major subsidiaries included in the List of Enterprises Legally Required to Disclose Environmental Information

Applicable" Not applicable"

Number of enterprises included in the List of Enterprises Legally Required to Disclose Environmental Information (Number)		2
No.	Company name	Index to the reports regarding law-based disclosure of environmental information
1	Hangcha Group Co., Ltd.	Ecology and Environment Department of Zhejiang - System on Corporate Environmental Information Disclosed in accordance with the Law https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=9133000014304182XR&uniqueCode=09de553501ecf2aa&date=2025&type=true&isSearch=true
2	Hangzhou Hangcha Foundry Co., Ltd.	Ecology and Environment Department of Zhejiang - System on Corporate Environmental Information Disclosed in accordance with the Law https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=913301856680044581&uniqueCode=2a512d63e2373654&date=2025&type=true&isSearch=true

Other notes

Applicable" Not applicable"

In accordance with the provisions of the Measures for the Administration of the Law-Based Disclosure of Environmental Information by Enterprises (Order No. 24 of the Ministry of Ecology and Environment of the People's Republic of China, issued on December 11, 2021, and effective from February 8, 2022), the Notice on Issuing the Format for Law-Based Disclosure of Environmental Information by Enterprises (Huanban Zonghe [2021] No. 32), and the Implementation Plan for the Reform of the Law-Based Disclosure System of Environmental Information in Zhejiang Province (Issued in April 2022 by the Ecology and Environment Department of Zhejiang), as well as the industry background corresponding to the 2025 List of Companies Disclosing Environmental Information published in various regions, the Company and its relevant subsidiaries have completed the environmental information filing and disclosure work for 2025.

15. Social Responsibility Work Status**(1) Whether a social responsibility report, sustainable development report, or esg report is disclosed separately**

Applicable" Not applicable"

Please refer to the 2025 Sustainable Development (ESG) Management Report disclosed by the Company on April 22, 2026, on the website of Shanghai Stock Exchange (www.sse.com.cn).

(2) Specific details of social responsibility work

Applicable" Not applicable"

Specific Statement

Applicable" Not applicable"

16. Consolidation and Expansion of Achievements in Poverty Alleviation and Rural Revitalization

Applicable" Not applicable"

Poverty Alleviation and Rural Revitalization Projects	Quantity/Content	Notes
Total investment (Ten thousand yuan)	220.58	
Including: funds (Ten thousand yuan)	0.80	One-on-one assistance
Material value (Ten thousand yuan)	219.78	Purchase of products that better support farmers
Number of Beneficiaries: (Persons)	7000	
Forms of Assistance (e.g., Industrial Poverty Alleviation, Employment Poverty Alleviation, Educational Poverty Alleviation, etc.)		

Specific Statement

Applicable" Not applicable"

Guided by a sense of mission and responsibility, the Company fulfills its legal obligations to consumers, communities and the environment while generating profits and fulfilling its legal obligations to shareholders and employees. It does not take profit as its sole goal, and places greater emphasis on human concern in the production process and the enhancement of personal value. The Company continues to fulfill its corporate social responsibility, and to promote employee value enhancement, environmental protection, and social welfare. Through these efforts, the Company contributes to sustainable development.

Main achievements of the Company in poverty alleviation and rural revitalization are as follows:

(1) Industrial poverty alleviation: Strengthen the rural-urban cooperation mechanism, focus on assisting Zitong Town in Chun'an County, promote the collective economic income increase project of Fushi Village, and continue to consolidate the dual-drive model of "economic weakness elimination and income increase + art industry". The Company promotes sustainable rural development through industrial development.

(2) Employment-based poverty alleviation: Drive the development of rural industries in villages such as Guifangqiao Village in Lin'an District through the co-construction mechanism for alliance building, Party building and industry development of the Tianmu Common Prosperity Alliance and create over

150 new jobs. The Company promotes farmers' income growth and prosperity through industrial development.

(3) Education-based poverty alleviation: In conjunction with the Party building co-construction unit, the Party Branch of Zhejiang Sinopec Lubricating Oil, the Company conducts one-on-one assistance and relief activities annually to care for He Yun, a student from Yuqian Town in Lin'an District.

(4) Public welfare assistance: Respond positively to the call of the "Ten Thousand Enterprises Helping Ten Thousand Villages" campaign, and deepen the Lin'an-Baiyu counterpart support. The Company contributes to rural revitalization through human settlement environment improvement projects. The Company's continuous investment in social responsibility has earned it recognition, and it has been rated as one of the "Top 100 Private Enterprises in Social Responsibility in Zhejiang" for two consecutive years.

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. For nearly two decades, the Company has provided over RMB 16 million in financial and material assistance.

During the Reporting Period, the Company continued to strengthen the co-construction mechanism for alliance building, Party building and industry development via the platform of Tianmu Common Prosperity Alliance. The Company has expanded the scope of enterprise-village cooperation through joint alliance building, strengthened the leading role of organizations through joint Party building, and driven industrial development through talent support. As a representative of the Tianmu Common Prosperity Alliance in Lin'an District, Hangcha Group actively fulfills its corporate social responsibility. The company contributes to the common prosperity efforts in Guifangqiao Village in Lin'an District, and supports the implementation of the rural revitalization strategies.

During the Reporting Period, the Company continued its efforts in social responsibility and sustainable development. With its exceptional practices in environmental governance and green and low-carbon transformation, the Company was included in the 2025 Sino-Securities Index Green and Low-Carbon Pioneer list, among fewer than 30 companies nationwide. This fully demonstrates the leading position of the Hangcha Group in the field of sustainable development. The company was included in Sino-Securities' list of the top 100 A-share listed companies in terms of initial ESG reports.



In fulfilling its social responsibility, the company attaches great importance to the integration of product safety and social value. In June 2025, the Company was invited to participate in the main event of the 2025 National Special Equipment Safety Day, which was hosted by the State Administration for Market Regulation and had the theme "Safeguarding Special Equipment Safety, Sharing a Better Life". The Company provided three new energy products, including a lithium-ion high voltage forklift and a hydrogen fuel cell forklift, for a forklift skills demonstration, and organized a team to conduct the on-site demonstration. This fully demonstrates Hangcha Group's high sense of mission and responsibility as an industry leader in the field of special equipment safety. In October, the Company unveiled its X1 Series logistics robot at CeMAT ASIA 2025, marking the completion of its strategic upgrade from a traditional industrial vehicle manufacturer to a provider of intelligent logistics solutions for all scenarios. During the exhibition, the Company held the "Agent, New Ecosystem" Hangcha Group Industrial Technology Innovation Forum, inviting experts and scholars from Zhejiang University, Manycore Tech, and other institutions to engage in in-depth exchanges with company representatives on "The Industrialization of Embodied Intelligence".

Regarding the construction of its ESG governance system, the Company formulated and released the Sustainable Development (ESG) Management System in April 2025, establishing an ESG management system under the leadership of the Board of Directors. It clearly defines the responsibilities of the Board of Directors, the Strategy Committee, the ESG Working Group, and various implementing units, providing institutional guarantees for the Company's systematic promotion of ESG. The company continues to expand its global network, accelerating the implementation of its "localization of production + globalization of market + localization of service" strategy. Construction has commenced on

its production base in Thailand, and its European leasing company, its subsidiaries in Vietnam, Malaysia and Indonesia, and the American intelligent logistics company are operational. With over 20 overseas subsidiaries, it has formed a global network encompassing marketing, R&D, manufacturing, and leasing. Over the past few years, Hangcha Group has adhered to the core value of "Integrity as the Foundation, Efficiency as the Priority; Sustainable Development, and Giving Back to Society", actively improving the working environment, fulfilling social responsibilities, and refining its governance system. 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.

Going forward, Hangcha Group will further solidify its commitment to social responsibility, further contribute to Zhejiang's high-quality development, and demonstrate a new look in establishing itself as a socially responsible brand. The Company will achieve new breakthroughs in improving its ESG governance capabilities, continue to focus on the direction of its green, intelligent, and international development strategies, accelerating its progress towards becoming one of the world's top five forklift manufacturers, and contributing to sustainable social development.

17. Other Matters

" Applicable" " Not applicable"

Chapter 5 Important Matters

1. Commitment Fulfillment Status

(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 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	Long-term	No	Long-term	Yes	N/A	N/A

			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 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	Long-term	No	Long-term	Yes	N/A	N/A

			<p>companies under my 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.</p>						
	Resolution of Related Transactions	Hangcha Holding	<p>1. The Company and the companies under its 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 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</p>	Long-term	No	Long-term	Yes	N/A	N/A

			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 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	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. 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 provisions of the "Articles of Association," we will fulfill our information disclosure obligations and follow the relevant internal decision-making and approval	Long-term	No	Long-term	Yes	N/A	N/A

			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 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		The Company undertakes that the net profit achieved by Zhejiang Guozi Robotics Co., Ltd. (hereinafter referred to as "Guozi Robot" or the "Target Company") during the profit commitment period (hereinafter referred to as "actual net profit") will not be lower than the net profit predicted in the Asset Appraisal Report issued by the appraisal institution for the same period	2025, 2026, and 2027	Yes	2025, 2026, and 2027	Yes	N/A	N/A

			(hereinafter referred to as "net profit commitment"). Otherwise, the party responsible for the performance commitment shall compensate Party C in accordance with the Capital Increase and Asset Purchase Agreement and this Agreement. According to the appraisal report issued by the appraisal institution, the Target Company's net profit commitments for 2025, 2026, and 2027 are RMB 12.92 million, RMB 26.01 million, and RMB 48.15 million, respectively. All parties agree that if, during the profit commitment period, the cumulative net profit of the target asset over three years is lower than the cumulative committed net profit of RMB 87.08 million, the party responsible for the performance commitment shall provide cash compensation to Party C for the loss due to the underperformance of the target company acquired by Party C through the issuance of new shares. The amount of compensation to be paid by the party responsible for the performance commitment shall be calculated according to the following formula: Total amount to be compensated = Cumulative committed net profit during the profit commitment period - Cumulative realized net profit during the profit commitment period.						
Commitments Related to Initial Public Offering (IPO)	Other	Co., Ltd.	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	Long-term	No	Long-term	Yes	N/A	N/A

		<p>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; 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 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</p>						
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			choosing to settle with investors, mediating with investors through third parties, and establishing an investor compensation fund, among other means.						
Other	Directors and senior managers 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 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.	Long-term	No	Long-term	Yes	N/A	N/A
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 Hangcha Group and will not have	Long-term	No	Long-term	Yes	N/A	N/A

			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 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.	Long-term	No	Long-term	Yes	N/A	N/A
	Other	Directors and senior executives	(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	Long-term	No	Long-term	Yes	N/A	N/A

		<p>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 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). (6) 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. (7) 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 its assets or projects, and the Reporting Period is still within the profit forecast period, the Company shall provide an explanation of whether the assets or projects have met the original profit forecasts and the reasons for it

Achieved" Not Achieved" Not applicable"

(3) Performance Commitments

Applicable" Not applicable"

Unit: Ten thousand yuan Currency: CNY

Commitment Background	Made by	Commitment Period	Commitment Indicator	Commitment Amount	Actual Amount Achieved	Completion Rate (%)
Commitments Related to the Acquisition of Guozi Robot	Qiu Jianping	2025-2027	1. According to the appraisal report issued by the appraisal institution, the net profit commitments of Guozi Robot for 2025, 2026, and 2027 are RMB 12.92 million, RMB 26.01 million, and RMB 48.15 million, respectively. 2. During the profit commitment period, if the cumulative net profit of the target asset over three years is lower than the cumulative committed net profit of RMB 87.08 million, the party responsible for the performance commitment shall provide cash compensation to Party C for the loss due to the underperformance of the target company acquired by Party C through the issuance of new shares.	8708	512.10	5.88

Changes in performance commitments

Applicable" Not applicable"

Other notes

Applicable" Not applicable"

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

Applicable" Not applicable"

3. Illegal Guarantee Situations

Applicable" Not applicable"

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

Applicable" Not applicable"

5. 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"

1. Changes in significant accounting policies

Applicable" Not applicable"

On December 5, 2025, the Ministry of Finance of the People's Republic of China (hereinafter referred to as the "Ministry of Finance") issued the Interpretation No. 19 of the Accounting Standards for Business Enterprises (No. 32 [2025] of the Ministry of Finance), which stipulates the following: Accounting Treatment of Compensating Assets in Business Combinations Involving Enterprises Not Under Common Control, Accounting Treatment of Related Capital Reserves in Disposal of Subsidiaries Acquired Through Business Combinations Involving Entities Under Common Control, Derecognition of Financial Liabilities Settled Using Electronic Payment Systems, Assessment and Disclosure of Cash Flow Characteristics of Financial Asset Contracts, and Disclosure of Equity Instruments Measured at Fair Value Through Other Comprehensive Income.

The aforementioned accounting treatment regulations took effect on January 1, 2026. The Company's implementation of such standards has no impact on the financial statements for the current Reporting Period.

2. Changes in significant accounting estimates

Applicable" Not applicable"

(1) The Company's analysis and explanation of the reasons and impact of corrections of significant accounting errors

Applicable" Not applicable"

(2) Communication status with the former accounting firm

Applicable" Not applicable"

(3) Approval procedures and other explanations

Applicable" Not applicable"

6. 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:	180.00
Audit Tenure for Domestic Accounting Firm:	25
Name of the CPAs from accounting firm in China	Huang Yuanxi, Tang Zheren
Cumulative Audit Service Tenure of Certified Public Accountants from Domestic Accounting Firm:	1 years, 3 years

	Item	Remuneration
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Internal Control Audit Accounting Firm	Pan-China Certified Public Accountants LLP (Special General Partnership)	30.00
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Explanation of Appointment and Dismissal of Accounting Firms

Applicable" Not applicable"

On April 17, 2025, the Company held its 20th meeting of the 7th Board of Directors, which reviewed and approved the Proposal on Renewal of the Company's Audit Firm for 2025, resolving to reappoint Pan-China Certified Public Accountants LLP (Special General Partnership) as the Company's audit firm for 2025.

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"

7. 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"

8. Matters Related to Bankruptcy Reorganization

Applicable" Not applicable"

9. 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."

On September 25, 2025, the Company disclosed an announcement regarding matters in dispute involving the original shareholders of the target company in the acquisition of assets from a related party through capital increase by a controlling subsidiary (Announcement No.: 2025-055) on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>). The Company and its controlling subsidiary, Hangcha Guozi Intelligent, are not parties involved in the aforementioned case, and it will not have an adverse impact on the daily production and operation of the Company or its subsidiaries.

10. Punishment due to suspected violations of laws and regulations by listed companies and their directors, senior managers, controlling shareholders, and actual controllers, and rectification measures.

Applicable" Not applicable"

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

Applicable" Not applicable"

12. Major Related Party Transactions

(1) Related party transactions on daily operations

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

Applicable" Not applicable"

Item Overview	Search Index
Estimated matters regarding related-party transactions of the Company in 2025	http://www.sse.com.cn (Announcement No.: 2025-011)

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"

(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"

Item Overview	Search Index
Acquisition of a 99.23% equity interest in Zhejiang Guozi Robotics Co., Ltd. by the Company's controlling subsidiary through capital increase and share expansion, as well as related-party transactions	http://www.sse.com.cn (Announcement No.: 2025-035)

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. 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) Others

Applicable" Not applicable"

13. Significant Contracts and Their Performance

(1) Entrustment, contracting, and leasing matters

1. Entrustment

Applicable" Not applicable"

2. Contracting Situation

Applicable" Not applicable"

3. Leasing Situation

Applicable" Not applicable"

(2) Guarantee Situation

"√ Applicable" "□ Not applicable"

Unit: 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
Co., Ltd.	Company headquarters	Financial lease guarantee	279365322.45	/	/	/	Guarantee with joint and several liabilities	/	No	No	0	No	No	
Total Guarantee Amount During the Reporting Period (Excluding Guarantees for Subsidiaries)				292160127.86										
Total Guarantee Balance at the End of the Reporting Period (A) (Excluding Guarantees for Subsidiaries)				279365322.45										
Company and Its Subsidiaries' Guarantees for Subsidiaries														
Total Guarantee Amount for Subsidiaries During the Reporting Period				520000000.00										
Total Guarantee Balance for Subsidiaries at the End of the Reporting Period (B)				520000000.00										
Total Guarantee Situation of the Company (Including Guarantees for Subsidiaries)														
Total Guarantee Amount (A + B)				799365322.45										
Total Guarantee Amount as a Percentage of Company's Net Assets (%)				6.89										
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)				500000000.00										
Amount of Guarantees Exceeding 50% of Net Assets (E)														
Sum of the Above Three Guarantee Amounts (C + D + E)				500000000.00										
Explanation of Joint and Several Liability for Guarantees That Have Not Yet Expired														
Guarantee Situation Explanation				At the 20th meeting of the 7th Board of Directors on April 17, 2025, and at the 2024 Annual General Meeting of Shareholders on May 8, 2025,										

	the Company approved the Proposal on the Company's Estimated External Guarantees for 2025. It was agreed that from the date of the approval by the 2024 Annual General Meeting of Shareholders until the date of the 2025 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.
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(3) Situation of Entrusting Others for Cash Asset Management

1. Entrustment Wealth Management Situation

(1). Overall situation of entrustment wealth management

Applicable" Not applicable"

Unit: Ten thousand yuan Currency: CNY

Type	Risk profile	Balance not yet due	Overdue Amount Not Collected
Securities Firm Wealth Management Products	Controllable risks featuring good liquidity	10000.00	

Other Situations

Applicable" Not applicable"

(2). Single entrusted wealth management

Applicable" Not applicable"

Unit: Ten thousand yuan Currency: CNY

Trustee	Types of Entrusted Wealth Management	Risk profile	Amount of funds for entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Allocation of funds	Existence of restrictions	Actual gains or losses	Outstanding amount	Overdue Amount Not Collected
China CITIC Wealth Securities Co., Ltd.	Securities Firm Wealth Management Products	Controllable risks featuring good liquidity	4000.00	07/10/2025		Fixed income	No		4000.00	
China CITIC Wealth Securities Co., Ltd.	Securities Firm Wealth Management Products	Controllable risks featuring good liquidity	6000.00	07/11/2025	04/06/2026	Fixed income	No		6000.00	

Other Situations

Applicable" Not applicable"

(3). Impairment provision for entrusted wealth management

Applicable" Not applicable"

2. Entrusted Loan Situation

(1). Overall situation of entrusted loans

Applicable" Not applicable"

Other situations

Applicable" Not applicable"

(2). Single entrusted loan situation

Applicable" Not applicable"

Other situations

Applicable" Not applicable"

(3). Impairment provision for entrusted loans

Applicable" Not applicable"

3. Other Situations

Applicable" Not applicable"

(4) other significant contracts

Applicable" Not applicable"

14. Progress Explanation of Raised Funds Usage

Applicable" Not applicable"

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

Applicable" Not applicable"

Chapter 6 Share Changes and Shareholder Information

1. Changes in Share Capital

(1) Changes in share

1. Changes in share

During the Reporting Period, the total number of shares and share capital structure of the company remained unchanged.

