SANHUA

ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.

浙江三花智能控制股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2050)

FIRST QUARTERLY REPORT OF 2026

This announcement is made by Zhejiang Sanhua Intelligent Controls Co., Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) set out in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Set out below is the unaudited financial statements of the Group for the three months ended March 31, 2026 (the "**Reporting Period**") prepared in accordance with Chinese Accounting Standards for Business Enterprises.

The announcement is prepared in both Chinese and English languages. In the event of any inconsistency between the two versions, the Chinese version shall prevail. Unless otherwise stated, the amounts set out in this announcement are denominated in Renminbi ("**RMB**").

IMPORTANT NOTICES:

1. The board of directors, the directors and senior management warrant the truthfulness, accuracy and completeness of the quarterly report and that there are no false information, misleading statements or material omissions in the quarterly report, and shall assume joint and several legal responsibilities.

2. The person-in-charge of the Company, the person-in-charge of accounting work and the person-in-charge of the accounting department (the head of the accounting department) warrant the truthfulness, accuracy and completeness of the financial information contained in the quarterly report.

3. Whether the first quarterly financial accounting report has been audited

   ☐ Yes ✔No

I. KEY FINANCIAL DATA

(I) Key Accounting Data and Financial Indicators

Whether the Company needs to make retrospective adjustments or restatements of accounting data of prior years

☐ Yes ✔No

	The Reporting Period	The corresponding period of the prior year	Changes over the corresponding period of the prior year
Revenue (RMB)	7,773,555,419.29	7,669,450,484.82	1.36%
Net profit attributable to owners of the Company (RMB)	927,621,853.77	903,416,215.84	2.68%
Net profit attributable to owners of the Company after deducting non-recurring gains and losses (RMB)	985,709,560.79	853,305,418.85	15.52%
Net cash flow generated from operating activities (RMB)	1,105,790,187.12	467,558,178.15	136.50%
Basic earnings per share (RMB/share)	0.22	0.24	-8.33%
Diluted earnings per share (RMB/share)	0.22	0.24	-8.33%
Weighted average ROE	2.88%	4.57%	-1.69%
	As at the end of the Reporting Period	As at the end of the prior year	Changes
Total assets (RMB)	49,364,664,237.68	49,406,130,603.74	-0.08%
Equity attributable to owners of the Company (RMB)	32,627,879,788.22	31,748,926,577.96	2.77%

(II) Non-recurring Profit or Loss Items and Amounts

✔Applicable ☐Not applicable

Unit: RMB

Items	Amount for the Reporting Period	Notes
Profit or loss from disposal of non-current assets (including written-off portion of provision for asset impairment)	18,464,196.26	
Government grants recognized in profit or loss for the current period, except for those that are closely related to the Company's normal business operations, in compliance with policy regulations, granted according to established standards and have a continuous impact on the profit or loss of the Company	28,470,210.32	
Profit or loss from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as profit or loss from the disposal of financial assets and financial liabilities, excluding effective hedging activities related to the Company's normal business operations	-94,145,325.07	To avoid raw material price risks and exchange rate risks, the Group has carried out derivative instrument business, including futures contracts and foreign exchange forward contracts, etc. From January to March 2026, the futures gain was RMB167,700 and the forward gain was RMB10.2996 million. From January to March 2025, the futures gain was RMB20.8330 million and the forward gain was RMB14.3871 million. Meanwhile, the exchange loss from January to March 2026 was RMB150.2864 million, and the exchange gain from January to March 2025 was RMB18.9552 million. According to the "Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Profit or Loss" (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》), exchange profits or losses are recurring profits or losses items, while futures and forward profits or losses are non-recurring profits or losses items. During the current period, the Company recorded losses on securities investments of RMB104.6126 million.
Profit or loss on entrusted investments or assets under management	4,902,809.04	
Other non-operating income and expenses other than the aforesaid items	-2,732,485.37	
Less: Effect of income tax	7,365,413.23	
Non-recurring profit or loss attributable to non-controlling shareholders (after tax)	5,681,698.97	
Total	-58,087,707.02	–

Details of other profit or loss items that meet the definition of non-recurring profit or loss

☐Applicable ✔Not applicable

The Company has no other profit or loss items that meet the definition of non-recurring profit or loss.

