



Hangzhou Great Star Industrial Co., Ltd.

2024 Annual Report

2025-004

April 2025

2024 Annual Report

Section I Important Notice, Table of contents and Definitions

The Board of Directors and the Board of Supervisors of the Company and its directors, supervisors and senior management hereby warrant that the information contained in this annual report is true, accurate and complete without any fictitious records, misleading statements or material omissions, and severally and jointly assume legal responsibility thereof.

Qiu Jianping, person in charge of the Company, and Ni Shuyi, person in charge of accounting and person in charge of the accounting department (Accounting Officer), have declared that they warrant the truthfulness, accuracy and completeness of the financial statements set out in this annual report.

All directors of the Company were present in person at the Board of Directors' meeting for the review of this Report.

Forward-looking statements including future plans involved in this Report do not constitute the Company's substantive commitments to investors. The investors and those who are interested are advised to pay attention to relevant risks and understand the difference between plans, projections and commitments.

The Report has described the Company's risk factors that may exist in its operations in detail in "Section III Discussion and Analysis of the Management, (XI) Prospects for the Company's Future Development: Potential Risks". Please pay attention to the relevant contents.

The Company will not distribute cash dividend, issue bonus shares or transfer capital reserve into share capital.

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Documents for Future Reference

I. Financial Statements with the signatures and seals of the person in charge of the Company, person in charge of accounting and person in charge of the accounting department of the Company.

II. Original Audit Report bearing the seal of the accounting firm and signatures of the CPAs who have performed the audit.

III.. All of the originals of the Company's documents and original drafts of the Company's announcements as disclosed in the newspaper designated by China Securities Regulatory Commission (CSRC) in the reporting period.

Definitions

Term to be defined	Refers to	Definition
reporting period	Refers to	January 1, 2024 - December 31, 2024
Company, the Company, the listed company, Great Star	Refers to	Hangzhou Great Star Industrial Co., Ltd.
Sheffield	Refers to	Hangzhou Great Star Sheffield Trading Co., Ltd.
Guozi Robotics	Refers to	Zhejiang Guozi Robotics Co., Ltd.
Arrow	Refers to	Arrow Fastener Co., LLC
HDKJ	Refers to	Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.
OLEI	Refers to	Hangzhou Ole-Systems Co., Ltd.
Donghai Bank	Refers to	Ningbo Donghai Bank Co., Ltd.
PT Company	Refers to	PRIM'TOOLS LIMITED
Great Star Group	Refers to	Great Star Holding Group Co., Ltd.
Lista	Refers to	Lista Holding AG
Prime-Line	Refers to	Prime-Line Products, LLC
Lianhe	Refers to	Hangzhou Lianhe Machinery Co., Ltd.
Haining Great Star	Refers to	Haining Great Star Intelligent Equipment Co., Ltd.
Zhongce Haichao	Refers to	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.
Hangcha Group	Refers to	Hangcha Group Co., Ltd.

Great Star Europe	Refers to	Great Star Europe AG
JFB AG, BeA	Refers to	Joh. Friedrich Behrens AG
Geelong	Refers to	Geelong Holdings Limited
CSRC	Refers to	China Securities Regulatory Commission

Section II Company Profile and Key Financial Indicators

I. Company Information

Stock name	Great Star	Stock code	002444
Stock exchanges on which the shares are listed	Shenzhen Stock Exchange		
Name of the Company in Chinese	Hangzhou Great Star Industrial Co., Ltd.		
Short name of the Company in Chinese	Great Star		
Name of the Company in English (if any)	Hangzhou Great Star Industrial Co., Ltd.		
Short name of the Company in English (if any)	Great Star		
Legal representative of the Company	Qiu Jianping		
Registered address	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou		
Post code at registered address	310019		
Change history of registered address	Change from No. 35 Jiuhuan Road, Jianggan District, Hangzhou to No. 35 Jiuhuan Road, Shangcheng District, Hangzhou		
Office address	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou		
Post code at office address	310019		
Website	https://www.Great Startools.com/		
Email	zq@Great Startools.com		

II. Contact persons and contact methods

	Sectary to the Board	Securities Affairs Representative
Name	Zhou Siyuan	Lu Haidong
Address	No. 35, Jiuhuan Road, Shangcheng	No. 35, Jiuhuan Road, Shangcheng

	District, Hangzhou	District, Hangzhou
Tel	0571-81601076	0571-81601076
Fax	0571-81601088	0571-81601088
Email	zq@Great Startools.com	zq@Great Startools.com

III. Information Disclosure and Place for Inspection

Websites of the stock exchanges for disclosure of annual report of the Company	http://www.szse.cn/
Names and websites of media outlets for disclosure of annual report of the Company	STCN, China Securities Journal, cninfo (http://www.cninfo.com.cn)
Location for inspection of annual report of the Company	Office of the Board of Directors of the Company

IV. Changes in Registration Information

Unified social credit code	91330000731506099D
Any change in main business lines since the Company's IPO	None
Any change in controlling shareholder	None

V. Other Relevant Information

Accounting firm engaged by the Company

Name of accounting firm	Pan-China Certified Public Accountants LLP (Special General Partnership)
Office address of accounting firm	Office Building T2, Run'ao Business Center, Intersection of Boao Road and Pinglan Road, Yingfeng Sub-district, Xiaoshan District, Hangzhou City, Zhejiang Province
Name of signing CPAs	Li Deyong and Hu Fujian

Sponsor engaged by the Company for providing continuous supervision and guidance during the reporting period

☐ Applicable ☒ Not Applicable

Financial consultant engaged by the Company for providing continuous supervision and guidance during the reporting period

☐ Applicable ☒ Not Applicable

VI. Major Accounting Data and Financial Indicators

Whether the Company needs to make retrospective adjustment or restatement of the accounting data for prior years

☐ Yes ☒ No

	2024	2023	Increase or decrease over previous year	2022
Operating income (RMB)	14,795,453,293.25	10,929,992,802.32	35.37%	12,610,189,590.33
Net profit attributable to the shareholders of the listed company (RMB)	2,303,624,287.24	1,691,612,756.79	36.18%	1,419,854,709.56
Net profit after deduction of non-recurring profits and losses attributable to the shareholders of the listed company (RMB)	2,304,107,114.56	1,697,490,987.11	35.74%	1,454,938,974.78
Net cash flow from operating activities (RMB)	1,740,214,109.88	2,125,854,925.65	-18.14%	1,631,836,642.39
Basic earnings per share (RMB/share)	1.9286	1.4162	36.18%	1.2448
Diluted earnings per share (RMB/share)	1.9286	1.4162	36.18%	1.2448
Weighted average ROE	14.53%	11.89%	2.64%	12.31%
	End of 2024	End of 2023	Increase or decrease over end of previous year	End of 2022
Total assets (RMB)	23,104,639,375.15	19,683,797,271.17	17.38%	18,596,305,792.11
Net assets attributable to shareholders of the listed company (RMB)	16,402,655,855.37	14,847,980,075.62	10.47%	13,398,132,756.12

The lower of the Company's net profit before and after deducting non-recurring gains and losses for the most last three fiscal years was negative, and the most recent audit report indicated uncertainty regarding the Company's ability to continue as a going concern

☐ Yes ☒ No

The lower of net profit before and after deducting non-recurring gains and losses

☐ Yes ☒ No

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

1. Differences of net profit and net assets disclosed under International Accounting Standards (IFRS) and Chinese Accounting Standards (CAS) in the financial reports

☐ Applicable ☒ Not Applicable

There were no differences of net profit and net assets disclosed under International Accounting Standards (IFRS) and Chinese Accounting Standards (CAS) in the financial reports of the Company during the reporting period.

2. Differences of net profit and net assets disclosed under overseas accounting standards and Chinese Accounting Standards (CAS) in the financial reports

☐ Applicable ☒ Not Applicable

There were no differences of net profit and net assets disclosed under overseas accounting standards and Chinese Accounting Standards (CAS) in the financial reports of the Company during the reporting period.

VIII. Key Financial Indicators by Quarter

Unit: RMB

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating income	3,306,076,731.31	3,394,845,803.10	4,382,814,504.78	3,711,716,254.06
Net profit attributable to shareholders of the listed company	413,430,234.37	780,337,509.06	741,696,200.55	368,160,343.26
Net profit after deduction of non-recurring gains and losses attributable to the shareholders of the listed company	431,454,248.02	775,337,677.17	726,063,260.90	371,251,928.47
Net cash flows from operating activities	168,387,520.85	417,170,996.86	254,166,357.94	900,489,234.23

Are the above financial indicators or their totals significantly different from the relevant financial indicators disclosed in the Company's previously released quarterly or interim reports

☐ Yes ☒ No

IX. Items and Amounts of Non-recurring Gains and Losses

√ Applicable □ Not Applicable

Unit: RMB

Item	Amount in 2024	Amount in 2023	Amount in 2022	Note
Gains or losses on disposal of non-current assets (including write-off of provision for assets impairment)	-6,432,683.87	1,655,224.56	-24,332,379.79	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company and granted constantly affecting the Company's gains or losses in accordance with certain standards based on state policies)	23,560,230.06	30,311,586.83	46,471,430.13	
Gains or losses from changes in fair value of value and disposal of financial assets and liabilities held by non-financial enterprises, excluding those arising from hedging business related to the Company's normal operating activities	-17,827,609.62	-34,667,995.27	-66,784,931.44	
Profit or loss on entrusted investment management or of assets	7,328,187.39	1,915,298.69	2,368,356.03	
Reversal of impairment provision for		96,458.50		

accounts receivable subject to separate impairment testing				
Other non-operating revenue or expenditures	-2,501,418.31	-3,873,470.17	-12,290,983.36	
Other gains or losses in compliance with the definition of non-recurring gains or losses			12,733,584.83	
Less: Effect of income tax	2,142,850.29	-1,142,001.28	-9,422,034.54	
Non-controlling interest affected (after tax)	2,466,682.68	2,457,334.74	2,671,376.16	
Total	-482,827.32	-5,878,230.32	-35,084,265.22	--

Details of gain or loss items that fall into the category of non-recurring gains and losses:

☐ Applicable ☒ Not Applicable

The Company has no other gain or loss items that fall into the category of non-recurring gains and losses.

Notes for the situation that the non-recurring gain or loss items as illustrated in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Gains or Losses are defined as recurring gains or losses

☐ Applicable ☒ Not Applicable

None of non-recurring gain or loss items as illustrated in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Gains or Losses are defined by the Company as its recurring gains or losses during the reporting period.

Section III Discussion and Analysis of the Management

I. Industry Overview During the Reporting Period

The Company is mainly engaged in the tool industry, and its main products include Tools, power tools and industrial tools, which are mainly used in the fields of home maintenance, construction engineering, vehicle maintenance, surveying and mapping, etc. The home building, repair, and maintenance industry is the most important application channel with the highest proportion. Divided by end customers, its products can be divided into DIY tools and professional tools.

In North America and much of the Europe, due to the extensive use of detached houses and the large square footage per inhabitant, the repairing and maintenance cost of residential houses is high. Given the high cost of labor, residents in the Europe and North America prefer to repair and maintain houses and outbuildings on their own, giving rise to the popular DIY style in Western culture. Considering the large number of cars held by European and American families, the routine repair and maintenance tasks, including parts inspection and replacement, also play an important role in the DIY of the families. Various tools, such as repair and maintenance necessities, are highly needed by families in North America and Europe for professional and DIY purposes, which makes the Europe and North America the most important market with the highest share of tools in the globe.

Tool industry, the oldest industry, has been growing with the human society. For the past century, with the increasing industrialization, tools have been improved and refined steadily as a requisite support to manufacture supplies and commodities. Thanks to the rigid demand and stable replacement cycle, the sector of industrial tools has been growing steadily. Regardless of the financial crisis in 2008, the industry maintained stable upward momentum aligned with GDP growth after short-term fluctuations.

In 2024, the elevated interest rate in Europe and North America markets maintained significant downward pressure on housing transactions and industrial demand. The housing turnover rate in the North America reached a historic low against the sustained demand for housing repair and maintenance services, driving the marginal growth of nearly 1% for the industry within the year. From 2021 to 2024, the industry's compound annual growth rate (CAGR) remained below 1%, reaffirming the pronounced inhibitory impact of interest rates on industry demand. Notably, the North American tools market concluded a seven-quarter destocking for retailers in Q1 2024, with channel orders gradually aligning with end-user sales. Concurrently, the consumption downgrading among consumers, coupled with corporate pricing adjustment, spurred a significant year-on-year surge in order volumes.

The high interest rates in Western economies are expected to continue constraining end-user demand in 2025, and the reckless tariff barriers by the U.S. government introduces substantial uncertainty to industry development. The landscape of the sector, particularly the global supply chain architecture, is anticipated to witness drastic changes, which potential resurgence of inflation in the U.S., coupled with market expectations of Federal Reserve rate cuts to stabilize financial markets, thus creating a paradoxical scenario that may exacerbate systemic complexities. While the global tools market is projected to maintain stable growth in 2025, it is unlikely to return to the average growth rate of approximately 4% for the past two decades.

II. Principal Business of the Company during the Reporting Period

During the reporting period, the Company prioritized the development of consumer Tools and power tools for household use in Europe and North America, while vigorously developing its businesses of industrial tools. The Company stepped up its efforts on new product expansion on the global market. Its Original Design Manufacturer (ODM) business demonstrated robust recovery beyond expectations, while its Own Brand Manufacturing (OBM) business continued to gain market share and industrial tools sector sustained steady growth.

During the reporting period, the Company recorded an operating revenue of RMB 14,795.45 million, with a year-on-year increase of 35.37%. In 2024, the net profit attributable to shareholders

of the listed company totaled RMB 2,303,624,287.24, marking a 36.18% year-on-year growth, while the net profit excluding non-recurring gains and losses amounted to RMB 2,304,107,114.56, with a 35.74% year-on-year growth.

III. Core Competencies

1. Internationalization advantages

Through nearly a decade of dedicated efforts, the Company has established the most comprehensive global production and supply chain management system within the industry while fostering collaborative partnerships with over 1,000 global suppliers in order to enhance the operational resilience against reliance on any single country or internal production capacity in agile responses to market demands for timely fulfillment of large-scale orders. Amid volatile global trading trends, the Company leverages its well-managed warehousing, logistics, and distribution networks across China, the U.S., and Europe, coupled with 23 global manufacturing facilities, to execute global procurement, manufacturing, and distribution. Furthermore, our integrated global distribution and manufacturing system significantly reduces total landed costs (TLC) for production and purchase, enhancing end-market competitiveness while maintaining adaptability to various customer requirements and complex external environments. During the reporting period, the Company continued to reinforce the manufacturing capacity in Southeast Asia in active pursuit of optimal manufacturing solutions worldwide. Current efforts focus on accelerating the establishment of production bases in Mexico, Singapore, and Malaysia. The Company is rapidly evolving into a global resource-allocation enterprise that synergizes localized services in Western markets, global industrial chain manufacturing, and China-centric R&D and management capabilities.

2. Innovation advantage

Innovation has always been the core of the Company, while variety enrichment been the key driver for the growth. The Company has an experienced R&D team for professional tools and non-tool consumer goods, which has been committed to developing and innovating new products, upholding the concept that it's the details that make the difference in refining products in terms of functionality and added value, and working to ensure the long-term core competitiveness of the Company. During the reporting period, the Company invested RMB 366 million in R&D and developed 1,937 new products. Notable innovation was represented by woodworking tools, 20V cordless lithium-ion battery-powered tools and accessories, and smart tool storage solutions, all of which received strong market validation. The Company also executed extensive innovation in power tools, particularly lithium-ion battery-powered systems and secured orders for its 20V cordless tool series and accessories from a major U.S. retail corporation through cost-competitive and innovative offerings. Thanks to its innovation advantage, the Company has responded to and seized market opportunities in a timely manner, continued to gain market share and maintained long-term and stable development in the changeable global tool industry.

3. Brand advantages

The Company specializes in residential durables for households and industrial products for professionals. Brand is the most compelling guarantee for the Company to provide consumers with products and services over the long term, so the Company has been committed to building and developing its original brands. During the reporting period, the Company strategically prioritized self-owned brand development to strengthen the influence and market penetration of brands such as WORKPRO, DURATECH, EverBrite, and Prexiso, with revenue growth by 35.97% year-on-year. The brand advantage not only further enhances the international competitiveness of the Company's products, but also effectively improves the Company's gross profit margin and business stability, thus ensuring the long-term healthy development of the Company.

4. Channel advantages

The sales channels and the trust of clients are the basis for the continuous development of the Company. The Company's diversified product mix and sustained innovation capability can not

only satisfy the one-stop shopping demand of channel clients to the greatest extent possible, but also constantly reduce its procurement and management costs and improve the loyalty of its channel clients. The Company has been one of the largest suppliers of tools and storage to many large supermarket chains such as The Home Depot, Walmart and Lowe's in the US, Kingfisher in Europe and CTC in Canada. It has also expanded its product categories based on these clients. There are now more than 20,000 large supermarket chains worldwide that sell a wide range of the Company's products, including those for hardware, building materials and automotive parts. These channels effectively contribute to the rapid development of various innovative products of the Company. Through three parallel measures – direct cross-border e-commerce operations, acquisition of European and American distribution channels, and establishment of Asia-Pacific distribution channels, Great Star has effectively increased the proportion of direct-to-customer (DTC) business, prioritizing retail customer needs and directly reaching end retail customers. This has not only effectively enhanced the value proposition of individual products but has also provided firsthand client feedback to directly inform R&D. With the above-mentioned channel advantage, the Company is on track to continuously develop new products and expand product categories with good market prospects. It has achieved breakthroughs in some major product categories such as laser measurement, storage and power tools.

IV. Analysis of Principal Business

1. Overview

During the reporting period, the global demand for tools remained stable, with a notable recovery in maintenance and repair, boosting industry-wide growth. Following the destocking of downstream clients, the Company's order flow gradually aligned with end-market sales performance. Leveraging its competitive strengths, the Company developed a number of new product categories to secure new orders and exerted efforts to alleviate production capacity bottlenecks through the continued productivity increase in the Southeast Asia. Meanwhile, our cross-border e-commerce performance sustained rapid growth, while channel expansion in non-U.S. markets and owned brand development progressed, collectively enhancing profitability.

During the reporting period, the Company recorded an operating revenue of RMB 14,795.45 million, with a year-on-year increase of 35.37%. In 2024, the net profit attributable to shareholders of the listed company totaled RMB 2,303,624,287.24, marking a 36.18% year-on-year growth, while the net profit excluding non-recurring gains and losses amounted to RMB 2,304,107,114.56, with a 35.74% year-on-year growth. The performance of each business segment is as follows:

1. Tools

The Company pursued growth driven by brand and products, with cross-border e-commerce revenue maintaining a growth rate exceeding 45%. WORKPRO was solidified as a leading online tool brand, as part of the Company's strategy to increase market recognition and share. The further expansion of global distributor network accelerated the growth of self-owned brands in the markets out of the US, particularly within the countries and regions under the "Belt and Road" Initiative, further boosting profitability. The Company launched region-specific products tailored to the markets out of the US and refined existing lines to secure new orders. The capacity increase in the Southeast Asia further enhanced productivity of the Company, ensuring robust order fulfillment, with the revenue from tools growing by 40.46% year on year.

2. Power Tools

During the reporting period, the Company achieved a significant breakthrough in its 20V lithium battery power tools. This is the first time that the Company has achieved a breakthrough in mainstream products of mainstream markets since the Company has included the power tool business as one of the focus business segments in its development strategies. Meanwhile, the Company has laid a solid foundation for investing in the production of power tools in several countries around the world and the subsequent large-scale development of its power tools. The year-on-year growth of power tools reached 36.53%.

3. Industrial tools

During the reporting period, the development of new industrial tools was much slower than that of consumer tools due to the long development cycle of industrial tools, the investment in the global industrial sector continued to decline year on year, and the European economy experienced a slow recovery. As a result, the growth rate of the Company's industrial tool business lagged behind the average growth rate of the Company's business. The year-on-year growth of industrial tools amounted to 22.14%.

2. Revenue and costs

(1) Composition of operating revenue

Unit: RMB

	2024		2023		YoY increase or decrease
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	14,795,453,293.25	100%	10,929,992,802.32	100%	35.37%
By industry					
Tools and hardware	14,735,499,758.36	99.59%	10,865,309,434.63	99.41%	35.62%
Other income	59,953,534.89	0.41%	64,683,367.69	0.59%	-7.31%
By product					
Tools	10,068,822,637.63	68.05%	7,168,642,478.60	65.59%	40.46%
Power tools	1,437,910,630.20	9.72%	1,053,210,164.69	9.64%	36.53%
Industrial tools	3,228,766,490.53	21.82%	2,643,456,791.34	24.19%	22.14%
Other income	59,953,534.89	0.41%	64,683,367.69	0.59%	-7.31%
By region					
America	9,386,789,108.12	63.44%	6,968,627,907.78	63.76%	34.70%
Europe	3,645,853,524.62	24.64%	2,791,945,594.80	25.54%	30.58%

Other	1,001,929,091.21	6.77%	479,301,687.92	4.39%	109.04%
Domestic (China)	700,928,034.41	4.74%	625,434,244.13	5.72%	12.07%
Other income	59,953,534.89	0.41%	64,683,367.69	0.59%	-7.31%
By sales model					
OBM	7,090,396,049.91	47.92%	5,214,848,471.29	47.71%	35.97%
ODM	7,645,103,708.45	51.67%	5,650,460,963.34	51.70%	35.30%
Other income	59,953,534.89	0.41%	64,683,367.69	0.59%	-7.31%

(2) Industries, products, regions, or sales models that account for more than 10% of operating revenue or operating profit

√ Applicable □ Not Applicable

Unit: RMB

	Operating income	Operating cost	Gross margin	YoY increase or decrease in operating income	YoY increase or decrease in operating cost	YoY increase or decrease in gross margin
By industry						
Tools and hardware	14,735,499,758.36	10,013,591,820.11	32.04%	35.62%	34.90%	0.36%
By product						
Tools	10,068,822,637.63	6,837,963,556.46	32.09%	40.46%	40.21%	0.12%
Power tools	1,437,910,630.20	1,095,217,050.13	23.83%	36.53%	29.99%	3.83%
Industrial tools	3,228,766,490.53	2,080,411,213.52	35.57%	22.14%	22.11%	0.02%
By region						
America	9,386,789,108.12	6,477,442,514.63	30.99%	34.70%	33.81%	0.45%

Europe	3,645,853,524.62	2,363,742,617.76	35.17%	30.58%	29.88%	0.36%
By sales model						
OBM	7,090,396,049.91	4,561,848,066.61	35.66%	35.97%	26.90%	4.60%
ODM	7,645,103,708.45	5,451,743,753.50	28.69%	35.30%	42.41%	-3.56%

Under the circumstances of statistical standard adjustment for the Company's principal business data in the reporting period, the Company's principal business data in the latest one year were adjusted based on the statistical standard at the end of the reporting period

√ Applicable □ Not Applicable

Unit: RMB

	Operating income	Operating cost	Gross margin	YoY increase or decrease in operating income	YoY increase or decrease in operating cost	YoY increase or decrease in gross margin
By industry						
Tools and hardware	14,735,499,758.36	10,013,591,820.11	32.04%	35.62%	34.90%	0.36%
By product						
Tools	10,068,822,637.63	6,837,963,556.46	32.09%	40.46%	40.21%	0.12%
Power tools	1,437,910,630.20	1,095,217,050.13	23.83%	36.53%	29.99%	3.83%
Industrial tools	3,228,766,490.53	2,080,411,213.52	35.57%	22.14%	22.11%	0.02%
By region						
America	9,386,789,108.12	6,477,442,514.63	30.99%	34.70%	33.81%	0.45%
Europe	3,645,853,524.62	2,363,742,617.76	35.17%	30.58%	29.88%	0.36%
By sales model						

OBM	7,090,396,049.91	4,561,848,066.61	35.66%	35.97%	26.90%	4.60%
ODM	7,645,103,708.45	5,451,743,753.50	28.69%	35.30%	42.41%	-3.56%

Reasons for adjusting statistical methods

The adjustment aligns with the data statistical methods disclosed by international peers and reflects the current growth position of the Company, in a bid to facilitate the comprehension by investors of the Company's business development trajectory.

(3) Whether physical sales revenue exceeds service revenue

Yes ☐ No

Industry classification	Item	Unit	2024	2023	YoY increase or decrease
Tools and hardware	Sales volume	PCS	491,820,869	467,668,618	5.16%
	Production volume	PCS	510,146,746	465,149,330	9.67%
	Inventory volume	PCS	139,751,851	121,425,975	15.09%

Reasons for changes of 30% or more in related data

☐ Applicable ☒ Not Applicable

(4) Performance status of significant sales contracts and major procurement contracts signed by the Company as of the end of this reporting period

☐ Applicable ☒ Not Applicable

(5) Composition of operating costs

Industry and product classification

Industry and product classification

Unit: RMB

Industry classification	Item	2024		2023		YoY increase or decrease
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Tools and hardware	/	10,013,591,820.11	99.55%	7,423,231,250.13	99.59%	34.90%

Other operating costs	/	45,246,763.47	0.45%	30,890,842.06	0.41%	46.47%
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Unit: RMB

Product classification	Item	2024		2023		YoY increase or decrease
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Tools	/	6,837,963,556.46	67.98%	4,876,983,279.64	65.43%	40.21%
Power tools	/	1,095,217,050.13	10.89%	842,556,568.56	11.30%	29.99%
Industrial tools	/	2,080,411,213.52	20.68%	1,703,691,401.94	22.86%	22.11%
Other operating costs	/	45,246,763.47	0.45%	30,890,842.06	0.41%	46.47%

Note

None

(6) Whether there have been changes in the consolidation scope during the reporting periodYes ☐ No

For details, please refer to the Section 10 (9).