2. Explanation of Share Changes

Applicable" Not applicable"

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"

4. Other contents that the Company considers necessary, or are required by the securities regulators, to disclose

Applicable" Not applicable"

(2) changes in restricted shares

Applicable" Not applicable"

2. 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"

3. 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):	19194
Total number of common stock shareholders as of the end of the previous month prior to the annual report disclosure:	19681
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 disclosure:	0

(2) 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	-2780100	538662844	41.13	0	None	0	Domestic non-state-owned legal person
Hangzhou Industrial Investment Group Co., Ltd.		267011704	20.39	0	None	0	State-owned Entity
Hong Kong Securities Clearing Company Limited	14883776	39973313	3.05	0	None	0	Other
Zhao Limin		28616014	2.18	0	None	0	Domestic natural person
National Social Security Fund 406 Portfolio	-1147910	10429485	0.80	0	None	0	Other
Dai Jingjing	47000	9944024	0.76	0	None	0	Domestic natural person
Agricultural Bank of China Limited—CSI 500 Exchange Traded Open-End Index Securities Investment Fund.	285962	7758168	0.59	0	None	0	Other
Xu Lida	-218900	7432758	0.57	0	None	0	Domestic natural person
Schroder Investment Management (Hong Kong) Limited - Schroder Global Fund Series Chinese A-shares (Exchange)	7386500	7386500	0.56	0	None	0	Other
China Merchants Bank Corporation - Foresight Growth Value Hybrid Securities Investment Fund	-961000	6315276	0.48	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	538662844			RMB Ordinary Shares	538662844		
Hangzhou Industrial Investment Group Co., Ltd.	267011704			RMB Ordinary Shares	267011704		
Hong Kong Securities Clearing Company Limited	39973313			RMB Ordinary Shares	39973313		
Zhao Limin	28616014			RMB Ordinary Shares	28616014		
National Social Security Fund 406 Portfolio	10429485			RMB Ordinary Shares	10429485		
Dai Jingjing	9944024			RMB Ordinary Shares	9944024		
Agricultural Bank of China Limited—CSI 500 Exchange Traded Open-End Index	7758168			RMB Ordinary Shares	7758168		

Securities Investment Fund.			
Xu Lida	7432758	RMB Ordinary Shares	7432758
Schroder Investment Management (Hong Kong) Limited - Schroder Global Fund Series Chinese A-shares (Exchange)	7386500	RMB Ordinary Shares	7386500
China Merchants Bank Corporation - Foresight Growth Value Hybrid Securities Investment Fund	6315276	RMB Ordinary Shares	6315276
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"

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"

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

(3) strategic investors or general corporations becoming top 10 shareholders due to the distribution of new shares

Applicable" Not applicable"

4. Situation of Controlling Shareholders and Actual Controllers

(1) Controlling shareholder

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

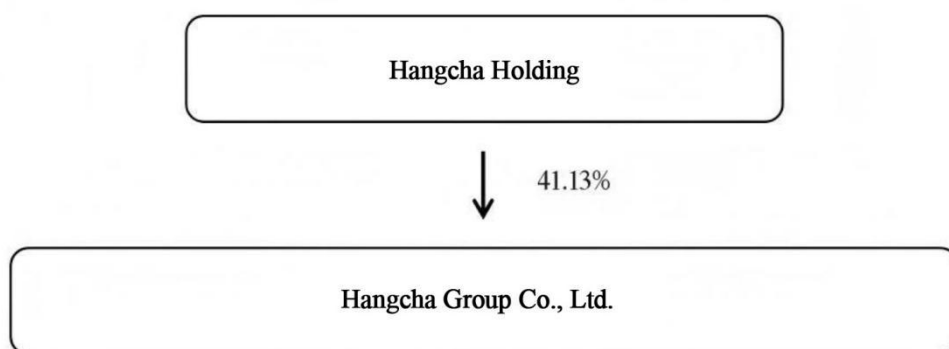
Applicable" Not applicable"

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. Zhongce Rubber Group Co., Ltd., Stock code: 603049, Stock name: Zhongce Rubber. The company was listed on the Shanghai Stock Exchange on June 5, 2025, and is mainly engaged in the production and sales of tires, car tires and rubber products; wholesale and retail of auto parts, auto oils, and auto decorations; and import and export of goods and

	technology (excluding items prohibited by laws and administrative regulations; items restricted by laws and administrative regulations may be included only after obtaining a license).
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3. Special Explanations for the Absence of an Actual Controller in the Company

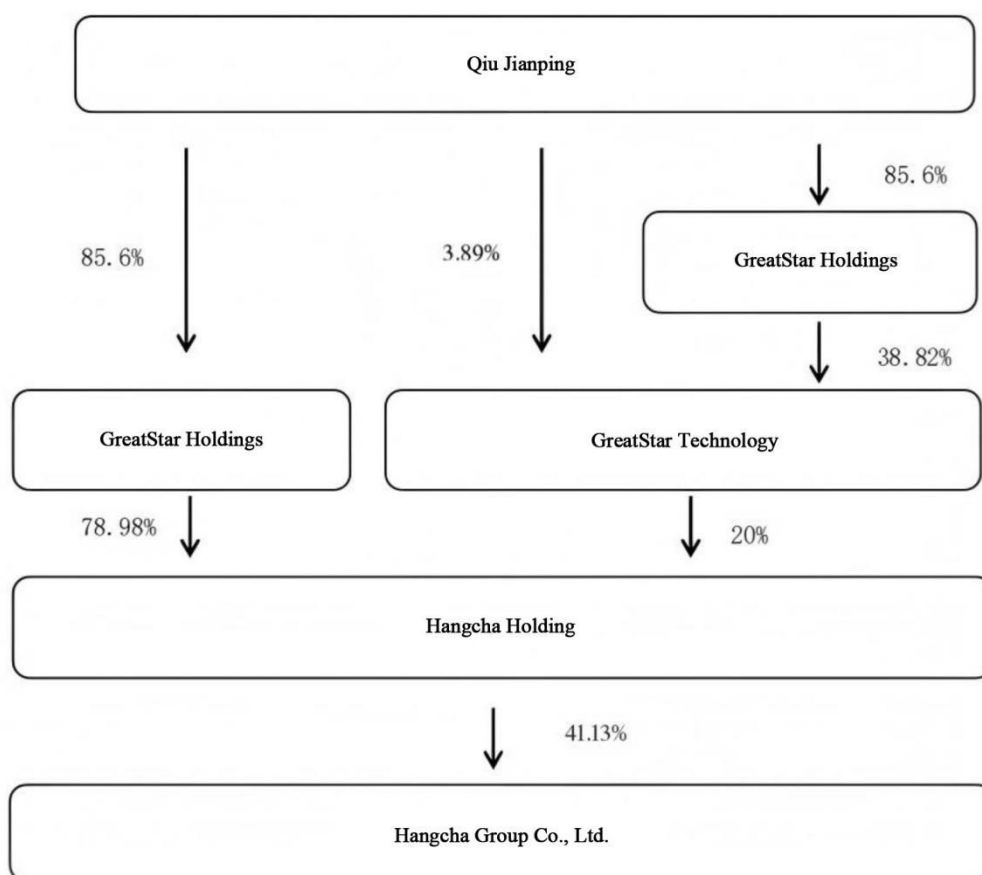
Applicable" Not applicable"

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"

5. 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"

6. 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 Investment Group Co., Ltd.	Niu Jian	11/13/2001	91330100730327291G	600000	Industrial investment, etc.
Notes	None				

7. Explanation of Shareholding Restrictions on Reductions

Applicable" Not applicable"

8. Implementation progress of share repurchase during the Reporting Period

Applicable" Not applicable"

9. Information Related to Preferred Shares

Applicable" Not applicable"

Chapter 7 Bond-Related Information

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

" Applicable" " Not applicable"

2. Convertible Corporate Bonds

" Applicable" " Not applicable"

Chapter 8 Financial reporting

1. Audit Report

"√ Applicable" "□ Not applicable"

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

I. 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, 2025, 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, 2025, and the consolidated and parent company's operating results and cash flows for the year then ended.

II. 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 and have fulfilled our other ethical responsibilities in accordance with the Independence Standards for Chinese Certified Public Accountants No. 1—Independence Requirements for Financial Statement Audits and Review Engagements Effective and the China Code of Ethics for Certified Public Accountants. In our audit, we adhered to the independence requirements for audits of public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. 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.

(i) Revenue

1. 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 2025, its operating revenue amounted to RMB 1,773,865.20.

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.

2. 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.

(ii) Impairment of accounts receivable and contract assets

1. Description

For details on relevant information disclosure, please refer to Notes 3.12, 5.1.5 and 5.1.10 to the financial statements.

As of December 31, 2025, Hangcha Group Company reported a book balance of accounts receivable of RMB 315,583.05, with the provision for bad debts of RMB 23,591.05, resulting in the carrying amount of RMB 291,992.00, and a book balance of contract assets of RMB 21,556.06, with the provision for impairment of RMB 2,522.23, resulting in the carrying amount of RMB 19,033.83.

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:

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;

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;

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;

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:

(I) 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.

(II) Obtain an understanding of internal controls relevant to the audit in order to design appropriate audit processes.

(III) Evaluate the appropriateness of accounting policies used by the Management and the rationality of accounting estimates and related disclosures made by the Management.

(IV) 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.

(V) 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.

(VI) 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
(Special General Partnership)

CPA: Huang Yuanxi

(Project Partner)

Hangzhou, China

CPA: Tang Zheren

April 21, 2026

2. Financial Statements

Consolidated Balance Sheet

12/31/2025

Prepared by: Hangcha Group Co., Ltd.

Unit: Yuan Currency: CNY

Item	Notes:	12/31/2025	12/31/2024
Current assets:			
Cash and bank balances	7.1	4377218636.29	4182694613.32
Settlement funds			
Loans to other banks			
Held-for-trading financial assets	7.2	100347215.23	85755439.73
Derivative financial assets			1635304.53
Notes receivable	7.4	16088216.14	17251330.80
Accounts receivable	7.5	2919920070.26	2589834496.78
Receivables financing	7.7	472523678.61	294961893.92
Advances paid	7.8	429678941.88	363036264.12
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables	7.9	243522905.71	278088446.68
Including: Interest receivable			
Dividend receivable			
Financial assets under reverse repo			
Inventories	7.10	3149016928.70	2510734301.65
including: data source			
Contract assets	7.6	190338290.04	150249010.24
Assets held for sale			
Non-current assets due within one year	7.12	171096826.36	183727543.92
Other current assets	7.13	164767630.48	151565268.90
Total current assets		12234519339.70	10809533914.59
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	7.16	109821993.28	82893465.17
Long-term equity investments	7.17	3036220631.75	2364393754.75
Other equity instrument investments			
Other non-current financial assets	7.18	28104279.77	26325621.62
Investment property	7.20	61930796.97	67035373.96
Fixed assets	7.21	3244122167.29	2202710412.14
Construction in progress	7.22	115954043.69	584836969.86
Productive biological assets			
Oil & gas assets			
Right-of-use assets	7.25	257163174.61	174626534.71
Intangible assets	7.26	433268003.62	404975671.44
including: data source			
Development expenditures			
including: data source			
Goodwill	7.27	10652989.76	10652989.76
Long-term prepayments	7.28	21236643.16	26390164.95
Deferred tax assets	7.29	156350587.52	116828396.16
Other non-current assets	7.30		

Total non-current assets		7474825311.42	6061669354.52
Total assets		19709344651.12	16871203269.11
Current liabilities:			
Short-term borrowings	7.32	809681176.76	503782164.19
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			
Derivative financial liabilities	7.34		366815.63
Notes payable	7.35	1693016977.19	902166339.40
Accounts payable	7.36	2885704219.99	2661188555.82
Advances received	7.37	2642224.15	913546.17
Contract liabilities	7.38	504427817.49	455721742.21
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposit for agency security transaction			
Deposit for agency security underwriting			
Employee benefits payable	7.39	157351690.54	145346351.92
Taxes and rates payable	7.40	178395700.20	180477087.33
Other payables	7.41	89848213.54	226421414.75
Including: Interest payable			
Dividend payable		40000.00	40000.00
Handling fee and commission payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	7.43	45843434.26	629798754.44
Other current liabilities	7.44	90269550.67	72085065.58
Total current liabilities		6457181004.79	5778267837.44
Non-current liabilities:			
Insurance policy reserve			
Long-term borrowings	7.45	498000000.00	54717119.68
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	7.47	216401126.07	143909897.42
Long-term payables	7.48	50063656.75	4578954.00
Long-term employee benefits payable			
Provisions	7.50	10458112.92	10559000.00
Deferred income	7.51	107370404.53	95177574.52
Deferred tax liabilities	7.29	790688.48	647003.11
Other non-current liabilities			
Total non-current liabilities		883083988.75	309589548.73
Total liabilities		7340264993.54	6087857386.17
Owners' (shareholders') equity:			
Paid-in Capital (or Share Capital)	7.53	1309812049.00	1309812049.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	7.55	1684194323.19	1496911479.72
Less: Treasury shares			
Other comprehensive income	7.57	27349658.38	-4154529.98

Special reserve	7.58	712145.51	2121472.10
Surplus reserve	7.59	654906024.50	654906024.50
General risk reserve			
Undistributed profit	7.60	7931367233.79	6656919972.19
Total owners' equity (or shareholders' equity) attributable to the parent company		11608341434.37	10116516467.53
Non-controlling shareholders' equity		760738223.21	666829415.41
Total Owner's Equity (or Shareholder's Equity)		12369079657.58	10783345882.94
Total Liabilities and Owner's Equity (or Shareholder's Equity)		19709344651.12	16871203269.11

Head of the Company: Zhao Limin

Chief Accountant: Zhang Shutong

Head of Accounting Department: Yuan Guanghui

Parent Company's Balance Sheet

12/31/2025

Prepared by: Hangcha Group Co., Ltd.

Unit: Yuan Currency: CNY

Item	Notes:	12/31/2025	12/31/2024
Current assets:			
Cash and bank balances		3179361400.83	3009319307.95
Held-for-trading financial assets		100347215.23	80000333.33
Derivative financial assets			
Notes receivable		12898520.65	10289951.17
Accounts receivable	19.1	3834178950.08	3036808048.50
Receivables financing		304231995.64	241700512.87
Advances paid		51387100.54	42474339.91
Other receivables	19.2	28069458.44	36385301.01
Including: Interest receivable			
Dividend receivable			
Inventories		953942909.96	886530210.32
including: data source			
Contract assets		27289061.13	14916040.74
Assets held for sale			
Non-current assets due within one year			
Other current assets		25231062.52	
Total current assets		8516937675.02	7358424045.80
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	19.3	4687031800.41	3809634099.42
Other equity instrument investments			
Other non-current financial assets		25591400.00	25591400.00
Investment property		105032983.07	116934882.69
Fixed assets		1677541552.25	971997970.63
Construction in progress		66088474.50	485529865.89
Productive biological assets			
Oil & gas assets			
Right-of-use assets			

Intangible assets		352635416.29	321547885.32
including: data source			
Development expenditures			
including: data source			
Goodwill			
Long-term prepayments		12009643.67	15845397.68
Deferred tax assets		44379275.42	31848322.16
Other non-current assets			
Total non-current assets		6970310545.61	5778929823.79
Total assets		15487248220.63	13137353869.59
Current liabilities:			
Short-term borrowings		378906318.72	100000000.00
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		1533600000.00	1017600000.00
Accounts payable		2059951863.58	1769306207.71
Advances received			
Contract liabilities		127449380.21	91006780.99
Employee benefits payable		54424102.14	53208863.39
Taxes and rates payable		85243404.23	105503344.63
Other payables		5637127.42	36652318.12
Including: Interest payable			
Dividend payable			
Liabilities held for sale			
Non-current liabilities due within one year		2314166.67	600388888.89
Other current liabilities		16568419.42	11830881.53
Total current liabilities		4264094782.39	3785497285.26
Non-current liabilities:			
Long-term borrowings		498000000.00	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		4578954.00	4578954.00
Long-term employee benefits payable			
Provisions			
Deferred income		102248391.60	89096793.31
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		604827345.60	93675747.31
Total liabilities		4868922127.99	3879173032.57
Owners' (shareholders') equity:			
Paid-in Capital (or Share Capital)		1309812049.00	1309812049.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		1724495301.21	1546607800.60
Less: Treasury shares			
Other comprehensive income		21029243.45	-14670146.36
Special reserve		280670.44	1484527.12
Surplus reserve		656061435.10	656061435.10
Undistributed profit		6906647393.44	5758885171.56
Total Owner's Equity (or		10618326092.64	9258180837.02

Shareholder's Equity)			
Total Liabilities and Owner's Equity (or Shareholder's Equity)		15487248220.63	13137353869.59

Head of the Company: Zhao Limin

Chief Accountant: Zhang Shutong

Head of Accounting Department: Yuan Guanghui

Consolidated Income Statement

January - December 2025

Unit: Yuan Currency: CNY

Item	Notes:	2025	2024
I. Total operating revenue	7.61	17738651997.86	16749658536.93
Including: Operating revenue	7.61	17738651997.86	16749658536.93
Interest income			
Premiums earned			
Revenue from handling charges and commission			
II. Total operating cost	7.61	15697543127.32	14806937422.16
Including: Operating cost	7.61	13342717775.81	12775733409.22
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	111046902.34	74909304.79
Selling expenses	7.63	889497442.79	751517469.51
Administrative expenses	7.64	488776232.52	425264957.02
R&D expenses	7.65	858946791.62	817491897.92
Financial expenses	7.66	6557982.24	-37979616.30
Including: Interest expense		43043092.17	47435277.98
Interest income		29642658.04	63611335.96
Add: Other earnings	7.67	153258065.53	235964301.69
Investment income (losses presented by "-")	7.68	470405856.40	384508706.52
Including: Earnings from the investment in associates and joint ventures		470173646.58	384526122.84
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	714030.86	1277679.89
Credit impairment losses (losses presented by "-")	7.71	-33802338.76	-65600157.11
Assets impairment loss (losses presented by "-")	7.72	-29937453.68	-43639661.18
Gains on disposal of assets ("-") for losses)	7.73	311586.41	2773129.92
III. Operating profit (losses presented by "-")		2602058617.30	2458005114.50
Add: Non-operating revenue	7.74	1524515.20	2726395.54
Less: Non-operating expenditure	7.75	4476206.76	1258313.95
IV. Profit before tax (or less: total loss)		2599106925.74	2459473196.09
Less: Income tax expenses	7.76	281470880.35	282969949.56
V. Net profit ("-" for net loss)		2317636045.39	2176503246.53
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations ("-") for net loss)		2317636045.39	2176503246.53
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)		2191315695.90	2012853136.12
2. Net profit attributable to non-controlling shareholders (“-” for net loss)		126320349.49	163650110.41
VI. Other comprehensive income after tax		31623883.25	6390468.42
(I) Items attributable to the owners of the parent company		31504188.36	6525444.42
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		31504188.36	6525444.42
1. Other comprehensive income that can be reclassified to profit or loss in equity method		35699389.81	18067000.13
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		-4195201.45	-11541555.71
(7) Others			
(II) Items attributable to non-controlling shareholders		119694.89	-134976.00
VII. Total comprehensive income		2349259928.64	2182893714.95
(I) Items attributable to the owners of the parent company		2222819884.26	2019378580.54
(II) Items attributable to non-controlling shareholders		126440044.38	163515134.41
VIII. Earnings per share (EPS):			
(i) Basic earnings per share (RMB/share)		1.67	1.54
(ii) Diluted earnings per share (RMB/share)		1.67	1.54

Regarding the combination of enterprises under common control that occurred during the current period, the net profit realized by the combined company before the combination was RMB -16,004,728.24, and net profit realized by the combined company in the prior period was RMB 44,849,461.29.