Explanation on defining the non-recurring profit or loss items listed in the "Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Profit or Loss" (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》) as recurring profit or loss items

☐Applicable ✔Not applicable

The Company has not defined the non-recurring profit or loss items listed in the "Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Profit or Loss" (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》) as recurring profit or loss items.

(III) Changes in Key Accounting Data and Financial Indicators and the Reasons for Changes

✔Applicable ☐Not applicable

1. Held-for-trading financial assets at the end of the period increased by RMB671.0189 million compared with the beginning of the year, mainly due to the increase in the purchase of wealth management products in the current period.

2. Prepayment at the end of the period increased by RMB53.8862 million compared with the beginning of the year, mainly due to the increase in advances paid for materials in the current period.

3. Payroll liabilities at the end of the period decreased by 36.58% compared with the beginning of the year, mainly due to the distribution of bonuses, etc. at the beginning of the year in the current period.

4. Other payables at the end of the period decreased by 49.11% compared with the beginning of the year, mainly due to the distribution of dividends payable at the beginning of the year in the current period.

5. Financial expenses in the first quarter increased by RMB117.5631 million year-on-year, mainly due to the increase in the exchange loss in the current period.

6. Other income in the first quarter increased by RMB26.6043 million year-on-year, mainly due to the increase in VAT additional deductions received in the current period.

7. Investment income in the first quarter increased by RMB35.6037 million year-on-year, mainly due to the increase in settlement gains on exchange rate derivative instruments in the current period.

8. Gains on changes in fair value in the first quarter decreased by RMB166.1071 million year-on-year, mainly due to the floating losses on securities investments and the decrease in floating gains on exchange rate derivative instruments in the current period.

9. The changes in the credit impairment loss in the first quarter were mainly affected by the changes in accounts receivable, etc.

10. The changes in the assets impairment loss in the first quarter were mainly affected by the changes in inventory and fixed asset impairments, etc.

11. Gains on asset disposal in the first quarter increased by RMB21.4467 million year-on-year, mainly due to the gains from a subsidiary's disposal of factory buildings in the current period.

12. Non-operating revenue in the first quarter decreased by 33.13% year-on-year, mainly due to the decrease in penalty income in the current period.

13. Net cash flows from operating activities in the first quarter increased by RMB638.2320 million year-on-year, mainly due to the increase in cash received from sales of goods and provision of services, resulting from higher sales and adjustments to accounts receivable collection methods in the current period.

14. Net cash flows from investing activities in the first quarter decreased by RMB781.2452 million year-on-year, mainly due to the increase in the purchase of wealth management products in the current period.

15. Net cash flows from financing activities in the first quarter decreased by RMB505.9135 million year-on-year, mainly due to the distribution of dividends payable at the beginning of the year in the current period.

16. The effect of foreign exchange rate changes on cash and cash equivalents in the first quarter was RMB38.1290 million, mainly due to fluctuations in exchange rate.

II. INFORMATION OF SHAREHOLDERS

(I) Statement of the Total Number of Ordinary Shareholders and Preferred Shareholders with Restored Voting Rights and the Shareholdings of the Top 10 Shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	674,741 (including 674,702 shareholders of A shares and 39 shareholders of H shares)	Total number of preferred shareholders of which voting rights have resumed as at the end of the Reporting Period (if any)	0

Shareholdings of the Top 10 Shareholders (excluding shares lent through the margin refinancing transfer)						
Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held	Number of shares held subject to selling restrictions	Shares pledged, marked or frozen	
					Status of shares	Number
Sanhua Holding Group Co., Ltd. (三花控股集團有限公司)	Domestic non-state-owned legal person	22.54%	948,487,077	0	Not applicable	0
Zhejiang Sanhua Green Energy Industrial Group Co., Ltd. (浙江三花綠能實業集團有限公司)	Domestic non-state-owned legal person	15.79%	664,375,189	0	Not applicable	0
HKSCC NOMINEES LIMITED	Foreign legal person	11.32%	476,531,688	0	Not applicable	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	2.40%	100,889,682	0	Not applicable	0
Zhang Yabo	Domestic natural person	0.70%	29,268,200	29,268,150	Not applicable	0
Industrial and Commercial Bank of China Limited – HuataiPineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	Others	0.43%	18,018,695	0	Not applicable	0
Industrial and Commercial Bank of China Limited – GF CNI New Energy Vehicle Battery Exchange Traded Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－廣發國證新能源車電池交易型開放式指數證券投資基金)	Others	0.39%	16,620,232	0	Not applicable	0