(7) Details regarding significant changes or adjustments in the Company's business, products, or services during the reporting period☐ Applicable ☒ Not Applicable**(8) Overview of main sales clients and main suppliers**

Main sales clients of the Company

Total sales amount from top five clients (RMB)	7,209,153,924.65
Proportion of total annual sales from top five clients	48.73%
Proportion of related party sales in sales from top five clients to total annual sales	0.00%

Information of top five clients

No.	Client name	Sales amount (RMB)	Proportion of total annual sales
1	1st	3,292,682,832.93	22.25%
2	2nd	1,735,016,590.45	11.73%
3	3rd	1,423,437,268.36	9.62%
4	4th	475,265,435.28	3.21%
5	5th	282,751,797.63	1.91%
Total	--	7,209,153,924.65	48.73%

Additional information about main clients

☐ Applicable ☒ Not Applicable

Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	426,986,626.80
Proportion of total annual purchases from top five suppliers	5.56%
Proportion of related party purchases in purchases from top five suppliers to total annual purchases	0.00%

Information of top five suppliers

No.	Supplier name	Purchase amount (RMB)	Proportion of total annual purchase
1	1st	99,166,746.63	1.29%
2	2nd	98,283,455.51	1.28%
3	3rd	77,455,929.53	1.01%
4	4th	76,319,696.42	0.99%
5	5th	75,760,798.71	0.99%
Total	--	426,986,626.80	5.56%

Additional information about main suppliers

☐ Applicable ☒ Not Applicable

3. Expenses

Unit: RMB

	2024	2023	YoY increase or decrease	Explanation of significant change
Selling expenses	974,899,236.57	851,283,975.98	14.52%	The increase in sales expenses is mainly due to the increase in expenditures on personnel salaries, advertising and promotion expenses, as well as office expenses
Administrative expenses	917,903,108.55	776,183,642.34	18.26%	The increase in administrative expenses was primarily attributable to the rising expenditures on employee remuneration, office expenses, and consulting fees.
Financial expenses	-131,245,920.88	-207,501,523.06	36.75%	Foreign exchange rate volatility resulted in the reduction of exchange gains under financial expenses.
R&D expenses	366,158,892.23	322,536,093.62	13.52%	The growth in R&D expenses was mainly driven by the increase of R&D investment during the current period.

4. Research and development investment

☒ Applicable ☐ Not Applicable

Name of main research development project	Project purpose	Project progress	Intended goals	Expected impact on Company's future development
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R&D of Walnut Dual-Tone Installation Hammer	To add new specifications	Completed	To enhance product diversity to meet customer demands	To expand product lines, increase corporate profits, and boost revenue
R&D of London-Style and Philadelphia-Style Brick Trowel Series	To add new specifications	Completed	To enhance product diversity to meet customer demands	To expand product lines, increase corporate profits, and boost revenue
R&D of SK Series Integrated Efficiency Hammer	To add new specifications	Completed	To enhance product diversity to meet customer demands	To expand product lines, increase corporate profits, and boost revenue
Universal-Jaw Pump Plier (8-12 inch) R&D Project	The adjustable jaw teeth enable universal clamping by adapting to angled surfaces within a defined range, which addresses the limitations of single-tooth designs and significantly improves practicality.	Completed	The premium pump plier is marketed to SK Corporation in the US and other high-end clients for New Year promotion. Stable orders are expected upon successful trial.	Stable market orders are anticipated.
Opal Wrench R&D Project	To meet customers' needs, the Company developed a 6-inch large-opening adjustable wrench, 4-inch/7-inch dual-row teeth pump pliers, and 7-inch/10-inch/12-inch shift-free translational pump pliers. The opening range and shift functionality of the wrenches and pliers surpass those of conventional products, offering superior practicality.	Completed	This product line targets high-end clients, with expected stable market orders and strong profitability after launch.	Stable market orders are anticipated.
SK Dual-Row Teeth Translational Pliers R&D Project	To fulfill market demands, the Company developed a 6-inch	Completed	This product line targets high-end clients, with expected stable	Stable market orders are anticipated.

	translational plier featuring a dual-row teeth button-operated shift mechanism, differing slightly from prior designs for enhanced usability and practicality.		market orders and strong profitability after launch.	
4" Mini Bend Pump Plier	To develop a 4" Mini Bend Pump Plier in line with purchase requirements, featuring innovative styling, portability, and advanced injection molding for streamlined production.	Completed	This product line targets high-end clients, with expected stable market orders and strong profitability after launch.	Stable market orders are anticipated.
2.5-inch Injection-Molded Adjustable Wrench	To develop a 2.5-inch Injection-Molded Adjustable Wrench as per purchase requirements, featuring novel design, compact form, and efficient injection molding processes.	Completed	This product line targets high-end clients, with expected stable market orders and strong profitability after launch.	Stable market orders are anticipated.
R&D of Single-Photon Array High-Precision 3D Laser Imaging System	To develop a 3D laser scanning platform for construction measurement applications.	Completed	Specifications: 10mm precision, less than 2 minutes in scanning, 50m operating radius.	To expand product lines
Application and research and development of high-precision new long-focal-length optical path system platform for line and point projection instruments	The Company optimized optical path and structural design to enhance performance and reliability.	Completed	30mm focal length, 2mm/10m accuracy, and modular architecture.	To upgrade the existing product platform to capture additional market share and facilitate automated production.
System application and research and	To develop an indoor rapid layout	Completed	Specifications: 3mm positioning	To expand product lines

development of 2D/3D laser ranging with intelligent receivers equipped with high-precision position/angle sensors	laser positioning system.		accuracy, 30m operating radius, and simplified operating system.	
Application and research of automatic assembly technology for plastic handle tail nails	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
R&D of Robotic-based Vertical Tray Injection Molding Process and Equipment	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
PVC Scraper Blade Molding Process Development	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Research on vacuum cleaner nozzles with pet	Effectively completing the combing and collection of pet	Completed	Effectively completing the combing and collection of pet	To increase revenue

brushes	hair		hair	
Development of vacuum cleaners suitable for use in dark environments	Enabling lighting functions of vacuum cleaners	Completed	Enabling lighting functions of vacuum cleaners	To increase revenue
High-Lumen, High-Power Lighting Equipment with Polymer-Graphene Composite Phase-Change Thermal Management	To improve heat dissipation for longer product lifespan.	Completed	To improve heat dissipation for longer product lifespan.	To increase revenue
EPS+ TPE-Absorbing Material for Power Tools	To enhance fatigue resistance and service life.	Completed	To enhance fatigue resistance and service life.	To increase revenue
R&D of High-Altitude Vacuum Cleaners and Accessories	To satisfy the demands for cleaning at height.	Completed	To satisfy the demands for cleaning at height.	To increase revenue
Noise-Reduction Structure Design for Vacuum Cleaners	To reduce noise.	Completed	To reduce noise.	To To expand product lines
Quick-Connection Inlet Design for Vacuum Cleaners	To improve efficiency.	Completed	To improve efficiency.	To increase revenue
R&D of High-Efficiency Turbocharged Vacuum Cleaners with Enhanced Safety	To improve efficiency.	Completed	To improve efficiency.	To increase revenue
R&D of Novel Vacuum Cleaner Accessory Storage Solutions	To add storage features.	Completed	To add storage features.	To increase revenue
Research and development of novel anti-slip offset spanner	This novel anti-slip offset spanner, based on the conventional hexagonal design,	Completed	This anti-slip offset spanner effectively prevents slipping during bolt tightening and	To have the potential for market share.

	incorporates grooves on three sides to enhance bolt anti-slip functionality		loosening processes, achieving good anti-slip results and potentially capturing a certain market share upon sales	
Anti-Slip Ratchet Wrench R&D	To modify the traditional 12-point ratchet end to a 6-point hexagonal design with anti-slip teeth to enhance grip during use.	Completed	The anti-slip ratchet wrench features both functionality and aesthetics, expected to secure market share and To increase sales revenue.	To increase the Company's sales revenue.
R&D of Composite Oil Pipe Horn Head Wrench	To develop a wrench compatible with oil pipe bolts (sizes 8- 32), featuring rapid swap of torque rod heads to streamline installation/removal .	Completed	The horn head wrench is easy to use with certain market share in oil pipe tools and boosting revenue and profit.	To increase the Company's sales revenue and profit.
R&D of Multi-Function Sink Wrench	To be equipped with auto-clamping fixed/movable heads and retractable handles for confined spaces, reducing effort during operations like dismantling and installation.	Completed	This design helps enhance efficiency, thus securing market share in plumbing tools and improving corporate profitability.	To improve corporate profitability.
R&D of Dedicated C-Shaped Wrench	The C-shaped design enables tightening or loosening connectors in narrow spaces or specific angles.	Completed	Its unique form and application spaces embody utility and innovation, which is expected to garner certain market share.	To have the potential for market share.
R&D of New 180P Anti-Slip Ratchet Wrench	The wrench features upgraded S-jaw with anti-slip teeth and V-shaped structure and 180-tooth ratchet with 6-tooth	Completed	The wrench, designed with high torque and slip resistance on both ratchet wheel and S jaw, elevates traditional ratchet	To have the potential for market share.

	engagement for high torque and slip resistance.		standards, which is expected to secure market share after launch.	
Smart Tool Management System	Developing intelligent blade tool management equipment	Completed	Developing intelligent blade tool management equipment	To increase corporate profit/increase revenue/secure stable market orders.
Ultra-High-Power Professional Blast Furnace (10KW)	Developing the ultra-high-power professional-grade blast furnace (10KW)	Completed	Developing the ultra-high-power professional-grade blast furnace (10KW)	To increase corporate profit/increase revenue/secure stable market orders.
Industrial Heavy-Duty Toolbox	Developing industrial-grade heavy-duty toolboxes	Completed	Developing industrial-grade heavy-duty toolboxes	To increase corporate profit/increase revenue/secure stable market orders.
Multi-Function Outdoor Patio Heater	To develop multi-Function outdoor patio heater.	Completed	To develop multi-Function outdoor patio heater.	To increase corporate profit/increase revenue/secure stable market orders.
Application of Electronic Focus Adjustment Technology in Lighting Fixtures	Enhance product functionality or performance	Completed	Developing new products to enhance product manufacturing technology.	To stabilize the market and strengthen competitiveness.
Development of High-Brightness Remote-Controlled Laser Level with External Lithium Battery	Enhance product functionality or performance	Completed	Developing new products to enhance product manufacturing technology.	To stabilize the market and strengthen competitiveness.
Development of Distance-Scoping Binoculars with Built-In OLED Display	Enhance product functionality or performance	Completed	Developing new products to enhance product manufacturing technology.	To stabilize the market and strengthen competitiveness.
R&D of X-Shaped	During operation,	Completed	The X-shaped	To increase product

Rapid-Replacement Fixed Knife	the blade mechanism moves along dual-track blade-guiding rails, which can effectively prevent jamming or detachment, thereby ensuring reliable blade-swapping performance. This utility knife enables blade replacement without disassembling the knife body or accessing a backup blade, achieved solely by operating the pusher head of the blade mechanism, albeit with a structurally complex design. Existing manual knives require overly intricate structures for rapid blade replacement. To address this issue, a simplified rapid-swap fixed knife is requisite and hereby presented.		rapid-replacement fixed knife features a swingable blade holder on the handle, restricted between an expansion position and a retraction position. The blade holder contains a blade placement slot at its front and a blade storage unit at its rear. In the expansion position, the blade slot rotates outward from the handle's ventral side, while the storage unit extends from the dorsal side. In the retraction position, both components retract into the handle. To replace the blade, it is simple to rotate the blade holder to expose both the placement slot and storage unit, streamlining blade replacement operations. After replacement, closing the storage unit automatically returns the holder to its collapsed state, improving efficiency.	lines/advance automation production/enhance product line diversity/raise corporate profits/boost revenue/secure stable market orders/strengthen product competitiveness/optimize product usage structure
R&D of Quick-Open Auto-Loading Blade Utility Knife	To resolve the inefficiency of conventional utility knives (frequent replacement of blades required for diverse tasks due to the configuration of a single blade), a quick-open auto-loading blade utility knife has been developed,	Completed	This design incorporates the first and second blade holders in parallel within the housing, along with a toggle mechanism that selectively engages the pusher assembly to drive either holder. By toggling the mechanism, the	To increase product lines/advance automation production/enhance product line diversity/raise corporate profits/boost revenue/secure stable market orders/strengthen product competitiveness/opt

	enabling users to replace blades on demand.		pusher assembly moves the desired blade holder, extending the selected blade from the housing. This project allows mounting different blade types on separate holders and enables dual-blade operation within a single tool without the redundancy of two blades, thus lowering costs. Alternatively, identical blades can be installed on different holders for immediate replacement when one blade is worn or damaged.	imize product usage structure
R&D of Retractable Knife High-Pressure-Resistant Structure	It is a novel retractable knife with adjustable length during operation, with automatic retraction into the handler for the purpose of high safety.	Completed	The high-pressure-resistant structure of the knife comprises: Knife housing with an internal cavity; blade exit port at the housing front and connected to the cavity; blade holder movable or lockable within the housing; blade mounted on the holder aligned with the exit port; holder drive mechanism for blade extension/retraction ; and extension control device to adjust blade length after protrusion.	To increase product lines/advance automation production/enhance product line diversity/raise corporate profits/boost revenue/secure stable market orders/strengthen product competitiveness/optimize product usage structure
R&D of High-Wear-Resistant and Eco-Friendly Nylon Material for Utility Knives	Most power tool housings are made of nylon. As demand grows for lightweight	Completed	The design comprises 1- 2 pieces of cyclohexane, 5- 7 pieces of ethyl	To increase product lines/advance automation production/enhance product line

	structural materials amid market development, there is an increasing requirement on nylon's strength, heat/cold resistance, and processability. Nylon is a tough, durable, and lightweight material with advantages in enhancing the strength of nylon housings. The design addresses the issue that existing electric tool housings, predominantly made of nylon, become brittle and fracture under prolonged dry and low-temperature environment due to dehydration. Such housings are prone to chipping or breaking under external forces, which impacts the production efficiency of electric tools and increases hazards for operators.		stearate, 3- 4 pieces of maleic anhydride, 1- 2 pieces of bisphenol A liquid epoxy resin, 50- 70 pieces of nylon resin, 20- 40 pieces of glass fiber, 0.2- 1 piece of antioxidant, 0.2- 1 piece of lubricant, and 0.1- 1 piece of pigment. The long glass fiber-reinforced nylon composite matrix in this project exhibits high impact performance, significantly reducing the need for toughening agents while meeting relevant product performance requirements.	diversity/raise corporate profits/boost revenue/secure stable market orders/strengthen product competitiveness/reduce scrap rates.
R&D of Novel Eco-Friendly Oxidation Technology for Aluminum Alloys	The existing surface treatment process for aluminum alloy anodic oxidation utilizes surface reactions between boiling water and micro-arc oxidation coatings to generate metal oxide precipitates in the pores, ensuring sealing effects that significantly enhance corrosion resistance. While this sealing method effectively	Completed	The novel eco-friendly oxidation technology for aluminum alloys involves the following steps: Place the aluminum alloy workpiece in a vacuum furnace for calcination and annealing; use a cotton cloth soaked with a degreasing agent to wipe the aluminum alloy surface for oil removal; immerse	To increase product lines/advance automation production/enhance product line diversity/raise corporate profits/boost revenue/secure stable market orders/strengthen product competitiveness/reduce scrap rates.

	improves the corrosion resistance of the oxidation coatings, the increasing demand for smaller pore sealing dimensions in aluminum alloys necessitates a more advanced anodic oxidation surface treatment process with superior anticorrosion performance.		the decreased aluminum alloy workpiece in a container filled with alkaline solution for three to six minutes while maintaining the alkaline solution temperature above 75°C; place the pre-treated aluminum alloy workpiece in a container with acidic electrolyte and use stainless steel or titanium alloy as the cathode, with stirring to assist the reaction; apply a constant current density of 2 A/dm ² to the acidic electrolyte for 50–55 minutes, followed by rinsing with deionized water and air-drying; immerse the aluminum alloy workpiece in an ammonium hexafluorotitanate solution (35 g/L) for a specified duration to perform pore sealing, with the solution temperature controlled at 50±3°C; and the remove the aluminum alloy workpiece after the sealing duration and dry it.	
R&D of an Automatic Feed Pipe Cutting Tool	To address existing technical challenges, an automatic feed pipe cutting tool is developed for automated feeding, thereby overcoming	Completed	The automatic feed pipe cutting tool comprises a cutting blade, a blocking assembly, a cam, and an elastic component. The blocking assembly	To increase product lines/advance automation production/enhance product line diversity/raise corporate profits/boost

	the limitations of current technologies.		is positioned opposite the cutting blade, with both the blocking assembly and cutting blade sheathed on the pipe, and features a guide slot, into which the curved surface of the cam is embedded. The elastic component drives the cam to push the blocking assembly toward the cutting blade. With the support of the rebound force of the elastic component, it is able to drive cam rotation, thereby advancing the blocking assembly toward the cutting blade for automatic feeding. This design simplifies the structure, streamlines operational procedures, and enhances production efficiency.	revenue/secure stable market orders/strengthen product competitiveness/optimize product usage structure
R&D of a Detector Integrating Remote Control and High-Precision Detection Functions	The client requires the development of a detector with bidirectional digital display capabilities, while integrating both remote control and high-precision detection performance. Meanwhile, cost savings is also required through redesign of the contact interface.	Completed	A detector integrating bidirectional digital display function is developed, fracturing the convenience of remote control over long distances and high-precision detection. By optimizing the contact interface design, this project aims to effectively reduce costs without compromising performance, thereby enhancing	The optimized product has more diversified functions with improvements in both precision and adaptability, which are expected to earn more users, thus enhancing the Company's market competitiveness and driving growth in sales revenue and operating profits.

			the cost-effectiveness and market competitiveness of the product.	
R&D of a Gradient Leveling Instrument with Dual-Axis Horizontal/Vertical Tracking and Locking Functions	This project highlights the integration of horizontal and vertical dual-axis tracking and locking functions to address the limitations in operational flexibility and accuracy of current universal detectors in the field of laser measurement.	Completed	It enables precise locking of host motor speed channel data to enhance product accuracy and efficiency. Through hardware-software co-optimization, host software is developed to control the speed motor via software for precise switch between target speeds. The display supports multiple languages.	With the increasing demand for remote control and high-precision detection technology in leveling instrument industry, the product under this project is expected to be widely applied across measurement industries and related fields. Such extensive applicability brings the product significant market potential, thereby ensuring the economic viability for the project.
R&D of a Toolbox Capable of Accommodating Larger Tripods and Outdoor Portability	This project aims to address specific client requirements by developing an innovative toolbox. The design centers on enhanced capacity and portability: It can accommodate the host engine and accessories and support storage of larger tripods with optimized internal space.	Completed	To improve portability, flexibility, and ergonomic comfort, optimize universal compatibility with tripod models, and guarantee cost-performance balance.	To integrate two types of tripods, the overall toolbox volume, bayonet quantity, and embedded structural area must be increased. Despite the increasing dimensions, lightweight design is maintained through structural and material optimization, while enhancing product applicability and cost-effectiveness. Such technical achievements significantly improve product performance and functionality and strengthen market competitiveness and

				user satisfaction, laying a solid foundation for the Company in boosting laser measurement technologies.
R&D of a Leveling Instrument with One-Key High-Speed Rotation Function	This project is dedicated to developing a market-driven innovative leveling instrument to meet urgent client demands for high precision, high rotational speed, and multi-scenario adaptability. A groundbreaking one-key high-speed rotation function is designed and integrated to enable the leveling instrument to rapidly achieve a high speed of 10RPS), thus enhancing measurement efficiency and response speed to satisfy users' requirements for rapid measurements.	Completed	To achieve high adaptability to outdoor environments, maintain measurement accuracy, ensure compatibility with diverse battery types, and realize one-key high-speed rotation.	With the increasing demand for simple operation and high-precision detection technology in leveling instrument industry, the product under this project is expected to be widely applied across measurement industries and related fields. Such extensive applicability brings the product significant market potential, thereby ensuring the economic viability for the project. Through optimization of hardware and software, product performance and stability are successfully enhanced while reducing production costs. Such technical advantages offer the product stronger market competitiveness, enabling it to earn more clients and market share.
R&D of a High-Precision Gradient Leveling Instrument with Automatic Compensation	This project aims to develop a high-precision, intelligent, and multi-functional gradient leveling	Completed	It is requisite to maintain ultra-high measurement accuracy, gain wider operational range of standard	The research outcomes exhibit broad application prospects and substantial market potential,

Function	instrument to meet urgent market demands for advanced measurement tools. Key features are high-precision automatic compensation, extended operational/remote control range, high-efficiency driving capabilities, and top-tier waterproof performance.		leveling instruments with remote control capabilities, achieve high-speed scanning, upgrade communication systems by intelligent means, and attain the top-rated waterproof performance.	effectively addressing cross-industry demands for high-precision gradient leveling instruments with automatic compensation. With marketing advancement, the product is expected to generate significant economic benefits and substantially increase market share, injecting robust momentum into the Company's sustainability.
R&D of a Leveling Instrument with Dual-Slope Memory, Compatibility with Three Lithium Batteries of Different Voltages, and Low-Voltage Detection via Sensor	This project aims to meet the diversified requirements for leveling instruments across different application scenarios, particularly from Makita Corporation, by developing a comprehensive and high-performance instrument.	Completed	It has made several key achievements: X/Y dual-slope memory technology under dual manual modes; multi-voltage power management compatibility; multi-button iterated functions with low-voltage detection; maintenance of high-precision measurement capabilities.	With increasing demands of the construction industry for leveling instruments featuring dual-slope memory, compatibility with multiple lithium battery models/voltages, and low-voltage detection via sensors, the product under this project is expected to be widely applied in measurement and related fields. The built-in intelligent algorithms and functionalities are further enhanced. Through hardware and software optimization, product performance and stability are improved while offering users broader battery compatibility options. Such

				technical advantages offer the product stronger market competitiveness, enabling it to earn more clients and market share.
R&D of Automatic Flat Polishing Process for Wrenches	To guarantee flat and uniform thickness on wrench surfaces through polishing.	Completed	To enhance surface finish and thickness uniformity after polishing.	To improve product quality and increase economic efficiency.
R&D of Portable Stainless Steel Digital Calipers	Designed for easy portability in pockets or small tool kits.	Completed	To expand product lines	To expand product lines/raise corporate profit/increase revenue/secure stable market orders.
R&D of High-Protection Stainless Steel Digital Calipers	To expand brand product offerings.	Completed	To expand product lines	To expand product lines/raise corporate profit/increase revenue/secure stable market orders.
R&D of Dustproof and Waterproof Digital Outside Micrometers	To expand brand product offerings.	Completed	To expand product lines	To expand product lines/raise corporate profit/increase revenue/secure stable market orders.
R&D of Mobile Blade Square based on Drafting Measurement	To enhance product competitiveness.	Completed	To expand product lines	To expand product lines/raise corporate profit/increase revenue/secure stable market orders.
Application of Liquid High-Efficiency IPBC (C8H12NO2I) in Tool Kits	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
R&D and Application of High-Energy Contour Profiling	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing	To stabilize market, expand customer base, enhance market

Thermal Processing in Woodworking F-Clamps			technology	competitiveness
R&D and Application of High-Efficiency Bidirectional Inverters in Energy Storage Products	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
R&D and Application of High-Rate, High-Capacity Batteries in Power Tools	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
Application of Black Nickel Coating on Premium Hardware Tools	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
Application of Nylon-Fiberglass Composites in Insulated Tools	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
Application of Excimer Precision Laser Engraving Technology in Cutting Tools	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
Application of Ambient Light Sensors in Lighting Fixtures	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
Application of Polyamide Bead Foam in Vacuum Cleaner Products	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
R&D and Application of Forged Aluminum Alloy Materials in Hammers	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness

R&D and Application of Magnetic Switch Metal Detection Technology in Cutting Tools	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
R&D and Research of Smart Gas-Spring-Powered Lithium-Ion Nail Guns	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
Application of Laser Welding Technology in Toolkits	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
R&D and Application of Acetic Acid-Based Materials in Tool-based Products	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
R&D of Hard-Sheet Thermoforming Technology for Tools	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
R&D of High-Precision Dual-Frequency Wide-Imaging-Range Technology in Laser Measurement Products	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
R&D of High-Precision Tri-Function Digital Measurement Instruments based on Hall Sensor Technology	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
Application of Fully Electric Precision Injection Molding Technology in	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness