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

Parent Company’s Income Statement

January - December 2025

Unit: Yuan Currency: CNY

Item	Notes:	2025	2024
I. Business revenue	19.4	14260939137.95	13528371666.54
Less: operating cost	19.4	11717459410.81	11302992882.10
Taxes and surcharges		63796580.27	46934744.75
Selling expenses		80225521.30	72535257.70

Administrative expenses		220375237.50	193636017.07
R&D expenses		497942529.67	461983610.00
Financial expenses		5530615.15	-29315709.93
Including: Interest expense		17976160.89	18974465.11
Interest income		15972876.45	51462498.51
Add: Other earnings		76265182.13	133462206.87
Investment income (losses presented by “-”)	19.5	608059737.76	514438460.63
Including: Earnings from the investment in associates and joint ventures		470640722.61	385124878.33
Gains from derecognition of financial assets at amortized cost			
Net exposure hedging income (“-” for loss)			
Gains from changes in fair value (“-” for losses)		347215.23	333.33
Credit impairment losses (losses presented by “-”)		-59442839.44	-62361253.54
Assets impairment loss (losses presented by “-”)		-20649256.78	-20465711.51
Gains on disposal of assets (“-” for losses)		140184.97	-815733.52
II. Operating profit (“-” for loss)		2280329467.12	2043863167.11
Add: Non-operating revenue		259007.11	983010.65
Less: Non-operating expenditure		122272.60	112067.23
III. Total profit (“-” for loss)		2280466201.63	2044734110.53
Less: Income tax expenses		215835545.45	192016202.96
IV. Net profit (losses presented by “-”)		2064630656.18	1852717907.57
(I) Net profit from continuing operations (losses presented by “-”)		2064630656.18	1852717907.57
(II) Net profit from discontinued operations (losses presented by “-”)			
V. Other comprehensive income after tax		35699389.81	18067000.13
(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		35699389.81	18067000.13
1. Other comprehensive income that can be reclassified to profit or loss in equity method		35699389.81	18067000.13
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		2100330045.99	1870784907.70
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 2025

Unit: Yuan Currency: CNY

Item	Notes:	2025	2024
I. Cash flows from operating activities:			
Cash receipts from sales of goods or rendering of services		12603325590.38	12384233717.65
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		947452567.68	701908043.64
Other cash receipts related to operating activities		546328159.83	632869489.54
Subtotal of cash inflows from operating activities		14097106317.89	13719011250.83
Cash payments for goods purchased and labor services received		8910764619.29	9397198385.68
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		1550738999.75	1362440564.97
Cash payments for taxes and rates		1040429808.34	769970004.14
Other cash payments related to operating activities		911271647.44	827827627.23
Subtotal of cash outflows from operating activities		12413205074.82	12357436582.02
Net cash flows from operating activities	7.78	1683901243.07	1361574668.81
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments		185065020.00	35402557.18
Cash receipts from investment income		13587772.00	30303633.72
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		9812690.55	19682492.20
Net cash receipts from the disposal of subsidiaries & other business units		2822782.42	
Other cash receipts related to investing activities		428907.16	5393558.92
Subtotal of cash inflows from investing activities		211717172.13	90782242.02

Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		551712726.19	453589564.78
Cash payments for investments		214700738.15	98644301.62
Net increase of pledged borrowings			
Net cash payments for the acquisition of subsidiaries and other business units			
Other cash payments related to investing activities			1762249.85
Subtotal of cash outflows from investing activities		766413464.34	553996116.25
Net cash flows from investing activities	7.78	-554696292.21	-463213874.23
III. Cash flows from financing activities:			
Cash receipts from absorbing investments		74660724.00	50011960.00
Including: Cash received by subsidiaries from non-controlling shareholders as investments		74660724.00	50011960.00
Cash receipts from borrowings		1690068485.64	1499950244.00
Other cash receipts related to financing activities		257114268.01	284298383.57
Subtotal of cash inflows from financing activities		2021843477.65	1834260587.57
Cash payments for repayment of borrowings		1485825796.01	1691982028.06
Cash payments for distribution of dividends or profits and for interest expenses		1030029278.81	592250291.38
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		80990896.35	90540278.7
Other cash payments related to financing activities		450434175.49	230859885.15
Subtotal of cash outflows from financing activities		2966289250.31	2515092204.59
Net cash flows from financing activities	7.78	-944445772.66	-680831617.02
IV. Effect of foreign exchange rate changes on cash and cash equivalents		10636627.91	16354286.57
V. Net increase in cash and cash equivalents		195395806.11	233883464.13
Add: Opening balance of cash and cash equivalents		4141053265.27	3907169801.14
VI. Closing balance of cash and cash equivalents		4336449071.38	4141053265.27

Head of the Company: Zhao Limin

Chief Accountant: Zhang Shutong

Head of Accounting Department: Yuan Guanghui

Parent Company's Statement of Cash Flows

January - December 2025

Unit: Yuan Currency: CNY

Item	Notes:	2025	2024
I. Cash flows from operating activities:			
Cash receipts from sales of goods or rendering of services		10480834248.91	9299141930.83
Receipts of tax refund		11523667.57	9582046.49
Other cash receipts related to operating activities		187844533.25	310268611.38
Subtotal of cash inflows from operating activities		10680202449.73	9618992588.70
Cash payments for goods purchased and labor services received		7973139910.98	7226509155.32
Cash paid to and on behalf of employees		446547809.83	401061289.17
Cash payments for taxes and rates		583205946.95	416745006.83
Other cash payments related to operating activities		280850501.06	259234757.32
Subtotal of cash outflows from operating activities		9283744168.82	8303550208.64
Net cash flows from operating activities		1396458280.91	1315442380.06

II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments		80980000.00	
Cash receipts from investment income		125872734.66	162803581.30
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		1829748.89	67460648.96
Net cash receipts from the disposal of subsidiaries & other business units		76561000.00	1.00
Other cash receipts related to investing activities			
Subtotal of cash inflows from investing activities		285243483.55	230264231.26
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		396482198.75	250180904.83
Cash payments for investments		359164474.14	428812610.00
Net cash payments for the acquisition of subsidiaries and other business units			
Other cash payments related to investing activities			
Subtotal of cash outflows from investing activities		755646672.89	678993514.83
Net cash flows from investing activities		-470403189.34	-448729283.57
III. Cash flows from financing activities:			
Cash receipts from absorbing investments			
Cash receipts from borrowings		800000000.00	1000000000.00
Other cash receipts related to financing activities		178789096.50	100000000.00
Subtotal of cash inflows from financing activities		978789096.50	1100000000.00
Cash payments for repayment of borrowings		700000000.00	1250000000.00
Cash payments for distribution of dividends or profits and for interest expenses		934802095.19	487118302.05
Other cash payments related to financing activities		100000000.00	
Subtotal of cash outflows from financing activities		1734802095.19	1737118302.05
Net cash flows from financing activities		-756012998.69	-637118302.05
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents			
		170042092.88	229594794.44
Add: Opening balance of cash and cash equivalents		3009319307.95	2779724513.51
VI. Closing balance of cash and cash equivalents			
		3179361400.83	3009319307.95

Head of the Company: Zhao Limin

Chief Accountant: Zhang Shutong

Head of Accounting Department: Yuan Guanghui

Consolidated Statement of Changes in Owners' Equity

January - December 2025

Unit: Yuan Currency: CNY

Item	2025													Non-controlling shareholders' equity	Total equity
	Owners' equity attributable to the parent company											Subtotal			
	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		
	Preferred shares	Perpetual bonds	Other												
I. Year-end balance of the previous year	1309812049.00				1407448822.40		-3901280.77	2121472.10	654906024.50		679350796.21		10163895056.44	721733567.12	10885628623.56
Add: Changes in accounting policies															
Correction for previous errors															
Other					89462657.32		-253249.21				-136587997.02		-47378588.91	-54904151.71	-102282740.62
II. Opening balance for the current year	1309812049.00				1496911479.72		-4154529.98	2121472.10	654906024.50		665691997.29		10116516467.53	666829415.41	10783345882.94
Amount of increase/decrease within the current period ("-" for less)					187282843.47		31504188.36	-1409326.59			1274447261.60		1491824966.84	93908807.80	1585733774.64
(I) Total comprehensive income							31504188.36				2191315695.90		2222819884.26	126440044.38	2349259928.64
(II) Owners' investment and reductions in capital					9395342.86								9395342.86	48459659.77	57855002.63
1. Common shares invested by owners														50231224.00	50231224.00
2. Capital contribution from holders of other equity															

instruments															
3. Amount of share-based payments recognized in owners' equity															
4. Other					9395342.86							9395342.86	-1771564.23	7623778.63	
(III) Profit distribution															
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk reserve															
3. Distribution to owners (or shareholders)															
4. Other															
(IV) Internal carry-forward of owners' equity															
1. Capital reserves converted into capital (or stock)															
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															

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6. Other															
(V) Special reserve								-1409326.59					-1409326.59	-1409326.59	
1. Withdrawn for the current period								11874136.77					11874136.77	11874136.77	
2. Used for the current period								-13283463.36					-13283463.36	-13283463.36	
(VI) Others					177887500.61								177887500.61	177887500.61	
IV. Ending balance of the current period	1309812049.00				1684194323.19	27349658.38	712145.51	654906024.50		7931367233.79			11608341434.37	760738223.21	12369079657.58

Item	2024														
	Owners' equity attributable to the parent company												Non-controlling shareholders' equity	Total equity	
	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				1797762921.30		-10529703.70	2143872.40	559673773.25		5334504538.97		8619135437.22	630937164.72	9250072601.94
Add: Changes in accounting policies															
Correction for previous errors															
Other					53266448.50		-150270.70				-127415434.15		-74299256.35	-64946110.90	-139245367.25
II. Opening balance for the current year	935580035.00				1851029369.80		-10679974.40	2143872.40	559673773.25		5207089104.82		8544836180.87	565991053.82	9110827234.69
Amount of increase/decrease within the current period ("-" for less)	374232014.00				-354117890.08		6525444.42	-22400.30	95232251.25		1449830867.37		1571680286.66	100838361.59	1672518648.25
(I) Total comprehensive income							6525444.42				2012853136.12		2019378580.54	163515134.41	2182893714.95
(II) Owners' investment and					13649748.72								13649748.72	27863505.88	41513254.60

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Amount of increase/decrease within the current period ("-" for less)					177887500.61		35699389.81	-1203856.68		1147762221.88	1360145255.62
(I) Total comprehensive income							35699389.81			2064630656.18	2100330045.99
(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 distribution										-916868434.30	-916868434.30
1. Withdrawal of surplus reserves											
2. Distribution to owners (or shareholders)										-916868434.30	-916868434.30
3. Other											
(IV) Internal carry-forward of owners' equity											
1. Capital reserves converted into capital (or stock)											
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											

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6. Other											
(V) Special reserve								-1203856.68			-1203856.68
1. Withdrawn for the current period								11874136.77			11874136.77
2. Used for the current period								-13077993.45			-13077993.45
(VI) Others					177887500.61						177887500.61
IV. Ending balance of the current period	1309812049.00				1724495301.21		21029243.45	280670.44	656061435.10	6906647393.44	10618326092.64

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
		Preferred 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											

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4. Other											
(III) Profit distribution								95232251.25	-563022268.75	-467790017.50	
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

Head of the Company: Zhao Limin

Chief Accountant: Zhang Shutong

Head of Accounting Department: Yuan Guanghui

3. 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.

The Company is a player in the special 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.

The Financial Statements have been authorized for issuance with the approval of the 4th Meeting of the 8th Board of Directors on April 21, 2026.

4. 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.

5. Significant Accounting Policies and Accounting Estimates

Reminder to specific accounting policies and accounting estimates:

Applicable" Not applicable"

The Company formulated specific accounting policies and estimates for transactions and matters 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 operational 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
Notes receivable with provisions for bad debts on an individual basis	Individual amounts exceeding 0.3% of total assets
Recovery or reversal of provisions for bad debts of significant notes receivable	Individual amounts exceeding 0.3% of total assets
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
Significant Prepayments Aged over 1 Year	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
Significant Accounts Payable Aged over 1 Year	Individual amounts exceeding 0.3% of total assets
Significant Other Payables Aged over 1 Year	Individual amounts exceeding 0.3% of total assets
Significant Contract Liabilities Aged over 1 Year	Individual amounts exceeding 0.3% of 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:

(1) To recognize the assets held assumed solely by the Company and the assets held assumed jointly as per the shares of the Company;

(2) to recognize the liabilities held assumed solely by the Company and the assets held assumed jointly as per the shares of the Company;

(3) to recognize revenue from disposal of the share of joint operations of the company to be sold;

(4) to recognize revenue from joint operations arising from the sale of assets based on the shares held by the Company; and

(5) 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

1) 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.

2) 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.

3) 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.

4) Financial assets measured at fair value and the changes are included in current profits and 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

1) 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.

2) 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.

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

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.

4) 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

1) 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.

2) 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 VIII 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 - Cross-borrowing		
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
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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 (%)	Expected credit loss rate on notes receivable (%)	Contract assets Expected credit loss rate (%)
Within one year (inclusive, the same below)	5	5	5
1-2 years	10	10	10
2-3 years	30	30	30
3-5 years	50	50	50
More than 5 years	100	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"

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 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.

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"

15. Other receivables

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 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.

Ageing 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"

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

(1) Low-value consumables

Low-value consumables are amortized by lump sum.

(2) 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"

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

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"

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.

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-Cash and bank balances 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:

- 1) 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.
- 2) 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.

(3) 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-Cash and bank balances, the initial investment cost shall be recognized according to Accounting Standards for Business Enterprises No. 7 Exchange of Non-Cash and bank balances.

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:

- 1) These transactions are entered into at the same time or after considering their impacts on each other;
- 2) These transactions as a whole may reach a complete business result;
- 3) The occurrence of a transaction depends on at least the occurrence of another transaction;
- 4) 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"

1) 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.

2) 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"

1) 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.

2) 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	20-40	5	2.38-4.75
Machinery and equipment	Straight-line method	3-10	5	9.50-31.67
Transportation facilities	Straight-line method	5-10	5	9.50-19.00
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	Straight Line Method

	expected beneficial period	
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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. Contract 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. Employee compensation

(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"

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

"√ Applicable" "□ Not applicable"

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.

Specific methods of revenue recognition

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"

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.

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 Cash and bank balances, they are measured at the amount received or receivable. Government grants that are non-Cash and bank balances are measured at fair value; Where the fair value cannot be reliably obtained, the non-Cash and bank balances 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.

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

Please refer to Section V Significant Matters for “Analysis and Explanation of the Reasons and Impact of Changes in Accounting Policies, Accounting Estimates, or Corrections of Significant Accounting Errors”

41. First application of new accounting standards or their interpretations from 2025 involves adjustments to the financial statements at the beginning of the first application year

Applicable" Not applicable"

42. Other

Applicable" Not applicable"

6. 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% 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	1.2%,12%
Urban maintenance	Actual turnover tax paid	[Note 2]

and construction tax		
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 a business income tax rate of 19%. The subsidiary Hangcha Forklift Canada Inc. is subject to a business income tax rate of 14.975%. The subsidiary Hangcha Netherlands B.V. is subject to a business income tax rate of 21%. The subsidiaries Hangcha (Thailand) Co., Ltd. and Hangcha Group Manufacturing (Thailand) Co., Ltd. are subject to a business income tax rate of 7%. The subsidiary HC Forklift Australia Pty Ltd is subject to a business income tax rate of 10%. The subsidiary Hangcha Brasil Ltda is subject to a business income tax rate of 12%. The subsidiary PT Hangcha Indonesia Forklift is subject to a business income tax rate of 11%. The subsidiaries Hangcha Japan Co., Ltd. and Hangcha (Malaysia) Sdn. Bhd. are subject to a business income tax rate of 10%. The subsidiary Hangcha Europe Rental & Sales is subject to a business income tax rate of 20%. The subsidiary Hangcha Forklift Vietnam Co., Ltd. is subject to a business income tax rate of 8%. The subsidiary Hangcha Middle East General Trading FZE is subject to a business income tax rate of 5%. The company and its other subsidiaries are subject to a business income tax rate of 13% on sales of goods and the provision of taxable services, 6% on sales services, and 9% on income from real estate leasing (5% on income from real estate acquired before 30 April 2016 based on the simplified method of tax calculation). Exported goods are eligible for the "exemption, deduction, and refund" policy, with a tax rebate rate of 13% for complete vehicles and major components, and 0% for certain batteries and tires.

[Note 2] 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., Fujian Hangcha Forklift Co., Ltd. and Zhejiang Zhichujia Material Handling Equipment Co., Ltd. pay 5% of the payable goods turnover tax. The company and its other subsidiaries pay 7% of the payable goods turnover tax.

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 13 subsidiaries and sub-subsidiaries, including Hangzhou Forklift Sheet Welding Co., Ltd.	15%
HANGCHA NETHERLANDS B.V.	15%, 25.80% [Note 1]
HC FORKLIFT AMERICA CORPORATION	23.50% [Note 2]
HANGCHA FORKLIFT CANADA INC.	26.50% [Note 3]
HANGCHA EUROPE GMBH	29.66% [Note 4]
HANGCHA (THAILAND) CO.LTD. and HANGCHA GROUP MANUFACTURING (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%, 23.20% [Note 8]
HANGCHA (MALAYSIA) SDN.BHD.	24% [Note 9]

HANGCHA FORKLIFT VIETNAM CO.LTD.	20% [Note 10]
HANGCHA MIDDLE EAST GENERAL TRADING FZE	0% [Note 11]
Taizhou Hangcha Forklift Sales Co., Ltd. and 49 subsidiaries and sub-subsidiaries	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 25.80%

[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 2.50%

[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 11.50%

[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 subsidiaries Hangcha (Thailand) Co., Ltd. and Hangcha Group Manufacturing (Thailand) Co., Ltd. are 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 23.20% 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

[Note 10] The subsidiary Hangcha Forklift Vietnam Co., Ltd. is subject to corporate income tax at a rate of 20% in accordance with the tax policies of Vietnam where it is registered

[Note 11] The subsidiary Hangcha Middle East General Trading FZE is subject to corporate income tax in accordance with the tax policies of the UAE where it is registered. The tax rate is 0% for taxable income below AED 375,000, and 9% for taxable income above that amount

2. Tax incentives

"√ Applicable" "□ Not applicable"

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

1. Pursuant to the Announcement on the Filing of High-Tech Enterprises Certified and Reported by Zhejiang Provincial Certification Agency in 2025 issued by the National High-Tech Enterprise Certification Management Leading Group Office on December 19, 2025, the sub-subsidiary Zhejiang Guozi Robotics 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, 2025 to December 31, 2027. Consequently, the 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 Appliance Co., Ltd., Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd., Zhejiang Hangcha Guozi Robotics 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, the 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 Bridge Box Co., Ltd. and the sub-subsidiary 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, the 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 Filing of High-tech Enterprises Certified and Reported by Zhejiang Provincial Certification Agency in 2025 issued by the National High-tech Enterprise Certification Management Leading Group Office on December 19, 2025, the subsidiaries Hangzhou Hangcha Kangli Forklift Attachments Co., Ltd. and Hangzhou Hangcha Cab 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, 2025 to December 31, 2027. Consequently, the reduced income tax rate of 15% is applicable to this period.

6. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Implementing the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 [2021] of the Ministry of Finance and the State Taxation Administration) and the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), 49 subsidiaries and sub-subsidiaries, including Taizhou Hangcha Forklift Sales Co., Ltd., have been qualified as micro and small enterprises. For annual taxable income below RMB 3 million, a reduced income tax rate of 25% is applicable to their taxable income, with corporate income tax levied at 20% (with an actual levy rate of 5%).

7. 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. The 49 subsidiaries and sub-subsidiaries of the Company are eligible to enjoy a 50% reduction in the Construction Tax, the Educational Surcharge, and the Local Educational Surcharge.

8. 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 14 subsidiaries including Hangzhou Forklift Sheet Welding Co., Ltd. are entitled to this preferential policy.

9. Pursuant to the Notice on Value-added Tax Policies for Software Products (No. 100 [2011] of the Ministry of Finance), the Company, Hangcha Group Co., Ltd., and its subsidiaries Hangzhou Hangcha Aerial Equipment Co., Ltd., Hangzhou Hangcha Cab Co., Ltd. and Zhejiang Hangcha Guozi Robotics Co., Ltd., and sub-subsidiaries Zhejiang Guozi Robot Technology Co., Ltd., Zhejiang Guozi Intelligent Equipment Co., Ltd., Zhejiang Hangcha Okamura Intelligent Technology Co., Ltd. and Hefei Hanhe Intelligent Logistics Technology Co., Ltd. enjoy the Preferential VAT Policies of Immediate Refund upon Payment for the proportion of value-added tax on the sales of software products exceeding 3%.

10. Pursuant to the relevant provisions of the Suggestions to Encourage Foreign Capital to Establish Research and Development Institutions and Certifying Standard and Managing Measures for Software Enterprises (Proposed), the sub-subsidiary Zhejiang Guozi Robotics Co., Ltd. has been recognized as a software enterprise by the Economy and Information Technology Commission of Zhejiang Province. Therefore, from the first profitable year onwards, the company is eligible for a “two-year exemption and three-year half reduction” policy for corporate income tax. The sub-subsidiary Zhejiang Guozi Robotics Co., Ltd. has not yet begun to enjoy corporate income tax preferential policies.

3. Other

Applicable" Not applicable"

7. IV. Notes to the Consolidated Financial Statements Items

1. Cash and bank balances

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Cash on hand	5932401.96	1232590.16
Bank deposits	4329553230.58	4151444191.61
Other cash and bank balances	41733003.75	30017831.55
Deposits with Finance Companies		
Total Amount	4377218636.29	4182694613.32
Of which: Total amount of funds deposited beyond China	359028095.25	375717155.94

Other notes:

Other cash and bank balances at the end of the period included guarantee deposits of RMB 14,005,121.23, deposits for foreign exchange derivatives of RMB 147,933.08, bank acceptance deposits of RMB 23,318,691.63, performance bonds of RMB 3,297,818.97, and deposits held in third-party payment accounts of RMB 963,438.84.

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 included	100347215.23	85755439.73	/

in current profits and losses			
Including:			
Wealth management products	100347215.23	85755439.73	/
Total Amount	100347215.23	85755439.73	/

Other notes:

Applicable" Not applicable"

3. Derivative financial assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Foreign exchange derivatives [Note]		1635304.53
Total Amount		1635304.53

Other notes:

[Note] Foreign exchange derivative instruments have been adjusted from held-for-trading financial assets to derivative financial assets in accordance with the Compilation of the Guidelines for the Application of Enterprise Accounting Standards (2024).