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held	Number of shares held subject to selling restrictions	Shares pledged, marked or frozen	
					Status of shares	Number
China Life Insurance Co., Ltd. – Traditional – General Insurance Products – 005L – CT001 Shanghai (中國人壽保險股份有限公司－傳統－普通保險產品－005L－CT001滬)	Others	0.35%	14,715,317	0	Not applicable	0
China Construction Bank Co., Ltd. – E Fund CSI 300 Trading Open-end Index Initiated Securities Investment Fund (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	Others	0.30%	12,523,790	0	Not applicable	0
China Construction Bank Co., Ltd. – Maxwealth Advanced Manufacturing Selection Mixed Initiated Securities Investment Fund (中國建設銀行股份有限公司－永贏先進製造智選混合型發起式證券投資基金)	Others	0.29%	12,189,806	0	Not applicable	0

Shareholdings of the Top 10 Shareholders Not Subject to Trading Moratorium (excluding shares lent through the margin refinancing transfer and locked shares held by the senior management)			
Name of shareholder	Number of shares held without selling restrictions	Type of shares	
		Type of shares	Number
Sanhua Holding Group Co., Ltd. (三花控股集團有限公司)	948,487,077	RMB ordinary shares	948,487,077
Zhejiang Sanhua Green Energy Industrial Group Co., Ltd. (浙江三花綠能實業集團有限公司)	664,375,189	RMB ordinary shares	664,375,189
HKSCC NOMINEES LIMITED	476,531,688	Overseas-listed foreign shares	476,531,688
Hong Kong Securities Clearing Company Limited	100,889,682	RMB ordinary shares	100,889,682
Industrial and Commercial Bank of China Limited – HuataiPineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	18,018,695	RMB ordinary shares	18,018,695
Industrial and Commercial Bank of China Limited – GF CNI New Energy Vehicle Battery Exchange Traded Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－廣發國證新能源車電池交易型開放式指數證券投資基金)	16,620,232	RMB ordinary shares	16,620,232
China Life Insurance Co., Ltd. – Traditional – General Insurance Products – 005L – CT001 Shanghai (中國人壽保險股份有限公司－傳統－普通保險產品 – 005L – CT001滬)	14,715,317	RMB ordinary shares	14,715,317
China Construction Bank Co., Ltd. – E Fund CSI 300 Trading Open-end Index Initiated Securities Investment Fund (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	12,523,790	RMB ordinary shares	12,523,790
China Construction Bank Co., Ltd. – Maxwealth Advanced Manufacturing Selection Mixed Initiated Securities Investment Fund (中國建設銀行股份有限公司－永贏先進製造智選混合型發起式證券投資基金)	12,189,806	RMB ordinary shares	12,189,806
Bank of China Limited – China Universal CSI Battery Thematic Exchange Traded Open-end Index Securities Investment Fund (中國銀行股份有限公司－匯添富中證電池主題交易型開放式指數證券投資基金)	11,400,734	RMB ordinary shares	11,400,734
Description on the related relationship of the shareholders and action in concert among the aforesaid shareholders	Among the aforesaid shareholders, Sanhua Holding Group Co., Ltd., Zhejiang Sanhua Green Energy Industrial Group Co., Ltd. and Zhang Yabo are persons acting in concert. The Company is not aware of any related relationship among the other shareholders, and whether such shareholders are parties acting in concert as specified in the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》).		
Description (if any) of the participation of the top 10 shareholders in the securities financing business	/		

Notes:

1. Hong Kong Securities Clearing Company Limited is the nominal holder of the Company's Shenzhen-Hong Kong Stock Connect shares.

2. HKSCC NOMINEES LIMITED is the nominal holder of the shares held by the Company's non-registered shareholders of H shares.