Tools				
Profound Implementation of U9ERP Supply Chain	Enhancing system functionality and operational efficiency	Completed	To meet business demands in various modes.	To meet business demands in various modes.
CRM System Project	Enhancing system functionality and operational efficiency	Completed	To meet business demands in various modes.	To meet business demands in various modes.
The development and industrialization of 3D visual sensor with high-resolution and large imaging range	Enhance product functionality or performance	Completed	Develop new products, and enhance product manufacturing technology	To stabilize market, expand customer base, enhance market competitiveness
Development of high waterproof grade handheld high-power LED lighting fixtures	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Design and application of automatic feeding multi-position progressive die for sheet metal parts	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Research and Design of High-Power Energy-Efficient LED Driver	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure

Circuits				stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Metal Powder Injection Molding (MIM) Technology Process	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Design and Application of Multi-Station Precision Progressive Dies	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Research on Key Technologies for High-Performance Impact-Resistant Blistering	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Research on High-Frequency Quenching Process and Performance of Handheld F-Clamp	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost

Force Amplifier Bars				revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
High-precision near-distance scanning mapping laser sensing detection device	Developing a high-precision mapping laser product with millimeter-level accuracy for digital modeling in the construction industry	Completed	To develop new products and exploit new application scenarios.	To increase mass production of company products, expand production lines, and enhance product competitiveness
Redundant safety near-distance scanning perception laser sensing detection device	Developing a safety radar	Completed	To develop new products and exploit new application scenarios.	To increase mass production of company products, expand production lines, and enhance product competitiveness
Small pure solid-state near-distance scanning perception laser sensing detection device	Developing a C-series laser radar for low-cost commercial laser radar applications	Completed	To reduce production costs of the Company.	To increase mass production of company products, expand production lines, and enhance product competitiveness
Low-Cost Laser Sensing and Detection Device for Universal Platform	To develop a universal platform-based low-cost LiDAR.	Completed	To reduce production costs of the Company.	To increase mass production of company products, expand production lines, and enhance product competitiveness
High-Frequency High-Precision Positioning Laser Sensing and Detection Device	To develop a high-frequency, high-precision positioning LiDAR.	Completed	To meet diversified market demands.	To increase mass production of company products, expand production lines, and enhance product competitiveness
The development and industrialization of	Developing new products	Completed	Developing new products	To stabilize market presence and

3D visual sensor with high-resolution and large imaging range				acquire new clients.
Development of CBN Grinding Wheel Dressing Technology for Saw Blades	Enhance product functionality or performance	Completed	To enhance product functionality.	To stabilize market orders.
Development of Automatic Feeding System for Saw Blade Grinding	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further enhance automation in production
R&D of Sharpness and Lifespan Testing Technology for Saws	Enhance product functionality or performance	Completed	To enhance product functionality.	To stabilize market orders.
R&D of Automatic Visual Marking Technology	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further enhance automation in production
R&D of Modular Torque-Amplifying Ratchet Wrenches	Enhance product functionality or performance	Completed	To enhance product functionality.	To stabilize market orders.
Research on Robotic Polishing, Sanding, and Fixturing Processes	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further enhance automation in production
Research on Multi-Blade Single-Edge Grinding Process for Blades	Saving labor costs and improving production efficiency	Completed	Saving labor costs and improving production efficiency	To further enhance automation in production
R&D of an Intelligent Automated Guided Vehicle	Developing new products	Completed	Developing new products	To expand market presence and increase order volume.
R&D of an Intelligent Voice-Activated Tool Cart	Developing new products	Completed	Developing new products	To expand market presence and increase order volume.
Research and development of	Developing new	Completed	Developing new	To expand market presence and

radar sensing tool carts	products		products	increase order volume.
R&D of a Large Detachable Handcart	Developing new products	Completed	Developing new products	To expand market presence and increase order volume.
R&D of an Infinitely Adjustable Rear Lock for Toolkit Cabinets	Developing new products	Completed	Developing new products	To expand market presence and increase order volume.
R&D of Rapid Spatial Expansion Technology for Tool Carts	To improve product performance.	Completed	To improve product performance.	To expand market presence and increase order volume.
R&D of Thermoforming Technology for Sheet Metal Cabinets	To improve product performance.	Completed	To improve product performance.	To expand market presence and increase order volume.
R&D of Anti-Tip Toolkits	Developing new products	Completed	Developing new products	To expand market presence and increase order volume.
R&D of Electrically Adjustable Toolkits	Developing new products	Completed	Developing new products	To expand market presence and increase order volume.
R&D of Light-Sensitive Smart Tool Cabinets	Developing new products	Completed	Developing new products	To expand market presence and increase order volume.
R&D of Solar-Powered Charging Cabinets	Developing new products	Completed	Developing new products	To expand market presence and increase order volume.
Automatic Screwdriver	To develop automatic fastening tools.	Completed	To introduce new tools for wider range of products.	To expand product portfolio and increase market share in assembly screws.

Skater Vario	To develop a new semi-automated trolley with standardized modular variations.	Completed	To upgrade existing tools to enhance customer satisfaction.	To increase sales and maintain the existing market share
Automatic Configurator	To develop a front/backend tool to reduce labor in automatic order processing.	Completed	To reduce administrative workload.	To lower administrative costs/overheads.
New Font and Partition Materials	To ensure that partition materials are manufactured with new machinery (OLMA).	Completed	To increase production efficiency.	To reduce manufacturing costs and improve quality
New Electric Height-Adjustable Workbenches (Solo, Duet, Quartet)	Reducing procurement and manufacturing costs. Shorten delivery times. Full Product Line (Lista Erlen)	Completed	Entering more markets	To increase sales revenue.
Compact workbench	To develop cost-effective products for customer self-assembly.	Completed	Entering more markets	To increase sales revenue..
New E-Control Software	Firmware V1.5.0 enables control with several cabinets for fixing bugs, thus ensuring correct input.	Completed	To improve product features.	Sales of functional products
R&D of Photoelectric Sensor-Based Auto-Searching Laser Line Projectors with Supporting Software Systems	To develop a base platform system for laser line projectors compatible with receivers for long-range auto-search and positioning.	To be completed	$\pm 5^\circ$ range, $\pm 20''$ positioning accuracy, 30m working radius.	To expand product line and enhance functionality to increase corporate profits.
R&D of Indoor/Outdoor Auto-Positioning Systems Integrating	To develop an automated concrete paving system for indoor applications.	To be completed	5mm positioning accuracy, 100m working radius.	To expand product lines

IMU Sensors and High-Precision Indoor Laser 3D Positioning				
Research and Application of Automatic Blade Feeding Technology	Saving labor costs and improving production efficiency	To be completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Development of Automatic Press-Fit Process for Footpad Products	Saving labor costs and improving production efficiency	To be completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Research on Plasma Marking Technology for Tool Surfaces	Saving labor costs and improving production efficiency	To be completed	Saving labor costs and improving production efficiency	To further advance automation in production/increase the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Vacuum Cleaner with "Multi-Stage Filtration + Electrostatic Adsorption" Technology	To enhance adsorption and filtration of airborne particles.	To be completed	To enhance adsorption and filtration of airborne particles.	To expand product lines

A Bagless Vacuum Cleaner based on "Cyclonic Separation" Technology	To separate particulate matter from airflow.	To be completed	To separate particulate matter from airflow.	To expand product lines
Vacuum Cleaner with "Vortex Suppression + Streamlined Air Channel" Technology	To reduce noise, improve suction efficiency, and save energy.	To be completed	To reduce noise, improve suction efficiency, and save energy.	To expand product lines
Vacuum Cleaner with 3D LiDAR for Intelligent Navigation and Path Planning	To enable smart navigation and path planning.	To be completed	To enable smart navigation and path planning.	To expand product lines
R&D of Key Technologies for Intelligent Processing of High-Precision Ratchet Wrenches	The project has innovative features in well-forged Cell line units, integrated high-precision automated processing, and human-machine collaborative assembly technologies.	To be completed	The automatic production of ratchet wrench enhances manufacturing efficiency and quality, reduces costs, strengthens international competitiveness, expands market share, and increases corporate profitability.	To improve corporate profitability.
R&D of Outdoor Smart Cabinets	To develop outdoor smart cabinets.	To be completed	To develop outdoor smart cabinets.	To increase corporate profit/To increase revenue/secure stable market orders.
R&D of Intelligent Smoke Pellet Stoves	To develop intelligent smoke pellet stoves.	To be completed	To develop intelligent smoke pellet stoves.	To increase corporate profit/To increase revenue/secure stable market orders.
R&D of Modular Service Carts	To develop modular service carts.	To be completed	To develop modular service carts.	To increase corporate profit/To increase revenue/secure stable market

				orders.
R&D of Fast-Charging & Fast-Discharging and Multi-Adapter-Compatible Lithium Batteries for Level Gauges	The project focuses on research and development of an innovative lithium battery dedicated to level gauges, featuring high-efficiency fast charging and discharging, multi-layered safety protection, user-friendly power query system, and broad compatibility.	To be completed	The design is expected to feature extensive adapter compatibility, fast charge and discharge capability, high charge and discharge efficiency, multi-level safety protection, user interaction functionality, and waterproof protection.	The level gauge battery under the project integrates the following features: fast charging and discharging, overcurrent and overcharge protection, button-activated power display, compatibility with all market adapters, and cost-effectiveness. No competitor has been found yet within China, while similar product is also rare on the global market, indicating huge market potential.
Lithium-Powered Laser Rangefinder with Electronic Angle Functionality	Improving processes	To be completed	Increasing sales volume	To increase the Company's profits
High-Brightness 5-Line Green Laser Line Projector with Rechargeability	Improving processes	To be completed	Increasing sales volume	To increase the Company's profits
R&D of Novel Lever-Type Dial Indicator Measurement Devices	To expand brand product offerings.	To be completed	To expand product lines	To expand product lines/raise corporate profit/To increase revenue/secure stable market orders.
R&D of Calibration Rod Sets for Outside Micrometers and Customized Products	To satisfy clients' requirements.	To be completed	To expand product lines	To expand product lines/raise corporate profit/To increase revenue/secure stable market orders.
Development of Handheld High-Power LED	Saving labor costs and improving production	To be completed	Saving labor costs and improving production	To further advance automation in production/increase

Flashlights with Power Bank Functionality	efficiency		efficiency	the Company profits/boost revenue/secure stable market orders/improve product coating adhesion to reduce scrap rates/enhance production efficiency
Pure Solid-State Multi-Beam Wide-FOV Laser Sensing and Detection Device	To develop a pure solid-state multi-beam LiDAR.	To be completed	To meet diversified market demands.	To increase mass production of company products, expand production lines, and enhance product competitiveness
R&D of Multi-Tooth Grinding Technology for Saw Blades	Saving labor costs and improving production efficiency	To be completed	Saving labor costs and improving production efficiency	To further enhance automation in production
Development of Fully Automated Continuous Punching Process for Pipe Cutter Blades	Saving labor costs and improving production efficiency	To be completed	Saving labor costs and improving production efficiency	To further enhance automation in production
R&D of a Multi-Functional Flexible Welding Process	To improve product performance.	To be completed	To improve product performance.	To expand market presence and increase order volume.
R&D of Multi-System Controlled Adjustable Drawer Corner Punching/Cutting Automatic Cylinder Die	To improve product performance.	To be completed	To improve product performance.	To expand market presence and increase order volume.
Project 310 (New 600 Series)	To replace legacy series.	To be completed	To substitute old product series with new ones.	To increase sales and reduce production costs
Project 330 (New 780 Series)	To replace legacy series.	To be completed	To substitute old product series with new ones.	To increase sales and reduce production costs

Project 340 (New 830 Series)	To replace legacy series.	To be completed	To replace old product series with new ones.	To increase sales and reduce production costs
Battery-Powered Nail Guns	New tool/new technology	To be completed	To replace old product series with new ones.	To boost fastener sales.
Battery-Powered Screwdrivers	New tool/new technology	To be completed	To substitute old products with new ones.	To expand market share in assembly screws.
RFiD serial numbers	To scan Serial Numbers to optimize processes.	To be completed	To reduce administrative workload.	To lower administrative costs/overheads.
Connection box	Development of Digital Conduit Boxes for Collecting Automatic Tool Data	To be completed	To upgrade existing tools to enhance customer satisfaction.	To increase sales through preventive maintenance.
ISO Safety "Project	To develop tools with specialized safety mechanisms.	To be completed	To upgrade existing tools to enhance customer satisfaction.	To increase sales and market share
Automatic Pusher	To develop nail-pushing tools.	To be completed	To introduce new tools for wider range of products.	To enrich Automatic product portfolio.
75mm Pulse Nail Guns	Long-Nail Tools for Metal-Wood Connectors	To be completed	To introduce new tools for wider range of products.	To boost fastener sales.
New stretching machine (OLMA)	To ensure that drawers are manufactured with new machinery (OLMA).	To be completed	To increase productivity	To reduce production costs and enhance quality.
Medical Transport Carts	Supplementary products for APOS.	To be completed	Entering more markets	To increase sales revenue.
To provide packaging services for clients consistently purchasing same shelving units.	To enhance customer loyalty.	To be completed	To deliver greater benefits to customers, potentially boosting sales.	To increase sales revenue.

RFID Sorting (Integrated System) GS	Develop RFID tags for drawer cabinets.	To be completed	Entering more markets	To increase sales revenue.
LEC V3	To optimize previous two systems and develop a new version to improve customer satisfaction.	To be completed	To achieve high customer satisfaction and penetrate additional markets.	To increase sales revenue.
Electronic Lock 2.0	Next-generation locks with improved functionality.	To be completed	Product improvements	To increase sales revenue.
Healthcare Product Series	To adjust product specifications to meet healthcare and chemical industry requirements.	To be completed	Entering more markets	To increase sales revenue.
To enhance R&D testing capabilities	Robots for Continuous Load Testing Across Lista Products	To be completed	To ensure product quality.	To safeguard Lista's reputation.
Sheet Metal Joining Technologies	To introduce new joining technologies in sheet metal fabrication.	To be completed	New production equipment was ordered and delivery/installation is on the way.	To optimize and improve product series.
Sidonie Project	To develop printed circuit boards for calipers.	To be completed	To reduce costs.	To save CHF 7 per caliper and control core technologies.

Status of the Company's R&D personnel

	2024	2023	Rate of turnover
Number of R&D personnel (individuals)	1,100	1,105	-0.45%
Proportion of R&D personnel	8.31%	10.23%	-1.92%
Educational background of R&D personnel			
Bachelor's degree	468	397	15.17%

Master's degree	36	27	25.00%
Age composition of R&D personnel			
Below 30 years old	182	180	1.10%
30-40 years old	595	600	-0.83%

Investment in R&D by the Company

	2024	2023	Rate of turnover
R&D investment amount (RMB)	366,158,892.23	322,536,093.62	13.52%
Proportion of R&D investment to operating revenue	2.47%	2.95%	-0.48%
capitalized R&D investment amount (RMB)	0.00	0.00	
Proportion of capitalized R&D investment to total R&D investment	0.00%	0.00%	

Reasons for significant changes in the composition of R&D personnel in the Company and the impact

☐ Applicable ☒ Not Applicable

Reasons for significant changes in the proportion of R&D investment to operating revenue compared to the previous year

☐ Applicable ☒ Not Applicable

Reasons for significant changes in the rate of capitalization of R&D investment and the rationale

☐ Applicable ☒ Not Applicable

5. Cash flow

Unit: RMB

Item	2024	2023	YoY increase or decrease
Subtotal of cash inflows from operating activities	15,349,898,169.24	11,839,414,417.18	29.65%
Subtotal of cash outflows from operating activities	13,609,684,059.36	9,713,559,491.53	40.11%

Net cash flows from operating activities	1,740,214,109.88	2,125,854,925.65	-18.14%
Subtotal of cash inflows from investing activities	3,893,510,516.27	274,696,758.74	1,317.38%
Subtotal of cash outflows from investing activities	4,471,429,187.02	936,720,309.97	377.35%
Net cash flows from investing activities	-577,918,670.75	-662,023,551.23	12.70%
Subtotal of cash inflows from financing activities	5,205,385,823.36	2,585,788,685.11	101.31%
Subtotal of cash outflows from financing activities	4,847,489,304.82	3,817,385,902.57	26.98%
Net cash flows from financing activities	357,896,518.54	-1,231,597,217.46	129.06%
Net increase in cash and cash equivalents	1,580,779,365.42	190,552,569.13	729.58%

Explanation of the main factors contributing to significant year-on-year changes in relevant data

☒ Applicable ☐ Not Applicable

Net cash flow from operations: Decreased by 18.14% YoY, primarily due to increased sales and replenishment of operating capital;

Net cash flow from investments: Increased by 12.70% YoY, mainly driven by higher financial product redemptions compared to the prior period.

Net cash flow from financing activities: Increased by 129.06% YoY, primarily due to increased banknote discounting financing.

Explanation of significant differences between net cash flow from operating activities and net profit for the year of the Company during the reporting period

☐ Applicable ☒ Not Applicable

V. Analysis of Non-principal Business

☐ Applicable ☒ Not Applicable

VI. Analysis of Assets and Liabilities

1. Significant changes in the composition of assets

Unit: RMB

	End of 2024		At the beginning of 2024		Proportion change	Explanation of significant change
	Amount	Proportion in	Amount	Proportion in		

		total assets		total assets		
Monetary funds	6,852,110,987.40	29.66%	5,178,727,811.76	26.31%	3.35%	Attributable to the increase in operating results during the year and the Company's efforts to improve its cash holdings to meet the needs of its future operating activities.
Accounts receivable	3,166,431,539.36	13.70%	2,101,643,079.19	10.68%	3.02%	Correlated with the revenue for the current period, primarily due to higher year-end accounts receivable from increased annual revenue.
Contract assets	0.00	0.00%	0.00	0.00%	0.00%	
Inventories	3,005,193,720.21	13.01%	2,569,302,478.80	13.05%	-0.04%	
Investment property	112,388,354.73	0.49%	117,273,455.37	0.60%	-0.11%	
Long-term equity investments	3,485,769,642.85	15.09%	2,950,574,477.94	14.99%	0.10%	Mainly attributable to increased book value under the equity method for long-term equity investments.

Fixed assets	1,901,663,424.38	8.23%	1,726,806,882.04	8.77%	-0.54%	
Construction in progress	230,519,711.33	1.00%	270,199,288.71	1.37%	-0.37%	
Right-of-use assets	339,969,350.42	1.47%	378,820,165.25	1.92%	-0.45%	
Short-term borrowings	3,244,951,208.83	14.04%	1,103,247,899.65	5.60%	8.44%	Primarily due to increased bank notes financing
Contractual liabilities	106,017,720.45	0.46%	147,202,549.06	0.75%	-0.29%	
Long-term borrowings	0.00	0.00%	708,270.00	0.00%	0.00%	
Lease liabilities	274,350,587.68	1.19%	283,800,769.92	1.44%	-0.25%	

Higher proportion of overseas assets

√ Applicable □ Not Applicable

Item	Reason for formation	Size	Location	Operating model	Control measures to ensure asset safety	Profitability	Proportion of overseas assets in the Company's net assets	Whether there is material risk of impairment
100% shares of Lista Holding AG	Equity acquisition	RMB 188.44 million	Switzerland	Cabinet Manufacturing, R&D, and Sales	Financial supervision, entrusted external audit	Profitable	1.14%	No
100% Equity of Bea Gmbh	Equity acquisition	RMB 201.16 million	Germany	Power Tools Manufacturing and Sales	Financial supervision, entrusted external audit	Profitable	1.21%	No
100% Equity of	Established	RMB 312.16	Thailand	Cabinet Manufact	Financial supervisi	Profitable	1.88%	No

Geelong (Thailand) Co., Ltd.		million		uring	on, entrusted external audit			
100% shares of Arrow Fastener Co., LLC	Equity acquisition	RMB 542.68 million	The US	Tools Manufacturing and Sales	Financial supervision, entrusted external audit	Profitable	3.27%	Yes

2. Assets and liabilities measured at fair value

√ Applicable □ Not Applicable

Unit: RMB

Item	Opening balance	Gains and losses from fair value changes in the current period	Cumulative fair value changes recognized in equity	Impairment in the current period	Purchase amount in the current period	Sales amount in the current period	Other changes	Closing balance
Financial assets								
1. Transactional financial assets (excluding derivative financial assets)	108,244,251.49	-472,251.49			3,642,462,717.82	3,745,998,855.00		4,235,862.82
2. Derivative financial assets	14,406,531.52	-12,759,052.31					-470,217.77	1,177,261.44
4. Investment in other equity instruments	16,550,000.00					3,950,000.00		12,600,000.00

Financial assets subtotal	139,200,783.01							18,013,124.26
Above total	139,200,783.01	-13,231,303.80			3,642,462,717.82	3,749,948,855.00	-470,217.77	18,013,124.26
Financial liabilities	3,227,726.23	-3,170,396.34					-57,329.89	0.00

Other changes

Other variances attributable to exchange rate fluctuations

Whether there have been significant changes in the measurement attributes of the Company's major assets in the reporting period

☐ Yes ☒ No

3. Restricted asset rights as of the end of this reporting period

Unit: RMB

Item	Closing book balance	Book value at the end of the period	Types of restrictions	Reason for restriction
Monetary funds	200,784,460.05	200,784,460.05	Frozen	Equity transfer and interest on disposal of Ningbo Donghai Bank Co., Ltd. deposited in the Jointly Managed Account Funds
Monetary funds	62,506,684.57	62,506,684.57	Pledge	Guarantee deposit for bank acceptance
Monetary funds	17,255,624.81	17,255,624.81	Pledge	Deposits for letter of credit
Monetary funds	3,594,200.00	3,594,200.00	Pledge	Deposits for credit card
Monetary funds	1,516,752.40	1,516,752.40	Pledge	Premium for lease
Monetary funds	1,438,150.55	1,438,150.55	Pledge	Deposits for customs guarantees
Monetary funds	200,000.00	200,000.00	Frozen	Litigation Guarantee Deposits
Monetary	56,000.00	56,000.00	Pledge	Guarantee deposit for ETC

funds				
Fixed assets	40,901,325.49	23,888,756.55	Mortgaged	Mortgage for bank acceptance
Fixed assets	20,789,909.21	8,293,197.33	Mortgaged	Mortgage for bank loan
Intangible assets	3,198,505.51	1,918,693.34	Mortgaged	Mortgage for bank acceptance
Intangible assets	2,451,822.91	1,287,313.56	Mortgaged	Mortgage for bank loan
Total	354,693,435.50	322,739,833.16		

VII. Analysis of Investment Status

1. Overview

√ Applicable ☐ Not Applicable

Investment amount in the reporting period (RMB)	Investment amount in the same period of the previous year (RMB)	Changes
1,171,853,727.25	1,612,594,667.46	-27.33%

2. Major equity investment acquired during the reporting period

√ Applicable ☐ Not Applicable

Unit: RMB

Invested company name	Principal business	Investment method	Investment amount	Holding proportion	Source of funds	Partner	Investment duration	Product type	Progress as of balance sheet date	Expected returns	Investment gain/loss for the period	Litigation involvement	Disclosure date (if any)	Disclosure index (if any)
TES A Precision Measurement Instrument	Design, production and sales of altimeter	Acquisition	271,633,096.28	100.00%	Self-owned funds	None	Open-ended	Long-term equity investments	Completed	8,735,408.26	8,735,408.26	No	12/20/23	

nts Sarl	rs, SPC mea sure ment syste ms, etc.													
Tota l	--	--	271, 633, 096. 28	--	--	--	--	--	--	8,73 5,40 8.26	8,73 5,40 8.26	--	--	--

3. Major ongoing non-equity investment during the reporting period

☒ Applicable ☐ Not Applicable

Unit: RMB

Item Name	Invest ment metho d	Fixed asset invest ment or not	Indust ry invol ved in invest ment projec t	Invest ment durin g the report ing perio d	The cumul ative actual invest ment amou nt as of the end of the report ing perio d	Sourc e of funds	Proje ct progr ess	Expec ted return s	Accu mulat ed earnin gs realiz ed as of the end of the report ing perio d	Reaso ns for not meeti ng plann ed progr ess and expec ted return s	Discl osure date (if any)	Discl osure index (if any)
Intelli gent Facto ry Proje ct with an Annu al Outpu t of 1 Millio n Sets of New Powe r Tools	Self-b uilt	Yes	Powe r tools	24,03 1,412. 81	145,3 37,27 9.29	Funds raised and own funds	100.0 0%	0.00	0.00	/		

Phase III Land & Plant Construction Project of Great Star Vietnam Co., Ltd.	Self-built	Yes	Tools Manufacturing	147,221,856.17	147,221,856.17	Funds raised and own funds	41.34 %	0.00	0.00	/		
Industrial Housing Project of Great Star Energy Co., Ltd.	Self-built	Yes	Battery Manufacturing	42,835,686.98	66,890,042.39	Funds raised and own funds	60.81 %	0.00	0.00	/		
Total	--	--	--	214,088,955.96	359,449,177.85	--	--	0.00	0.00	--	--	--

4. Investment in financial assets

(1) Investment in securities

☐ Applicable ☒ Not Applicable

The Company did not invest in securities during the reporting period.