4. Notes receivable

(1). Notes Receivable Listed by Category

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Bank acceptance bill		
Commercial acceptance bills	16088216.14	17251330.80
Total Amount	16088216.14	17251330.80

(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	16996771.97	100.00	908555.83	5.35	16088216.14	18247890.00	100.00	996559.20	5.46	17251330.80
Including:										
Commercial acceptance bill	16996771.97	100.00	908555.83	5.35	16088216.14	18247890.00	100.00	996559.20	5.46	17251330.80
Total Amount	16996771.97	/	908555.83	/	16088216.14	18247890.00	/	996559.20	/	17251330.80

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		
	Book balance	Provision for bad debts	Percentage of Provision (%)
Commercial acceptance bill as a combination	16996771.97	908555.83	5.35
Total Amount	16996771.97	908555.83	5.35

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	996559.20	-88003.37				908555.83
Total Amount	996559.20	-88003.37				908555.83

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 1 year)	2752587865.98	2452222943.20
Subtotal within one year	2752587865.98	2452222943.20
1-2 years	254491538.11	201974270.53
2-3 years	70638034.68	90742545.98
More than 3 years		
3-4 years	35697125.02	22456609.73
4-5 years	26263894.70	18939828.22
More than 5 years	16152074.42	12408819.36
Total Amount	3155830532.91	2798745017.02

(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 for bad debts made on an individual basis	7969168.28	0.25	7969168.28	100.00			7945132.95	0.28	7945132.95	100.00	
Provision made on a portfolio basis	3147861364.63	99.75	227941294.37	7.24	2919920070.26		2790799884.07	99.72	200965387.29	7.20	2589834496.78
Total Amount	3155830532.91	/	235910462.65	/	2919920070.26		2798745017.02	/	208910520.24	/	2589834496.78

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	7969168.28	7969168.28	100.00	
Total Amount	7969168.28	7969168.28	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

	Book balance	Provision for bad debts	Percentage of Provision (%)
Within 1 year	2752587865.98	137629393.31	5.00
1-2 years	252355638.11	25235563.83	10.00
2-3 years	67679044.68	20303713.40	30.00
3-5 years	60932384.12	30466192.09	50.00
More than 5 years	14306431.74	14306431.74	100.00
Total Amount	3147861364.63	227941294.37	7.24

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	7945132.95	84035.33		60000.00		7969168.28
Provision made on a portfolio basis	200965387.29	30624462.96	-284430.65	2727278.07	1205708.46	227941294.37
Total Amount	208910520.24	30708498.29	-284430.65	2787278.07	1205708.46	235910462.65

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	2787278.07

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	71882234.40	16307800.00	88190034.40	2.62	4409501.72
Customer Two	80392079.80		80392079.80	2.38	4019603.99
Customer Three	74299451.13		74299451.13	2.20	3714972.56
Customer Four	65226992.69		65226992.69	1.93	3261349.63
Customer Five	51078797.71		51078797.71	1.52	2553939.89
Total Amount	342879555.73	16307800.00	359187355.73	10.65	17959367.79

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	215560611.77	25222321.73	190338290.04	171528001.84	21278991.60	150249010.24
Total Amount	215560611.77	25222321.73	190338290.04	171528001.84	21278991.60	150249010.24

(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	215560611.77	100.00	25222321.73	11.70	190338290.04	171528001.84	100.00	21278991.60	12.41	150249010.24

made on a portfolio basis										
Total Amount	215560611.77	/	25222321.73	/	190338290.04	171528001.84	/	21278991.60	/	150249010.24

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		
	Book balance	Provision for bad debts	Percentage of Provision (%)
Ageing combination	215560611.77	25222321.73	11.70
Total Amount	215560611.77	25222321.73	11.70

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	21278991.60	3943330.13				25222321.73	
Total Amount	21278991.60	3943330.13				25222321.73	/

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
Bank acceptance bill	472523678.61	294961893.92
Total Amount	472523678.61	294961893.92

(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
Bank acceptance bill	2292376609.36	
Total Amount	2292376609.36	

(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	413560377.91	96.25	358224154.24	98.67
1-2 years	12806322.80	2.98	3342386.23	0.92
2-3 years	2243268.16	0.52	891991.98	0.25
More than 3 years	1068973.01	0.25	577731.67	0.16
Total Amount	429678941.88	100.00	363036264.12	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	36116064.97	8.41
Supplier II	26875981.49	6.25
Supplier III	22936166.22	5.34
Supplier IV	21660300.72	5.04
Supplier V	20428236.12	4.75
Total Amount	128016749.52	29.79

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	243522905.71	278088446.68
Total Amount	243522905.71	278088446.68

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 phases and proportion of provision 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 1 year)	227735098.03	256288642.67
Subtotal within one year	227735098.03	256288642.67
1-2 years	10253741.60	17407195.86
2-3 years	9839940.94	13676484.46
More than 3 years		
3-4 years	7859352.56	4263968.50
4-5 years	5602588.04	3104267.88
More than 5 years	4158040.10	5212424.94
Total Amount	265448761.27	299952984.31

(14). By nature of amount

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Nature of payment	Closing book balance	Opening book balance
Export tax refund	178039545.56	217123393.52
Deposits	53536533.70	54430339.72
Temporary borrowings by employees	16804741.74	15299254.76
Temporary advance payment receivable	10954537.13	8570459.64
Other	6113403.14	4529536.67
Total Amount	265448761.27	299952984.31

(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, 2025	1958262.45	1166712.14	18739563.04	21864537.63
Balance as of January 1, 2025 during the period				
-- Transferred to Phase II	-512687.08	512687.08		
-- Transferred to Phase III		-845710.72	845710.72	
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision during the period	853061.56	193122.56	179342.93	1225527.05
Reversal during the period			-66768.48	-66768.48
Transfer to COGS during the period				
Write-offs during the period			1223603.68	1223603.68
Other changes	3687.04	1436.88	2250.00	7373.92
Balance as of December 31, 2025	2294949.89	1025374.18	18605531.49	21925855.56

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	7665891.59	-425337.16		1171403.68		6069150.75
Provision made on a portfolio basis	14198646.04	1650864.21	-66768.48	52200.00	7373.92	15856704.81
Total Amount	21864537.63	1225527.05	-66768.48	1223603.68	7373.92	21925855.56

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	1223603.68

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
State Taxation Administration	178039545.56	67.07	Export tax refund	Within 1 year	
Zhejiang Hangzhou Qingshan Lake Science and Technology City Investment Group Co., Ltd.	4250000.00	1.60	Deposits	3-5 years	2125000.00
Tokokosen Corporation	1425070.08	0.54	Deposits	Within 1 year	71253.50
Changchun FAW International Tendering Co., Ltd.	1372000.00	0.52	Deposits	Within 1 year	68600.00
CITIC International Tendering Co., Ltd.	1146200.00	0.43	Deposits	Within 1 year, 3-5 years	159100.00
Total Amount	186232815.64	70.16	/	/	2423953.50

(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	1018092279.76	24590076.58	993502203.18	845635552.82	22585083.91	823050468.91
Work in progress	334113802.95	3979108.54	330134694.41	279286565.88	4023268.57	275263297.31
Inventory	1513416349.33	10939743.29	1502476606.04	1136805647.31	16592185.08	1120213462.23
Commissioned processing materials	7005129.83		7005129.83	15011086.54		15011086.54
Contract performance costs	323072249.71	7173954.47	315898295.24	290029512.37	12833525.71	277195986.66
Total Amount	3195699811.58	46682882.88	3149016928.70	2566768364.92	56034063.27	2510734301.65

(2). Data resources recognized as inventories

"□ Applicable" "√ Not applicable"

(3). Provision for decline in value of inventories and impairment of contract 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 Transfer to COGS	Other	
Raw materials	22585083.91	11678726.66		9673733.99		24590076.58
Work in progress	4023268.57	3965503.23		4009663.26		3979108.54
Inventory	16592185.08	6790428.98		12442870.77		10939743.29
Contract performance costs	12833525.71	3559464.68		9219035.92		7173954.47
Total Amount	56034063.27	25994123.55		35345303.94		46682882.88

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 provision for transfer to COGS	Reasons for provision for transfer to COGS
Raw materials	Net realizable value is determined as the estimated selling price of the relevant finished goods less costs estimated to be incurred to completion, estimated selling expenses and related taxes	Increase in net realizable value of provisions made in previous periods for a decline in value of inventories	Consumption of inventories for which provision for decline in value of inventories has been made during the period
Work in progress			Sales of inventories for which provisions had
Finished goods			
Contract performance			

costs			previously been made for a decline in value during the current period
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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	171096826.36	183727543.92
Total Amount	171096826.36	183727543.92

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	134308580.61	135772623.11
Prepaid enterprise income tax	30459049.87	15792645.79
Total Amount	164767630.48	151565268.90

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	
Financial lease payments	114988892.30	5166899.02	109821993.28	85976464.39	3082999.22	82893465.17	3.07%-24.56%
Of which: unrealised financing gains	-3821346.99		-3821346.99	-4643114.21		-4643114.21	
Total Amount	114988892.30	5166899.02	109821993.28	85976464.39	3082999.22	82893465.17	/

(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	Percentage (%)	Amount	Percentage of Provision (%)		Amount	Percentage (%)	Amount	Percentage of Provision (%)	
Provision made on a portfolio basis	114988892.30	100.00	5166899.02	4.49	109821993.28	85976464.39	100.00	3082999.22	3.59	82893465.17
Total Amount	114988892.30	/	5166899.02	/	109821993.28	85976464.39	/	3082999.22	/	82893465.17

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: Portfolio

Unit: Yuan Currency: CNY

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision (%)
Provision made on a portfolio basis	114988892.30	5166899.02	4.49
Total Amount	114988892.30	5166899.02	4.49

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	3082999.22	2083899.80				5166899.02
Total Amount	3082999.22	2083899.80				5166899.02

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 Balance (Book value)	Increase and decrease during the period								Closing Balance (Book value)	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	1803887.31			1148592.79	93323.83					3045803.93	
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	87281260.57			13563247.31		567491.93	7344000.00			94067999.81	
Hangzhou Gangcun Transmission Co., Ltd.	31151179.27			2686948.12						33838127.39	
Hangzhou Pengcheng New Energy Technology Co., Ltd.	33955470.77			81543.76						34037014.53	
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	2047807325.14			431318130.83	35606065.98	177188579.44				2691920101.39	
Henan Jiachen Intelligent Control Co., Ltd.	123457317.16			15832689.56		56527.52				139346534.24	
Changsha Zhongchuan Transmission Co., Ltd.	10819695.70			78457.38		74901.72				10973054.80	
Nanjing Hangcha Logistics Equipment Co., Ltd.	2683211.40			652776.01			560000.00			2775987.41	
Nanchang Hangcha Forklift	4061714.33			604695.44			630000.00			4036409.77	

Co., Ltd.										
Changsha Hangcha Forklift Sales Co., Ltd.	3087017.47		582009.50			562000.00			3107026.97	
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	4566676.15		652851.18			630000.00			4589527.33	
Taiyuan Hangcha Lift Truck Co., Ltd.	2717581.57		370251.18			420000.00			2667832.75	
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	3816344.01	42840.00	811536.95			728000.00			3942720.96	
Yunnan Hangcha Lift Truck Co., Ltd.	3187646.54		887097.68			472500.00			3602244.22	
Shenyang Hangcha Lift Truck Sales Co., Ltd.	3192681.46		854060.84			630000.00			3416742.30	
Beijing Guozi Robot Technology Co., Ltd.	804745.90		48758.05						853503.95	
Subtotal	2364393754.75	42840.00	470173646.58	35699389.81	177887500.61	11976500.00			3036220631.75	
Total Amount	2364393754.75	42840.00	470173646.58	35699389.81	177887500.61	11976500.00			3036220631.75	

(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	28104279.77	26325621.62
Including: Investment in other equity instruments	28104279.77	26325621.62
Total Amount	28104279.77	26325621.62

Other notes:

Applicable" Not applicable"

As of December 31, 2025, the Company held a 16.67% equity stake in Zhejiang Hangli Dingsheng Machinery Co., Ltd. The Company is unable to exercise control, significant influence, or joint control over Hangli Dingsheng. Therefore, this equity investment shall not be considered a long-term equity investment. According to the latest version of Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments, this equity instrument investment fails the Solely Payments of Principal and Interest test (SPPI test). Therefore, it is classified as a financial asset measured at fair value through current profits and losses. However, since Zhejiang Hangli Dingsheng Machinery Co., Ltd. has not been traded on the open market, the cost is the best estimate of fair value according to Standard No. 39—Measurement of Fair Value. Therefore, it is listed under other non-current financial assets.

As of December 31, 2025, the Company held a 10.00% equity stake in Hangzhou Okamura Furniture Co., Ltd. According to the Articles of Association and relevant resolutions, the Company does not have the authority to participate in the decision-making regarding Okamura's financial and operational policies. Therefore, it is a long-term equity investment not intended for trading, which does not constitute a material impact. As a result, it is reported under other non-current financial assets.

The increase in the current period arises from the payment of the remaining 70.00% of the purchase price for equity in NFL Forklifts Group by HC Forklift Australia Pty Ltd., amounting to USD 235,516.18 (equivalent to RMB 1,778,658.15). As of December 31, 2025, 100.00% of the purchase price for equity in NFL Forklifts Group has been paid, amounting to USD 338,993.86 (equivalent to RMB 2,512,879.77). The Company holds a 15.00% equity stake in the NFL

Forklifts Group. It is unable to exercise control, significant influence, or joint control over NFL Forklifts Group. Therefore, it is a long-term equity investment not intended for trading, and it is reported under other non-current financial assets.

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	16512680.08		16512680.08
(1) Outsourcing			
(2) Transfer from inventories\fixed assets\construction in progress	16512680.08		16512680.08
(3) Increase in business combination			
3. Decrease amounts during the period	12082389.89		12082389.89
(1) Disposals			
(2) Other transfers out			
(3) Reversal of fixed assets	12082389.89		12082389.89
4. Closing balance	120766858.55	3718843.99	124485702.54
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	51719637.58	1300400.81	53020038.39
2. Increase amounts during the period	16824996.02	166117.21	16991113.23
(1) Accrual or amortization	6446098.19	166117.21	6612215.40
(2) Transfer from fixed assets	10378897.83		10378897.83
3. Decrease amounts during the period	7456246.05		7456246.05
(1) Disposals			
(2) Other transfers out			
(3) Reversal of fixed assets	7456246.05		7456246.05
4. Closing balance	61088387.55	1466518.02	62554905.57
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	59678471.00	2252325.97	61930796.97
2. Book value at the beginning of the period	64616930.78	2418443.18	67035373.96

(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	3244122167.29	2202710412.14
Liquidation of fixed assets		
Total Amount	3244122167.29	2202710412.14

Other notes:

"□ Applicable" "√ Not applicable"

Fixed assets

(1). Fixed assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Buildings	Machinery and equipment	Transportation facilities	Other equipment	Total Amount
I. Original book value:					
1. Opening balance	1357771231.06	993855868.02	1345021027.55	150053596.36	3846701722.99
2. Increase amounts during the period	705954919.21	126300127.44	794807808.69	18419041.13	1645481896.47
(1) Acquisitions	3253096.73	20265745.60	44870485.72	11026140.59	79415468.64
(2) Transfer from construction in progress	690619432.59	105626161.05	6477333.23	7392900.54	810115827.41
(3) Increase in business combination					
(4) Transferred from finished goods		408220.79	743459989.74		743868210.53
(5) Transfer from investment properties	12082389.89				12082389.89
3. Decrease amounts during the period	16512680.08	8353446.12	257394925.80	3550215.46	285811267.46
(1) Disposal or retirement		8353446.12	17839248.15	3539772.98	29732467.25
(2) Transfer from investment properties	16512680.08				16512680.08
3) Transfer to inventories			238394207.52		238394207.52
(4) Others [Note]			1161470.13	10442.48	1171912.61
4. Closing balance	2047213470.19	1111802549.34	1882433910.44	164922422.03	5206372352.00
II. Accumulated depreciation					
1. Opening balance	532435992.39	472044513.26	542782516.00	93757254.10	1641020275.75
2. Increase amounts during the period	78800606.88	81058889.90	229902373.48	16603495.06	406365365.32
1) Accrual	71344360.83	81058889.90	229902373.48	16603495.06	398909119.27

(2) Transfer from investment properties	7456246.05				7456246.05
3. Decrease amounts during the period	10378897.83	6671797.58	68683473.87	2306388.27	88040557.55
(1) Disposal or retirement		6671797.58	11455574.88	2298286.63	20425659.09
(2) Transfer from investment properties	10378897.83				10378897.83
3) Transfer to inventories			56589912.73		56589912.73
(4) Others [Note]			637986.26	8101.64	646087.90
4. Closing balance	600857701.44	546431605.58	704001415.61	108054360.89	1959345083.52
III. Provision for impairment					
1. Opening balance	89206.35	2280781.03	134331.01	466716.71	2971035.10
2. Increase amounts during the period					
1) Accrual					
3. Decrease amounts during the period		65933.30	0.61		65933.91
(1) Disposal or retirement		65933.30	0.61		65933.91
4. Closing balance	89206.35	2214847.73	134330.40	466716.71	2905101.19
IV. Book value					
1. Closing book value	1446266562.40	563156096.03	1178298164.43	56401344.43	3244122167.29
2. Book value at the beginning of the period	825246032.32	519530573.73	802104180.54	55829625.55	2202710412.14

[Note] Other decreases are due to the disposal of corresponding fixed assets transferred out by the sub-subsidiaries during the current period, including the original value and the accumulated depreciation

(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	8982114.64	6318161.60	2214847.73	449105.31	
Transportation facilities	383918.60	230392.26	134330.40	19195.94	
Other equipment	1335136.96	801668.89	466716.71	66751.36	
Subtotal	10881525.20	7432353.65	2905101.19	544070.36	

(3). Fixed assets leased through operating leases

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Book value at the end of the period
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Machinery and equipment	99657257.05
Transportation facilities	1060550608.82
Other equipment	1701670.20
Subtotal	1161909536.07

(4). Fixed assets for which title certificates have not been issued

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Book value	Reasons for failure to obtain title certificates
Plant of Hangcha Guozi Intelligent Automated Equipment Project with an Annual Production of 10,000 Sets	155971745.20	Under Processing
Subtotal	155971745.20	

(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
Construction in progress	115954043.69	584836969.86
Engineering materials		
Total Amount	115954043.69	584836969.86

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
Project for the Annual Production of 6,000 Aerial Work Platforms and 5,000 Forklifts	39517282.05		39517282.05			
Intellectualization Reform Project of	26394809.64		26394809.64	21774574.45		21774574.45

Hangzhou Cha on Core Process Capability with an Annual Output of 3,000 High-tonnage Forklifts for High-end Markets						
Hangcha Guozi Intelligent Automated Equipment Project with an Annual Production of 10,000 Sets	19860851.75		19860851.75	96369579.73		96369579.73
Hangcha Group Shiqiao Factory Upgrading Construction Project	14226011.05		14226011.05	450626697.66		450626697.66
Prepayment of Equipment, Project Payment and Other Projects	12676872.00		12676872.00	12328740.56		12328740.56
Information project	3278217.20		3278217.20	3737377.46		3737377.46
Total Amount	115954043.69		115954043.69	584836969.86		584836969.86

(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 (%)	Project progress (%)	Accumulated interest capitalization amounts	Of which: Amount of interest capitalization during the period	Interest capitalization rate for the period (%)	Source of funds
Hangcha Group Shiqiao Factory Upgrading Construction Project	68000.00	45062.67	8743.94	52384.01		142260.60	98.45	98.45				Self-owned funds
Hangcha Guozi Intelligent Automated Equipment Project	40000.00	9636.96	15282.71	21481.05	1452.53	1986.09	85.21	85.21				Self-owned funds

with an Annual Production of 10,000 Sets												
Intellectualization Reform Project of Hangzhou Cha on Core Process Capability with an Annual Output of 3,000 High-tonnage Forklifts for High-end Markets	16000.00	2177.46	4102.47	3640.45		2639.48	48.64	48.64				Self-owned funds
Project for the Annual Production of 6,000 Aerial Work Platforms and 5,000 Forklifts	14000.00		7045.95		3094.22	3951.73	56.87	56.87				Self-owned funds
Total Amount		5687.09	3517.07	77505.52	4546.75	9999.90	/	/			/	/

[Note 1] The increase in the budget for the Hangcha Group Shiqiao Factory Upgrading Construction Project and the Hangcha Guozi Intelligent Automated Equipment Project with an Annual Production of 10,000 Sets is due to an expansion in the scale of construction and an improvement in construction standards, as required by the Company during the project implementation process.

[Note 2] Other decreases in the Hangcha Guozi Intelligent Automated Equipment Project with an Annual Production of 10,000 Sets and the Project for the Annual Production of 6,000 Aerial Work Platforms and 5,000 Forklifts have been transferred to intangible assets.