Information on the shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders holding tradable shares without selling restrictions participating in the securities lending business for refinancing

☐Applicable ✔Not applicable

The top 10 shareholders and the top 10 shareholders holding tradable shares without selling restrictions have changed from the corresponding period of last year due to refinancing lending/returning

☐Applicable ✔Not applicable

(II) Statement of the Total Number of Preferred Shareholders and the Shareholdings of the Top 10 Preferred Shareholders of the Company

☐Applicable ✔Not applicable

III. OTHER SIGNIFICANT EVENTS

☐Applicable ✔Not applicable

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by: Zhejiang Sanhua Intelligent Controls Co., Ltd. March 31, 2026 Unit: RMB

Items	As at March 31, 2026	As at December 31, 2025
Current assets:		
Cash at bank and on hand	14,336,265,980.68	14,911,985,101.20
Reserve funds for settlements		
Loans to other banks and and financial institutions		
Held-for-trading financial assets	1,179,351,338.12	508,332,389.17
Derivative financial assets	20,893,571.39	18,732,811.74
Notes receivable	3,726,962,656.93	3,623,137,744.35
Accounts receivable	7,010,919,404.89	7,370,056,178.44
Receivable financing		
Prepayment	137,332,162.02	83,445,930.00
Premiums receivable		
Reinsurance receivable		
Reinsurance reserves receivable		
Other receivables	257,226,482.42	238,629,763.38
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	5,879,322,018.99	5,639,792,228.25
Including: Data resource		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,257,639,429.91	1,328,401,890.79
Total current assets	33,805,913,045.35	33,722,514,037.32

Items	As at March 31, 2026	As at December 31, 2025
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivable	8,058,837.19	9,856,827.53
Long-term equity investments	43,554,560.52	44,589,209.67
Other equity instrument investments		
Other non-current financial assets		
Investment properties	6,436,595.76	6,905,238.71
Fixed assets	11,413,873,178.51	11,673,230,267.42
Construction in progress	1,932,497,307.16	1,742,467,650.91
Productive biological assets		
Oil & gas assets		
Right-of-use assets	290,411,042.73	317,807,405.21
Intangible assets	1,230,929,752.18	1,258,033,463.22
Including: Data resource		
Development expenditures		
Including: Data resource		
Goodwill		
Long-term prepaid expenses	205,861,758.10	212,723,588.50
Deferred tax assets	117,018,811.32	129,818,629.28
Other non-current assets	310,109,348.86	288,184,285.97
Total non-current assets	15,558,751,192.33	15,683,616,566.42
Total assets	49,364,664,237.68	49,406,130,603.74

Items	As at March 31, 2026	As at December 31, 2025
Current liabilities:		
Short-term borrowings	1,392,779,492.07	1,391,778,829.30
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities	12,853,231.73	16,364,269.10
Notes payable	4,249,321,580.65	4,294,306,468.03
Accounts payable	5,801,770,757.56	5,894,902,765.14
Advances received		
Contract liabilities	80,754,056.98	76,166,829.49
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Payroll liabilities	536,061,600.71	845,312,775.46
Taxes payable	322,197,266.21	330,430,538.71
Other payables	464,914,847.98	913,641,447.56
Including: Interest payable	9,873,588.16	5,472,955.72
Dividends payable		504,746,185.68
Handling fees and commissions payable		
Reinsurance payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year	1,786,558,301.41	1,591,564,158.13
Other current liabilities	12,294,371.73	10,771,192.67
Total current liabilities	14,659,505,507.03	15,365,239,273.59

Items	As at March 31, 2026	As at December 31, 2025
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	635,000,000.00	862,696,972.22
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	211,838,266.20	205,928,260.04
Long-term payables		
Long-term payroll liabilities	31,552,068.02	32,637,380.63
Provisions		
Deferred revenue	657,679,931.63	664,005,860.63
Deferred tax liabilities	213,737,498.22	217,239,246.80
Other non-current liabilities	18,154,107.25	18,154,107.25
Total non-current liabilities	1,767,961,871.32	2,000,661,827.57
Total liabilities	16,427,467,378.35	17,365,901,101.16

Items	As at March 31, 2026	As at December 31, 2025
Owners' equity:		
Share capital	4,208,013,935.00	4,208,013,935.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	12,623,880,700.73	12,602,614,881.89
Less: Treasury shares	520,488,105.80	520,488,105.80
Other comprehensive income	-51,936,528.66	18,784,569.69
Special reserve		
Surplus reserve	1,301,000,957.19	1,301,000,957.19
General risk reserve		
Retained earnings	15,067,408,829.76	14,139,000,339.99
Equity attributable to owners of the Company	32,627,879,788.22	31,748,926,577.96
Non-controlling interest	309,317,071.11	291,302,924.62
Total equity	32,937,196,859.33	32,040,229,502.58
Total liabilities and equity	49,364,664,237.68	49,406,130,603.74