(2) Investment in derivatives

☒ Applicable ☐ Not Applicable

1) Investment in derivatives for hedging purpose during the reporting period

☒ Applicable ☐ Not Applicable

Unit: ten thousand RMB

Type	Initial investment amount	Opening amount	Gains and losses from fair value changes in the	Cumulative fair value changes recognized in	Purchase amount in the reporting period	Sales amount in the reporting period	Closing amount	Proportion of the closing amount in the Company'
------	---------------------------	----------------	---	---	---	--------------------------------------	----------------	--

			current period	equity				s net assets at the end of the reporting period
Foreign exchange derivative s	318,151.0 1	164,932.9 7	-1,006.09	0	585,515.5 4	724,384.2 6	25,058.16	1.51%
Total	318,151.0 1	164,932.9 7	-1,006.09	0	585,515.5 4	724,384.2 6	25,058.16	1.51%
Significa nt changes in the accountin g policies and specific accountin g principles of hedging business during the reporting period compared to the same period in the previous year	Unchanged							
Actual gains or losses during the reporting period	The investment income related to derivative investments recognized during the reporting period amounted to RMB -7,766,702.16.							
Effect of hedging	During the reporting period, the Company, in the principle of exchange rate risk neutrality, leveraged foreign exchange forward contracts as hedging instrument, with contract settlements aligned to forecasted foreign currency receipts and target cost exchange rates. The contracted settlement amounts matched forecasted receipts to mitigate exchange rate volatility risks. The cash flow changes from hedging instruments offset exchange rate-induced volatility in							

	hedged items, satisfying hedge effectiveness requirements and achieving hedging objectives.
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.)	1. Market risk: Changes in international and domestic economic conditions may lead to large fluctuations in foreign exchange rates and therefore forward foreign exchange transactions will subject to certain market risks. The Company's forward foreign exchange transactions aim to lock in the settlement or sale price of foreign exchange and reduce the impact of exchange rate fluctuations on the Company's profits. Co., Ltd. The Company will closely monitor exchange rate movements, using target rates derived from operational needs. By analyzing forex trends and forecasting receipts/payments, combined with tolerance for exchange-induced price changes, the Company will formulate forward contract plans and manage in real time operations to maintain reasonable profit margins. 2. Liquidity risk: All of the Company's foreign exchange transactions are based on reasonable estimates of the Company's future imports and exports and meet the requirements of transaction authenticity. 3. Bank default risk: In the event of a bank default, such as a bank failure, during the term of the contract, the Company will not be able to deliver the original foreign exchange contract at the contract price and will be exposed to the risk of uncertain returns. The Company selected counterparty banks for forex transactions from the five major state-owned banks (e.g., China Merchants Bank) and foreign banks (e.g., HSBC, Standard Chartered). Such institutions exhibit robust financial strength and operational stability, minimizing risk of losses from bank insolvency. 4. Operational risk: The Company's forward foreign exchange transactions may give rise to related risks due to the improper operation of undertakers. The Company has developed relevant management systems and defined the operating procedures and responsible persons, which are conducive to the prevention and control of risks. 5. Legal risk: Legal disputes may arise if the Company engages in forward foreign exchange transactions and enters into unclear contracts or agreements with banks for such transactions. The Company will legally strengthen the review of relevant contracts and select banks with good credit ratings to conduct such transactions in order to control the risks.
Changes in the market prices or the fair values of the invested derivatives during the reporting period,	N/A

the analysis of the fair values of derivative s shall disclose the specific method used and the setting of relevant assumptions and parameter s	
Whether it is involved in litigation (if applicable)	N/A
Date of announcement of the Board Meeting to approve investment in derivative s (if any)	April 25, 2024
Date of announcement of the Shareholders' Meeting to approve investment in derivative s (if any)	April 25, 2024

2) Investment in derivatives for speculative purposes during the reporting period

☐ Applicable ☒ Not Applicable

The Company did not invest in derivatives for speculative purposes during the reporting period.

5. Use of raised funds

☒ Applicable ☐ Not Applicable

(1) Overall use of raised funds

☒ Applicable ☐ Not Applicable

Unit: ten thousand RMB

Fund-raising year	Fund-raising method	Securities Listing Date	Total raised funds	Net Capital Raised (1)	Total funds used during the current period	Cumulative Utilized Raised Capital (2)	Ratio of Raised Capital Utilized at Reporting Period-End (3) = (2)/(1)	Total funds raised for altered purpose during the reporting period	Total funds raised cumulatively for altered purpose	Proportion of total raised funds cumulatively for altered purpose	Total unused funds	Use and allocation of unused funds	Funds that have been idle for more than two years
2020	Issue convertible bonds	July 16, 2020	97,260	96,512.15	4,344.89	96,512.15	100.00%	0	13,494.42	13.98%	0	/	0
Total	--	--	97,260	96,512.15	4,344.89	96,512.15	100.00%	0	13,494.42	13.98%	0	--	0

Overall use of raised funds

According to the Response to Approval of Public Issue of Convertible Bonds for Hangzhou Great Star Industrial Co., Ltd. (CSRC License [2019] No. 2656) from CSRC, the Company is authorized to issue convertible bonds in an amount not exceeding RMB 97,260 million. China Securities Co., Ltd., the lead underwriter, shall give priority to the original shareholders of the Company for placement, and the balance after the prior placement to the original shareholders (including the portion waived by the original shareholders) shall be issued to public investors via the Internet. The undersubscribed portion of the subscription amount of RMB 97,260 million shall be underwritten by the lead underwriter. The Company actually issued 9,726,000 convertible corporate bonds, with a face value of RMB 100.00 each, raising a total of RMB 97,260 million. After deducting the underwriting and sponsor fees of RMB 5,188,679.25 (excluding tax), the funds raised amounted to RMB 967,411,320.75, which has been remitted to the regulatory account of the Company's raised

fund by the lead underwriter, China Securities Co., Ltd., on July 2, 2020. In addition, after deducting external expenses of RMB 2,289,867.92 directly related to the issuance of convertible corporate bonds, such as the underwriting and sponsor fees, audit and capital verification fees, attorney fees, credit rating fees, information disclosure fees for the issuance, lottery fees and bond issuance registration fees, the Company raised a net amount of RMB 965,121,452.83. The above raised funds have been verified by Pan-China Certified Public Accountants LLP (Special General Partnership) with the Verification Report (Pan-China verified [2020] No. 244) issued by the LLP.

As of December 31, 2024, the Company had cumulatively invested RMB 932.61 million in raised capital, with net interest income of RMB 39.16 million, foreign exchange gains/losses of RMB 1.17 million, and RMB 72.84 million of surplus funds reallocated to working capital. All raised capital accounts were closed by December 31, 2024, with a remaining balance of RMB 0.

(2) Committed investment projects of raised funds

√ Applicable □ Not Applicable

Unit: ten thousand RMB

Financing Project Name	Securities Listing Date	Committed investment projects and allocation of over-raised funds	Nature of the Project	Whether the project has been altered (including partially altered)	Total committed investment of funds raised	Total investment after alteration (1)	Investment during the reporting period	Accumulative investment at the end of the period (2)	Investment progress at the end of the period (3) = (2)/(1)	Date of achieving expected conditions for use	Benefits achieved in the current reporting period	Cumulative Benefits Achieved as of the End of Reporting Period	Whether expected benefits have been achieved	Whether there have been significant changes to the feasibility of project
Committed investment projects														
Laser Measurement and Smart Home Production Base Construction	July 16, 2020	Laser Measurement and Smart Home Production Base Construction	Production Construction	No	20,426	20,426	0	20,394.59	99.85%	12/31/2023	2,101.01	2,101.01	Yes	No

Project		Project												
Tool Storage Production Base Construction Project	July 16, 2020	Tool Storage Production Base Construction Project	Production Construction	Yes	26,776	13,281.58	0	13,281.58	100.00%		8,683.35	12,187.32	N/A	Yes
Intelligent Warehousing and Logistics Base Construction Project	July 16, 2020	Intelligent Warehousing and Logistics Base Construction Project	Production Construction	No	22,542.15	22,542.15	4,344.89	19,995.74	88.70%	August 31, 2024			N/A	No
R&D Center Construction Project	July 16, 2020	R&D Center Construction Project	R&D Project	No	7,768	7,768		7,094.38	91.33%	12/31/2023			N/A	No
Supplementary Permanent Working Capital	July 16, 2020	Supplementary Permanent Working Capital	Capital Replenishment	No	19,000	19,000		19,000	100.00%				N/A	No

Capital increase to subsidiaries and acquisition of 100% equity of Geelong Holdings Limited held by Geelong Orchid Holdings Ltd.	July 16, 2020	Capital increase to subsidiaries and acquisition of 100% equity of Geelong Holdings Limited held by Geelong Orchid Holdings Ltd.	Investment and M&A	No		13,494.42		13,494.42	100.00%	July 2, 2021	28,838.61	61,987.15	N/A	No
Subtotal of committed investment projects				--	96,512.15	96,512.15	4,344.89	93,260.71	--	--	39,622.97	76,275.48	--	--
Allocation of over-raised funds														
N/A	July 16, 2020	N/A	None	No									N/A	No
Total				--	96,512.15	96,512.15	4,344.89	93,260.71	--	--	39,622.97	76,275.48	--	--
Failures to complete the planned schedule and to achieve the expected income and	N/A													

their respective reasons (including reasons for "N/A" as to "Whether expected benefits have been achieved")	
Description of significant changes in project feasibility	Due to constraints posed by the global shipping capacity shortages, some raw materials and equipment could not be delivered to the project sites on time, resulting in certain impacts on the construction progress of the company's tool storage production base construction project and causing delays in the original fundraising project completion timeline. According to the Company's long-term strategic planning and current development needs, in order to use the raised funds more efficiently, improve the Company's existing production capacity and supply capacity faster, and better meet clients' needs, after deliberation and approval of the 7th Meeting of 5th Session of Board of Directors and the 2020 Annual General Meeting of Shareholders, the Company used the uninvested raised funds of RMB 134.9442 million for the Tool Storage Production Base Construction Project by 5 April 2021 for the acquisition of 100% equity of Geelong Holdings Limited held by Geelong Orchid Holdings Ltd., and the Tool Storage Production Base Construction Project was terminated. In order to promote the smooth implementation of equity acquisition and reduce transaction costs, the Company held its 10th Meeting of 5th Session of Board of Directors on 21 June 2021, deliberated and approved the Proposal on Changing Part of the Implementation Subjects of the Raised Funds Investment Project, and agreed to change the implementation subject of equity acquisition projects from the Company to Hong Kong Great Star International Co., Ltd., a wholly-owned subsidiary of the Company.
Amount, purpose and progress of over-raised funds	N/A
Changes in the implementation locations of the raised funds investment project	Applicable
	Incurred in prior years
	On 22 July 2020, the Company held the 37th Meeting of the 4th Session of Board of Directors, deliberated and approved the Proposal on Adding Part of Implementation Subjects and Locations to the Raised Funds Investment Project and Using Part of the Raised Funds to Increase Capital to Wholly-owned Subsidiaries. 1. Agreed to add Vietnam Great Star Intelligence Co., Ltd., a wholly-owned subsidiary of the Company, as one of the implementation subjects of the Laser Measurement and Smart Home Production Base Construction Project, and add Nam Cau Kien Industrial Park, Thuy Nguyen, Haiphong, Vietnam, as one of the implementation locations of the Project; 2. Agreed to add the wholly-owned subsidiary Thailand Xindadi Co., Ltd. (renamed Geelong (Thailand) Co., Ltd.) as one of the implementation subjects of the Tool Storage Production Base Construction Project, and add No. 54/5, Village 1, Map Yang Phon, Pluak Daeng, Rayong, Thailand, as one of the implementation locations of the Project. On 14 April 2021, the Company held the 8th Meeting of the 5th Session of Board of Directors,

	deliberated and approved the Proposal on Changing the Implementation Subjects and Locations of the Raised Funds Investment Project, Adjusting the Investment Structure of the Raised Funds Investment Project and Extending the Implementation Period. 1. Agreed to add Hangzhou Great Star Sheffield Tools Co., Ltd., a wholly-owned subsidiary, as one of the implementation subjects of the Laser Measurement and Smart Home Production Base Construction Project, and add Hangzhenggongchu [2020] No. 26 Plot, Jianggan District, Hangzhou as one of the implementation locations of the project; 2. Agreed to change the implementation subject of R&D Center Construction Project to Hangzhou Great Star Industrial Co., Ltd. On 21 June 2021, the Company held the 10th Meeting of the 5th Session of Board of Directors, deliberated and approved the Proposal on Changing Part of the Implementation Subjects of the Raised Funds Investment Project, and agreed to change the implementation subject for the acquisition of 100% equity of Geelong Holdings Limited held by Geelong Orchid Holdings Ltd. from the Company to Hong Kong Great Star International Co., Ltd., a wholly-owned subsidiary of the Company. On 30 December 2022, the Company held the 29th Meeting of the 5th Session of Board of Directors, deliberated and approved the Proposal on Increasing the Implementation Subjects and Implementation Locations of the Raised Funds Investment Project, Adjusting the Investment Structure of the Raised Projects and Extending the Implementation Period. The Company agreed to add Vietnam Great Star Intelligence Co., Ltd., a wholly-owned subsidiary, and Hangzhou Great Star Energy Co., Ltd., a wholly-owned sub-subsidiary, as Intelligent Warehousing and Logistics Base Construction Project's implementation subjects. Meanwhile, Nam Cau Kien Industrial Park, Thuy Nguyen, Haiphong, Vietnam, and JG1601-43 Plot, Unit of Genbei New District, Shangcheng District, Hangzhou, Zhejiang Province, as well as Chang'an Town, Haining, Zhejiang Province were added as its implementation locations of the Project.
Adjustment of implementation methods of the raised funds investment project	N/A
Advance investment and fund replacement of the raised funds investment project	Applicable On 22 July 1.2020, the Company held the 37th Meeting of the 4th Session of Board of Directors, deliberated and approved the Proposal on Using Raised Funds to Replace Self-raised Funds Pre-invested in the Raised Funds Investment Project. (1) The Company agreed to replace the self-raised funds pre-invested in the raised funds investment project with the raised funds of RMB 148.2549 million. (2) The Company agreed to replace the issuance fee of RMB 1.7238 million paid by the Company's own funds with the raised funds. 2. The expenditures for the Research and Development Center Construction Project include personnel expenses such as salaries, bonuses, social insurance premiums, and housing provident fund contributions. In accordance with the relevant provisions of the People's Bank of China's "Measures for the Administration of RMB Current Accounts with Banks", employee salaries cannot be directly disbursed through the Company's dedicated account. Considering that the Company's social insurance premiums and housing provident fund contributions are all transferred or paid from the Company's own funds account, it is operationally infeasible to directly pay personnel expenses related to the fundraising investment project (hereinafter referred to as the fundraising project) from the fundraising special account. Therefore, it is

	necessary to advance payment using the Company's own funds and then transfer an equivalent amount from the fundraising special account to the Company's relevant deposit account. On September 23, 2022, the Company held the 24th Meeting of the 5th Session of Board of Directors, deliberated and approved the Proposal on Using Self-owned Funds to Make Partial Payments to the Raised Funds Investment Project and Subsequent Replacement with the Same Amount of Raised Funds. It is agreed that during the implementation of the fundraising project, the Company shall first make partial payments (personnel expenses such as salary, bonus, social insurance premiums, housing provident fund, etc.) to the Project with its own funds, then make monthly statistics on the amount of funds paid for the Project with its own funds, and transfer the same amount from the special account for raised funds to the Company's own fund account. As of December 31, 2024, the Company has used its own funds to pay for the fundraising project expenses and transferred an equivalent amount from the fundraising special account to the Company's own funds account, totaling 42.7744 million RMB.
Description of temporary replenishment of working capital with idle raised funds	N/A
Amount and reasons of raised fund surplus in the implementation of the project	Applicable 1. The Company's project of "Capital Increase to Subsidiaries and Acquisition of 100% Equity of Geelong Holdings Limited Held Through Geelong Orchid Holdings Ltd." has been implemented as planned. In order to facilitate the management of the special account for raised funds, the Company has canceled the special account for raised funds of the project. In addition, the raised fund surplus (interest income) of USD 14.98 (converted to RMB 100.00 at the spot exchange rate on the transaction date) will be transferred to its own fund account for permanent replenishment of working capital. 2. During the implementation of the fundraising project, the Company, guided by the principles of science and efficiency, strengthened control, supervision, and management of expenses at all stages. It exercised caution in using the raised funds, optimizing resource allocation and reducing costs, thereby saving a portion of the raised funds. Additionally, the funds accrued interest income while held in the special account. As per the resolutions from the 4th and 9th meetings of the 6th Board of Directors and the 1st and 2nd Extraordinary General Meetings in 2024, the Company reallocated surplus raised funds to permanently supplement working capital for daily operations in a bid to improve capital efficiency. As of December 31, 2024, RMB 72,842,000 of surplus raised capital had been transferred to working capital.
Purpose and destination of unutilized raised funds	N/A
Problems or other circumstances in the utilization and	N/A

disclosure of the raised funds	
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(3) Projects involved with changes in raised fund

√ Applicable □ Not Applicable

Unit: ten thousand RMB

Financing Project Name	Fund-raising method	The project after change	Corresponding original committed project	Total raised funds to be invested in the project after the change (1)	Actual investment amount in current reporting period	Actual cumulative investment as of the end of the period (2)	Investment progress by the end of the period (3)=(2)/(1)	Date of achieving expected conditions for use	Benefits achieved in the current reporting period	Whether expected benefits have been achieved	Whether the project feasibility has changed significantly after the change
2020 Convertible Bond Issuance	Issue convertible bonds	Capital increase to subsidiaries and acquisition of 100% equity of Geelong Holdings Limited held by Geelong Orchid Holdings Ltd.	Tool Storage Production Base Construction Project	13,494.42	0	13,494.42	100.00 %	July 2, 2021	28,838.61	N/A	No
Total	--	--	--	13,494.42	0	13,494.42	--	--	28,838.61	--	--
Description of reasons for			Due to constraints posed by the global shipping capacity shortages, some raw								

change, decision-making procedures and information disclosure (for specific projects)	materials and equipment could not be delivered to the project sites on time, resulting in certain impacts on the construction progress of the company's tool storage production base construction project and causing delays in the original fundraising project completion timeline. According to the Company's long-term strategic planning and current development needs, in order to use the raised funds more efficiently, improve the Company's existing production capacity and supply capacity faster, and better meet clients' needs, after deliberation and approval of the 7th Meeting of 5th Board of Directors and the 2020 Annual General Meeting of Shareholders, the Company used the uninvested raised funds of RMB 134.9442 million for the Tool Storage Production Base Construction Project by 5 April 2021 for the acquisition of 100% equity of Geelong Holdings Limited held by Geelong Orchid Holdings Ltd., and the Tool Storage Production Base Construction Project was terminated. The raised funds that have been utilized have been invested in the construction of the tool storage production base for Haining Great Star Intelligent Equipment Co., Ltd. and Geelong (Thailand) Co., Ltd. In order to promote the smooth implementation of equity acquisition and reduce transaction costs, the Company held its 10th Meeting of 5th Session of Board of Directors on 21 June 2021, deliberated and approved the Proposal on Changing Part of the Implementation Subjects of the Raised Funds Investment Project, and agreed to change the implementation subject of equity acquisition projects from the Company to Hong Kong Great Star International Co., Ltd., a wholly-owned subsidiary of the Company.
Details and reasons for not achieving the planned progress or expected earnings (for specific projects)	N/A
Description of significant changes in project feasibility after change	N/A

VIII. Sale of Major Assets and Equity

1. Sale of major assets

☐ Applicable ☒ Not Applicable

No major assets were sold during the reporting period.

2. Sale of major equity

☐ Applicable ☒ Not Applicable

IX. Analysis of Major Holding and Equity Participation Companies

☒ Applicable ☐ Not Applicable

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

Unit: RMB

Company name	Type	Principal business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
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Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Equity participation company	Service	RMB 3,500 million	46,885,753,985.62	18,292,764,968.16	39,254,809,858.23	3,290,510,205.86	3,173,432,114.00
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Acquisition and disposal information of subsidiaries during the reporting period

√ Applicable □ Not Applicable

Company name	Acquisition and disposal method of subsidiaries during the reporting period	Impact on overall production, operation and performance
Corgrap S.A.	Acquisition by agreement	
Corgrap Portugal Unipessoal Lda.	Acquisition by agreement	
TESA Precision Measurement Instruments Sàrl	Acquisition by agreement	Develop the product mix of its μ-class high-precision measuring instruments, improve the Company's existing product lines, and attract more customers requiring industrial products
TESA France Sas	Acquisition by agreement	Develop the product mix of its μ-class high-precision measuring instruments, improve the Company's existing product lines, and attract more customers requiring industrial products
TESA Precision Measurement Instruments LLC	Acquisition by agreement	Develop the product mix of its μ-class high-precision measuring instruments, improve the Company's existing product lines, and attract more customers requiring industrial products
TESA Precision Technology (Suzhou) Co., Ltd.	Acquisition by agreement	Develop the product mix of its μ-class high-precision measuring instruments, improve the Company's existing product lines, and attract more customers requiring industrial products
Jingjiang Measuring Tools Limited	Acquisition by agreement	Develop the product mix of its μ-class high-precision measuring instruments, improve the

		Company's existing product lines, and attract more customers requiring industrial products
Hangzhou Youchuangjia Trading Co., Ltd.	Acquisition by agreement	
Hangzhou Liansheng Tools Manufacturing Co., Ltd.	Canceled	
Hangzhou Great Star Craftsman Tools Co., Ltd.	Canceled	
Hangzhou Great Star Garden Tools Co., Ltd.	Canceled	
Haining Great Star Hardware Tools Co., Ltd.	Canceled	
Longyou Xingyi Machinery Equipment Technology Co., Ltd.	Established	
Hangzhou Youdebao Trading Co., Ltd.	Established	
Great Star Tools Australia Pty Ltd	Established	
Hangzhou Haiwo Holdings Co., Ltd.	Established during the period and Canceled during the period	
Bea Limited	Canceled	
Phoenix Fasteners Ltd.	Canceled	

Description of major holding and equity participation companies

None

X. Structural Subjects Under Control of the Company

☐ Applicable ☒ Not Applicable

XI. Prospects for the Company's Future Development

(I) Development Strategy of the Company

Overall development strategy: Main business priority, product innovation, brand operation, and global service.

Main business priority: The Company continues to leverage the existing large supermarkets in Europe and the US and self-operated channels to develop the main business of tools and to dispose of non-core businesses for asset recovery and investment in the main business. The Company will

also continue M&A to seek further development of non-Tools including power tools and outdoor supplies.

Production innovation: While developing and upgrading existing products to improve convenience for users, the Company will continue to develop new products that are suitable for its own supply chain and distributors. Under the support of supply chain network and Chinese engineers, the Company will dominate the current global division of tools industry, enhance its leading position of the industry for further development, and take over the tasks of industrial transfer centering on client demand creation from the Europe and the US in the era of innovative economy.

Brand operation: The Company will carry on and develop the existing world-renowned tool brands and e-commerce tool brands for the new era, continue to improve the service system for the original brands of the Europe and the US, and make a long-term plan for the original brands and development path hinged on the stable cash flow of durable consumer goods to improve brand value.

The Company deepened global distribution regardless of the anti-globalization, while continuing to actively increase global investments. The Company selected foreign high-quality companies for industrial mergers and acquisitions to have a better access to international resources and international markets to further shape the Company into a global participant.

(II) Business Plan

Amid the raising trade barriers and supply chain disruptions by the U.S., in face of formidable challenges to global supply chains and industry landscape, the Company also encounters a rare strategic development opportunity. The sustained investments since 2016 in international expansion and global operations will fortify its industry positioning in the future. The Company will continue advancing its globalization strategy, striving to evolve into an international enterprise integrating localized services in Europe and America, global manufacturing and production, and Chinese management and R&D. In 2025, the Company will endeavor to maintain its stable growth in its core business operations.

(III) Possible Risks

After a comprehensive analysis of the Company's external environment and actual situation, the main operating risks the Company faces include:

1. Risk of trade conflict

The U.S. now serves as the largest single market for the Company. Following the U.S. imposition of "reciprocal tariffs" globally, the majority of products exported from China to the U.S. are now imposed with a high tariff of 170%, while exports from Southeast Asian countries to the U.S. will be subject to tariffs of at least 10%. Such tariff measures have introduced adverse impacts and uncertainties to industry development and the Company's long-term strategic planning. In this regard, the Company will pay close attention to the international situation, continue to implement the internationalization strategy, promote the construction of overseas manufacturing bases, cultivate overseas supply chains, and establish a global production capacity layout and supply chain system to ensure the stable development of the Company's business.