(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	239054588.55	239054588.55
2. Increase amounts during the period	131672990.89	131672990.89
Leased	131672990.89	131672990.89
3. Decrease amounts during the period	28137263.85	28137263.85
1) Disposal on lease termination	8264359.48	8264359.48
2) Disposal upon lease expiration	18018742.60	18018742.60
3) Others [Note]	1854161.77	1854161.77
4. Closing balance	342590315.59	342590315.59
II. Accumulated depreciation		
1. Opening balance	64428053.84	64428053.84
2. Increase amounts during the period	45374055.13	45374055.13
1) Accrual	45374055.13	45374055.13
3. Decrease amounts during the period	24374967.99	24374967.99
(1) Disposal on lease termination	5050477.59	5050477.59
Disposal on lease expiration	18018742.60	18018742.60
Others [Note]	1305747.80	1305747.80
4. Closing balance	85427140.98	85427140.98

III. Provision for impairment		
1. Opening balance		
2. Increase amounts during the period		
1) Accrual		
3. Decrease amounts during the period		
(1) Disposals		
4. Closing balance		
IV. Book value		
1. Closing book value	257163174.61	257163174.61
2. Book value at the beginning of the period	174626534.71	174626534.71

[Note] Other decreases are due to the disposal of corresponding right-of-use assets transferred out by the sub-subsidiaries during the current period, including the original value and the accumulated depreciation

(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	381833255.00	129717082.81	604813.49	669191.66	512824342.96
2. Increase amounts during the period	34350525.77	14942021.63			49292547.40
(1) Acquisitions	3408340.77	416723.81			3825064.58
(2) Internal R&D					
(3) Increase in business combination					
(4) Transfer from construction in progress	30942185.00	14525297.82			45467482.82
3. Decrease amounts during the period					
(1) Disposals					
4. Closing balance	416183780.77	144659104.44	604813.49	669191.66	562116890.36
II. Accumulated amortization					
1. Opening balance	73824542.96	32650974.51	580043.26	226763.44	107282324.17
2. Increase amounts during the period	7896305.10	13055873.92	15120.34	32915.86	21000215.22
1) Accrual	7896305.10	13055873.92	15120.34	32915.86	21000215.22
3. Decrease amounts during the period					
(1) Disposals					
4. Closing balance	81720848.06	45706848.43	595163.60	259679.30	128282539.39

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) Disposals					
4. Closing balance		566347.35			566347.35
IV. Book value					
1. Closing book value	334462932.71	98385908.66	9649.89	409512.36	433268003.62
2. Book value at the beginning of the period	308008712.04	96499760.95	24770.23	442428.22	404975671.44

Proportion of intangible assets formed through in-house R&D at the end of the current period to the balance of intangible assets is 0%.

(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"

(4). 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
		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: Ten thousand 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	Basis for determining key parameters for the stationary phase
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							rate, etc.)	
Hangzhou Forklift Sheet Metal Welding Co., Ltd.	9509.43	28763.27		3	Average revenue growth rate of 10%, average profit margin of 2.24%, 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 2.32%, pre-tax discount rate of 15%	Reference to the data at the end of the forecast period
Hangzhou Forklift Mast Co., Ltd.	15552.29	28857.60		3	Average revenue growth rate of 10%, average profit margin of 1.25%, 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 1.18%, pre-tax discount rate of 15%	Reference to the data at the end of the forecast period
Hangzhou Hangcha Bridge Box Co., Ltd.	10497.07	19438.69		3	Average revenue growth rate of 10%, average profit margin of 1.62%, 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 1.59%, pre-tax discount rate of 15%	Reference to the data at the end of the forecast period
Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	1068.38	2027.90		3	Average revenue growth rate of 10%, average profit margin of 14.85%, 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 14.50%, pre-tax discount rate of 15%	Reference to the data at the end of the forecast period
HC	727.26	773.80		3	Average	The	Average	Reference

FORKLIFT AUSTRALIA PTY LTD.					revenue growth rate of 20%, average profit margin of 1.18%, pre-tax discount rate of 15%	Management determines key parameters for the forecast period based on historical data and forecasts of market development	revenue growth rate of 20%, average gross profit margin of 3.41%, pre-tax discount rate of 15%	to the data at the end of the forecast period
Total Amount	37354.43	79861.26		/	/	/	/	/

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 this 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 balance	Amount of increase during the period	Amortization amounts for the period	Other decreases in amounts	Closing balance
Operating expenses on improvement of fixed assets leased	26390164.95	2372445.54	7525967.33		21236643.16
Total Amount	26390164.95	2372445.54	7525967.33		21236643.16

Other notes:

None

29. Deferred income tax assets / Deferred income tax liabilities

(1). Deferred income tax assets not offset

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
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	Deductible temporary differences	Deferred income tax Assets	Deductible temporary differences	Deferred income tax Assets
Provision for impairment of assets	252952859.12	52269662.89	217379232.03	43144385.81
Unrealized profits of internal transactions	409815343.19	94100034.72	295228190.23	69936545.60
Deferred income	105620404.53	15843060.68	93427574.52	14014136.18
Changes in fair value of derivative financial liabilities			366815.63	91703.91
Deductible losses	48615704.19	9718561.30	67068213.75	10088544.77
Lease transactions	249991117.36	61635336.49	166355768.98	42466522.93
Total Amount	1066995428.39	233566656.08	839825795.14	179741839.20

(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	115135894.19	17270384.12	138715544.04	20807331.60
Lease transactions	248808887.44	60736372.92	173928041.98	42753114.55
Total Amount	363944781.63	78006757.04	312643586.02	63560446.15

(3). Deferred income tax assets or liabilities listed by the net value of offsets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance		Opening balance	
	Offset Amount between deferred tax assets and deferred tax liabilities	Balance of deferred tax assets or liabilities after offsetting	Offset Amount between deferred tax assets and deferred tax liabilities	Balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	77216068.56	156350587.52	62913443.04	116828396.16
Deferred tax liabilities	77216068.56	790688.48	62913443.04	647003.11

(4). Details of unrecognized deferred income tax assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Deductible temporary differences	119832556.31	115255663.59
Deductible losses	799357965.07	744102319.92
Total Amount	919190521.38	859357983.51

(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
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2025		19680582.80	
2026	21015193.21	21015193.21	
2027	23408357.01	23408357.01	
2028	29748528.56	29748528.56	
2029	41694177.61	41694177.61	
2030	69919794.93	26287297.36	
2031	117449168.77	117449168.77	
2032	220919948.00	220919948.00	
2033	243899066.60	243899066.60	
2034			
2035	31303730.38		
Total Amount	799357965.07	744102319.92	/

Other notes:

Applicable" Not applicable"

30. Other non-current assets

Applicable" Not applicable"

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
Cash and bank balances	40769564.91	40769564.91	Other	Guarantee deposits, foreign exchange derivative deposits, bank acceptance bill deposits, performance bond	29600228.05	29600228.05	Other	Letter of guarantee bond, letter of credit bond, bankers' acceptance bill bond, and performance bond
Cash and bank balances					12041120.00	12041120.00	Other	Restricted use due to incomplete bank account information of a newly established company
Fixed assets	55168182.83	46617155.54	Other	Restrictions to sale and leaseback				
Intangible assets					31687875.00	31159743.70	Mortgaged	Mortgage of borrowings
Total Amount	95937747.74	87386720.45			73329223.05	72801091.75		

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	765278121.20	394507404.74
Guaranteed borrowing	44403055.56	109274759.45
Total Amount	809681176.76	503782164.19

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
Total Amount		366815.63

[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		
Bank acceptance bill	1693016977.19	902166339.40
Total Amount	1693016977.19	902166339.40

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	2692273743.23	2484702913.82
Project equipment	171548294.41	146750146.17
Other	21882182.35	29735495.83
Total Amount	2885704219.99	2661188555.82

(2). Significant accounts payable aged over one year or overdue

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

37. Advances received

(1). Details on payments received in advance

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Rent	2642224.15	913546.17
Total Amount	2642224.15	913546.17

(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. Contract liabilities

(1). Contract liabilities

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Payments for goods	504427817.49	455721742.21
Total Amount	504427817.49	455721742.21

(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 balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term employee benefits	130841543.21	1423863535.03	1415073109.48	139631968.76
II. Post-employment benefits - defined contribution plans	14488380.71	138361782.40	135130441.33	17719721.78
3. Termination Benefits	16428.00	1356601.70	1373029.70	
IV. Other benefits due within one year				
Total Amount	145346351.92	1563581919.13	1551576580.51	157351690.54

(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	72430173.03	1193846155.91	1186430607.65	79845721.29
II. Employee welfare		50247640.40	50247640.40	
III. Social insurance premium	11839909.27	90141573.93	88466534.77	13514948.43
Including: Medical insurance premiums	10714577.91	78574905.13	77393658.44	11895824.60
Work injury compensation insurance premiums	886323.36	11167824.13	10675552.99	1378594.50
Maternity insurance premiums	239008.00	398844.67	397323.34	240529.33
IV. Housing provident fund	838433.23	73506421.49	73016572.41	1328282.31
V. Trade union fee and staff education fee	45733027.68	16121743.30	16911754.25	44943016.73
VI. Short-term compensated absence				
VII. Short-term profit-sharing plan				
Total Amount	130841543.21	1423863535.03	1415073109.48	139631968.76

(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	14101536.84	133614948.07	130473900.99	17242583.92
2. Unemployment insurance premiums	386843.87	4746834.33	4656540.34	477137.86
3. Enterprise pension contribution				
Total Amount	14488380.71	138361782.40	135130441.33	17719721.78

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	106794058.82	117854715.76
Value-added tax	33064965.87	28155867.49
Property tax	13509163.75	13942413.58
Land use tax	7570287.55	7348258.54
Individual income tax	6339949.44	5502513.73
Stamp duty	5171168.08	3488024.50
Urban maintenance and construction tax	2712329.16	1687423.38
Education surcharge	1183392.22	803757.84
Local education surcharge	794023.14	520847.80
Disability insurance fund	637831.30	386571.09
Local water conservancy development fund	72525.46	74966.85
Vehicle and vessel tax	3902.00	
Other	542103.41	711726.77
Total Amount	178395700.20	180477087.33

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	40000.00
Other payables	89808213.54	226381414.75
Total Amount	89848213.54	226421414.75

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	40000.00
Total Amount	40000.00	40000.00

Other notes shall disclose the reasons for non-payment, including significant dividends payable overdue for over 1 year:

None

(4). Other payables

Other payables by the nature of funds

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Cross-borrowing		134298383.57
Deposits	62655090.62	73624201.30
Temporary receipts payable	25185991.37	16025483.55
Other	1967131.55	2433346.33
Total Amount	89808213.54	226381414.75

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	2314166.67	600388888.89
Bonds payable matured within one year		
Long-term payables matured within one year	1144663.54	

Lease liabilities matured within one year	42384604.05	29409865.55
Total Amount	45843434.26	629798754.44

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	90269550.67	72085065.58
Total Amount	90269550.67	72085065.58

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	498000000.00	
Total Amount	498000000.00	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	216401126.07	143909897.42
Total Amount	216401126.07	143909897.42

Other notes:

None

48. Long-term payables

Items

Applicable" Not applicable"

Unit: Yuan Currency:CNY

Item	Closing balance	Opening balance
Long-term payables	50063656.75	4578954.00
Specific payables		
Total Amount	50063656.75	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
Medical retention for retirees of enterprises before restructuring [Note]	4578954.00	4578954.00
Sale-Leaseback	45484702.75	

Total Amount	50063656.75	4578954.00
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[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"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance	Reason for formation
Provisions for after-sales expenses	7985853.43	10559000.00	Provisions for after-sales expenses due to warranty-related quality assurance
Guarantee obligations under finance leases	2472259.49		
Total Amount	10458112.92	10559000.00	/

Other notes, including significant assumptions and estimates related to significant provisions:

None

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	95177574.52	26503929.79	14311099.78	107370404.53	Financial allocation
Total Amount	95177574.52	26503929.79	14311099.78	107370404.53	/

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	Bonus shares	Provident fund	Other	Subtotal	

		issued		Conversion of shares			
Total number of shares	1309812049.00						1309812049.00

Other notes:

None

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)	1456158569.72	37161603.03	27766260.17	1465553912.58
Other capital reserves	40752910.00	177887500.61		218640410.61
Total Amount	1496911479.72	215049103.64	27766260.17	1684194323.19

Other notes, including increase/decrease during the period and reasons for changes:

1) Increase in equity premium during the period

① During the current period, the Company acquired a minority stake in Hangzhou Hangcha Electric Appliance Co., Ltd. The difference between the acquisition cost and the newly acquired net assets was RMB 582,847.09, resulting in a corresponding increase in capital reserve of RMB 582,847.09. During the current period, the Company disposed a minority stake in Hangcha New Energy Forklift (Wenzhou) Co., Ltd. The difference between the consideration of disposal and the net assets of the subsidiary involving the disposed equity was RMB 74,340.18, resulting in a corresponding increase in capital reserve of RMB 74,340.18. During the current period, minority shareholders increased their capital investment in Hangcha Japan Co., Ltd. Following the capital increase, the Company's net assets increased by RMB 248,197.84, resulting in a corresponding increase in capital reserve of RMB 248,197.84. During the current period, the Company disposed

a minority stake in Hefei Hanhe Intelligent Logistics Technology Co., Ltd. The difference between the consideration of disposal and the net assets of the subsidiary involving the disposed equity was RMB 5,192,990.60, resulting in a corresponding increase in capital reserve of RMB 5,192,990.60. During the current period, the Company disposed a minority stake in Zhejiang Hangcha Okamura Intelligent Technology Co., Ltd. The difference between the consideration of disposal and the net assets of the subsidiary involving the disposed equity was RMB 7,901,901.32, resulting in a corresponding increase in capital reserve of RMB 7,901,901.32. During the current period, the subsidiary Zhejiang Hangcha Guozi Robotics Co., Ltd. increased its capital investment. Following the capital increase, the Company's net assets increased by RMB 23,161,326.00, resulting in a corresponding increase in capital reserve of RMB 23,161,326.00.

2) Decrease in capital premium during the period

① During the current period, the Company acquired a minority stake in Hangcha Group Leasing Co., Ltd. The difference between the acquisition cost and the newly acquired net assets was RMB 5,591,503.61, resulting in a corresponding decrease in capital reserve of RMB 5,591,503.61. During the current period, the Company acquired a minority stake in Guiyang Hangcha Forklift Sales Co., Ltd. The difference between the acquisition cost and the newly acquired net assets was RMB 8,124.94, resulting in a corresponding decrease in capital reserve of RMB 8,124.94.

② During the current period, the capital premium decreased by RMB 22,166,631.62 due to the business combination involving Zhejiang Guozi Robotics Co., Ltd. and other entities under common control.

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 RMB177,887,500.61 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	-4154529.98	31623883.25				31504188.36	119694.89	27349658.38
Including: Items under equity method that may be reclassified to profit or loss	-14670146.36	35848384.31				35699389.81	148994.50	21029243.45
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	10515616.38	-4224501.06				-4195201.45	-29299.61	6320414.93
Total of other comprehensive income	-4154529.98	31623883.25				31504188.36	119694.89	27349658.38

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	2121472.10	11874136.77	13283463.36	712145.51
Total Amount	2121472.10	11874136.77	13283463.36	712145.51

Other notes, including increase/decrease during the period and reasons for changes:

None

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	654906024.50			654906024.50
Discretionary surplus reserve				
Reserve fund				
Corporate development fund				
Other				
Total Amount	654906024.50			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. Since the Company's accumulated statutory surplus reserve has reached 50% of its registered capital, no further withdrawals will be made from the statutory surplus reserve from 2025.

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	6793507969.21	5334504538.97
Total opening undistributed profit after adjustment (+ for increase; - for decrease)	-136587997.02	-127415434.15
Undistributed profits at the end of the period after adjustment	6656919972.19	5207089104.82
Add: Net profits attributable to owners of the parent company	2191315695.90	2012853136.12
Less: Provision of statutory surplus reserve		95232251.25
Discretionary surplus reserve		
Withdrawal of general risk reserve		
Dividends payable for common shares	916868434.30	467790017.50
Common dividend converted into share capital		
Undistributed profits at the end of the period	7931367233.79	6656919972.19

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 -136,587,997.02 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	Current period cumulative		Previous period amount	
	Revenue	Cost	Revenue	Cost
Operating	17446490464.15	13116042935.18	16495283763.79	12542019284.15
Other business	292161533.71	226674840.63	254374773.14	233714125.07
Total Amount	17738651997.86	13342717775.81	16749658536.93	12775733409.22

(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	17320127587.26	12999047932.49
Categorization by region		
Domestic	9624958806.48	7665624206.06
Overseas	7695168780.78	5333423726.43
Categorization by time of goods transfer		
Revenue is recognized at a point in time	17320127587.26	12999047932.49
Total Amount	17320127587.26	12999047932.49

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	Current period cumulative	Previous period amount
Urban maintenance and construction tax	33268739.43	21945731.97
Education surcharge	14279303.84	9455849.35
Local education surcharge	9507015.09	6310263.99
Stamp duty	26902152.34	13245803.66
Property tax	15845809.57	14373515.25
Land use tax	8453333.09	7854908.93
Vehicle and vessel tax	262140.37	263571.86
Other	2528408.61	1459659.78
Total Amount	111046902.34	74909304.79

Other notes:

None

63. Selling expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Salary, benefits, and insurance	462449634.80	402887066.69
After-sale service fee	126284472.16	91670681.21
Lease	62766578.90	43321425.14
Advertising and promotion fee	55001526.76	39434765.95
Vehicle expenses	29034011.45	33290874.33
Packaging and printing expenses	22213512.16	18548736.14
Other	131747706.56	122363920.05
Total Amount	889497442.79	751517469.51

Other notes:

None

64. Administrative expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Salary, benefits, and insurance	243269087.49	212897744.96
Depreciation and amortization	71653947.70	63378343.88
General Service Charge	44914888.93	40643560.19
House lease	24593062.06	18735264.15
Repair cost	16483749.43	12969863.36
Office expenses	13427484.83	11681362.84
Other	74434012.08	64958817.64
Total Amount	488776232.52	425264957.02

Other notes:

None

65. R&D expenses

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Salary, benefits, and insurance	350957604.70	320631616.54
Direct investment	398073511.43	375264381.84
Depreciation and amortization	11383960.49	12464538.34
Other	98531715.00	109131361.20
Total Amount	858946791.62	817491897.92

Other notes:

None

66. Financial expenses

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Interest expenses	43043092.17	47435277.98
Interest income	-29642658.04	-63611335.96
Gains or losses on foreign exchange	-13156756.44	-27096995.58
Handling fees	6314304.55	5293437.26
Total Amount	6557982.24	-37979616.30

Other notes:

None

67. Other income

Applicable" Not applicable"

Unit: Yuan Currency: CNY

By nature	Current period cumulative	Previous period amount
Government grants related to assets	14311099.78	11524835.06
Government grants related to income	80816211.96	76207269.60
Refund of handling fees for withholding personal income tax	501077.18	1686195.84
Additional deduction of value-added tax	57629676.61	146546001.19
Total Amount	153258065.53	235964301.69

Other notes:

None

68. Income from investment

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Income from long-term equity investments recognized under the equity method	470173646.58	384526122.84
Investment income from disposal of long-term equity investments	179148.43	-1320847.10
Investment income from held-for-trading financial	-1640250.94	41526.64

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	1693312.33	1377404.14
Investment income from disposal of other equity instrument investments		-115500.00
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Revenue from debt restructuring		
Total Amount	470405856.40	384508706.52

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	Current period cumulative	Previous period amount
Held-for-trading financial assets	347215.23	333.33
Including: Wealth management products	347215.23	333.33
Derivative financial assets		1640250.93
Including: Gains on changes in fair value from derivative financial liabilities		1640250.93
Derivative financial liabilities	366815.63	-362904.37
Including: Gains on changes in fair value from derivative financial liabilities	366815.63	-362904.37
Total Amount	714030.86	1277679.89

Other notes:

None

71. Credit impairment loss

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Bad debt losses on notes receivable	88003.37	389993.14
Loss due to bad debt of accounts receivable	-30708498.29	-59393508.30
Loss due to bad debt of other receivables	-1225527.05	-5289969
Impairment losses on debt investments		
Impairment losses on other debt investments		
Bad debt losses on long-term receivables	-1956316.79	-1306672.95
Impairment losses related to financial guarantees		

Total Amount	-33802338.76	-65600157.11
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Other notes:

None

72. Assets impairment loss

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
I. Impairment losses on contract assets	-3943330.13	-6899957.31
II. Loss on decline in value of inventories or impairment of contractual performance costs	-25994123.55	-36739703.87
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	-29937453.68	-43639661.18

Other notes:

None

73. Gains on disposal of assets

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Gains on disposal of fixed assets	-205160.45	2359941.14
Gains on disposal of right-of-use assets	516746.86	413188.78
Total Amount	311586.41	2773129.92

Other notes:

None

74. Non-operating revenue

Non-operating revenue

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount	Amounts included in non-recurring gains and losses of the period
Total gains from disposal of non-current assets	245492.90	86976.17	245492.90
Including: Gains from disposal of fixed assets	245492.90	86976.17	245492.90
Gains from disposal of intangible			

assets			
Gains from exchange of non-monetary assets			
Receipt of donations			
Government grants			
Accounts not to be paid	424523.85	1205475.07	424523.85
Gains from confiscation	649907.28	1053978.05	649907.28
Other	204591.17	379966.25	204591.17
Total Amount	1524515.20	2726395.54	1524515.20

Other notes:

Applicable" Not applicable"

75. Non-operating expenditures

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount	Amounts included in non-recurring gains and losses of the period
Total losses from disposal of non-current assets	257434.06	475141.71	257434.06
Including: Losses from disposal of fixed assets	257434.06	475141.71	257434.06
Losses from disposal of intangible assets			
Losses from exchange of non-monetary assets			
Fines	2793930.31	227724.64	2793930.31
Outward donations	16330.00	3000.00	16330.00
Compensation and liquidated damages	1158.23	313371.57	1158.23
Other	1407354.16	239076.03	1407354.16
Total Amount	4476206.76	1258313.95	4476206.76

Other notes:

None

76. Income tax expenses

(1). Statement of income tax expenses

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Current income tax expenses	321054579.76	318152858.38
Deferred tax expenses	-39583699.41	-35182908.82
Total Amount	281470880.35	282969949.56

(2). Process of adjusting accounting profits and income tax expenses

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative
Total profits	2599106925.74

Income tax expenses calculated based on statutory/applicable tax rates	389866038.84
Impact of different tax rates applicable to subsidiaries	40767206.21
Impact of adjusting income tax in previous periods	
Impact of non-taxable income	-87728223.94
Effect of addition and deduction	-60401911.12
Impact of non-deductible costs, expenses, and losses	191205.12
Impact of applying deductible losses for which no deferred 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	-1223434.76
Income tax expenses	281470880.35

Other notes:

Applicable" Not applicable"

77. Other comprehensive income

Applicable" Not applicable"

For details of the net amount of other comprehensive income after tax, please refer to Note VII (57) to Section VIII of the report.