Legal representative: Zhang Yabo (張亞波)

Person-in-charge of accounting work: Yu Yingkui (俞蓥奎)

Person-in-charge of the accounting department: Chen Sihua (陳思華)

2. Consolidated Income Statement

Unit: RMB

Items	For the three months ended March 31, 2026	For the three months ended March 31, 2025
I. Total revenue	7,773,555,419.29	7,669,450,484.82
Including: Operating revenue	7,773,555,419.29	7,669,450,484.82
Interest income		
Insurance premium earned		
Handling fees and commission income		
II. Total operating costs	6,682,627,062.75	6,617,395,338.45
Including: Operating costs	5,612,764,458.77	5,611,955,439.58
Interest expenses		
Handling charges and commission expenses		
Surrender		
Net insurance claims paid		
Net amount provided as provision of insurance contracts		
Expenditures on policy dividends		
Reinsurance expenses		
Taxes and surcharges	42,728,794.03	41,052,724.67
Selling expenses	140,423,302.15	143,036,591.65
Administrative expenses	400,819,361.51	460,629,532.18
R&D expenses	367,461,670.95	359,854,644.32
Financial expenses	118,429,475.34	866,406.05
Including: Interest expenses	30,981,461.64	38,722,784.37
Interest income	65,744,725.34	21,229,043.25
Add: Other income	91,562,692.01	64,958,382.39
Investment income (or less: losses)	16,610,911.10	-18,992,807.15
Including: Investment income from associates and joint ventures	2,606,126.64	2,413,928.77
Gains from derecognition of financial assets at amortized cost	1,142,971.67	1,477,696.98
Gains on foreign exchange (or less: losses)		

Items	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Gains on net investment hedges (or less: losses)		
Changes in fair value (or less: losses)	-102,104,328.82	64,002,755.47
Credit impairment loss (or less: losses)	12,571,418.08	-46,315,670.54
Assets impairment loss (or less: losses)	-6,116,463.39	-3,703,893.29
Gains on asset disposal (or less: losses)	21,359,763.69	-86,905.40
III. Operating profit (or less: losses)	1,124,812,349.21	1,111,917,007.85
Add: Non-operating revenue	1,358,214.84	2,031,099.59
Less: Non-operating expenditures	6,986,267.64	5,888,316.36
IV. Profit before tax (or less: losses)	1,119,184,296.41	1,108,059,791.08
Less: Income tax expenses	168,316,596.15	184,589,309.00
V. Net profit (or less: net loss)	950,867,700.26	923,470,482.08
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations (or less: net loss)	950,867,700.26	923,470,482.08
2. Net profit from discontinued operations (or less: net loss)		
(II) Categorized by the portion of equity ownership		
1. Net profit attributable to owners of the Company	927,621,853.77	903,416,215.84
2. Profit or loss attributable to non-controlling shareholders	23,245,846.49	20,054,266.24
VI. Other comprehensive income after tax	-70,721,098.35	-13,538,966.96
Items attributable to the owners of the Company	-70,721,098.35	-13,538,966.96
(I) Not to be reclassified subsequently to profit or loss		
1. Changes caused by remeasurements on defined benefit schemes		
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value arsing from changes in own credit risk		
5. Others		

Items	For the three months ended March 31, 2026	For the three months ended March 31, 2025
(II) To be reclassified subsequently to profit or loss	-70,721,098.35	-13,538,966.96
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Provision for credit impairment of other debt investments		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency denominated financial statements	-70,721,098.35	-13,538,966.96
7. Others		
Items attributable to non-controlling shareholders		
VII. Total comprehensive income	880,146,601.91	909,931,515.12
Total comprehensive income attributable to the owners of the Company	856,900,755.42	889,877,248.88
Total comprehensive income attributable to non-controlling shareholders	23,245,846.49	20,054,266.24
VIII. Earnings per share (EPS):		
(I) Basic EPS (RMB per share)	0.22	0.24
(II) Diluted EPS (RMB per share)	0.22	0.24

Legal representative: Zhang Yabo (張亞波)

Person-in-charge of accounting work: Yu Yingkui (俞蓥奎)

Person-in-charge of the accounting department: Chen Sihua (陳思華)