2. Exchange rate fluctuation risk

At present, the Company's operating income basically comes from the overseas market. For example, the wide fluctuation of Chinese Yuan exchange rate will have a certain impact on the Company's operating income. Most of the Company's principal business orders are denominated in US Dollars, and the fluctuations of the exchange rate between Chinese Yuan and US Dollars directly affect the price competitiveness of products, thus affecting the Company's operating performance. In this regard, the Company will continue to strengthen its development in overseas market and foreign exchange settlement regulation, to hedge and reduce the impact of exchange rate fluctuations on the Company's performance.

3. Risk of rising raw material prices

Recently, the Company's main raw material prices fluctuated greatly, causing the Company's production costs to fluctuate as well. Although the Company's production capacity is dominated by outsourced production and has a strong ability to bargain with upstream outsourced manufacturers, the Company's profitability may still be affected to some extent if the price of raw materials continues to rise. In this regard, the Company will continue to strengthen procurement and cost control, establish strategic cooperative relations with suppliers and sign long-term agreements to absorb the risk of raw material price fluctuations. Meanwhile, the Company will continue to optimize the product mix, strengthen the R&D of new products, and rely on innovative products to set reasonable prices and maintain the product gross margin.

XII. Activities Involving Hosting Research, Communication, Interviews, etc. in Reporting Period

√ Applicable □ Not Applicable

Reception date	Reception venue	Reception method	Type of reception object	Reception object	Main topics discussed and information provided	Index of basic research situation
January 22, 2024	No. 35, Jiuquan Road, Shangcheng District, Hangzhou	Telephone communication	Other	Institutional investors, individual investors	2023 Performance Forecast	2023 Performance Forecast
January 23, 2024	No. 35, Jiuquan Road, Shangcheng District, Hangzhou	Telephone communication	Other	Institutional investors, individual investors	2023 Performance Forecast	2023 Performance Forecast
April 25, 2024	No. 35, Jiuquan Road, Shangcheng District, Hangzhou	Telephone communication	Individual	Individual Investors	Operational Performance and Plans in 2023	Operational Performance and Plans in 2023
April 26, 2024	No. 35, Jiuquan Road, Shangcheng District, Hangzhou	Telephone communication	Individual	Individual Investors	Operational Performance and Plans in 2023	Operational Performance and Plans in 2023
April 29, 2024	No. 35, Jiuquan Road, Shangcheng District, Hangzhou	Telephone communication	Other	Institutional investors, individual investors	Operational Performance in Q1 2024	Disclosed in the Log of Hangzhou Great Star

	District, Hangzhou			investors		<i>Technology Co., Ltd. In Investor Relations Activities on irm.cninfo.com.cn (SZSE)</i>
April 30, 2024	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Other	Institutional investors, individual investors	Operational Performance in Q1 2024	Operational Performance in Q1 2024
August 30, 2024	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Other	Institutional investors, individual investors	Operational Performance in H1 2024	Operational Performance in H1 2024
September 2, 2024	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Other	Institutional investors, individual investors	Operational Performance in H1 2024	Operational Performance in H1 2024
10/31/2024	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Other	Institutional investors, individual investors	Operational Performance in Q1-Q3 2024	Operational Performance in Q1-Q3 2024
November 1, 2024	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Other	Institutional investors, individual investors	Operational Performance in Q1-Q3 2024	Operational Performance in Q1-Q3 2024
12/23/2024	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Other	Institutional investors, individual investors	Annual Performance Forecast in 2024	Annual Performance Forecast in 2024

XIII. Formulation and Implementation of Market Capitalization Management System and Value Enhancement Plans

Whether the Company maintains a market capitalization management system.

Yes ☐ No

Whether the company disclosed a value enhancement plan.

☐ Yes ☒ No

On April 21, 2025, the 12th Meeting of the 6th Board of Directors reviewed and approved the *Market Capitalization Management System*.

XIV. Implementation of the "Quality & Returns Enhancement" Action Plan

Has the company disclosed the implementation of the "Quality and Return Dual Enhancement" action plan.

Yes ☐ No

To safeguard investors' interests, boost their confidence, and promote sustainable development, the Company formulated the "Quality & Returns Enhancement" Action Plan, with focus on core competitiveness, governance optimization, and investor satisfaction. For more details, please refer to the *Quality & Returns Enhancement Action Plan* (Announcement No. 2024-041) disclosed on August 30, 2024 at www.cninfo.com.cn. Additionally, the *Progress Report on Quality & Returns Enhancement Action Plan* (Announcement No. 2025-014) was also disclosed on April 22, 2025.

Section IV Corporate Governance

I. Basic Status of Corporate Governance

During the reporting period, the company strictly adhered to the requirements of the Company Law, Securities Law, Code of Corporate Governance of Listed Companies, and Stock Listing Rules of the Shenzhen Stock Exchange, continuously improved the corporate governance structure, established and improved internal management and control systems, enhanced corporate governance, and standardized company operations.

As of the end of this reporting period, the actual corporate governance situation of the Company basically meets the requirements of the relevant listed company governance documents issued by the China Securities Regulatory Commission.

(I) Shareholders and Shareholders' Meeting

The Company, in strict compliance with the *Rules for General Meetings of Listed Companies*, *Articles of Association*, and *Procedural Rules for General Meetings*, deepens the regulation of the convening, holding, and voting processes and treats all shareholders equally, while ensuring their effective execution of their rights to information and participation in major corporate matters.

(II) Directors and Board of Directors

The Company strictly followed the procedures for the election of directors as stipulated in the Company Law and the Articles of Association. The Company currently has nine directors, including three independent directors, accounting for one-third of all directors. The number and composition of the board of directors comply with legal requirements. The board of directors has four specialized committees: the Strategic and Development Committee, the Remuneration and Assessment Committee, the Nomination Committee, and the Audit Committee. The board of directors operates in accordance with the Articles of Association, the Rules of Procedure of the Board of Directors, the Measures for the Administration of Independent Directors of Listed Companies, the Work Rules of the Board Secretary, and the Announcement No.1 of the Shenzhen Stock Exchange for Self-Regulation Guidelines for Main Board Listed Companies—Standard Operation of Listed Companies on the Main Board, exercising its powers in accordance with the law. All directors attend board meetings and shareholders' meetings on time, fulfilling their duties honestly, faithfully, diligently, and responsibly.

(III) Supervisors and Board of Supervisors

The Company's board of supervisors strictly followed the procedures for the election of supervisors as stipulated in the Company Law, the Articles of Association, and the Rules of Procedure of the Board of Supervisors. The board of supervisors consists of three supervisors, including one employee supervisor. The number and composition of the board of supervisors comply with legal requirements. The supervisors conscientiously fulfill their duties, in the spirit of being responsible to all shareholders, convene board of supervisors' meetings and attend shareholders' meetings and board meetings in accordance with the Rules of Procedure of the Board of Supervisors. The supervisors effectively supervise major company matters, related party transactions, financial conditions, and the performance of directors and the president, and provide independent opinions.

(IV) Relationship between Controlling Shareholders and Listed Companies

The Company and the controlling shareholders are separate and independent in personnel, assets, finances, organizations, and operations. The board of directors, board of supervisors, and internal institutions of the Company can operate independently. The behavior of the controlling shareholders is regulated. They exercise shareholder rights through shareholders' meetings, assume corresponding obligations, and do not directly or indirectly interfere with the Company's decision-making and business activities beyond the shareholders' meeting, thereby safeguarding the legitimate rights and interests of the company and other shareholders.

(V) Performance Evaluation and Incentive Mechanisms

The Company has established a comprehensive performance evaluation method, and the appointment of senior management is open, transparent, and in compliance with relevant laws, regulations, and internal company rules and regulations. The Company has established a performance evaluation system that links employees' income to their job performance. In the future, the Company will explore more forms of incentive mechanisms, establish a multi-level comprehensive incentive mechanism, improve performance evaluation standards, better motivate management personnel, attract and retain outstanding management talents, and technical and business backbone.

(VI) Related Stakeholders

The Company fully respects and protects the legitimate rights and interests of related stakeholders, achieving a balance of interests among shareholders, employees, society, and other parties, emphasizing social responsibility, and jointly promoting the Company's sustainable and healthy development.

(VII) Information Disclosure and Transparency

The Company, in strict accordance with the relevant laws and regulations and the Company's *Information Disclosure Management Rules*, strengthens the management of information disclosure and fulfills its information disclosure obligations. The Company has designated *Securities Times*, *China Securities Journal*, and *cninfo* as the newspapers and website for the Company's information disclosure. The Company discloses information truthfully, accurately, timely, and completely to ensure that all investors have fair access to company information. The Company will continue to improve and perfect the internal rules and regulations of corporate governance, strengthen standardized operations, and promote the company's sustained and stable development in accordance with the requirements of the Code of Corporate Governance of Listed Companies and Stock Listing Rules of the Shenzhen Stock Exchange.

Is there a significant difference between the actual state of corporate governance and the laws, regulations, as well as rules issued by the China Securities Regulatory Commission regarding the governance of listed companies

☐ Yes ☒ No

There is no significant difference between the actual state of corporate governance and the laws, regulations, as well as rules issued by the China Securities Regulatory Commission regarding the governance of listed companies.

II. Independence of the Company from Controlling Shareholders and Actual Controllers in terms of Company Assets, Personnel, Finances, Organizations, and Operations

During the reporting period, the Company maintained complete separation from the controlling shareholders in terms of business, assets, personnel, organization, and finances, ensuring stable production and operation, with well-established internal mechanisms capable of independent and standardized operation:

(I) Business Independence of the Company

The Company possesses independent production, procurement, and sales systems, operating entirely independently from the controlling shareholders. There is no horizontal competition between the controlling shareholders and their affiliated enterprises and the Company.

(II) Personnel Independence of the Company

The Company's personnel, human resources, and salaries are entirely independent. Senior management such as the CEO, vice presidents, board secretary, and CFO all work for the company and receive compensation without holding any positions or receiving remuneration from the controlling shareholders or their subsidiaries other than as directors or supervisors.

(III) Integrity of Company Assets

Clear property rights exist between the Company and the controlling shareholders. The Company's funds, assets, and other resources are not illegally occupied or controlled. The Company's assets are intact, with complete control and ownership rights over all assets, including production equipment, auxiliary production equipment, patents, and other assets appropriate for its scope of business.

(IV) Organizational Independence

The Company's board of directors, board of supervisors, management, and other internal institutions operate independently. Functional departments are completely separated from the controlling shareholders in terms of responsibilities, personnel, etc. There is no hierarchical relationship between the controlling shareholders, their functional departments and the Company and its functional departments. There is no phenomenon of controlling shareholders influencing the independence of the Company's production, operation, and management.

(V) Financial Independence

The Company has established an independent finance department and implemented sound financial and accounting management systems. The Company conduct independent accounting without any interference from the controlling shareholders in the Company's financial and accounting activities. The Company maintains separate bank accounts in commercial banks without sharing bank accounts with the controlling shareholders. The Company fulfills its tax declaration and tax obligations independently and in accordance with the law.

III. Horizontal Competition

☐ Applicable ☒ Not Applicable

IV. Description of Annual and Extraordinary General Meetings Held During Reporting Period**1. General meeting of shareholders during current reporting period**

Session	Type	Investor participation ratio	Date convening	of	Date disclosure	of	Resolution
1st extraordinary general meeting of shareholders in 2024	Extraordinary general meeting of shareholders	48.80%	February 2024	8,	February 2024	9,	Announcement No.: 2024-004
2023 Annual General Meeting of Shareholders	Annual general meeting of shareholders	46.59%	March 31, 2024		June 1, 2024		Announcement No.: 2024-026
2nd extraordinary general meeting in 2024	Extraordinary general meeting of shareholders	54.37%	September 2024	18,	September 2024	19,	Announcement No.: 2024-042
3rd extraordinary general meeting	Extraordinary general meeting	53.88%	10/28/2024		10/29/2024		Announcement No.: 2024-047

in 2024	of shareholders				
4th Extraordinary General Meeting in 2024	Extraordinary general meeting of shareholders	53.86%	11/15/2024	11/16/2024	Announcement No.: 2024-056

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

☐ Applicable ☒ Not Applicable

V. Directors, Supervisors and Senior Management Personnel

1. Basic information

Name	Gender	Age	Title	Status	Commencement date of term	Termination date of term	Number of shares held at the beginning of the period	Number of additional shares held during the period	Number of reduced shares held during the period	Other changes in shareholding	Number of shares held at the end of the period	Reason for change in shareholding
Qiu Jianping	Male	63	Chairman of the Board	Incumbent	June 16, 2008	September 10, 2026	51,015,258	0	5,000,000	0	46,015,258	Reduction of Shares
Chi Xiaoheng	Female	50	Vice Chairman and President	Incumbent	June 16, 2008	September 10, 2026	729,950	0	0	0	729,950	
Wang Lingling	Female	63	Director and Vice President	Incumbent	June 16, 2008	September 10, 2026	12,950,960	0	0	0	12,950,960	
Li Zheng	Male	65	Director and Vice President	Incumbent	June 16, 2008	September 10, 2026	676,470	0	0	0	676,470	

Xu Zhen g	Femal e	41	Direct or	Incu mbent	June 16, 2008	Septe mber 10, 2026	0	0	0	0	0	
Qiu Fei	Femal e	35	Direct or	Incu mbent	Marc h 31, 2024	Septe mber 10, 2026	0	0	0	0	0	
Wang Gang	Male	49	Indep enden t Direct or	Incu mbent	Augu st 31, 2020	Septe mber 10, 2026	0	0	0	0	0	
Chen Zhimi n	Femal e	64	Indep enden t Direct or	Incu mbent	Augu st 31, 2020	Septe mber 10, 2026	0	0	0	0	0	
Shi Hong	Femal e	61	Indep enden t Direct or	Incu mbent	Augu st 31, 2020	Septe mber 10, 2026	0	0	0	0	0	
Sheng Guiha o	Male	59	Chair man of the super visory board	Incu mbent	Septe mber 11, 2023	Septe mber 10, 2026	0	0	0	0	0	
Chen Jun	Male	44	Work ers' Super visor	Incu mbent	June 15, 2011	Septe mber 10, 2026	0	0	0	0	0	
Huan g Qiaoz hen	Femal e	41	Super visor	Incu mbent	May 9, 2022	Septe mber 10, 2026	0	0	0	0	0	
Ni Shuyi	Femal e	48	Husb andry Relev ant	Incu mbent	June 16, 2008	Septe mber 10, 2026	0	0	0	0	0	
Wang Min	Male	53	Vice presid	Incu mbent	June 16,	Septe mber 10,	760,2 00	0	0	0	760,2 00	

			ent		2008	2026						
Li Feng	Male	50	Vice president	Incumbent	June 16, 2008	September 10, 2026	853,277	0	0	0	853,277	
Zhou Siyuan	Male	38	Vice President, Board Secretary	Incumbent	January 31, 2018	September 10, 2026	652,500	0	152,500	0	500,000	Reduction of Shares
Jiang Saiping	Female	53	Vice president	Incumbent	May 10, 2022	September 10, 2026	0	0	0	0	0	
Zhang Mao	Female	45	Vice president	Incumbent	January 27, 2022	September 10, 2026	2,900	0	0	0	2,900	
Zhou Yiqiong	Female	53	Vice president	Incumbent	September 11, 2023	September 10, 2026	0	0	0	0	0	
Li Jingjian	Male	54	Vice president	Incumbent	10/11/2024	September 10, 2026	2	0	0	0	2	
Wang Weiyi	Male	55	Director	Resignation	September 11, 2023	April 23, 2024	771,525	0	0	0	771,525	
Total	--	--	--	--	--	--	68,413,042	0	5,152,500	0	63,260,542	--

During the reporting period, were there any cases of directors, supervisors leaving office, or senior management personnel being dismissed during their term of office

☐ Yes ☒ No

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

√ Applicable ☐ Not Applicable

Name	Position	Type	Date	Reason
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Wang Weiyi	Director	Resignation	April 23, 2024	Personal Reasons
Qiu Fei	Director	Elected	March 31, 2024	Job Transfer
Li Jingjian	Vice president	Appointment	10/11/2024	Job Transfer

2. Employment

The professional background, key work experience, and main responsibilities in the Company of the current directors, supervisors, and senior management personnel

1. Directors

Mr. Qiu Jianping, chairman of the Company, is a Chinese national with no permanent residency abroad. He was born in 1962 and graduated from Xi'an Jiaotong University with an engineering master's degree in mechanical casting in 1985. From June 2008 to January 2021, he served as the chairman and president of the Company. Since January 2021, he has been serving as the chairman of the Company.

Ms. Chi Xiaoheng, vice chairman and president of the Company, is a Chinese national with no permanent residency abroad. She was born in 1975 and holds an associate degree. From June 2008 to August 2020, she served as a director and vice president of the company. From August 2020 to January 2021, she served as vice chairman and vice president of the Company. Since January 2021, she has been serving as vice chairman and president of the Company.

Mr. Li Zheng, director and vice president of the Company, is a Chinese national with no permanent residency abroad. She was born in 1959 and holds an associate degree. From 2008 to August 2020, he served as vice chairman and vice president of the Company. Since August 2020, he has been serving as a director and vice president of the Company.

Ms. Wang Lingling, director and vice president of the Company, is a Chinese national with no permanent residency abroad. She was born in 1961 and holds a bachelor's degree. Since 2008, she has been serving as a director and vice president of the Company.

Ms. Xu Zheng, director of the Company, is a Chinese national with no permanent residency abroad. She was born in 1984 and holds a bachelor's degree. Since 2008, she has served as the chairman's secretary of Great Star Holding Group Co., Ltd. Since 2011, she has served as a director of Hangcha Group Co., Ltd. She has been serving as a director of the Company since 2008.

Ms. Qiu Fei, Director of the Company, is a Chinese national with no permanent residency abroad. She was born in April 1990 and holds a master's degree. From November 2014 to October 2023, she served as Deputy General Manager of Great Star Holding Group Co., Ltd.; from October 2023 to present, she served as General Manager of Great Star Holding Group Co., Ltd.; from January 2019 to present, she served as Director of Hangcha Group Co., Ltd.; from September 2021 to present, she served as Director of Zhongce Rubber Group Co., Ltd.; from December 2023 to present, she has been serving as Director of Zhejiang Xinchai Co., Ltd. From May 2024 to present, she has been serving as Director of the Company.

Mr. Wang Gang, independent director of the Company, is a Chinese national with no permanent residency abroad. He was born in October 1975 and holds a master's degree. He is a certified public accountant (CPA) and a senior economist. Since August 2017, he has been serving as a director, vice general manager, and secretary of the board of directors of Hangzhou Robam Appliances Co., Ltd. Since August 2020, he has been serving as an independent director of the Company.

Ms. Shi Hong, independent director of the Company, is a Chinese national with no permanent residency abroad. She was born in July 1963 and holds a master's degree. She is an associate

professor. From September 2005 to July 2018, she served as an associate professor at the Environmental Engineering Teaching and Research Office of the College of Ocean Science and Engineering, Shanghai Maritime University, and concurrently served as the director of the Environmental Engineering Laboratory. Since August 2020, he has been serving as an independent director of the Company.

Ms. Chen Zhimin, independent director of the Company, is a Chinese national with no permanent residency abroad. She was born in April 1960 and holds a master's degree. She currently serves as a director of Zhejiang Caitong Capital Investment Co., Ltd., supervisor of Hangzhou Tigermed Technology Co., Ltd. and Zhejiang Canaan Technology Co., Ltd., and independent director of Hangzhou Honghua Digital Technology Co., Ltd. and Tongkun Holding Group Co., Ltd. Since August 2020, he has been serving as an independent director of the Company.

2. Supervisors

Mr. Sheng Guihao, supervisor of the Company, is a Chinese national with no permanent residency abroad. He was born in December 1966 and holds a bachelor's degree. Since August 2014, he has been serving as vice chairman of Zhejiang Hangcha Holding Co., Ltd. Since September 2023, he has been serving as the chairman of the board of supervisors of the Company.

Mr. Chen Jun, supervisor of the Company, is a Chinese national with no permanent residency abroad. He was born in August 1980 and holds a bachelor's degree. He is a junior engineer. From 2009 to present, he has been serving as the Chief Industrial Design Director of the Company and Secretary of the CPC Great Star R&D Innovation Branch. From June 15, 2011 to present, he has been serving as Supervisor of the Company.

Ms. Huang Qiaozhen, supervisor of the Company, is a Chinese national with no permanent residency abroad. She was born in November 1983 and holds a bachelor's degree. Since January 2021, she has been serving as the president's secretary and deputy director of the President's Office.

3. Other senior management personnel

Mr. Zhou Siyuan, secretary of the board and vice president of the Company, is a Chinese national with no permanent residency abroad. He was born in 1986 and holds a graduate degree. Since January 2018, he has been serving as the board secretary of the Company.

Ms. Ni Shuyi, chief financial officer of the Company, is a Chinese national with no permanent residency abroad. She was born in 1976 and holds a bachelor's degree. Since 2008, she has been serving as the chief financial officer of the Company.

Mr. Wang Min, vice president of the Company, is a Chinese national with no permanent residency abroad. He was born in 1971 and holds an associate degree. Since 2008, he has been serving as vice president of the Company, responsible for the Company's procurement business.

Mr. Li Feng, vice president of the Company, is a Chinese national with no permanent residency abroad. She was born in 1975 and holds an associate degree. He has been serving as vice president of the Company since 2008, responsible for the Company's external sales business.

Ms. Zhang Mao, vice president of the Company, is a Chinese national with no permanent residency abroad. She was born in 1979 and holds a bachelor's degree. From May 2021 to January 2022, she served as senior director of International E-commerce at Hangzhou Great Star Industrial Co., Ltd. Since January 2022, she has been serving as vice president of the Company, responsible for the Company's international e-commerce business.

Ms. Jiang Saiping, vice president of the Company, is a Chinese national with no permanent residency abroad. She was born in November 1971 and holds a bachelor's degree. From December 2013 to May 2022, she served as director of export at the Company. Since May 2022, she has been serving as vice president of the Company, responsible for the Company's own brand and major customer business.

Ms. Zhou Yiqiong, vice president of the Company, is a Chinese national with no permanent residency abroad. She was born in December 1971 and holds a bachelor's degree. From July 2002 to January 2023, she served as senior sourcing manager at Home Depot Asia Pacific Procurement. Since September 2023, she has been serving as vice president of the Company.

Mr. Li Jingjian, Vice President of the Company, born in July 1970, holds Chinese nationality without permanent residence permit outside China, has acquired the bachelor's degree, and now works as senior engineer. From May 2009 to May 2021, he served as Director of the R&D Center of Hangzhou Subsidiary. From May 2021 to October 2024, he served as Senior Director of the Company's R&D Center. From October 2024 to present, he has been serving as Vice President of the Company, responsible for the Company's R&D business.