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	Current period cumulative	Previous period amount
Government grants	85442099.66	98255673.04
Lease income	42099955.96	43701484.48
Interest income	29642658.04	63585375.53
Receipt of rent from finance lease business	198960630.25	244762287.05
Receipt and return of guarantee deposits	88171998.36	96537852.36
Receipt of Cash and bank balances and guarantee deposits not classified as cash and cash equivalents	92855285.59	61168836.22
Other	9155531.97	24857980.86
Total Amount	546328159.83	632869489.54

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	Current period cumulative	Previous period amount
Payment and return of deposits	97942681.28	90506545.23
Payment of principal for finance lease operations	55036268.55	94758805.10

Payment of cash and bank balances that do not qualify as cash and cash equivalents and deposits	91983502.45	50145060.75
Cash paid for sales expenses	403457327.64	318967215.56
Cash paid for administrative expenses	144451465.54	127466077.37
Cash paid for R&D expenses	97086337.44	107514043.22
Other	21314064.54	38469880.00
Total Amount	911271647.44	827827627.23

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	Current period cumulative	Previous period amount
Redemption of bank finance	173023900.00	35368057.18
Recovery of restricted bank deposits	12041120.00	
Disposal of other equity instruments		34500.00
Total Amount	185065020.00	35402557.18

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	Current period cumulative	Previous period amount
Purchase of bank finance	187273740.00	85750160.00
Purchase of interests of minority subsidiaries	25605500.00	118800.00
Purchase of other non-current financial assets	1778658.15	734221.62
Acquisition of equity in joint ventures	42840.00	
Payment for investment in subsidiaries		12041120.00
Total Amount	214700738.15	98644301.62

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	Current period cumulative	Previous period amount
Losses on payment of derivative financial assets		436229.58
Disposal of cash outflow of subsidiaries		1326020.27
Total Amount		1762249.85

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	Current period cumulative	Previous period amount
Discounted outstanding notes	178789096.50	230000000.00
Receipt of cross-borrowing from related parties	20000000.00	54298383.57
Sale-leaseback	57149171.51	
Disposal of part of equity interest in subsidiaries	1176000.00	
Total Amount	257114268.01	284298383.57

Notes on other cash receipts related to financing activities:

None

Other cash paid related to fund-raising activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Payment of bill discounting at maturity	230000000.00	
Payment of cross-borrowing to related parties	158470527.76	184156799.01
Rental payments	53963557.73	46703086.14
Sale-leaseback	8000090.00	
Total Amount	450434175.49	230859885.15

Notes on other cash payments related to financing 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	503782164.19	1257937582.14	18587721.93	970626291.50		809681176.76
Long-term borrowings	54717119.68	608920000.00	652888.54	166290008.22		498000000.00
Long-term borrowings due within one year	600388888.89	2000000.00	11004722.23	611079444.45		2314166.67
Other payables	134298383.57	20000000.00	4172144.19	158470527.76		
Long-term payables (including long-term)		57149171.51		8000090.00	2519715.22	46629366.29

payables due within one year)						
Lease liabilities (including those due within one year)	173319762.97		252447936.98	53963557.73	113018412.10	258785730.12
Total Amount	1466506319.30	1946006753.65	286865413.87	1968429919.66	115538127.32	1615410439.84

(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"

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	Preceding period comparative
1. Adjustment of net profits to cash flows from operating activities:		
Net profit	2317636045.39	2176503246.53
Add: Provision for impairment of assets	29937453.68	43639661.18
Credit impairment loss	33802338.76	65600157.11
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	405355217.46	341265306.60
Amortization of right-of-use assets	45374055.13	41795323.39
Amortization of intangible assets	21166332.43	20099565.24
Amortization of long-term amortized expenses	7525967.33	6743624.48
Loss on disposal of fixed assets, intangible assets, and other long-term assets (“-” for gain)	-311586.41	-2773129.92
Loss on scrapping of fixed assets (“-” for gain)	11941.16	388165.54
Loss from changes in fair value (“-” for gain)	-714030.86	-1277679.89
Financial expenses (“-” for gain)	29886335.73	20312321.97
Investment losses (“-” for gain)	-470405856.40	-384508706.52
Decrease in deferred tax assets (“-” for increase)	-39522191.36	-35763642.70
Increase in deferred tax liabilities (“-” for decrease)	143685.37	580733.88
Decrease in inventory (“-” for increase)	-1169750753.61	-539992949.30
Decrease in operating receivables (“-” for increase)	-712950911.94	-893578761.62
Increase in operating payables (“-” for	1188126527.80	502563833.14

decrease)		
Other	-1409326.59	-22400.30
Net cash flows from operating activities	1683901243.07	1361574668.81
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	4336449071.38	4141053265.27
Less: Opening balance of cash	4141053265.27	3907169801.14
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	195395806.11	233883464.13

(2). Net cash from acquiring subsidiaries paid in the current period

Applicable" Not applicable"

(3). Net cash from disposal of subsidiaries received in the current period

Applicable" Not applicable"

(4). Composition of cash and cash equivalents

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
I. Cash	4336449071.38	4141053265.27
Including: cash on hand	5932401.96	1232590.16
Bank deposits readily available for payment	4329553230.58	4139403071.61
Other cash and bank balances readily available for payment	963438.84	417603.50
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	4336449071.38	4141053265.27
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). Cash and bank balances not classified as cash and cash equivalents

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance	Because
Other cash and bank balances	14005121.23	10737235.08	Letter of guarantee margin

Other cash and bank balances		3361119.30	Deposits for letter of credit
Other cash and bank balances	147933.08		Deposits for foreign exchange derivatives
Other cash and bank balances	23318691.63	14844823.09	Guarantee deposit for bank acceptance
Other cash and bank balances	3297818.97	657050.58	Performance Bond
Bank deposits		12041120.00	Restricted use due to incomplete bank account information of a newly established company
Total Amount	40769564.91	41641348.05	/

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
Cash and bank balances	-	-	530101559.02
Including:	32914382.55	7.0288	231348612.07
EUR	10689303.20	8.2355	88031756.50
CAD	5247431.70	5.1142	26836415.20
AUD (Australian Dollars)	5411730.88	4.6892	25376688.44
THB	217590023.44	0.2225	48413780.22
BRL (Brazilian Real)	36507026.15	1.2776	46641376.61
IDR	18138476138.72	0.0004	7255390.46
VND	36742718834.00	0.0003	11022815.65
AED	9023495.18	1.9071	17208707.66
JPY	442319893.00	0.0448	19815931.21
MYR	4705863.50	1.7319	8150085.00
Accounts receivable	-	-	1594767331.31
Including:	185338430.48	7.0288	1302706760.16
EUR	6641409.84	8.2355	54695330.74
CAD	5277180.15	5.1142	26988554.72
AUD (Australian Dollars)	7169391.75	4.6892	33618711.79
THB	569918826.97	0.2225	126806939.00
BRL (Brazilian Real)	14945318.15	1.2776	19094138.47
IDR	28369581279.85	0.0004	11347832.51
VND	21472324248.12	0.0003	6441697.27
AED	4581328.01	1.9071	8737050.65
JPY	433779.46	0.0448	19433.32
MYR	2489106.00	1.7319	4310882.68

Other receivables	-	-	19446363.92
Including:	831163.23	7.0288	5842080.11
EUR	14817.00	8.2355	122025.40
CAD	812412.79	5.1142	4154841.49
AUD (Australian Dollars)	174991.80	4.6892	820571.55
THB	8003259.51	0.2225	1780725.24
BRL (Brazilian Real)	1132498.14	1.2776	1446879.62
IDR	2935443672.40	0.0004	1174177.47
JPY	88001999.80	0.0448	3942489.59
MYR	93870.00	1.7319	162573.45
Accounts payable	-	-	130580121.05
Including:	10581327.69	7.0288	74374036.07
EUR	290550.17	8.2355	2392825.93
CAD	752684.91	5.1142	3849381.17
AUD (Australian Dollars)	430611.80	4.6892	2019224.85
THB	4377622.07	0.2225	974020.91
BRL (Brazilian Real)	250869.36	1.2776	320510.69
IDR	557170296.08	0.0004	222868.12
AED	145986.71	1.9071	278411.25
JPY	1004779165.63	0.0448	45014106.62
MYR	655196.86	1.7319	1134735.44
Other payables	-	-	8038490.48
Including:	163540.27	7.0288	1149491.85
EUR	394717.05	8.2355	3250692.27
CAD	183526.78	5.1142	938592.66
AUD (Australian Dollars)	39398.87	4.6892	184749.18
THB	5671591.13	0.2225	1261929.03
BRL (Brazilian Real)	311.47	1.2776	397.93
IDR	75121629.76	0.0004	30048.65
VND	1391350752.00	0.0003	417405.23
JPY	17972850.00	0.0448	805183.68

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"

Hangcha America, with main business domicile in the United States and USD as its bookkeeping currency.

Hangcha Europe, with main business domicile in Germany and EUR as its bookkeeping currency.

Hangcha Canada, with main business domicile in Canada and CAD as its bookkeeping currency.

Hangcha Netherlands, with main business domicile in the Netherlands and EUR as its bookkeeping currency.

Hangcha Australia, with main business domicile in Australia and AUD as its bookkeeping currency.

Hangcha Thailand, with main business domicile in Thailand and THB as its bookkeeping currency.

Hangcha Brazil, with main business domicile in Brazil and BRL as its bookkeeping currency.

Hangcha Indonesia, with main business domicile in Indonesia and IDR as its bookkeeping currency.

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.

Hangcha Malaysia, with main business domicile in Malaysia and MYR as its bookkeeping currency.

Hangcha Vietnam, with main business domicile in Vietnam and VND as its bookkeeping currency.

Hangcha Thailand Manufacturing, with main business domicile in Thailand and THB as its bookkeeping currency.

Hangcha Middle East, with main business domicile in the United Arab Emirates and AED as its bookkeeping currency.

82. Lease

(1). As lessee

Applicable" Not applicable"

1) For details regarding right-of-use assets, please refer to Notes to Section VIII Financial Report (VII)-25 Explanation of Right-of-Use Assets.

2) For details of the Company's accounting policies regarding short-term leases and leases of low-value assets, please refer to Section VIII Financial Report (V)-38 Explanation of Leases. The amount of short-term lease expenses recognized in current profits or losses is as follows:

Item	Current period cumulative	Preceding period comparative
Expenses for short-term lease	47596184.40	25342725.46
Total	47596184.40	25342725.46

3) Current profits and losses and cash flow related to leasing

Item	Current period cumulative	Preceding period comparative
Interest expense for lease liabilities	10515183.78	8883041.53
Total cash outflow related to leasing	101559742.13	72137191.84

4) For details on the maturity analysis of lease liabilities and the corresponding liquidity risk management, please refer to Section VIII Financial Report (XII)-1 Explanation of Financial Instrument Risks.

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"

The amount of short-term lease expenses recognized in current profits or losses with simplified

treatment is RMB 47,596,184.40.

Sale and leaseback transactions and basis of judgment

Applicable" Not applicable"

Total cash outflows associated with leases: 101,559,742.13(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	401332524.84	
Total Amount	401332524.84	

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		17191885.76	
Total Amount		17191885.76	

Reconciliation table between undiscounted lease receivables and net lease investment

Applicable" Not applicable"

Item	Closing balance	Opening balance
Undiscounted lease receipts	303808702.92	288892719.57
less: unrealized financing gains related to lease receipts	19705872.22	15468884.62
Net leasing investment	284102830.70	273423834.95

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	184680056.59	196164232.60
Year 2	82512477.73	67371462.93
Year 3	26989443.82	20035613.32
Year 4	7703123.41	3568152.72
Year 5	1923601.37	1753258.00
Total undiscounted lease receivables after five years	303808702.92	288892719.57

(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"

8. R&D expenditure

1. By nature of expense

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Salary, benefits, and insurance	350957604.70	320631616.54
Direct investment	398073511.43	375264381.84
Depreciation and amortization	11383960.49	12464538.34
Other	98531715.00	109131361.20
Total Amount	858946791.62	817491897.92
Including: expenditures on research and development that are expensed	858946791.62	817491897.92
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"

9. 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 Robot Technology Co., Ltd.	71.96%	Under the control of the same beneficial owner before and after the transfer of shares	07/08/2025	Acquisition of control	90935382.35	-16004728.24	142146919.35	37290344.84

Other notes:

None

(2). Merger costs

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Merger costs	Zhejiang Guozi Robot Technology Co., Ltd.
-- Cash	
-- Book value of non-cash assets	
-- Book value of issued or undertaken obligations	
-- Book value of issued equity securities	30069580.00
-- 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 Robot Technology Co., Ltd.	
	Date of merger	End of the previous period
Assets:	579946780.54	611732623.41
Current assets	571045506.25	601233450.85
Non-current assets	8901274.29	10499172.56
Liabilities:	672518414.15	685599497.18
Current liabilities	659905414.15	673290497.18

Non-current liabilities	12613000.00	12309000.00
Net assets	-92571633.61	-73866873.77
Less: Non-controlling interests	-2446627.61	-4143192.95
Acquired net assets	-90125006.00	-69723680.82

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"

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 (%)
HANGCHA FORKLIFT VIETNAM CO.LTD.	Established	April 2025	USD 3 million	100.00
HANGCHA MIDDLE EAST GENERAL TRADING FZE	Established	July 2025	USD 2 million	100.00
Hangcha Group Manufacturing (Thailand) Co., Ltd.	Established	May 2025	USD 20 million	100.00
Zhejiang Zhichu Jia Material Handling Equipment Co., Ltd.	Established	March 2025	RMB 20 million	41.00
Hangzhou Hangcha Property Management Service Co., Ltd.	Established	April 2025	RMB 1 million	100.00

6. Other

Applicable" Not applicable"

10. Interests in other entities**1. Interests in subsidiaries****(1). Composition of the Group**

"√ Applicable" "□ Not applicable"

Unit: Ten thousand yuan Currency: CNY

Subsidiary Item	Principal operating locations	Registered capital	Place of registration	Nature of business	Holding proportion (%)		Method of acquisition
					Direct	Indirect	
Hangzhou Forklift Mast Co., Ltd.	Hangzhou, Zhejiang province	5040.00	Hangzhou, Zhejiang province	Manufacturing	65.00		Established
Hangzhou Forklift Sheet Metal Welding Co., Ltd.	Hangzhou, Zhejiang province	4000.00	Hangzhou, Zhejiang province	Manufacturing	71.37		Business merger not under common control
Hangzhou Hangcha Bridge Box Co., Ltd.	Hangzhou, Zhejiang province	3000.00	Hangzhou, 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.	Hangzhou, Zhejiang province	4500.00	Hangzhou, Zhejiang province	Manufacturing	77.78		Established
Hangzhou Hangcha Electric Appliance Co., Ltd.	Hangzhou, Zhejiang province	5000.00	Hangzhou, Zhejiang province	Manufacturing	70.00		Established
Hangzhou Hangcha Materials Trading Co., Ltd.	Hangzhou, Zhejiang province	8000.00	Hangzhou, 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.	Hangzhou, Zhejiang province	450.00	Hangzhou, Zhejiang province	Manufacturing	51.00		Established
Hangzhou Hangcha Kangli	Hangzhou, Zhejiang	1260.00	Hangzhou, Zhejiang	Manufacturing	74.81		Established

Forklift Attachments Co., Ltd.	province		province				
Hangzhou Hangcha Aerial Equipment Co., Ltd.	Hangzhou, Zhejiang province	5000.00	Hangzhou, Zhejiang province	Manufacturing	67.00		Established
Hangzhou Hangcha Cab Co., Ltd.	Hangzhou, Zhejiang province	520.00	Hangzhou, Zhejiang province	Manufacturing	51.92		Established
Hangcha Group Leasing Co., Ltd.	Hangzhou, Zhejiang province	30000.00	Hangzhou, Zhejiang province	Commerce	100.00		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	240.00	Nanning, Guangxi	Commerce	35.00		Established

Ltd.	Zhuang Autonomous Region		Zhuang Autonomous Region				
Guiyang Hangcha Forklift Sales Co., Ltd.	Guiyang, Guizhou Province	220.00	Guiyang, Guizhou Province	Commerce	37.95		Established
Tangshan Hangcha Forklift Sales Co., Ltd.	Tangshan, Hebei Province	216.00	Tangshan, Hebei Province	Commerce	35.00		Established
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	200.00	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	Zhangjiagang,	250.00	Zhangjiagang,	Commerce	35.00		Established

Hangcha Forklift Sales Co., Ltd.	Jiangsu Province		Jiangsu Province				
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 Sales Co., Ltd.	Dalian, Liaoning Province	200.00	Dalian, Liaoning Province	Commerce	35.00		Established
HANGCHA EUROPE GMBH I.G.	Germany	3517.74	Germany	Commerce	100.00		Established
HC FORKLIF AMERICA CORPORATION	USA	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 Guozi Robotics Co., Ltd.	Hangzhou, Zhejiang province	9298.96	Hangzhou, Zhejiang province	Manufacturing	44.52		Established
Hangzhou Hangcha Machinery Equipment Manufacturing Co., Ltd.	Hangzhou, Zhejiang province	2300.00	Hangzhou, Zhejiang province	Manufacturing	60.87		Established
Hangcha Group (Tianjin) Financing Leasing Co., Ltd.	Tianjin	25000.00	Tianjin	Commerce	100.00		Established
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	2000.00	Tianjin	Manufacturing	100.00		Established
Zhumadian Hangcha Forklift	Zhumadian, Henan	240.00	Zhumadian, Henan	Commerce	39.58		Established