3. Consolidated Statement of Cash Flows

Unit: RMB

Items	For the three months ended March 31, 2026	For the three months ended March 31, 2025
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	8,120,119,238.90	7,172,349,513.07
Net increase of client deposit and interbank deposit		
Net increase in borrowings from the central bank		
Net increase of loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, fees and commissions received		
Net increase of loans from others		
Net increase in proceeds from repurchase transactions		
Net cash received as agent of stock exchange		
Tax rebates	169,001,107.61	217,082,644.50
Cash generated from other operating activities	169,804,374.61	132,039,038.70
Subtotal of cash inflows from operating activities	8,458,924,721.12	7,521,471,196.27
Payments for goods and services	5,371,634,258.72	5,073,577,420.71
Net increase in loans and advances to clients		
Net increase of central bank deposit and interbank deposit		
Payments for claims on original insurance contracts		
Net increase of loans to others		

Items	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Interest, fees and commissions paid		
Policy dividends paid		
Cash paid to employees and on their behalf	1,426,334,981.70	1,408,020,401.97
Taxes and levies paid	337,330,590.90	330,932,306.73
Other cash payments related to operating activities	217,834,702.68	241,382,888.71
Subtotal of cash outflows from operating activities	7,353,134,534.00	7,053,913,018.12
Net cash flows from operating activities	1,105,790,187.12	467,558,178.15
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	6,598,801.05	7,165,477.56
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	1,809,144.42	100,400.00
Net cash receipts from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	1,483,748,241.52	616,552,553.70
Subtotal of cash inflows from investing activities	1,492,156,186.99	623,818,431.26
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	521,898,492.14	752,140,020.73
Cash payments for investments	198,532.00	
Net increase in pledged borrowings		
Net cash payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	2,594,057,887.06	714,431,918.19
Subtotal of cash outflows from investing activities	3,116,154,911.20	1,466,571,938.92
Net cash flows from investing activities	-1,623,998,724.21	-842,753,507.66
III. Cash flows from financing activities:		
Capital contributions received		
Including: Cash received by subsidiaries from non-controlling shareholders as investments		
Cash receipts from borrowings	1,216,303,708.77	951,701,100.00
Other cash receipts related to financing activities	81,993,327.54	7,147,165.29

Items	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Subtotal of cash inflows from financing activities	1,298,297,036.31	958,848,265.29
Repayment of borrowings	1,181,167,976.79	829,062,600.00
Interest and dividends paid	536,549,335.30	36,170,271.11
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit	5,231,700.00	3,068,702.40
Other cash payments related to financing activities	37,933,578.92	45,055,727.08
Subtotal of cash outflows from financing activities	1,755,650,891.01	910,288,598.19
Net cash flows from financing activities	-457,353,854.70	48,559,667.10
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-38,128,951.51	-13,538,966.96
V. Net increase in cash and cash equivalents	-1,013,691,343.30	-340,174,629.37
Add: Opening balance of cash and cash equivalents	12,487,189,339.64	3,443,502,489.90
VI. Closing balance of cash and cash equivalents	11,473,497,996.34	3,103,327,860.53

Legal representative: Zhang Yabo (張亞波)	Person-in-charge of accounting work: Yu Yingkui (俞蓥奎)	Person-in-charge of the accounting department: Chen Sihua (陳思華)

(II) Adjustments to Relevant Items of the Financial Statements at the Beginning of the Year Against Initial Application of New Accounting Standards Since 2026

☐Applicable ✔Not applicable

(III) Audit Report

Whether the first quarterly financial accounting report has been audited

☐Yes ✔No

The first quarterly financial accounting report of the Company has not been audited.

By order of the Board
Zhejiang Sanhua Intelligent Controls Co., Ltd.
Zhang Yabo
Chairman of the Board and Executive Director

Hong Kong, April 29, 2026

As at the date of this announcement, the Board comprises: (i) Mr. Zhang Yabo, Mr. Wang Dayong, Mr. Ni Xiaoming and Mr. Chen Yuzhong as executive Directors; (ii) Mr. Zhang Shaobo and Mr. Ren Jintu as non-executive Directors; and (iii) Mr. Bao Ensi, Mr. Shi Jianhui, Ms. Pan Yalan and Mr. Ge Jun as independent non-executive Directors.