Employment in corporate shareholders

☒ Applicable ☐ Not Applicable

Employee name	Corporate shareholder name	Position	Commencement date of term	Termination date of term	Receive compensation or not
Qiu Jianping	Great Star Holding Group Co., Ltd.	Chairman of the Board	August 10, 2009		No
Wang Lingling	Great Star Holding Group Co., Ltd.	Vice chairman	January 10, 2020		No
Li Zheng	Great Star Holding Group Co., Ltd.	Director	August 10, 2009		No
Chi Xiaoheng	Great Star Holding Group Co., Ltd.	Director	August 10, 2009		No
Xu Zheng	Great Star Holding Group Co., Ltd.	Supervisor	10/16/2023		Yes
Qiu Fei	Great Star Holding Group Co., Ltd.	Chairman and General Manager	10/16/2023		Yes
Explanation of employment in corporate shareholders	None				

Employment in other organizations

☒ Applicable ☐ Not Applicable

Employee name	Other	Position	Commencement	Termination	Receive
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	organization's name		date of term	date of term	compensation or not
Qiu Jianping	Zhejiang Hangcha Holding Co., Ltd	Chairman, general manager	February 2, 2011		No
Qiu Jianping	Hangcha Group Co., Ltd.	Director	February 2, 2011		No
Qiu Jianping	Zhejiang Zhongtai Great Star Real Estate Co., Ltd.	Director	May 10, 2005		No
Qiu Jianping	Hangzhou Great Star Industrial Co., Ltd.	Executive director	March 19, 2011		No
Qiu Jianping	Hangzhou Great Star Precision Machinery Co., Ltd	Chairman of the Board	12/30/2006		No
Qiu Jianping	SMART SILVER LIMITED	Director	January 20, 2011		No
Qiu Jianping	Hong Kong Golden Deer Co., Ltd.	Director	January 20, 2011		No
Qiu Jianping	Shui On Zhaowei Co., Ltd.	Director	January 20, 2011		No
Qiu Jianping	Shui On Qihao Co., Ltd.	Director	January 20, 2011		No
Qiu Jianping	Shui On Junye Co., Ltd.	Director	January 20, 2011		No
Qiu Jianping	Great Star Industrial Co., Ltd.	Executive director	June 20, 2013		No
Qiu Jianping	Jindao Investment Co., Ltd.	Director	January 20, 2011		No

Qiu Jianping	Hangzhou Xihu Tiandi Development Co., Ltd	Director	May 13, 2011		No
Qiu Jianping	Xinjiang Lianhe Investment Co., Ltd.	Executive Partner	January 10, 2012		No
Qiu Jianping	Taifeng Co., Ltd.	Director	January 20, 2011		No
Qiu Jianping	Hangzhou Kunxia Investment Management Partnership (Limited Partnership)	Executive Partner	January 18, 2018		No
Qiu Jianping	Zhejiang Equity Service Group Co., Ltd.	Director	November 8, 2017		No
Qiu Jianping	Zhejiang Guozi Robotics Co., Ltd.	Director	September 26, 2014		No
Qiu Jianping	Zhejiang United Investment Co., Ltd.	Director	April 13, 2015		No
Qiu Jianping	Hangzhou Lujing Culture and Creativity Co., Ltd.	Executive director	11/26/2015		No
Qiu Jianping	Zhejiang Youbon Small Loan Co., Ltd.	Director	12/25/2009		No
Qiu Jianping	Hangzhou Chaoyang Haoyun Enterprise Management Partnership (Limited Partnership)	Executive Partner	April 17, 2019		No
Qiu Jianping	Hangzhou Chaoyang	Executive Partner	January 7, 2021		No

	Wenxing Enterprise Management Partnership (Limited Partnership)				
Qiu Jianping	Hangzhou Chaoyang Risheng Enterprise Management Partnership (Limited Partnership)	Executive Partner	January 7, 2021		No
Qiu Jianping	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Chairman of the Board	April 17, 2019		No
Qiu Jianping	Zhejiang Xinchai Co., Ltd.	Director	12/26/2019		No
Qiu Jianping	Zhongce Rubber Group Company Limited	Director	10/21/2019		No
Wang Lingling	Hangzhou Great Star Precision Machinery Co., Ltd	Director	September 20, 2011		No
Wang Lingling	Hangzhou Fuyang Chongsheng Trading Co., Ltd.	Executive Director and General Manager	11/11/2013		No
Wang Lingling	Zhejiang Zhongtai Great Star Real Estate Co., Ltd.	Supervisor	March 11, 2011		No
Wang Lingling	Zhejiang Hangcha Holding Co., Ltd	Director	January 27, 2012		No

Wang Lingling	Hangzhou Great Star Industrial Co., Ltd.	Supervisor	February 17, 2022		No
Wang Lingling	Zhejiang Yunsong Artificial Intelligence Technology Co., Ltd.	Supervisor	May 20, 2022		No
Li Zheng	Hangzhou Great Star Precision Machinery Co., Ltd	Director	September 20, 2011		No
Xu Zheng	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Supervisor	April 21, 2019		No
Xu Zheng	Hangcha Group Co., Ltd.	Director	March 25, 2011		No
Xu Zheng	Zhejiang Hangcha Holding Co., Ltd	Supervisor	January 27, 2012		No
Xu Zheng	Zhongce Rubber Group Co. Ltd.	Chairman of the supervisory board	10/21/2019		No
Qiu Fei	Hangzhou Oak Private Equity Fund Management Co., Ltd.	Executive director	March 16, 2018		No
Qiu Fei	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Manager, Director	April 17, 2019		No
Qiu Fei	Zhejiang Guozi Robotics Co., Ltd.	Director	May 25, 2020		No

Qiu Fei	Zhejiang Hangcha Holding Co., Ltd	Director	January 11, 2019		No
Qiu Fei	Hangzhou Great Star Precision Machinery Co., Ltd	General Manager	March 2, 2020		No
Qiu Fei	Hangzhou Lujing Culture and Creativity Co., Ltd.	Manager	April 26, 2020		No
Qiu Fei	Hangzhou Great Star Industrial Co., Ltd.	Manager	February 17, 2022		No
Qiu Fei	GH Optics (Jiangsu) Co., Ltd.	Director	May 14, 2021		No
Qiu Fei	Hangzhou Quanlin Investment Partnership (Limited Partnership)	Executive Partner	11/16/2015		No
Qiu Fei	Zhejiang Xinchai Co., Ltd.	Director	January 17, 2024		No
Qiu Fei	Quanlin Limited Liability Company	Director	August 8, 2019		No
Wang Gang	Hangzhou Robam Electrical Appliance Co., Ltd.	Board Secretary, Director	June 1, 2008		Yes
Wang Gang	Hangzhou Nbond Nonwovens Co., Ltd.	Director	January 1, 2013		No
Wang Gang	De Dietrich Household	Director	July 1, 2012		No

	Appliances (Shanghai) Trading Co., Ltd.				
Wang Gang	Hangzhou Fortune Gas Cryogenic Group Co., Ltd.	Director	January 1, 2018		No
Wang Gang	Hanjia Design Group Co., Ltd.	Independent Director	March 15, 2022		Yes
Wang Gang	Hangzhou XZB Tech Co., Ltd.	Independent Director	12/28/2022		Yes
Wang Gang	De Dietrich Trading (Shanghai) Co., Ltd.	Director	June 01, 2016		No
Wang Gang	Hangzhou G&G Tourism Supplies Co., Ltd.	Director	October 1, 2017		No
Wang Gang	Shanghai MXCHIP Information Technology Co., Ltd.	Supervisor	November 1, 2017		No
Wang Gang	Hangzhou Laoban Fuchuang Investment Management Co., Ltd.	Supervisor	May 1, 2018		No
Wang Gang	Shengzhou Kinde Intelligent Kitchen Electric Appliance Co., Ltd.	Director	July 1, 2018		No
Wang Gang	Versolsolar Hangzhou Co., Ltd.	Director	12/28/2022		No
Chen Zhimin	Zhejiang Caitong Capital Investment Co.,	Director	March 24, 2015		No

	Ltd.				
Chen Zhimin	Hangzhou Tigermed Pharmaceutical Technology Co., Ltd.	Supervisor	April 22, 2020		Yes
Chen Zhimin	Zhejiang Canaan Technology Co., Ltd.	Supervisor	September 20, 2022		Yes
Chen Zhimin	Hangzhou Atexco Digital Technology Co., Ltd.	Independent Director	December 06, 2019		Yes
Chen Zhimin	Tongkun Group Co., Ltd.	Independent Director	June 23, 2020		Yes
Sheng Guihao	Zhejiang Hangcha Holding Co., Ltd	Director	January 11, 2019		Yes
Zhou Siyuan	Zhejiang Guozi Robotics Co., Ltd.	Director	September 14, 2017		No
Zhou Siyuan	Hangzhou Xihu Tiandi Development Co., Ltd	Director	May 13, 2011		No
Zhou Siyuan	Zhejiang Hangcha Holding Co., Ltd	Director	January 28, 2011		No
Zhou Siyuan	Ningbo Donghai Bank Co., Ltd.	Director			No
Zhou Siyuan	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Director	April 17, 2019		No
Zhou Siyuan	GH Optics (Jiangsu) Co.,	Supervisor	May 14, 2021		No

	Ltd.				
Zhou Siyuan	Hangzhou Weina Technologies Co., Ltd.	Director	March 3, 2017		
Zhou Siyuan	Hangzhou Oak Private Equity Fund Management Co., Ltd.	Supervisor	March 16, 2018		
Note on positions with other organizations	None				

Cases where current directors, supervisors and senior managers or those who departed during the reporting period were penalized by securities regulatory authorities in the past three years

☐ Applicable ☒ Not Applicable

3. Changes in Remuneration of Directors, Supervisors and Senior Managers

Decision-making processes, basis for determination, and actual payment of remuneration for directors, supervisors and senior managers

1. Decision-making processes of remuneration for directors, supervisors and senior managers

The remuneration for the Company's directors is proposed by the Remuneration Committee and reviewed and approved by the Board of Directors and the General Meeting of Shareholders. The remuneration for the Company's supervisors is proposed by the Human Resources Department and reviewed and approved by the Board of Supervisors and the Shareholders' Meeting. The position-based portion of senior managers' compensation is proposed by the Remuneration Committee and approved by the Board of Directors; the performance-based portion is determined based on the Company's operating performance and annual bonus principles, combined with individual performance evaluations, and disbursed after review by the Chairman.

2. Basis for determination of remuneration for directors, supervisors and senior managers

Directors, supervisors and senior managers serving in the Company receive a position-based portion of remuneration. Their performance-based portion of remuneration is determined based on the Company's operating performance and annual bonus principles, combined with individual performance evaluations, and disbursed after review by the Chairman.

Remuneration of directors, supervisors and senior managers during the reporting period

Unit: ten thousand RMB

Name	Gender	Age	Title	Status	Total pre-tax remuneration received from the Company	Whether to receive remuneration from related parties of the Company
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Qiu Jianping	Male	63	Chairman of the Board	Incumbent	62.57	No
Chi Xiaoheng	Female	50	Vice Chairman and President	Incumbent	263.00	No
Wang Lingling	Female	63	Director and Vice President	Incumbent	40.67	No
Li Zheng	Male	65	Director and Vice President	Incumbent	173.00	No
Xu Zheng	Female	41	Director	Incumbent	0.00	Yes
Qiu Fei	Female	35	Director	Incumbent	0.00	Yes
Wang Gang	Male	49	Independent Director	Incumbent	10.00	No
Chen Zhimin	Female	64	Independent Director	Incumbent	10.00	No
Shi Hong	Female	61	Independent Director	Incumbent	10.00	No
Sheng Guihao	Male	59	Chairman of the supervisory board	Incumbent	0.00	Yes
Chen Jun	Male	44	Workers' Supervisor	Incumbent	54.33	No
Huang Qiaozhen	Female	41	Supervisor	Incumbent	22.02	No
Ni Shuyi	Female	48	Husbandry Relevant	Incumbent	131.00	No
Wang Min	Male	53	Vice president	Incumbent	150.00	No
Li Feng	Male	50	Vice president	Incumbent	249.00	No
Zhou Siyuan	Male	38	Vice President, Board	Incumbent	142.77	No

			Secretary			
Jiang Saiping	Female	53	Vice president	Incumbent	160.00	No
Zhang Mao	Female	45	Vice president	Incumbent	139.00	No
Zhou Yiqiong	Female	53	Vice president	Incumbent	100.00	No
Li Jingjian	Male	54	Vice president	Incumbent	98.00	No
Wang Weiyi	Male	55	Director	Resignation	126.20	No
Total	--	--	--	--	1,941.56	--

Additional information

☐ Applicable ☒ Not Applicable

VI. Performance of Duties by Directors during the Reporting Period

1. Board of Directors during the Reporting Period

Session	Date of convening	Date of disclosure	Resolution
The 5th Meeting of the 6th Board of Directors	January 24, 2018	January 25, 2024	Announcement No.: 2024-002
The 6th Meeting of the 6th Board of Directors	April 24, 2024	April 25, 2024	Announcement No.: 2024-009
The 7th Meeting of the 6th Board of Directors	April 26, 2024	April 27, 2024	Announcement No.: 2024-022
The 8th Meeting of the 6th Board of Directors	July 1, 2024	July 2, 2024	Announcement No.: 2024-029
The 9th Meeting of the 6th Board of Directors	August 29, 2024	August 30, 2024	Announcement No.: 2024-034
The 10th Meeting of the 6th Board of Directors	10/11/2024	10/12/2024	Announcement No.: 2024-045
The 11th Meeting of the 6th Board of Directors	10/30/2024	10/31/2024	Announcement No.: 2024-049

2. Attendance of Directors at Meetings of the Board of Directors and General Meetings of Shareholders

Attendance of directors at meetings of the Board of Directors and Shareholders' Meetings							
Name of director	Number of times to attend the required meetings of Board of Directors during the reporting period	Times of attendance in person at meetings of Board of Directors	Times of attendance at meetings of Board of Directors through telecommunication means	Times of attendance by proxy at meetings of Board of Directors	Times of absences from meetings of Board of Directors	Absences from two consecutive meetings of Board of Directors	Times of attendance at Shareholders' Meetings
Qiu Jianping	7	7	0	0	0	No	5
Chi Xiaoheng	7	7	0	0	0	No	5
Wang Lingling	7	7	0	0	0	No	5
Li Zheng	7	7	0	0	0	No	5
Xu Zheng	7	7	0	0	0	No	5
Qiu Fei	4	4	0	0	0	No	3
Wang Gang	7	7	0	0	0	No	5
Chen Zhimin	7	7	0	0	0	No	5
Shi Hong	7	7	0	0	0	No	5
Wang Weiyi	1	1	0	0	0	No	1

Note on absences from two consecutive meetings of Board of Directors

None

3. Objections Raised by Directors on Matters Related to the Company

Objections raised by directors on matters related to the Company

☐ Yes ☒ No

Directors raised no objection on matters related to the Company during the reporting period.

4. Other Notes on Performance of Duties by Directors

Adoption of suggestions from directors in connection with the Company

Yes ☐ No

Notes on adoption or rejection of suggestions from directors in connection with the Company

During the reporting period, all directors of the Company diligently fulfilled their responsibilities in strict accordance with the relevant laws and regulations, the *Articles of Association*, and the *Rules of Procedure for Meetings of the Board*, attended board meetings and general meetings, carefully deliberated on various proposals, earnestly implemented the resolutions adopted at the general meetings, and actively promoted the implementation of resolutions adopted by the Board. All directors kept abreast of the Company's operating status, internal control regulations, and the execution of Board resolutions, studied and deployed the key tasks for the next phase, thoroughly understood and approved matters such as the renewal of the financial audit institution, profit distribution, connected transactions, and the conclusion of fund-raising projects during the reporting period, driving the Company's businesses to continue to develop with high quality.

VII. Performance of Committees under the Board of Directors During the Reporting Period

Committee Name	Members	Number of meetings held	Date of convening	Agenda	Important opinions and suggestions proposed	Other information on performance of duties	Details of objections (if any)
Remuneration and Evaluation Committee	Chen Zhimin, Shi Hong, Wang Gang, Chi Xiaoheng, and Xu Zheng	1	April 23, 2024	Consideration and adoption of the Proposal on Remuneration Plan for Directors of Company for 2024 and the Proposal on Remuneration Plan for Senior Managers of Company for 2024.			
Audit Committee	Wang Gang, Shi Hong, Chen Zhimin, Wang Lingling,	4	April 23, 2024	The following documents were deliberated and approved:			

	and Xu Zheng			<i>2023 Annual Report (full text and summary), 2023 Annual Audit Report, 2023 Financial Final Accounts Report, 2023 Internal Control Self-Evalua tion Report, Proposal on Renewing the Appointme nt of Tianjian Certified Public Accountant s (Special General Partnershi p) as the Audit Institution for the Company in 2024, Proposal on the 2024 Estimated Daily Connected Transactio ns, Audit Work Summary of Audit Departmen t in 2023 and Audit Work Plan for 2024, Report on</i>			
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				<i>the Deposit and Use of Raised Funds in 2023, Report of the Audit Committee on the Fulfillment of Supervisory Duties by the Accounting Firm in 2023, and Proposal on Changes in Accounting Policies.</i>			
Audit Committee	Wang Gang, Shi Hong, Chen Zhimin, Wang Lingling, and Xu Zheng	4	April 26, 2024	The Report for the First Quarter of 2024 and the Inspection Report on the Deposit and Use of Raised Funds in the First Quarter of 2024 were deliberated and approved.			
Audit Committee	Wang Gang, Shi Hong, Chen Zhimin, Wang Lingling, and Xu Zheng	4	August 29, 2024	The 2024 Semi-Annual Report, the 2024 Semi-Annual Report on the Deposit and Use of Raised Funds, Fund-Raising			

				<i>Management Measures of Hangzhou Great Star Technology Co., Ltd., and Proposal on the Conclusion of Some Fund-Raising Projects and the Permanent Supplementation of Working Capital with Surplus Raised Funds were deliberated and approved.</i>			
Audit Committee	Wang Gang, Shi Hong, Chen Zhimin, Qiu Jianping, and Xu Zheng	4	10/29/2024	Consideration and adoption of the 2024 Third-Quarter Report and 2024 Third-Quarter Special Report on Custody and Use of Funds Raised			
Nomination Committee	Chen Zhimin, Shi Hong, and Chi Xiaoheng	2	April 23, 2024	<i>The Proposal on the By-election of Non-Executive Directors of the Company was</i>			

				deliberated and approved.			
Nomination Committee	Chen Zhimin, Shi Hong, and Chi Xiaoheng	2	10/10/2024	The Proposal on the Appointment of the Vice President of the Company was deliberated and approved.			

VIII. Performance of Board of Supervisors

Risks identified by the Board of Supervisors in supervisory activities for the Company during the reporting period

☐ Yes ☒ No

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

IX. Employees

1. Number of Employees, Professional Composition, and Education Levels

Number of current employees of the parent company at the end of the reporting period (person)	1,361
Number of current employees of main subsidiaries at the end of the reporting period (person)	11,883
Total number of current employees at the end of the reporting period (person)	13,244
Total number of employees receiving pay in the reporting period (person)	13,244
Number of retired employees whose expenses are borne by the parent company and main subsidiaries (person)	0
Specialty composition	
Specialty category	Number of employees (person)
Production personnel	9,241

Sales personnel	1,235
Technical personnel	1,100
Financial personnel	252
Administrative personnel	1,416
Total	13,244
Education level	
Education level category	Employees (person)
Master's degree or above	169
University (including junior college)	3,262
Senior high school (including vocational and technical schools)	3,807
Under senior high school	6,006
Total	13,244

2. Remuneration Policy

The Company strictly follows the relevant provisions of the Labor Contract Law in managing employee compensation, ensuring that employees' wages are paid in full and on time before the 20th day of each month. In 2024, average employee wage of the Company was higher than the average wage standard of Zhejiang Province in 2024. The Company paid employees' regular, weekend and overtime pay in full accordance with relevant regulations and a comprehensive working hour system for some positions. The Company carried out one company-wide salary adjustment, three quarterly salary adjustments, and one external salary level survey over the year. The salary calculation schemes fall into two categories. Front line employees receive pay for overtime work, with hourly wages and overtime wages calculated according to national labor laws and policies; employees holding management positions receive a combination of a fixed portion and a performance-based portion of pay.

3. Training Plan

Employee training and development is an important part of the Company's work. In 2024, training management continued to focus on three areas: new employee growth education, specialized technical training, and employee career literacy education. Over the year, the Company organized 63 training sessions with a total of 2930 employees participating, accumulating 8530 total training hours. The Company also continued the talent pipeline development, with a focus on selecting and cultivating director-level and manager-level candidates. Business elites were also selected to participate in the Eagle Training Camp to enhance their business management capabilities. In 2025, the Company will continue to carry out organizational empowerment and talent development work centering on the Company's development needs, implement the Eagle Training Camp and a management leadership capability enhancement plan, and strengthen the internal trainer team and build a strong instructor team that can meet the growing demand for training.

4. Use of Employment Services

☐ Applicable ☒ Not Applicable

X. Profit Distribution of the Company and Transfer of Capital Reserve into Share Capital

Formulation, implementation or adjustment of the profit distribution policy during the reporting period, especially the cash dividend policy

☒ Applicable ☐ Not Applicable

On May 31, 2024, the Company held the annual General Meeting of Shareholders of 2023, which reviewed and approved the Company's Shareholder Return Plan for the Next Three Years (2024-2026). The Board of Directors formulated the Company's Shareholder Return Plan for the Next Three Years (2024-2026) after having comprehensively considered the Company's profitability, development strategies and plans, shareholder returns, social capital costs, external financing environment and other factors.

In the reporting period, the formulation and implementation of the Company's profit distribution plan conforms to the China Securities Regulatory Commission's Notice on Further Implementation of Cash Dividends Distribution of Listed Companies, the No.3 Guideline for the Supervision of Listed Companies - Cash Dividend Distribution of Listed Companies as well as the Articles of Association. The deliberation and decision-making procedures and mechanisms were complete; the independent directors diligently fulfilled their duties; and the legitimate rights and interests of minority shareholders were fully protected.

Special note of the cash dividend policy	
Conforming to the provisions of the Company's Articles of Association or the requirements of the General Meeting of Shareholders resolutions:	Yes
The distribution standards and ratios were clear and unambiguous:	Yes
The relevant decision-making procedures and mechanisms were complete:	Yes
The independent directors performed their duties diligently and played their due role:	Yes
If the Company did not distribute cash dividends, it should disclose the specific reasons and the measures to be taken to enhance the return level for investors:	Yes
Minority shareholders had sufficient opportunities to express their opinions and appeals, and their legitimate rights and interests were fully protected:	Yes
If the cash dividend policy was adjusted or changed, the conditions and procedures were compliant and transparent:	Yes

The Company made profits during the reporting period and the parent company's profits distributable to shareholders were positive, but no cash dividend distribution plan was announced

☐ Applicable ☒ Not Applicable

Profit distribution and transfer of capital reserve into share capital in the reporting period

☐ Applicable ☒ Not Applicable

The company planned not to distribute cash dividends, issue bonus shares, or increase share capital using capital reserves for the year.

XI. Implementation of the Company's Equity Incentive Plan, Employee Stock Ownership Plans or Other Employee Incentive Measures

☐ Applicable ☒ Not Applicable

The Company has no implementation of equity incentive plan, employee stock ownership plan or other employee incentive measures during the reporting period.

XII. Development and Implementation of the Internal Control System During the Reporting Period

1. Development and Implementation of the Internal Control System

During the reporting period, the Company strictly followed the requirements of the Company Law, Securities Law, Code of Corporate Governance of Listed Companies, General Regulation for Enterprise Internal Control, and other relevant laws, regulations and normative documents in continuously improving the Company's internal control system. The Board of Directors carried out an annual self-evaluation of the Company's internal controls and disclosed the Internal Control Self-Evaluation Report and engaged an accounting firm to audit the Company's internal controls as required by the Shenzhen Stock Exchange. In 2024, in accordance with regulations such as the *Self-Regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies No. 1 - Standardized Operations for Main Board Listed Companies*, the *Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Raised Funds by Listed Companies*, and the *Articles of Association*, the Company revised the *Fund-Raising Management Measures*. Based on the actual development of the Company's business, the *Articles of Association* were also revised to continuously improve corporate governance.

During the reporting period, there were no material deficiencies or important deficiencies in the Company's internal controls over financial reporting or non-financial reporting. The Company has maintained effective internal controls over financial reporting in all material aspects in accordance with the enterprise internal control standards system and relevant regulatory requirements.

2. Details on Deficiencies in Material Internal Controls Discovered During the Reporting Period

☐ Yes ☒ No

XIII. The Company's Management and Control over Subsidiaries During the Reporting Period

Company name	Integration plan	Integration progress	Issues encountered in integration	Measures taken	Solution progress	Follow-up solution plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XIV. Internal Control Evaluation Report or Internal Control Audit Report

1. Internal Control Evaluation Report

Date of disclosing the full text of the Internal Control Evaluation Report	April 22, 2025	
Index for disclosing the full text of the Internal Control Evaluation Report	2024 Internal Control Self-Evaluation Report disclosed on cninfo (http://www.cninfo.com.cn)	
Percentage of total assets of units covered by evaluation to the Company's consolidated total assets	100.00%	
Percentage of operating revenues of units covered by evaluation to the Company's consolidated operating revenues	100.00%	
Deficiency identification criteria		
Category	Financial reporting	Non-financial reporting
Qualitative criteria	(1) Signs of material deficiencies in financial reporting include: i) fraud by directors, supervisors and senior managers; ii) corrections of material errors in issued financial reports; iii) material misstatements in financial reports issued in the current period identified by CPAs and not detected by the Company's internal controls during operation; iv) ineffective supervision of internal controls by the Audit Committee and internal audit function. (2) Signs of important deficiencies in financial reporting include: i) failure to select and apply accounting policies in accordance with generally accepted accounting standards; ii) failure to establish anti-fraud procedures and control measures; iii) lack of corresponding control mechanisms or implementation for the accounting treatment of non-routine or special transactions, without compensating controls. (3) Deficiencies other than material and important deficiencies are	The following cases can be identified as material deficiencies, while other cases are determined as important or general deficiencies based on the severity of impact. (1) The unscientific nature of the Company's decision-making process; (2) violation of national laws and regulations, such as environmental pollution; (3) loss of a significant number of managerial or technical personnel; (4) loss of a significant number of managerial or technical personnel; (5) failure to make correction, particularly for significant or important deficiencies identified, in internal control evaluation; (6) lack of institutional controls or systemic failure of controls over important business areas.

	considered general deficiencies.	
Quantitative criteria	Internal control deficiencies that may lead to or have led to losses related to profits are measured by the operating revenues. If such a deficiency alone or together with other deficiencies may lead to misstatements in financial reporting of less than 1% of the operating revenues, it is considered a general deficiency; if the resultant misstatements exceed 1% but less than 3% of the operating revenues, it is considered an important deficiency; if the resultant misstatements exceed 3% of the operating revenues, it is considered a material deficiency. Internal control deficiencies that may lead to or have led to losses related to asset management are measured by the total assets. If such a deficiency alone or together with other deficiencies may lead to misstatements in financial reporting of less than 1% of the total assets, it is considered a general deficiency; if the resultant misstatements exceed 1% but less than 3% of the total assets, it is considered an important deficiency; if the resultant misstatements exceed 3% of the total assets, it is considered a material deficiency.	(1) Material deficiency: Causing direct property loss of over RMB 10 million;(2) Important deficiency: Causing direct property loss of RMB 1-10 million (inclusive) (3) General deficiency: Causing direct property loss below RMB 1 million (inclusive).
Number of material deficiencies in financial reporting	0	
Number of material deficiencies in non-financial reporting	0	
Number of important deficiencies in financial reporting	0	
Number of important deficiencies in non-financial reporting	0	

2. Internal Control Audit Report

☒ Applicable ☐ Not Applicable

Review opinion from the Internal Control Audit Report

We believe that Great Star has maintained effective internal controls over financial reporting in all material aspects in accordance with the General Regulation for Enterprise Internal Control and relevant regulatory requirements as of December 31, 2024.