Co., Ltd.	Province		Province				
Hangcha Netherlands B.V.	Netherlands	1575.00	Netherlands	Commerce	100.00		Established
Zhejiang Hangcha Parts Sales Co., Ltd.	Hangzhou, Zhejiang province	5000.00	Hangzhou, Zhejiang province	Commerce	80.00		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 Precision Manufacturing Co., Ltd.	Hangzhou, Zhejiang province	2000.00	Hangzhou, Zhejiang province	Manufacturing	90.00		Established
Zhejiang Hangcha Siweis International Trade Co., Ltd.	Hangzhou, Zhejiang province	2000.00	Hangzhou, Zhejiang province	Commerce	51.00		Established
Hangzhou Hangcha E-commerce Co., Ltd.	Hangzhou, Zhejiang province	450.00	Hangzhou, Zhejiang province	Commerce	51.00		Established
Hangcha New Energy Forklift (Wenzhou) Co., Ltd.	Wenzhou, Zhejiang Province	200.00	Hangzhou, Zhejiang province	Commerce	51.00		Established
Hangzhou Hangcha Yunrui Technology Co., Ltd.	Hangzhou, Zhejiang province	2000.00	Hangzhou, Zhejiang province	Manufacturing	51.00		Established
Zhejiang Hangbo Electrical Drive Co., Ltd.	Hangzhou, Zhejiang province	5000.00	Hangzhou, Zhejiang province	Manufacturing	55.00		Established
PT HANGCHA INDONESIA FORKLIFT	Indonesia	1425.00	Indonesia	Commerce	100.00		Established
HANGCHA JAPAN CO.LTD.	Japan	1656.51	Japan	Commerce	90.09		Established
HANGCHA EUROPE RENTAL & SALES	France	1237.86	France	Commerce	60.00		Established
HANGCHA (MALAYSIA) SDN. BHD.	Malaysia	365.58	Malaysia	Commerce	100.00		Established
Zhejiang Zhichu Jia Material Handling Equipment Co., Ltd.	Huzhou, Zhejiang Province	2000.00	Huzhou, Zhejiang Province	Manufacturing	41.00		Established
Hangcha Forklift Vietnam Co., Ltd.	Vietnam	2184.33	Vietnam	Commerce	100.00		Established
Hangzhou	Hangzhou,	100.00	Hangzhou,	Commerce	100.00		Established

Hangcha Property Management Service Co., Ltd.	Zhejiang province		Zhejiang province				
Hangcha Group Manufacturing (Thailand) Co., Ltd.	Thailand	14233.28	Thailand	Manufacturing	100.00		Established
HANGCHA MIDDLE EAST GENERAL TRADING FZE	The UAE	1435.82	The UAE	Commerce	100.00		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 47 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 shareholders	Gains or losses attributable to non-controlling interests in the period	Declared dividends to be distributed to non-controlling interests in the period	Closing non-controlling interests
Hangzhou Forklift Mast Co., Ltd.	35.00%	8204334.54	6174000.00	51812764.69
Hangzhou Forklift Sheet Metal Welding Co., Ltd.	28.63%	5421138.84	4008151.35	24611429.29
Hangzhou Hangcha Bridge Box Co., Ltd.	37.67%	5543687.17	3955000.00	38655536.95
Jinan Hangcha Forklift Sales Co., Ltd.	65.00%	4413947.67	3729375.00	20291526.59
Guangzhou Zhehang Forklift Co., Ltd.	65.91%	1472293.05	1812500.00	13916529.13
Shanghai Hangcha Forklift	65.00%	2911690.67	3380000.00	20297137.73

Sales Co., Ltd.				
Zhejiang Hangcha Import and Export Co., Ltd.	48.93%	1712355.30	6077520.00	43667355.26
Hangzhou Hangcha Foundry Co., Ltd.	22.22%	603404.45	1000000.00	18401859.23
Hangzhou Hangcha Electric Appliance Co., Ltd	30.00%	9034766.84	3465000.00	40565758.60

Notes on inconsistency between the shareholding proportion and the vote proportion of non-controlling shareholders in a subsidiary:

Applicable" Not applicable"

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-curren assets	Total assets	Current liabilities	Non-curren liabilities	Total liabilities	Current assets	Non-curren assets	Total assets	Current liabilities	Non-curren liabilities	Total liabilities
Hangzhou Forklift Frame	51689.16	11639.81	63328.97	47725.88	306.51	48032.39	51837.16	13525.30	65362.46	50783.50	355.41	51138.91
Hangzhou Forklift & Metal Working & Welding	18448.20	7737.69	26185.89	16689.63	140.82	16830.45	24888.76	9197.32	34086.08	25440.09	56.46	25496.55
Hangcha Bridge Box	15932.81	3912.50	19845.31	9281.40	67.88	9349.28	16206.13	4919.23	21125.36	11250.17	36.43	11286.60
Jinan Hangcha	3062.11	614.44	3676.55	522.90	32.02	554.92	3452.74	495.60	3948.34	928.57	3.44	932.01
Guangzhou Zhehang	3482.83	2119.43	5602.26	2337.06	1158.54	3495.60	3470.55	981.76	4452.31	1922.81	371.22	2294.03
Shanghai Hangcha	6223.16	6132.72	12355.88	7633.35	1599.00	9232.35	7557.29	3324.89	10882.18	7434.48	252.13	7686.61
Hangcha Imp.&Exp.	246032.79	2936.45	248969.24	239995.35		239995.35	219497.45	2429.87	221927.32	212110.48		212110.48
Hangcha Casting	10174.18	3199.69	13373.87	5259.14		5259.14	7207.94	3432.77	10640.71	2380.21		2380.21
Hangcha Electric Appliance	36614.86	673.77	37288.63	23442.04		23442.04	35683.08	628.87	36311.95	28861.38		28861.38

Subsidiary	Current period cumulative				Previous period amount			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Hangzhou Forklift Frame	171903.39	2837.03	2837.03	9984.07	165898.74	3103.54	3103.54	-6057.32
Hangzhou Forklift & Metal Working & Welding	78691.47	2165.90	2165.90	1364.05	82239.37	2397.51	2397.51	10168.33
Hangcha Bridge Box	92532.47	1707.26	1707.26	266.40	82661.60	2088.58	2088.58	2577.02
Ji'nan Hangcha	19838.30	679.07	679.07	659.45	24887.40	635.54	635.54	959.99

Guangzhou Zhehang	23867.46	223.38	223.38	967.38	19682.68	298.02	298.02	280.96
Shanghai Hangcha	25860.51	447.95	447.95	410.81	25455.46	696.69	696.69	775.11
Hangcha Imp.&Exp.	696589.56	399.05	399.05	-8165.68	605405.10	2692.68	2692.68	-2140.17
Hangcha Casting	112545.44	304.22	304.22	2.23	112591.90	414.21	414.21	401.48
Hangcha Electric Appliance	117461.39	3156.02	3156.02	-2345.16	108193.12	2416.18	2416.18	694.01

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
Hangzhou Hangcha Electric Appliance Co., Ltd	May 2025	65.35%	70.00%
Hangcha Group Leasing Co., Ltd.	August 2025	95.64%	100.00%
Guiyang Hangcha Forklift Sales Co., Ltd.	February 2025	34.77%	37.95%
Zhejiang Hangcha Guozi Robotics Co., Ltd.	August 2025	50.59%	44.52%
Hangcha New Energy Forklift (Wenzhou) Co., Ltd.	February 2025	100.00%	51.00%
HANGCHA JAPAN CO.LTD.	August 2025	100.00%	90.09%
Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	August 2025	62.50%	[Note]
Shanghai Hangcha Okamura Co., Ltd.	August 2025	51.00%	[Note]

[Note] The Company transferred its 62.50% equity stake in Hefei Hanhe Intelligent Logistics Technology Co., Ltd. and its 51.00% equity stake in Zhejiang Hangcha Okamura Intelligent Technology Co., Ltd. to Zhejiang Hangcha Guozi Robotics Co., Ltd. The Company's direct shareholdings in Hefei Hanhe Intelligent Logistics Technology Co., Ltd. and Zhejiang Hangcha Okamura Intelligent Technology Co., Ltd. have become indirect shareholdings.

(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

	Hangzhou Hangcha Electric Appliance Co., Ltd	Hangcha Group Leasing Co., Ltd.	Guiyang Hangcha Forklift Sales Co., Ltd.	Hangcha New Energy Forklift (Wenzhou) Co., Ltd.
Cost of purchase/consideration of disposal				
-- Cash	32637400.00	25375200.00	230300.00	1176000.00
-- Fair value of non-cash assets				
Total cost of purchase/consideration of disposal	32637400.00	25375200.00	230300.00	1176000.00
Less: Share of net assets of subsidiaries	33220247.09	19783696.39	222175.06	1101659.82

calculated based on the proportion of equity acquired/disposed of				
Difference	-582847.09	5591503.61	8124.94	74340.18
Including: Adjustment to the capital reserve	-582847.09	5591503.61	8124.94	74340.18
Adjustment to the surplus reserve				
Adjustment to the undistributed profits				

	HANGCHA JAPAN CO.LTD.	Hefei Hanhe Intelligent Logistics Technology Co., Ltd.	Shanghai Hangcha Okamura Co., Ltd.	Zhejiang Hangcha Guozi Robotics Co., Ltd.
Cost of purchase/consideration of disposal				
-- Cash		7181865.39	34604279.40	
-- Fair value of non-cash assets				
Total cost of purchase/consideration of disposal		7181865.39	34604279.40	
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired/disposed of	248197.84	1988874.79	26702378.08	23161326.00
Difference	-248197.84	5192990.60	7901901.32	-23161326.00
Including: Adjustment to the capital reserve	-248197.84	5192990.60	7901901.32	-23161326.00
Adjustment to the surplus reserve				
Adjustment to the undistributed profits				

Other notes:

Applicable" Not applicable"

3. Interests in joint ventures or associates

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/Current period cumulative	Opening balance/Preceding period comparative
	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.
Current assets	2523908.04	2176705.08
Non-current assets	2888078.14	2511870.32
Total assets	5411986.18	4688575.40
Current liabilities	2354630.10	2253119.75
Non-current liabilities	463878.45	606179.15
Total liabilities	2818508.55	2859298.90
Non-controlling shareholders' equity	1627145.85	1094165.05
Shareholders' equity attributable to the parent company	966331.78	735111.45
Share of net assets calculated based on the holding proportion	269192.01	204780.73
Adjustments		
-- Goodwill		
-- Unrealized profits of internal transactions		
-- Others		
Book value of equity investment in associated enterprises	269192.01	204780.73
Fair value of equity investments in associates with publicly quoted prices		
Operating income	4495623.03	3925480.99
Net profit	403436.28	317343.21
Net profits of discontinued operations		
Other comprehensive income	34571.00	15743.54
Total comprehensive income	438007.29	333086.75
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/Current period cumulative	Opening balance/Preceding period comparative
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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	338610308.21	310429131.43
Total of following items calculated by based on the holding proportion		
-- Net profits	39322591.78	31415327.75
-- Other comprehensive income	93323.83	50438.88
-- Total comprehensive income	39415915.61	31465766.63

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"

11. 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	Opening	Increase	Non-operating	Transferred to	Other	Closing	Related to
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statement item	balance	amounts in grants during the period	revenues recorded in the period	other income in the current period	Changes for the Current Period	balance	assets/income
Deferred income	95177574.52	26503929.79		14311099.78		107370404.53	Related to assets
Total Amount	95177574.52	26503929.79		14311099.78		107370404.53	/

3. Government grants included in current gains and losses:

" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Type	Current period cumulative	Previous period amount
Related to assets	14311099.78	11524835.06
Related to income	80816211.96	76207269.60
Total Amount	95127311.74	87732104.66

Other notes:

None

12. 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 VIII Financial Reports.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to Cash and bank balances and receivables. In order to control such risks, the Company has taken the following measures.

1. Cash and bank balances

The Company deposits its bank balances and other Cash and bank balances 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 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, 2025, the Company's accounts receivable and contract assets attributable to the top five customers by balance accounted for 10.65% (December 31, 2024: 11.13%), 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

Unit: RMB

Item	Closing balance				
	Book value	Contract amount not yet discounted	Within 1 year	1-3 years	More than 3 years
Bank borrowings	130995343.43	1340314596.55	832955917.11	507358679.44	
Derivative financial liabilities					
Notes payable	1693016977.19	1693016977.19	1693016977.19		
Accounts payable	2885704219.99	2885704219.99	2885704219.99		
Other payables	89848213.54	89848213.54	89848213.54		
Lease liabilities due within one year	42384604.05	42384604.05	42384604.05		
Lease liabilities	216401126.07	264362972.35		96158616.26	168204356.09
Long-term payables due within one year	1144663.54	1372783.00	1372783.00		
Long-term payables	50063656.75	59128282.00	4578954.00	44546210.00	10003118.00
Subtotal	6288558804.56	6376132648.67	5549861668.88	648063505.70	178207474.09

(continued)

Item	Opening balance				
	Book value	Contract amount not yet discounted	Within 1 year	1-3 years	More than 3 years
Bank borrowings	1158888172.76	1177314066.91	1118278311.33	25757913.20	33277842.38
Derivative financial liabilities	366815.63	366815.63	366815.63		
Notes payable	902166339.40	902166339.40	902166339.40		
Accounts payable	2661188555.82	2661188555.82	2661188555.82		
Other payables	226421414.75	226421414.75	226421414.75		
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 due within one year					
Long-term payables	4578954.00	4578954.00	4578954.00		
Subtotal	5126930015.33	5168992614.27	4942410256.48	90525363.84	136056993.95

(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 Cash and bank balances 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 Notes to Section VIII Financial Reports (VII)-81 Explanation of monetary items in foreign currencies.

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"

13. 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			128451495.00	128451495.00
1. Financial assets at fair value through current profit or loss			128451495.00	128451495.00
(1) Investment in debt instruments				
(2) Investment in equity instruments			28104279.77	28104279.77
(3) Derivative financial assets				
(4) Wealth management products			100347215.23	100347215.23
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
3. Receivables financing			472523678.61	472523678.61
(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			600975173.61	600975173.61
(VI) Held-for-trading financial liabilities				
1) Financial liabilities at fair value through current gains/losses				
Including: Bonds held for				

trading issued				
Derivative financial liabilities				
Other				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities measured at fair value on a continuing basis				
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"

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"

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"

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.

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"

14. 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	8908.00	41.13	41.13

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, 2025, 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 VIII 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 VIII 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
Beijing Guozi Robot Technology 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. and its subsidiaries	Same actual controller and shareholder of the parent company
Hangzhou Kunxia Investment Management Partnership (Limited Partnership)	Same actual controller
Zhejiang Xinchai Co., Ltd. and its subsidiaries	Same actual controller
Zhongce Rubber Group Co., Ltd. and its affiliated companies	Same actual controller
Hangzhou CIEC Group Co., Ltd. and its subsidiaries	Subsidiary of shareholders holding more than 5% of shares
Changzhou Hangcha Leasing Co., Ltd.	Companies with related party relationships in the past twelve months
Guangzhou Hangcha Leasing Co., Ltd.	Companies with related party relationships in the past twelve months

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	Current period cumulative	Approved transaction limit (if applicable)	Above the transaction limit or not (if applicable)	Previous period amount

Zhejiang Xinchai Co., Ltd. and its subsidiaries	Purchase of goods	745075988.67			693845328.57
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Purchase of goods	461108963.52			474542736.91
Zhongce Rubber Group Co., Ltd. and its affiliated companies	Purchase of goods	277447132.73			225389548.08
Hangzhou Pengcheng New Energy Technology Co., Ltd.	Purchase of goods	173129842.24			288096519.40
Hangzhou CIEC Group Co., Ltd. and its subsidiaries	Purchase of goods	198184338.87			226010788.97
Henan Jiachen Intelligent Control Co., Ltd.	Purchase of goods	154102502.26			160853142.39
Changsha Zhongchuan Transmission Co., Ltd.	Purchase of goods	60924091.17			62375836.66
Hangzhou Gangcun Transmission Co., Ltd.	Purchase of goods	52069475.04			50867070.60
Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries	Purchase of goods	18325111.08			18229293.80
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	Purchase of goods	4778904.08			3393172.04
Shenyang Hangcha Lift Truck Sales Co., Ltd.	Purchase of goods	2770621.77			1848707.08
Changsha Hangcha Forklift Sales Co., Ltd.	Purchase of goods	2474083.11			2587209.42
Nanchang Hangcha Forklift Co., Ltd.	Purchase of goods	1761236.77			2294289.50
Nanjing Hangcha Logistics Equipment Co., Ltd.	Purchase of goods	1749303.10			1231645.13
Yunnan Hangcha Lift Truck Co., Ltd.	Purchase of goods	1432574.78			971442.48
Beijing Guozi Robot Technology Co., Ltd.	Purchase of goods	1066037.74			3850919.84
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Purchase of goods	805005.73			1688441.88
Taiyuan Hangcha Lift Truck Co., Ltd.	Purchase of goods	327205.89			249740.18
Subtotal		2157532418.55			2218325832.93

Sale of goods and rendering of services

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Related parties	Content of transaction	Current period cumulative	Previous period amount
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	Forklifts, parts and materials, etc.	126673304.73	108205261.79
Nanchang Hangcha Forklift Co., Ltd.	Forklifts, parts and materials, etc.	94143237.05	82418883.57
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Forklifts, parts and materials, etc.	90618005.69	128752215.79
Yunnan Hangcha Lift Truck Co., Ltd.	Forklifts, parts and materials, etc.	85109986.65	75956436.93
Changsha Hangcha Forklift Sales Co., Ltd.	Forklifts, parts, etc.	80760426.98	79412051.33
Zhongce Rubber Group Co., Ltd. and its affiliated companies	Forklifts, parts, etc.	75855794.83	65629518.15
Taiyuan Hangcha Lift Truck Co., Ltd.	Forklifts, parts and	71904251.10	87048499.59

	materials, etc.		
Shenyang Hangcha Lift Truck Sales Co., Ltd.	Forklifts, parts and materials, etc.	65326526.40	76560427.72
Nanjing Hangcha Logistics Equipment Co., Ltd.	Forklifts, parts, etc.	63334677.79	71887599.18
Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries	Forklifts, parts, etc.	55417977.37	25070380.05
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Forklifts, parts and materials, etc.	9500112.97	9026392.39
Hangzhou Pengcheng New Energy Technology Co., Ltd.	Forklifts, parts and materials, etc.	7311885.82	7198036.85
Changsha Zhongchuan Transmission Co., Ltd.	Forklifts, parts, etc.	1944887.76	1166030.20
Hangzhou Gangcun Transmission Co., Ltd.	Forklifts, parts, etc.	1484383.67	1528943.74
Beijing Guozi Robot Technology Co., Ltd.	Forklifts, parts and materials, etc.	1125167.60	
Henan Jiachen Intelligent Control Co., Ltd.	Forklifts, parts and materials, etc.	527781.20	67028.96
Zhejiang Xinchai Co., Ltd. and its subsidiaries	Forklifts, parts, etc.	482004.86	1141582.12
Subtotal		831520412.47	821069288.36

Note on purchase and sale of goods, rendering and acceptance of labor 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 Gangcun Transmission Co., Ltd.	Buildings	3335423.81	3397373.51
Shenyang Hangcha Lift Truck Sales Co., Ltd.	Transportation facilities	842866.55	7848.11
Changsha Hangcha Forklift Sales Co., Ltd.	Buildings	816052.45	543577.98
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	Houses and buildings and transportation facilities	729452.74	481440.23
Nanchang Hangcha Forklift Co., Ltd.	Transportation facilities	660505.73	78584.07

Yunnan Hangcha Lift Truck Co., Ltd.	Transportation facilities	261910.41	
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Transportation facilities	229398.23	
Taiyuan Hangcha Lift Truck Co., Ltd.	Transportation facilities	89423.55	
Nanjing Hangcha Logistics Equipment Co., Ltd.	Transportation facilities	76453.03	9845.06
Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries	Transportation facilities	61194.06	47566.38
Henan Jiachen Intelligent Control Co., Ltd.	Buildings	52662.86	52662.86
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	Transportation facilities	442.48	
Hangzhou Pengcheng New Energy Technology Co., Ltd.	Buildings		595809.55

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"

Unit: Yuan Currency: CNY

Related parties	Amount of cross-borrowing	Starting date	Maturity	Note
Loans				
GreatStar Holding Group Co., Ltd.	10000000.00	03/25/2025	06/27/2025	Repayment of principal and interest due at the end of the period
Zhejiang Hangcha Holding Co.,Ltd	10000000.00	03/17/2025	03/25/2025	Repayment of principal and interest due at the end of the period

(6). Transfer of assets and debt restructuring of related parties

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Related parties	Content of transaction	Current period cumulative	Previous period amount
Hangzhou Kunxia Investment Management Partnership (Limited)	Acquisition of shares in associates	21909580.00	

Partnership)			
Hangzhou GreatStar Industrial Co., Ltd.	Acquisition of shares in associates	8160000.00	

(7). Key management's emoluments

"√ Applicable" "□ Not applicable"

Unit: Ten thousand yuan Currency: CNY

Item	Current period cumulative	Previous period amount
Key management's emoluments	1791.56	1666.60