Disclosure of Internal Control Audit Report	Disclosure
Date of disclosing the full text of the Internal Control Audit Report	April 22, 2025
Index for disclosing the full text of the Internal Control Audit Report	The <i>Internal Control Audit Report</i> (T.J.S. 2025] No.) disclosed on cninfo (www.cninfo.com.cn).
Type of opinion on the Internal Control Audit Report	Standard unqualified opinion
Existence of material deficiencies in non-financial reporting	No

The accounting firm gives a non-standard opinion in the Internal Control Audit Report

☐ Yes ☒ No

Consistency between the accounting firm's opinion in the Internal Control Audit Report with that in the Board of Directors' Self-Evaluation Report

Yes ☐ No

XV. Correction of Issues Identified by Self-Inspection in the Corporate Governance Special Operation for Listed Companies

N/A.

Section V Environmental and Social Responsibility

I. Major Environmental Protection Issues

Whether the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

☐ Yes ☒ No

Administrative punishment for environmental problems during the reporting period

Name of company or subsidiary	Causes	Violations	Punishment result	The impact on the production and operation of the listed company	Corrective action of the Company
None	None	None	None	None	None

Refer to other environmental information disclosed by key pollutant discharge units

The Company and its subsidiaries do not belong to the key pollutant discharge units announced by the national environmental protection department. The Company was subject to no administrative punishment for environmental problems during the reporting period.

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

☒ Applicable ☐ Not Applicable

In response to the national call for energy conservation and emission reduction, the Company has formulated the Energy Conservation and Emission Reduction Management System, Energy Management Operation Instruction, Regulations on Greenhouse Gas Management and other systems, integrating the concept of environmental protection into the routine operation and development of the Company. Meanwhile, the Company actively designs green products, builds green factories, promotes the green office concept, and makes other efforts to implement the energy efficiency and low carbon concepts. The Company takes environmental factors into full consideration in the product design and R&D stage, actively launches green products, constantly improves the product's environmental protection attributes, and continuously develops new environmental protection technology to reduce waste materials, environmental pollution and energy consumption. In order to facilitate the fight against pollution, the Company has developed scientific waste management and control procedures, chemical management procedures and other relevant standards to strictly control pollution, minimize the impact of its business operations on the environment, and realize green production; In accordance with the principles of low-carbon energy and clean production, the Company promotes the green transformation and upgrading of the factory through the construction of rooftop solar energy, the use of electric forklift and other measures to achieve green development; Centering on the concept of green office, the Company advocates system upgrading, and actively promote the green office awareness across the whole company with mutual supports of all departments.

Reasons for not disclosing other environmental information

None

II. Social Responsibility

(1) Protection of rights and interests of shareholders and creditors

During the reporting period, the Company further strengthened standardized operations by establishing and improving the corporate governance structure and regulating the convening, holding, and procedural flows of general meetings to safeguard shareholders' rights to know,

participate in, and vote on major company matters; continuously improved its internal control system, revised the *Fund-Raising Management Measures* in accordance with relevant regulations and diligently fulfilled its information disclosure obligations, ensuring that information disclosure was authentic, accurate, complete, timely, and fair, without selective disclosure; strictly enforced the registration and confidentiality rules for insiders with access to inside information, treated all shareholders and investors fairly; and enhanced investor relations management and improved communication with investors through various means such as investor relations interaction platforms and hotlines, safeguarding the legitimate rights and interests of all shareholders, especially minority shareholders.

(2) Protection of rights and interests of employees

The Company adheres to a people-oriented philosophy, makes the talent strategy a priority for enterprise development, strictly abides by laws and regulations such as the Labor Law and Law on the Protection of Women's Rights and Interests, pays for employees' pensions, medical, unemployment, work-related injury and maternity insurances on time, respects and protects employees' individual rights and interests, and attach close attention to employee health, safety and satisfaction. The Company values talent development, regularly organizing safety knowledge training, basic skills training for various positions, comprehensive quality training for managers, etc., allowing employees to effectively enhance their overall specialized qualities and comprehensive abilities beyond their current roles, achieving mutual growth of employees and the Company, and building harmonious and stable labor relations.

(3) Protection of rights and interests of suppliers, clients and consumers

The Company has always adhered to the principles of "honesty and trustworthiness, mutual benefits and reciprocity, and compliance" in transactions, attaches great importance to communication and coordination with all related parties, respects and protects the legitimate rights and interests of suppliers and clients, and works to establish strategic partnership relationships with them. The Company continuously improves its procurement systems and processes and has established a fair and impartial evaluation system to screen and select qualified suppliers. The Company insists on putting clients' interests first, applies strict controls over product quality, continuously improves service quality, and always pays attention to product safety, ensuring that the rights and interests of all parties are properly protected.

(4) Environmental protection

The Company highly values environmental protection efforts, treating environmental protection, energy conservation and emission reduction as important tasks. During the reporting period, the Company strictly carried out effective comprehensive treatment of wastewater and exhaust gases in accordance with relevant environmental regulations and corresponding standards, with the normal operation of wastewater and exhaust gas treatment facilities. To strengthen emission reduction management and pollution control, the Company conducts regular inspections and ensures that the environmental protection facilities work properly and energy conservation and emission reduction efforts proceed smoothly.

III. Consolidating and Expanding Achievements in Poverty Alleviation and Rural Revitalization

During the reporting period, the Company did not participate in the poverty alleviation and rural revitalization work.

Section VI Significant Matters

I. Fulfillment of Commitments

1. Commitments fulfilled, being fulfilled and unfulfilled by the actual controller, shareholders, related parties, acquirers, the Company and other relevant parties as of the end of the reporting period

√ Applicable □ Not Applicable

Commitment	Made by	Type of commitment	Subject of commitment	Made on	Deadline of commitment	Fulfillment
Commitments made upon asset restructuring	Qiu Jianping; Wang Lingling	Reduction and control of related party transactions	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. The Company will not seek preference in reaching transactions with the listed company by taking advantage of	June 4, 2019	Perpetual	Being strictly fulfilled

			its position as the controlling shareholder of the listed company. 3. If any related party transaction is indeed necessary and unavoidable, I and the companies under my control will sign agreements with the listed company in accordance with the principles of equality, fairness, and equal consideration, perform legal procedures, fulfill information disclosure obligations and relevant internal decision-making and approval procedures as required by relevant laws, regulations, normative documents and the Company's Articles of Association, ensure that transactions with the listed			
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			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.			
Commitments made upon asset restructuring	Great Star Group	Reduction and control of related party transactions	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	June 4, 2019	Perpetual	Being strictly fulfilled

			of the listed company. 2. The Company will not seek preference in reaching transactions with the listed company by taking advantage of its position as the controlling shareholder of the listed company. 3. If any related party transaction is indeed necessary and unavoidable, I and the companies under my control will sign agreements with the listed company in accordance with the principles of equality, fairness, and equal consideration, perform legal procedures, fulfill information disclosure obligations and relevant internal decision-making and approval procedures as required by			
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			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.			
Commitments made upon asset restructuring	Qiu Jianping; Wang Lingling	Horizontal competition	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	June 4, 2019	Perpetual	Being strictly fulfilled

			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 business scope, I and other enterprises controlled by me will not compete with the expanded business of the listed company. In cases where competition with the expanded business of the listed company may arise, I and other enterprises controlled by me will withdraw from the competition with the listed			
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			company in the following ways: A) cease businesses that compete or may compete with the listed company; B) incorporate competing businesses into the listed company for operation; C) transfer competing businesses to unrelated third parties. 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			
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			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 , I am willing to bear all liability arising therefrom and fully indemnify the listed company for all direct or indirect losses.			
Commitment s made upon asset restructuring	Great Star Group	Horizontal competition	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	June 4, 2019	Perpetual	Being strictly fulfilled

			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 business scope, the Company and other enterprises controlled by the Company will not compete with the expanded business of the listed company. In cases where competition with the expanded business of the listed company may arise, the Company and other			
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			enterprises controlled by the Company will withdraw from competition with the listed company in the following ways: A) cease businesses that compete or may compete with the listed company; B) incorporate competing businesses into the listed company for operation; C) transfer competing businesses to unrelated third parties. 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			
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			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.			
Commitments made upon asset restructuring	Qiu Jianping and Wang Lingling	Maintaining the listed company's independence	The Company undertakes that after the completion of this transaction, it will ensure	June 4, 2019	Perpetual	Being strictly fulfilled

			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.			
Commitments made upon asset restructuring	Great Star Group	Maintaining the listed company's independence	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	June 4, 2019	Perpetual	Being strictly fulfilled

			accordance with the requirements of relevant laws, regulations and its Articles of Association and the listed company will maintain its independence in terms of business, assets, finance, institutions, staffing and other aspects to effectively protect the interests of all shareholders.			
Commitments made upon asset restructuring	All directors and senior managers of the Company	Other commitments	1. I undertake not to transfer benefits to other entities or individuals for free or on unfair terms, nor will I damage the Company's interests in any other way. 2. I undertake to restrain my job-related consumption. 3. I undertake not to use the Company's assets for investments or consumption activities unrelated to the fulfillment of	June 4, 2019	Perpetual	Being strictly fulfilled

			my duties. 4. I undertake that the remuneration system formulated by the Board of Directors or the Remuneration and Evaluation Committee will be linked to the implementation of the Company's measures to supplement returns. If I violate the above commitments and cause losses to the Company or shareholders, I shall be held liable for indemnification in accordance with the law.			
Commitments made upon asset restructuring	Great Star Group	Other commitments	1. I will not overstep authority to interfere with the Company's operating and management activities, nor will I infringe upon the Company's interests. 2. The Company will make supplementary commitments	June 4, 2019	Perpetual	Being strictly fulfilled

			in accordance with the China Securities Regulatory Commission's regulations from the date of this commitment until the completion of this transaction, if the CSRC issues clear regulations on measures to supplement returns and related commitments, and the above commitments cannot meet such CSRC regulations. 3 . The Company will strictly implement measures to supplement diluted immediate returns. If no such measures have been implemented, the Company will openly explain the specific reasons for not implementing the measures at the Company's General Meeting of Shareholders			
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			and apologize to the Company's shareholders and public investors. The Company will indemnify investors in accordance with the law for their losses in securities trading due to non-fulfillment of relevant commitments. If I violate the above commitments and cause losses to the Company or shareholders, the Company shall be held liable for indemnification in accordance with the law.			
Commitments made upon asset restructuring	Qiu Jianping and Wang Lingling	Other commitments	1. I will not overstep authority to interfere with the Company's operating and management activities, nor will I infringe upon the Company's interests. 2. The Company will make supplementary	June 4, 2019	Perpetual	Being strictly fulfilled

			commitments in accordance with the China Securities Regulatory Commission's regulations from the date of this commitment until the completion of this transaction, if the CSRC issues clear regulations on measures to supplement returns and related commitments, and the above commitments cannot meet such CSRC regulations. 3 . I will strictly implement measures to supplement diluted immediate returns. If no such measures have been implemented, I will openly explain the specific reasons for not implementing the measures at the Company's General Meeting of Shareholders and			
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			apologize to the Company's shareholders and public investors. I will indemnify investors in accordance with the law for their losses in securities trading due to non-fulfillment of relevant commitments. If I violate the above commitments and cause losses to the Company or shareholders, I shall be held liable for indemnification in accordance with the law.			
Commitments made upon IPO or refinancing	All directors and senior managers of the Company	Other commitments	1. Undertaking not to transfer benefits to other entities or individuals for free or on unfair terms or damage the Company's interests in any other way. 2. Undertaking to restrain my job-related consumption by directors and senior	11/23/2018	Perpetual	Being strictly fulfilled

			managers. 3. Undertaking not to use the Company's assets for investments or consumption activities unrelated to the fulfillment of duties of oneself. 4. Undertaking that the remuneration system formulated by the Board of Directors or the Remuneration and Evaluation Committee will be linked to the implementation of the Company's measures to supplement returns. 5. Undertaking that the exercise conditions of any future equity incentive plan of the Company will be linked to the implementation of the Company's measures to supplement returns. As one of the responsible persons for the measures to			
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			supplement returns, if I violate or refuse to fulfill the above commitments , I agree to accept relevant penalties or management measures imposed by the China Securities Regulatory Commission, the Shenzhen Stock Exchange and other regulatory authorities in accordance with their relevant regulations and rules, and I am willing to assume the corresponding legal liability.			
Commitments made upon IPO or refinancing	Great Star Group	Other commitments	Undertaking not to overstep authority to interfere with the Company's operating and management activities or infringe upon the Company's interests. As one of the responsible persons for the measures to supplement	11/23/2018	Perpetual	Being strictly fulfilled

			returns, if the Company violates or refuses to fulfill the above commitments, the Company agrees to accept relevant penalties or management measures imposed by the China Securities Regulatory Commission, the Shenzhen Stock Exchange and other regulatory authorities in accordance with their relevant regulations and rules, and the Company is willing to assume the corresponding legal liability.			
Commitments made upon IPO or refinancing	Qiu Jianping and Wang Lingling	Other commitments	Undertaking not to overstep authority to interfere with the Company's operating and management activities or infringe upon the Company's interests. As one of the responsible persons for	11/13/2019	Perpetual	Being strictly fulfilled

			the measures to supplement returns, if I violate or refuse to fulfill the above commitments , I agree to accept relevant penalties or management measures imposed by the China Securities Regulatory Commission, the Shenzhen Stock Exchange and other regulatory authorities in accordance with their relevant regulations and rules, and I am willing to assume the corresponding legal liability.			
Commitment s made upon IPO or refinancing	Great Star Group	Commitment s regarding horizontal competition, related party transactions and misappropriation of funds	During the period when it is the controlling shareholder of the issuer, Great Star Holding Group Co., Ltd. and enterprises that it will directly or indirectly control in the future will not engage in or participate	April 5, 2009	As controlling shareholder of the Company	Being strictly fulfilled

			in any operations or activities in or outside China in any form (including but not limited to investment, acquisition, joint operation, joint venture, cooperation, partnership, contracting or leasing operations, or purchase of the issuer's shares) that constitute or may constitute substantial competition with the issuer's main business activities. Nor will they support any third parties other than the issuer and its wholly-owned or controlled subsidiaries to engage in or participate in any operations or activities that constitute or may constitute substantial competition with the issuer's main business operations in			
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			or outside China in any form. Great Star Holding Group Co., Ltd. will indemnify the issuer for all actual losses incurred by the issuer due to Great Star's failure to fulfill the commitments and warranties made in the letter of commitment.			
Commitments made upon IPO or refinancing	Qiu Jianping and Wang Lingling	Commitments regarding horizontal competition, related party transactions and misappropriation of funds	During the period when they possess the actual control rights over the issuer, Qiu Jianping and his wife and enterprises that they directly or indirectly control other than the issuer and its wholly-owned or controlled subsidiaries will not engage in or participate in any operations or activities in or outside China in any form (including but not limited to investment, acquisition,	April 5, 2010	As actual controller of the Company	Being strictly fulfilled

			joint operation, joint venture, cooperation, partnership, contracting or leasing operations, or purchase of the listed company's shares) that constitute or may constitute substantial competition with the issuer's main business activities. Nor will they support any third parties other than the issuer and its wholly-owned or controlled subsidiaries to engage in or participate in any operations or activities that constitute or may constitute substantial competition with the issuer's main business operations in or outside China in any form. Qiu Jianping and his wife will indemnify the issuer for all actual losses incurred by the issuer due to their			
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			failure to fulfill the commitments and warranties made in the letter of commitment.			
Fulfillment of commitments as scheduled	Yes					

2. If the Company's assets or projects are expected to generate revenues in the reporting period, the Company should explain whether the assets or projects have generated revenues as expected and reasons

☐ Applicable ☒ Not Applicable

II. Non-operational funds occupied by controlling shareholders and other related parties of the listed company

☐ Applicable ☒ Not Applicable

There was no occupation of non-operational funds of the listed company by controlling shareholders and other related parties during the reporting period.

III. Illegal external guarantee

☐ Applicable ☒ Not Applicable

There is no illegal external guarantee during the reporting period.

IV. Explanation of the Board of Directors on the Last "Non-standard Audit Report"

☐ Applicable ☒ Not Applicable

V. Explanation of the Board of Directors, the Board of Supervisors and independent directors (If Any) on the "Non-standard Audit Report" of the accounting firm in the current reporting period

☐ Applicable ☒ Not Applicable

VI. Notes on changes in accounting policies and accounting estimates and correction of major accounting Compared to the previous year's financial report

☒ Applicable ☐ Not Applicable

1. The Company has implemented the provisions of "Classification of Current Liabilities and Non-current Liabilities" under Interpretation No. 17 of Accounting Standards for Business Enterprises issued by the Ministry of Finance effective from January 1, 2024. This change in accounting policy has no impact on the Company's financial statements.

2. The Company has implemented the provisions of "Disclosure of Supplier Financing Arrangements" under Interpretation No. 17 of Accounting Standards for Business Enterprises issued by the Ministry of Finance effective from January 1, 2024.

3. The Company has implemented the provisions of "Accounting Treatment for Sale and Leaseback Transactions" under Interpretation No. 17 of Accounting Standards for Business Enterprises issued by the Ministry of Finance effective from January 1, 2024. This change in

accounting policy has no impact on the Company's financial statements.

4. The Company has implemented the provisions of "Accounting Treatment for Warranty-Type Quality Assurance Not Constituting a Distinct Performance Obligation" under Interpretation No. 18 of Accounting Standards for Business Enterprises issued by the Ministry of Finance effective from January 1, 2024. This change in accounting policy has no impact on the Company's financial statements.

VII. Notes on changes in the scope of consolidated financial statements compared to the previous year's financial report

☒ Applicable ☐ Not Applicable

For details, please refer to Section 10 - IX Changes in the Scope of Consolidation.

VIII. Employment and dismissal of accounting firm

Currently engaged accounting firm

Accounting firm in China	Pan-China Certified Public Accountants LLP (Special General Partnership)
Compensation for accounting firm in China (RMB 10,000)	89.5
Continuous duration of audit service of accounting firm in China	16
Name of the CPAs from accounting firm in China	Li Deyong and Hu Fujian
Continuous duration of audit service of CPAs from accounting firm in China	2
Accounting firm outside China (if any)	N/A
Continuous duration of service of accounting firm outside China (if any)	N/A
Name of the CPAs from accounting firm outside China (if any)	N/A
Continuous duration of audit service of CPAs from accounting firm outside China (if any)	N/A

Change to accounting firm

☐ Yes ☒ No

Information on appointment of accounting for internal control audit, financial consultant or sponsor

☒ Applicable ☐ Not Applicable

During the year, the Company engaged Pan-China Certified Public Accountants LLP (Special General Partnership) to audit the Company's internal control, and the cost of the internal control audit was RMB 150,000.

IX. Potential delisting situation after disclosure of annual report

☐ Applicable ☒ Not Applicable

X. Matters related to bankruptcy reorganization

☐ Applicable ☒ Not Applicable

No bankruptcy reorganization-related matters occurred during the reporting period.

XI. Major litigation and arbitration matters

☒ Applicable ☐ Not Applicable

Basic information of litigation (arbitration)	Amount involved (ten thousand RMB)	Whether projected liabilities are formed	Progress of litigation (arbitration)	Litigation (arbitration) hearing results and impacts	Enforcement of litigation (arbitration) judgments	Date of disclosure	Disclosure index
Summary of other matters not meeting the disclosure criteria for material litigation (the Company as plaintiff)	323.2	No	As of December 31, 2024, the amount of money involved in cases that have been prosecuted but not yet been decided is RMB 1.9597 million, and that involved in cases that have been mediated is RMB 1.2723 million.	For litigation matters, the Company will: 1. Successful litigation or mediation to recover the funds involved; 2. Require the involved unit and its associated legal person to naturally provide guarantee for the execution of the debt to guarantee the recovery of the involved funds; 3. Make provision for bad debt in accordance with	In execution		

				accounting standards and company management systems. In summary, this litigation has no material impact on the Company.			
Summary of other matters not meeting the disclosure criteria for material litigation (the Company as defendant)	86.92	No	As of December 31, 2024, the amount of money involved in cases that have been withdrawn is RMB 92,100, and that involved in cases that have been decided in favor is RMB 777,100.	For litigation matters, the Company will: 1. Successful litigation or mediation to recover the funds involved; 2. Require the involved unit and its associated legal person to naturally provide guarantee for the execution of the debt to guarantee the recovery of the involved funds; 3. Make provision for bad debt in accordance with accounting standards and	In execution		

				company management systems. In summary, this litigation has no material impact on the Company.			
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XII. Punishment and rectification

☐ Applicable ☒ Not Applicable

The Company did not invest in any case of punishment or rectification during the reporting period.

XIII. Integrity of the Company, its controlling shareholders and actual controller

☒ Applicable ☐ Not Applicable

During the reporting period, the Company and its controlling shareholder, Great Star Group, and the actual controller, Mr. Qiu Jianping, were in good faith, and there were no cases of failing to perform court judgments in force, or debts incurred in high amounts that have not been settled by the due date.

XIV. Significant Related-party Transactions

1. Related-party transactions relevant to routine operations

☐ Applicable ☒ Not Applicable

The Company has no significant related-party transactions relevant to routine operations in the reporting period.

2. Related-party transactions arising from acquisition and sale of assets or equity

☒ Applicable ☐ Not Applicable

Related parties	Connected Party	Type of Connected Transaction	Content of transaction	Pricing Principles for Connected Transactions	Book Value of Transferred Assets (RMB 10,000 yuan)	Appraised Value of Transferred Assets (RMB 10,000 yuan)	Transfer Price (RMB 10,000 yuan)	Settlement Method for Connected Transactions	Gains/Losses from Transaction (RMB 10,000 yuan)	Date of disclosure	Disclosure index
Zhang Ou	Director, Supervisor, or Senior Executive	Equity acquisition	48% Equity of OLEI	As agreed in the agreement	-1,759.35	974.4	974.4	Cash	0	July 2, 2024	Announcement on the Implementation of

	ive of Great Star										a Packa ge of Conne cted Transa ctions
Reasons for Significant Differences between Transfer Price and Book Value or Appraised Value (if applicable)				N/A							
Impact on the Operating Results and Financial Position of the Company				The Company acquired 14% equity in HANGZHOU OLE-SYSTEMS CO., LTD. (OLEI) held by Mr. Zhang Ou through Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd. (HKDJ) As Mr. Zhang Ou is a minority shareholder of HKDJ, a subsidiary within the consolidated financial statements, the transaction is accounted for as a purchase of minority interests in accordance with <i>Accounting Standards for Business Enterprises No. 33—Consolidated Financial Statements</i>. No current-period profit or loss is recognized. The difference between the transaction consideration and the share of net assets attributable to the newly acquired equity proportion calculated continuously from the consolidation date, amounting to RMB 15,687,264.61, has been adjusted to capital reserves as per the standards. This transaction constitutes a critical component of the Company's efforts to optimize the management structure of its laser division as it aims to integrate laser measurement business assets acquired through mergers and acquisitions since 2016, establish a unified management platform to enhance resource allocation efficiency, reduce operational costs, and foster synergistic business development.							
Performance Achievement During the Reporting Period (if Related Transactions Involve Performance Commitments)				N/A							

3. Related-party transactions with joint investments

☐ Applicable ☒ Not Applicable

The Company has no related-party transactions with joint investments in the reporting period.

4. Credits and liabilities with related parties

☐ Applicable ☒ Not Applicable

The Company has no significant credits and liabilities with related parties in the reporting period.

5. Transactions with related finance companies

☐ Applicable ☒ Not Applicable

There was no deposit, loan, credit granting or other financial business between the Company and related finance companies or parties.

6. Transactions between financial companies controlled by the Company and related parties

☐ Applicable ☒ Not Applicable

There was no deposit, loan, credit granting or other financial business between financial companies controlled by the Company and related parties.

7. Other significant related-party transactions

☐ Applicable ☒ Not Applicable

The Company has no other significant related-party transactions in the reporting period.

XV. Material contracts and their performance**1. Trusteeships, Contracts, and Leases****(1) Trusteeships**

☐ Applicable ☒ Not Applicable

The Company has no trusteeships in the reporting period.

(2) Contracts

☐ Applicable ☒ Not Applicable

The Company has no contracts in the reporting period.

(3) Leases

☐ Applicable ☒ Not Applicable

The Company has no significant leases contracts in the reporting period.