(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					
	Zhongce Rubber Group Co., Ltd. and its affiliated companies	31470046.69	2521101.32	7522285.56	376114.28
	Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries	27418802.44	1513445.13	10661641.37	533082.07
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	2979968.00	190185.30	2739510.61	136975.53
	Shenyang Hangcha Lift Truck Sales Co., Ltd.	2560664.53	128033.23	9541312.49	477065.62
	Taiyuan Hangcha Lift Truck Co., Ltd.	1162067.40	58103.37	1089621.70	54481.09
	Henan Jiachen Intelligent Control Co., Ltd.	623355.01	31167.75	612512.53	30625.63
	Beijing Guozi Robot Technology Co., Ltd.	469250.00	109850.00	415704.52	20785.23
	Changsha Zhongchuan Transmission Co., Ltd.	233105.93	11655.30	565273.01	28263.65
	Shijiazhuang Hangcha Forklift Sales Co., Ltd.	116356.00	5853.15	33570.00	1678.50
	Changsha Hangcha Forklift Sales Co., Ltd.	73371.00	3668.55	165977.00	8298.85
	Nanchang Hangcha Forklift Co., Ltd.	56938.41	2846.92	55659.60	2782.98
	Yunnan Hangcha Lift Truck Co., Ltd.	52172.39	2608.62		
	Zhejiang Xinchai Co., Ltd. and its subsidiaries	48000.00	2400.00	3775.80	188.79
	Zhejiang Huachang Hydraulic Machinery Co., Ltd.	37849.76	1892.49	768659.67	38432.98
	Chongqing Hangcha Forklift Truck Sales Co., Ltd.	31697.00	1584.85		
	Nanjing Hangcha Logistics	12667.00	633.35	1211939.35	60596.97

	Equipment Co., Ltd.				
	Hangzhou Gangcun Transmission Co., Ltd.	1300.00	65.00	28200.00	1410.00
	Subtotal	67347611.56	4585094.33	35415643.21	1770782.17
Prepayments					
	Hangzhou CIEC Group Co., Ltd. and its subsidiaries	26875981.49		33712332.59	
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	21660300.72		4700.00	
	Nanjing Hangcha Logistics Equipment Co., Ltd.	3971.00			
	Henan Jiachen Intelligent Control Co., Ltd.	30.00		123893.81	
	Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries	10.00		5420.00	
	Zhejiang Huachang Hydraulic Machinery Co., Ltd.			103552.76	
	Changsha Zhongchuan Transmission Co., Ltd.			1999731.53	
	Beijing Guozi Robot Technology Co., Ltd.			500619.58	
	Hangzhou Gangcun Transmission Co., Ltd.			30000.00	
	Subtotal	48540293.21		36480250.27	
Other receivables					
	Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries	153050.00	7652.50		
	Zhongce Rubber Group Co., Ltd. and its affiliated companies	80000.00	24000.00	40000.00	21000.00
	Subtotal	233050.00	31652.50	40000.00	21000.00
Long-term receivables					
	Nanjing Hangcha Logistics Equipment Co., Ltd.	2960349.00	29603.49		
	Chongqing Hangcha Forklift Truck Sales Co., Ltd.	2373550.00	23735.50		
	Changsha Hangcha Forklift Sales Co., Ltd.	1248652.00	12486.52		
	Nanchang Hangcha Forklift Co., Ltd.	1197587.00	11975.87		
	Yunnan Hangcha Lift Truck Co., Ltd.	1155027.00	11550.27		
	Taiyuan Hangcha Lift Truck Co., Ltd.	945030.00	9450.30		
	Shijiazhuang Hangcha Forklift Sales Co., Ltd.	175949.00	1759.49		
	Shenyang Hangcha Lift Truck Sales Co., Ltd.	51992.00	519.92	53708.77	537.09
	Subtotal	10108136.00	101081.36	53708.77	537.09
Non-current assets due within one year					
	Nanjing Hangcha Logistics Equipment Co., Ltd.	1117702.83	11177.03	84537.63	845.38

	Chongqing Hangcha Forklift Truck Sales Co., Ltd.	845760.45	8457.60	156107.36	1561.07
	Changsha Hangcha Forklift Sales Co., Ltd.	564027.28	5640.27		
	Nanchang Hangcha Forklift Co., Ltd.	489830.06	4898.30		
	Yunnan Hangcha Lift Truck Co., Ltd.	459143.70	4591.44		
	Taiyuan Hangcha Lift Truck Co., Ltd.	397361.13	3973.61		
	Shijiazhuang Hangcha Forklift Sales Co., Ltd.	54352.29	543.52		
	Shenyang Hangcha Lift Truck Sales Co., Ltd.	50762.94	507.63	61239.79	612.40
	Beijing Guozi Robot Technology Co., Ltd.			180750.00	9037.50
	Subtotal	3978940.68	39789.40	482634.78	12056.35
Contract assets					
	Zhongce Rubber Group Co., Ltd. and its affiliated companies	13326020.55	1022117.06	7222000.00	361100.00
	Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries	2443450.00	217172.50		
	Beijing Guozi Robot Technology Co., Ltd.			37000.00	1850.00
	Zhejiang Xinchai Co., Ltd. and its subsidiaries			138000.00	13800.00
	Subtotal	15769470.55	1239289.56	7397000.00	376750.00

(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.	136695218.05	66697577.62
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	3471213.25	32809300.38
	Henan Jiachen Intelligent Control Co., Ltd.	18046004.24	19964585.27
	Zhongce Rubber Group Co., Ltd. and its affiliated companies	29165109.35	18360819.60
	Zhejiang Xinchai Co., Ltd. and its subsidiaries	29134880.61	13273315.42
	Hangzhou Gangcun Transmission Co., Ltd.	10453992.02	9425701.90
	Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries	5956291.71	3807569.14
	Taiyuan Hangcha Lift Truck Co., Ltd.	95772.55	4360.00
	Changsha Zhongchuan Transmission Co., Ltd.	249543.73	
	Beijing Guozi Robot Technology Co., Ltd.	565418.16	
	Nanjing Hangcha Logistics Equipment Co., Ltd.	37920.00	
	Changsha Hangcha Forklift Sales Co., Ltd.	98652.59	
	Shijiazhuang Hangcha Forklift Sales Co., Ltd.	78159.00	
	Chongqing Hangcha Forklift Truck Sales Co., Ltd.	203939.82	
	Yunnan Hangcha Lift Truck Co., Ltd.	1330.00	
	Shenyang Hangcha Lift Truck Sales Co., Ltd.	28280.00	

	Nanchang Hangcha Forklift Co., Ltd.	3585.30	
	Subtotal	234285310.38	164343229.33
Notes payable			
	Henan Jiachen Intelligent Control Co., Ltd.	35904613.80	2880.00
	Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries		507828.00
	Subtotal	35904613.80	510708.00
Contract liabilities			
	Nanchang Hangcha Forklift Co., Ltd.	7299960.76	5121515.66
	Zhongce Rubber Group Co., Ltd. and its affiliated companies	6079716.82	273900.00
	Shijiazhuang Hangcha Forklift Sales Co., Ltd.	5741390.56	4025659.04
	Changsha Hangcha Forklift Sales Co., Ltd.	2657511.57	6011814.95
	Yunnan Hangcha Lift Truck Co., Ltd.	2094368.80	170997.75
	Nanjing Hangcha Logistics Equipment Co., Ltd.	1705535.55	
	Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries	5152640.96	9369.43
	Chongqing Hangcha Forklift Truck Sales Co., Ltd.	229356.15	3742296.90
	Zhejiang Xinchai Co., Ltd. and its subsidiaries	160035.40	28700.00
	Henan Jiachen Intelligent Control Co., Ltd.	123893.81	
	Hangzhou Pengcheng New Energy Technology Co., Ltd.	70619.47	65262.21
	Subtotal	31315029.85	19449515.94
Other payables			
	Nanchang Hangcha Forklift Co., Ltd.	245000.00	
	Hangzhou Gangcun Transmission Co., Ltd.	155520.00	155520.00
	Yunnan Hangcha Lift Truck Co., Ltd.	85000.00	
	Nanjing Hangcha Logistics Equipment Co., Ltd.		5000.00
	Zhejiang Hangcha Holding Co.,Ltd		134298383.57
	Shenyang Hangcha Lift Truck Sales Co., Ltd.		16464.00
	Subtotal	485520.00	134475367.57

(3). Other items

Applicable" Not applicable"

7. Related-party commitments

Applicable" Not applicable"

In July 2025, the Company's controlling subsidiary, Zhejiang Hangcha Guozi Robotics Co., Ltd., acquired a 99.23% equity stake in Zhejiang Guozi Robotics Co., Ltd. through capital increase and share expansion. For details on these commitments, please refer to I. Fulfillment of Commitments under Section V. Important Matters in this report.

8. Other

Applicable" Not applicable"

15. Share-based payments

1. Equity instruments

(1). Details

Applicable" Not applicable"

(2). 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"

16. Commitments and contingencies

1. Material commitments

Applicable" Not applicable"

2. Contingencies

(1). Important contingent matters as at the balance sheet date

Applicable" Not applicable"

On July 28, 2025, the Company held the 27th meeting of the 7th Board of Directors of Hangcha Group, which resolved to approve the Company's provision of repurchase guarantees for its financial leasing business, with a total guarantee amount not exceeding RMB 500 million. As of December 31, 2025, the Company's outstanding balance of guarantees for finance lease payments owed by lessees totaled RMB 279,365,300.

(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"

17. Post balance sheet events

1. Material non-adjusting events

Applicable" Not applicable"

2. Profit distribution

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Profits or dividends to be distributed	523924819.60
Profits or dividends declared after consideration and approval	

The Company intends to distribute a cash dividend of RMB 4.00 (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 21, 2026, based on the total share capital of 1,309,812,049 shares of the Company, the total cash dividend amount to be distributed is RMB523,924,819.60 (tax inclusive). If the Company's total share capital changes during the registration period for equity distribution, the distribution ratio per share will remain unchanged, and the total distribution amount will be adjusted accordingly. This profit distribution plan has been approved at the 4th Meeting of the 8th Board of Directors. The aforesaid plan still needs to be submitted for deliberation at the 2025 Annual General Meeting of Shareholders.

3. Sales return

Applicable" Not applicable"

4. Other events after the balance sheet date

Applicable" Not applicable"

18. Other significant events

1. Correction of accounting errors in prior period

N/A

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"

19. 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 1 year)	3851022462.23	3102311741.58
Subtotal within one year	3851022462.23	3102311741.58
1-2 years	150536262.96	95167063.73
2-3 years	55454865.78	4331505.00
More than 3 years		
3-4 years	1965831.36	1256863.56
4-5 years	847305.15	602102.72
More than 5 years	3207069.29	4393144.13
Total Amount	4063033796.77	3208062420.72

(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 Provisi on (%)		Amount	Percent age (%)	Amount	Percent age of Provisi on (%)	
Provisi on for bad debts made on an individual basis	460024.00	0.01	460024.00	100.00						
Provisi on made	4062573772.77	99.99	228394822.69	5.62	3834178950.08	3207602396.72	99.99	170794348.22	5.32	3036808048.50

on a portfolio basis										
Total Amount	406303379 6.77	/	22885484 6.69	/	383417895 0.08	320806242 0.72	/	17125437 2.22	/	303680804 8.50

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		
	Book balance	Provision for bad debts	Percentage of Provision (%)
Within 1 year	3851022462.23	192551123.11	5.00
1-2 years	150536262.96	15053626.30	10.00
2-3 years	55454865.78	16636459.73	30.00
3-5 years	2813136.51	1406568.26	50.00
More than 5 years	2747045.29	2747045.29	100.00
Total Amount	4062573772.77	228394822.69	5.62

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	460024.00					460024.00
Provision made on a portfolio basis	170794348.22	58258974.47		658500.00		228394822.69
Total Amount	171254372.22	58258974.47		658500.00		228854846.69

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	658500.00

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	1918860501.99		1918860501.99	46.88	95943025.10
Customer Two	637562258.32		637562258.32	15.58	31878112.92
Customer Three	535798721.39		535798721.39	13.09	26789936.07
Customer Four	264931261.37		264931261.37	6.47	30877034.54
Customer Five	123091610.00		123091610.00	3.01	6154580.50
Total Amount	3480244353.07		3480244353.07	85.03	191642689.13

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	28069458.44	36385301.01
Total Amount	28069458.44	36385301.01

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

None

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 1 year)	18917632.91	25275081.63
Subtotal within one year	18917632.91	25275081.63

1-2 years	3400324.79	6594481.49
2-3 years	4341227.00	7026040.86
3-4 years	5864598.45	2015733.83
4-5 years	2132513.49	1025689.21
More than 5 years	2303326.11	2280869.13
Total Amount	36959622.75	44217896.15

(14). By nature of amount

Applicable" Not applicable"

Unit: Yuan Currency: CNY

Nature of payment	Closing book balance	Opening book balance
Deposits	15858342.62	12755098.00
Temporary borrowings by employees	10748000.00	10598000.00
Temporary advance payment receivable	10312696.00	20511518.02
Other	40584.13	353280.13
Total Amount	36959622.75	44217896.15

(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, 2025	1263754.08	659448.15	5909392.91	7832595.14
Balance as of January 1, 2025 during the period				
-- Transferred to Phase II	-170016.24	170016.24		
-- Transferred to Phase III		-434122.70	434122.70	
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision during the period	-147856.19	-55309.21	1260734.57	1057569.17
Reversal during the period				
Transfer to COGS during the period				
Write-offs during the period				
Other changes				
Balance as of December 31, 2025	945881.65	340032.48	7604250.18	8890164.31

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	7032595.14	1057569.17				8090164.31
Total Amount	7832595.14	1057569.17				8890164.31

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
Baoji Hangcha Engineering Machinery Co., Ltd.	10000000.00	27.06	Temporary advance payment receivable	Within 1 year	500000.00
Zhejiang Hangzhou Qingshan Lake Science and Technology City Investment Group Co., Ltd.	4250000.00	11.50	Deposits	3-5 years	2125000.00
CITIC International Tendering Co., Ltd.	1146200.00	3.10	Deposits	Within 1 year, 3-5 years	159100.00
Baoneng Logistics Group Co., Ltd.	800000.00	2.16	Deposits	More than 5 years	800000.00
Shanghai Yucan Information Technology Co., Ltd.	500000.00	1.35	Deposits	Within 1 year, 2-3 years	112500.00
Total Amount	16696200.00	45.17	/	/	3696600.00

(19). Listed as other receivables due to centralized management of funds

" Applicable" " Not applicable"

Other notes:

" Applicable" " Not applicable"

3. Long-term equity investments

" Applicable" " Not applicable"

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	1656501390.81		1656501390.81	1451397642.85		1451397642.85
Investment in joint ventures and associates	3030530409.60		3030530409.60	2358236456.57		2358236456.57
Total Amount	4687031800.41		4687031800.41	3809634099.42		3809634099.42

(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.	40313983.09						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 Electric Appliance Co., Ltd	29942890.73		32637400.00				62580290.73	
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	2740500.00						2740500.00	

Hangcha Cab Co., Ltd.							
Hangzhou Hangcha Materials Trading Co., Ltd.	80000000.00					80000000.00	
Hangcha Group Leasing Co., Ltd.	403304547.78		25375200.00			428679747.78	
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.	1471494.12					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	

Ltd.							
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		230300.00			1137590.00	
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.	700000.00					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 Forklift Sales Co., Ltd.	525000.00					525000.00	
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	
HC FORKLIFT AMERICA CORPORATION	33066839.81					33066839.81	

Guigang Hangcha Forklift Sales Co., Ltd.	700000.00						700000.00	
Zhejiang Hangcha Guozi Robotics 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.	20350000.00						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		5000000.00				20000000.00	
Hangcha Group (Tianjin) Forklift Sales Co., Ltd.	1050000.00						1050000.00	
Hangcha Group (Tianjin) Financing Leasing Co., Ltd.	250000000.00						250000000.00	
HANGCHA FORKLIFT CANADA INC.	7090100.00						7090100.00	
Zhumadian Hangcha Forklift Co., Ltd.	958800.00						958800.00	
HANGCHA NETHERLANDS B.V.	15750000.00						15750000.00	
Zhejiang Hangcha Parts Sales Co., Ltd.	40000000.00						40000000.00	
Shanghai Hangcha Okamura 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 International Trade Co., Ltd.	10200000.00						10200000.00	
Hangzhou Hangcha Precision Manufacturing Co., Ltd.	23040000.00						23040000.00	
Hangzhou	2295000.00						2295000.00	

Hangcha E-commerce Co., Ltd.							
Hangcha New Energy Forklift (Wenzhou) Co., Ltd.	1000000.00		1000000.00	980000.00			1020000.00
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		7144396.00				14249996.00
HANGCHA JAPAN CO.LTD.	14967000.00						14967000.00
HANGCHA EUROPE RENTAL & SALES	7736600.00						7736600.00
HANGCHA (MALAYSIA) SDN.BHD.	3655750.00						3655750.00
HANGCHA FORKLIFT VIETNAM CO.LTD.			21843300.00				21843300.00
HANGCHA MIDDLE EAST GENERAL TRADING FZE			14358200.00				14358200.00
Hangcha Group Manufacturing (Thailand) Co., Ltd.			142332838.14				142332838.14
Zhejiang Zhichu Jia Material Handling Equipment Co., Ltd.			8200000.00				8200000.00
Hangzhou Hangcha Property Management Service Co., Ltd.			1000000.00				1000000.00
Total Amount	1451397642.85		259121634.14	54017886.18			1656501390.81

(2). Investment in joint ventures and associates

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: CNY

Investments Unit	Opening Balance (Book value)	Increase and decrease during the period								Closing Balance (Book value)	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	1803887.31			1148592.79	93323.83					3045803.93	
Zhejiang Huachang Hydraulic Machinery Co., Ltd.	83339327.86			14079081.39		567491.93	7344000.00			90641901.18	
Hangzhou Gangcun Transmission Co., Ltd.	31151179.27			2686948.12						33838127.39	
Hangzhou Pengcheng New Energy Technology Co., Ltd.	33955470.77			81543.76						34037014.53	
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	2047807325.14			431318130.83	35606065.98	177188579.44				2691920101.39	
Henan Jiachen Intelligent Control Co., Ltd.	123457317.16			15832689.56		56527.52				139346534.24	
Changsha Zhongchuan Transmission Co., Ltd.	10819695.70			78457.38		74901.72				10973054.80	
Nanjing Hangcha Logistics Equipment Co., Ltd.	2682803.62			652776.01			560000.00			2775579.63	
Nanchang Hangcha Forklift Co., Ltd.	4061631.17			604695.44			630000.00			4036326.61	

Changsha Hangcha Forklift Sales Co., Ltd.	2766757.95			582009.50			562000.00			2786767.45	
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	4488989.88			652851.18			630000.00			4511841.06	
Taiyuan Hangcha Lift Truck Co., Ltd.	2353924.70			370251.18			420000.00			2304175.88	
Chongqing Hangcha Forklift Truck Sales Co., Ltd.	3816344.01	42840.00		811536.95			728000.00			3942720.96	
Yunnan Hangcha Lift Truck Co., Ltd.	2910130.86			887097.68			472500.00			3324728.54	
Shenyang Hangcha Lift Truck Sales Co., Ltd.	2821671.17			854060.84			630000.00			3045732.01	
Subtotal	2358236456.57	42840.00		470640722.61	35699389.81	177887500.61	11976500.00			3030530409.60	
Total Amount	2358236456.57	42840.00		470640722.61	35699389.81	177887500.61	11976500.00			3030530409.60	

(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	Current period cumulative		Previous period amount	
	Revenue	Cost	Revenue	Cost
Operating	14050013678.02	11558972385.01	13322693337.86	11149653367.21
Other business	210925459.93	158487025.80	205678328.68	153339514.89
Total Amount	14260939137.95	11717459410.81	13528371666.54	11302992882.10

(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	14220567859.97	11692123398.24
Categorization by time of goods transfer		
Revenue is recognized at a point in time	14220567859.97	11692123398.24
Total Amount	14220567859.97	11692123398.24

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	Current period cumulative	Previous period amount
Income from long-term equity investments accounted for under the cost method	113066603.65	134313581.30

Income from long-term equity investments recognized under the equity method	470640722.61	385124878.33
Investment income from disposal of long-term equity investments	23523113.82	-4999999.00
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	829297.68	
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	608059737.76	514438460.63

Other notes:

None

6. Other

Applicable" Not applicable"

20. 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	478793.68	
Government grants included in the current 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)	73249269.65	
Gain or loss 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	-463932.23	
Gain or loss on assets under entrusted investment or management	1231024.48	
Reversal of impairment provision for accounts receivable subject to separate impairment testing	4221892.32	
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	-16004728.24	
Other non-operating income and expenses except the aforementioned items	-2939750.40	
Less: Impact of income tax	10250998.57	
Non-controlling shareholders' equity affected (after tax)	7002103.74	
Total Amount	42519466.95	

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	20.34	1.67	1.67
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gains and losses	19.95	1.64	1.64

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 21, 2026

Revision

Applicable" Not applicable"