2. Material guarantee

☒ Applicable ☐ Not Applicable

Unit: ten thousand RMB

External guarantees of the Company and its subsidiaries (excluding guarantees for subsidiaries)										
Guaranteed party	Disclosure date of announcement relating to guarantee quota	Guarantee quota	Occurrence date of actual guarantee	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Guarantee for related parties or not
The Company's guarantee to its subsidiaries										
Guaranteed party	Disclosure date of announcement	Guarantee quota	Occurrence date of actual guarantee	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Guarantee for related parties or not

	relating to guarantee quota		ee							
Prime-Line Products, LLC	August 30, 2024	4,273.02	Jan 23, 2025			N/A	N/A	9 months	No	Yes
Prime-Line Products, LLC	May 9, 2023	5,341.28	May 17, 2023	5,341.28	General guarantee	N/A	N/A	1 year	Yes	Yes
Arrow Fastener Co., LLC	May 9, 2023	7,121.7	May 17, 2023	712.17	General guarantee	N/A	N/A	1 year	Yes	Yes
Shop-Vac USA, LLC	May 9, 2023	7,121.7	May 17, 2023	7,121.7	General guarantee	N/A	N/A	1 year	Yes	Yes
Suzhou Xindadi Hardware Product Co., Ltd	May 9, 2023	10,000	June 22, 2023	7,900	Joint and Several Liability Guarantee	N/A	N/A	3 years	No	Yes
Zhongsan Geelong Industry Co., Ltd.	September 18, 2022	8,400	November 3, 2022		Joint and Several Liability Guarantee	N/A	N/A	3 years	No	Yes
Great Star Europe AG	December 4, 2021	27,036.8	12/27/2021	14,337.08	General guarantee	N/A	N/A	7.5 years	No	Yes
Total guarantee quota for subsidiaries approved in the reporting period		4,273.02		Total guarantee amounts actually incurred for subsidiaries in the reporting period						

(B1)				(B2)						
Total guarantee quota approved for subsidiaries as of the end of the reporting period (B3)		49,709.82		Total actual guarantee balance for subsidiaries as of the end of the reporting period (B4)		22,237.08				
Subsidiaries' guarantee to subsidiaries										
Guaranteed party	Disclosure date of announcement relating to guarantee quota	Guarantee quota	Occurrence date of actual guarantee	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Guarantee for related parties or not
The Company's total guarantee amount (i.e. the sum of the first three items)										
Total guarantee quota approved in the reporting period (A1+B1+C1)		4,273.02		Total guarantee amounts actually incurred in the reporting period (A2+B2+C2)						
Total guarantee quota approved as of the end of the reporting period (A3+B3+C3)		49,709.82		Total actual guarantee balance as of the end of the reporting period (A4+B4+C4)		22,237.08				
Proportion of the actual guarantee amount (A4+B4+C4) to the Company's net assets				1.36%						
Including:										

Description on the specific situation of the composite guarantee

3. Entrusted Management of Cash Assets

(1) Entrusted Wealth Management

√ Applicable ☐ Not Applicable

Information on entrusted wealth management during the reporting Period

Unit: ten thousand RMB

Type	Sources of funds for entrusted wealth management	Amount of funds for entrusted wealth management	Balance not yet due	Overdue amount not recovered	Overdue wealth management has been deducted impairment amount
Bank financial products	Self-owned funds	350,546.27	423.59	0	0
Total		350,546.27	423.59	0	0

Specific cases of high-risk entrusted wealth management with a substantial amount of money, low security and poor liquidity

☐ Applicable ☒ Not Applicable

Entrusted wealth management is expected to fail to recover the principal or other circumstances may lead to impairment

☐ Applicable ☒ Not Applicable

(2) Entrusted loans

☐ Applicable ☒ Not Applicable

The Company had no entrusted loans during the reporting period.

4. Other material contracts

☐ Applicable ☒ Not Applicable

The Company has no other material contracts in the reporting period.

XIII. Other Major Issues

☒ Applicable ☐ Not Applicable

1. During the reporting period, the Company obtained a procurement confirmation from a large retail company in the US, the procurement subject is 20V cordless lithium battery power tools and related spare parts and the purchase scope is all the sales and services of this product series in thousands of stores in North America over the next three years. The order amount is expected to be not less than USD 30 million per year, exceeding 10% of the revenue of the Company's 2023 power tool products.

2. During the reporting period, the Company was consecutively awarded the "Vendor Partner of the Year" by its core customer Lowe's Companies, Inc. and the "Partner of the Year 2024" in the Decorative Storage category by The Home Depot Canada.

3. During the reporting period, following approval at the Company's general meeting, the purpose of share repurchases under the *Proposal on Share Repurchase Plan* adopted at the 11th Meeting of the Fifth Board of Directors on July 5, 2021, was revised from "40% of repurchased shares to serve as a source for employee stock ownership plans or equity incentive plans, and 60% for conversion into corporate bonds convertible into shares" to "for cancellation and reduction of the Company's registered capital". By the end of the reporting period, the aforementioned shares have been canceled. The Company's total share capital decreased from 1,202,501,992 shares to 1,194,478,182 shares, and its registered capital was reduced from RMB 1,202,501,992 to RMB 1,194,478,182.

XIV. Significant Matters of Subsidiaries of the Company

√ Applicable ☐ Not Applicable

During the reporting period, to optimize the management structure of the laser business division and concentrate resources on developing the laser measurement business, the Company proposed to increase capital contributions to its subsidiary HKDJ with RMB 333,550,000, with natural person Chen Yongqiang contributing an additional RMB 16,450,000 and the existing shareholder Zhang Ou exempted from the capital increase.

Additionally, HKDJ plans to acquire 48% equity in OLEI held by the Company and 48% equity held by Zhang Ou via cash transactions. As of the disclosure date of this Report, the equity transfer of OLEI has been completed.

Section VII Changes in Shares and Information about Shareholders

I. Changes in shares

1. Changes in shares

Unit: share

	Before change		Increase/decrease (+, -)					After change	
	Quantity	Proportion	New shares issued	Bonus shares	Conversion of capital reserve into share capital	Other	Subtotal	Quantity	Proportion
I. Conditional shares	51,472,904	4.28%				-163,124	-163,124	51,309,780	4.30%
1. State-owned shares									
2. Legal person shares of state									
3. Shares held by other domestic capital	51,472,904	4.28%				-163,124	-163,124	51,309,780	4.30%
Of which: Domestic legal person shares									
Domestic natural person shares	51,472,904	4.28%				-163,124	-163,124	51,309,780	4.30%
4. Shares									

held by overseas capital									
Of which: Overseas legal person shares									
Overseas natural person shares									
II. Unconditional shares	1,151,029,088	95.72%				-7,860,686	-7,860,686	1,143,168,402	95.70%
1. RMB-denominated ordinary shares	1,151,029,088	95.72%				-7,860,686	-7,860,686	1,143,168,402	95.70%
2. Foreign capital shares listed in China									
3. Foreign capital stocks listed overseas									
4. Others									
III. Total number of shares	1,202,501,992	100.00%				-8,023,810	-8,023,810	1,194,478,182	100.00%

Reasons for changes in shares

☒ Applicable ☐ Not Applicable

The purpose of share repurchases under the *Proposal on Share Repurchase Plan* adopted at the 11th Meeting of the Fifth Board of Directors on July 5, 2021, was revised from “40% of repurchased shares to serve as a source for employee stock ownership plans or equity incentive plans, and 60% for conversion into corporate bonds convertible into shares” to “for cancellation and reduction of the Company’s registered capital”. Upon completion of the cancellation, the Company’s total share capital will decrease from 1,202,501,992 shares to 1,194,478,182 shares.

On December 17, 2024, the Company canceled 8,023,810 repurchased shares at the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

Approval of share changes

☒ Applicable ☐ Not Applicable

This share adjustment was approved at the 11th Meeting of the Sixth Board of Directors and the 4th Extraordinary General Meeting in 2024.

Transfer of share ownership

☐ Applicable ☒ Not Applicable

Impacts of share changes on the basic EPS, diluted EPS, net assets per share attributable to ordinary shareholders of the Company, and other financial indicators for the last year and the last reporting period

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

2. Changes in restricted shares

☒ Applicable ☐ Not Applicable

Unit: share

Name of shareholder	Number of shares restricted for sale in the beginning of the period	Number of additional shares restricted for sales in the current period	Number of shares discharged from restriction for sale in the current period	Number of shares restricted for sale in the end of the period	Cause for restriction	Date of discharge
Zhou Siyuan	652,500		163,125	489,375	Shares locked for executives	25% of the total number of shares discharged from restricted holdings at the beginning of each year within the tenure

Li Jingjian	0	1		1	Shares locked for executives	25% of the total number of shares discharged from restricted holdings at the beginning of each year within the tenure
Total	652,500	1	163,125	489,376	--	--

II. Issue and Listing of Securities

1. Securities issuance during the reporting period (excluding preferred shares)

☐ Applicable ☒ Not Applicable

2. Explanation of changes in the total shares of the Company, the shareholder structure, and the assets-liabilities structure of the Company

☒ Applicable ☐ Not Applicable

At the 11th Meeting of the Sixth Board of Directors on October 30, 2024, and the 2024 4th Extraordinary General Meeting on November 15, 2024, the *Proposal on Changing the Purpose of Share Repurchases and Cancellation* and the *Proposal on Reducing Registered Capital and Amending the Articles of Association* were approved, stating that the purpose of share repurchases under the *Proposal on Share Repurchase Plan* adopted at the 11th Meeting of the Fifth Board of Directors on July 5, 2021, would be revised from “40% of repurchased shares to serve as a source for employee stock ownership plans or equity incentive plans, and 60% for conversion into corporate bonds convertible into shares” to “for cancellation and reduction of the Company’s registered capital”. Upon completion of the cancellation, the Company’s total share capital will decrease from 1,202,501,992 shares to 1,194,478,182 shares.

On December 17, 2024, the Company canceled 8,023,810 repurchased shares at the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

3. Existing internal employee shares

☐ Applicable ☒ Not Applicable

III. Shareholders and the actual controller

1. Total number of shareholders and their shareholdings

Unit: share

Total number of ordinary shareholders at the end of the reporting period	35,123	Total number of ordinary shareholders at the end of the previous month	44,150	Total number of preferred shareholders whose voting rights were	0	Total number of preferred shareholders whose voting rights were restored at the end of the previous month before the disclosure date of the annual report (if any) (Note 8)	0
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		before the disclosure date of the annual report		restored at the end of the reporting period (if any) (Note 8)				
Shareholding of shareholders holding more than 5% of the shares or the top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholder	Nature of shareholder	Holding proportion	Number of shares at the end of the reporting period	Changes during the reporting period	Number of restricted shares	Number of unrestricted shares	Pledged, marked or frozen	
							Share status	Quantity
Great Star Holding Group Co., Ltd.	Domestic non-state-owned legal person	38.82%	463,739,864	0	0	463,739,864	N/A	0
Qiu Jianping	Domestic natural person	3.85%	46,015,258	-5,000,000	38,261,443	7,753,815	N/A	0
Hong Kong Securities Clearing Company Limited	Offshore legal entity	3.62%	43,203,596	-12,067,399	0	43,203,596	N/A	0
China Merchants Bank Corporation - Foresight Growth Value Hybrid Securities Investment Fund	Other	2.62%	31,265,400	31,265,400	0	31,265,400	N/A	0
Industrial and Commercial Bank of China - Fullgoal	Other	1.27%	15,200,000	-4,106,800	0	15,200,000	N/A	0

Tianhui Selected Growth Fund (LOF)								
National Social Security Fund 406 Portfolio	Other	1.23%	14,719,965	14,719,965	0	14,719,965	N/A	0
National Social Security Fund 418 Portfolio	Other	1.17%	14,000,300	-752,000	0	14,000,300	N/A	0
National Social Security Fund 601 Portfolio	Other	1.11%	13,260,060	13,260,060	0	13,260,060	N/A	0
Wang Lingling	Domestic natural person	1.08%	12,950,960	0	9,713,220	3,237,740	N/A	0
National Social Security Fund 115 Portfolio	Other	1.05%	12,500,000	-300,000	0	12,500,000	N/A	0
Strategic investors or general legal persons becoming the top 10 shareholders owing to the placement of new shares (if any) (Note 3)	None							
Description of the relationship or concerted action among the above shareholders	Great Star Group Co., Ltd., Qiu Jianping and Wang Lingling are related and are parties acting in concert as defined in the “Measures for the Administration of Takeovers of Listed Companies”.							
Descriptions on entrusting/entrusted voting and waiver of voting right by the above-mentioned	None							

shareholders			
Description on the top 10 shareholders with special repurchase accounts (if any) (Note 10)	None		
Shareholding of the top 10 shareholders with unrestricted shares (excluding shares lent through refinancing and shares locked for executives)			
Name of shareholder	Number of unrestricted shares at the end of the reporting period	Type of shares	
		Type of shares	Quantity
Great Star Holding Group Co., Ltd.	463,739,864	RMB Ordinary Shares	463,739,864
Hong Kong Securities Clearing Company Limited	43,203,596	RMB Ordinary Shares	43,203,596
China Merchants Bank Corporation - Foresight Growth Value Hybrid Securities Investment Fund	31,265,400	RMB Ordinary Shares	31,265,400
Industrial and Commercial Bank of China - Fullgoal Tianhui Selected Growth Fund (LOF)	15,200,000	RMB Ordinary Shares	15,200,000
National Social Security Fund 406 Portfolio	14,719,965	RMB Ordinary Shares	14,719,965
National Social Security Fund 418 Portfolio	14,000,300	RMB Ordinary Shares	14,000,300
National Social Security Fund 601 Portfolio	13,260,060	RMB Ordinary Shares	13,260,060
National Social Security Fund 115 Portfolio	12,500,000	RMB Ordinary Shares	12,500,000

Monetary Authority of Macao - Own funds	11,972,081	RMB Ordinary Shares	11,972,081
Kuwait Investment Authority	11,127,903	RMB Ordinary Shares	11,127,903
Description on connected relation or concerted action among the top 10 shareholders with outstanding unrestricted shares and between the top 10 shareholders with outstanding unrestricted shares and the top 10 shareholders	None		
Description of the participation of the top 10 common shareholders in the financing and securities loans (if any) (Note 4)	None		

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 shareholders with unrestricted tradable shares in securities lending transactions

√ Applicable □ Not Applicable

Unit: share

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 shareholders with unrestricted tradable shares in securities lending transactions								
Name of shareholders (full name)	Number of shares held by common securities accounts and credit securities accounts at the beginning of the period		Number of shares lent through refinancing and have not yet returned at the beginning of the period		Number of shares held by common securities accounts and credit securities accounts at the end of the period		Number of shares lent through refinancing and have not yet returned at the end of the period	
	Total number	Percentage of total share capital (%)	Total number	Percentage of total share capital (%)	Total number	Percentage of total share capital (%)	Total number	Percentage of total share capital (%)

Monetary Authority of Macao - Own funds	12,202,208	1.01%	342,600	0.03%	11,972,081	1.05%	0	0.00%
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Reasons for changes in the top 10 shareholders and the top 10 shareholders with unrestricted tradable shares due to securities lending/return transactions compared to the previous period

☐ Applicable ☒ Not Applicable

Whether the Company's top 10 common shareholders and top 10 common shareholders with unrestricted tradable shares engaged in agreed repurchase within the reporting period

☐ Yes ☒ No

The Company's top 10 common shareholders and top 10 common shareholders with unrestricted tradable shares did not engage in agreed repurchase within the reporting period.

2. Controlling shareholder of the Company

Nature of controlling shareholder: Natural person holding

Type of controlling shareholder: Natural person

Name of Controlling Shareholder	Nationality	Whether to obtain residency permits in other countries or regions
Qiu Jianping	China	No
Main occupation and position	Chairman of the Company, Chairman of the Great Star Group	
Shareholdings of other domestic and overseas listed companies that controlled and owned during the reporting period	Hangcha Group Co., Ltd., Stock code: 603298, Stock name: Hangcha Group; the company was listed on the Shanghai Stock Exchange on December 27, 2016, and is mainly engaged in industrial vehicles such as forklifts and smart vehicles and related main parts. Zhejiang Xinchai Co., Ltd., Stock code: 301032, Stock name: Zhejiang Xinchai; the company was listed on the Shenzhen Stock Exchange on July 22, 2021, and is mainly engaged in the research and development, production and sales of non-road diesel engines and related parts.	

Changes in controlling shareholders during the reporting period

☐ Applicable ☒ Not Applicable

No change was recorded in the controlling shareholders of the Company during the reporting period.

3. Actual controller of the Company and persons acting in concert

Nature of the actual controller: Domestic natural person

Type of the actual controller: Natural person

Name of the actual controller	Relationship with the actual controller	Nationality	Whether to obtain residency permits in other
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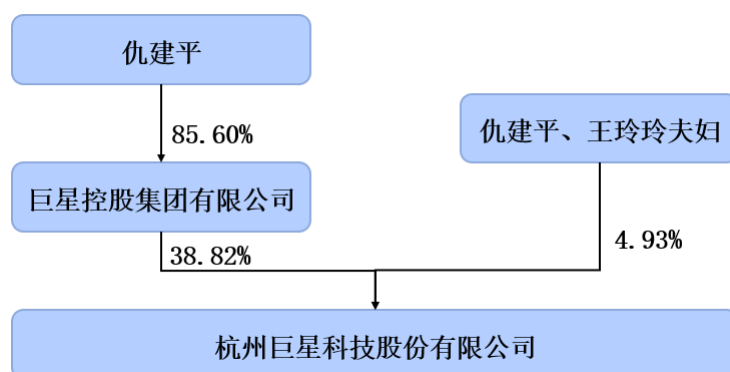
			countries or regions
Qiu Jianping	The actual controller	China	No
Main occupation and position	Chairman of the Company, Chairman of the Great Star Group		
Overseas listed companies controlled over the past decade	Mr. Qiu Jianping is the actual controller of Hangcha Group Co., Ltd. (Stock code: 603298) and Zhejiang Xinchai Co., Ltd. (Stock code: 301032).		

Change in actual controllers during the reporting period

☐ Applicable ☒ Not Applicable

No change was recorded in the actual controllers of the Company during the reporting period.

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



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

☐ Applicable ☒ Not Applicable

4. The accumulative number of pledged shares of the Company's controlling shareholder or the largest shareholder and its persons acting in concert account for more than 80% of the Company's shares held by them

☐ Applicable ☒ Not Applicable

5. Other legal person shareholders holding more than 10% of the shares

☐ Applicable ☒ Not Applicable

6. Restrictions on shareholding reduction of the controlling shareholder, the actual controller, the reorganizing party and other committing entities

☐ Applicable ☒ Not Applicable

IV. Implementation progress of share repurchase during the reporting period

Implementation progress of share repurchases

☐ Applicable ☒ Not Applicable

Implementation progress of reducing share repurchase via centralized bidding transactions

☐ Applicable ☒ Not Applicable

Section VIII Preferred Shares

☐ Applicable ☒ Not Applicable

The Company had no preferred shares during the reporting period.

Section X Financial Report

I. Audit Report

Type of audit opinion	Standard unqualified opinion
Signing date of the Audit Report	April 21, 2025
Auditing Firm	Pan-China Certified Public Accountants LLP (Special General Partnership)
Document No. of the Audit Report	T.J.S. [2025] No. 6141
Name of the CPAs	Li Deyong and Hu Fujian

Audit Report

All shareholders of Hangzhou Great Star Industrial Co., Ltd.:

I. Opinion

We have audited the Financial Statements of Hangzhou Great Star Industrial Co., Ltd. (hereinafter referred to as "Great Star"), which comprise the consolidated and parent company's balance sheets at December 31, 2024, the consolidated and parent company's income statements, the consolidated and parent company's cash flow statements and the consolidated and parent company's statements of changes in owner's equity for 2024, and the notes to the related Financial Statements.

In our opinion, the accompanying Financial Statements, in all material respects, have been prepared in accordance with the provisions of Accounting Standards for Business Enterprises, presenting fairly the consolidated and parent company's financial positions of Great Star as at December 31, 2024, and the consolidated and parent company's financial performance and cash flows for 2024.

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 Great Star and have fulfilled our other ethical responsibilities in accordance with the China Code of Ethics for Certified Public Accountants. 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.

- Revenue Recognition

1. Description

Refer to Note V (II)-1 and Note III (XXVI) to these Financial Statements.

The operating revenue of Great Star derives from tools, power tools, and industrial tools. Great Star has achieved the operating revenue of RMB 1,479,545.33 million in 2024. As operating revenue is one of the key performance indicators of Great Star, there may be an inherent risk that the management of Great Star (hereinafter referred to as the "Management") may resort to inappropriate revenue recognition to achieve specific objectives or expectations. Therefore, we included revenue recognition as a critical audit matter.

2. Audit response

In response to this critical audit matter, we performed the following major audit procedures:

- (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) Assessed the sales contract, obtained an understanding of the main terms and conditions of contracts, and evaluated whether the revenue recognition method is appropriate;
- (3) Analyzed the operating revenues and gross profit margin on a monthly basis, by products and by clients, to identify whether there are major or abnormal fluctuations, and to identify the reasons for the fluctuations;
- (4) For domestic sales revenue, select relevant items for inspecting supporting documents, including sales contracts, purchase orders, sales invoices, delivery orders, and customer receipts. For export revenue, obtain electronic port information and verify book records, and select items to check supporting documents, including sales contracts, export customs declarations, bills of lading, customer receipts, and sales invoices.
- (5) Issued letters to solicit proof the sales revenues for selected items with the letter proving of accounts receivable from the major clients;
- (6) Performed a cut-off test on the operating revenues to check 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.

- Goodwill Impairment

1. Description

Refer to Note III (XXI) and Note V (I)-19 to these Financial Statements.

As of December 31, 2024, the original carrying amount of goodwill for Great Star was RMB 2,718,807,395.48, with impairment provisions of RMB 364,215,959.23, resulting in a net carrying value of RMB 2,354,591,436.25.

When conducting the goodwill impairment test, the Management has combined goodwill with its related asset group or combination of asset groups, and the recoverable amount of the related asset group or combination of asset groups is confirmed based on the present value of estimated future cash flows. Considering that the goodwill is of significant value and that the goodwill impairment

test may impact critical management judgment, we included impairment of goodwill as a critical audit matter.

2. Audit response

In response to impairment of goodwill, we performed the following major audit procedures:

- (1) Obtained an understanding of the key internal controls related to impairment of goodwill, evaluated the design of these controls, identified whether they are implemented, and tested whether the relevant internal controls function effectively;
- (2) Reviewed the Management's estimation of the present value of future cash flows in previous years, or required the Management to make re-estimation;
- (3) Assessed the competence, professionalism and objectivity of external valuation experts engaged by the Management;
- (4) Evaluated the suitability and consistency of the methods used by the Management in the impairment test;
- (5) Evaluated the suitability of the key assumptions used by the Management in the impairment test, and reviewed whether the relevant assumptions are consistent with the business situation, historical experience and approved budgets;
- (6) Assessed the suitability, relevance and reliability of the data used by the Management in the impairment test, and reviewed the consistency of the relevant information in the impairment test;
- (7) Tested whether the Management's calculation of the present value of estimated future cash flows is accurate; and
- (8) Assessed whether the information related to impairment of goodwill 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.

The Management is responsible for assessing Great Star's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using assumption of ongoing concern in preparing the Financial Statements, unless the Management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance at Great Star (hereinafter referred to as "those charged with governance") are responsible for overseeing Great Star's financial reporting process.

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 skepticism 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 on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Great Star's ability to continue as a going concern based on the audit evidence obtained. 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 Great Star 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 and appropriate audit evidence regarding the financial information of the entities or business activities within Great Star to issue an audit 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.

II. Financial Statements

Unit in notes to financial statements: RMB

1. Consolidated balance sheet

Prepared by: Hangzhou Great Star Industrial Co., Ltd.

12/31/2024

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	6,852,110,987.40	5,178,727,811.76
Settlement funds	0.00	0.00
Loans to other banks	0.00	0.00
Held-for-trading financial assets	5,413,124.26	122,650,783.01
Derivative financial assets	0.00	0.00
Notes receivable	5,932,105.78	18,703,655.36
Accounts receivable	3,166,431,539.36	2,101,643,079.19
Receivables financing	65,967,817.81	266,675,016.64
Advances paid	98,851,644.97	103,522,565.06
Premiums receivable	0.00	0.00
Reinsurance accounts receivable	0.00	0.00
Reinsurance reserve receivable	0.00	0.00

Other receivables	125,512,916.86	66,293,368.61
Including: Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Financial assets under reverse repo	0.00	0.00
Inventories	3,005,193,720.21	2,569,302,478.80
including: data source	0.00	0.00
Contract assets	0.00	0.00
Assets held for sale	0.00	0.00
Non-current assets due within one year	103,672.03	108,310.38
Other current assets	165,835,249.00	128,790,614.47
Total current assets	13,491,352,777.68	10,556,417,683.28
Non-current assets:		
Loans and advances	0.00	0.00
Debt investments	0.00	0.00
Other debt investments	0.00	0.00
Long-term receivables	226,719.52	335,454.55
Long-term equity investments	3,485,769,642.85	2,950,574,477.94
Other equity instrument investments	12,600,000.00	16,550,000.00
Other non-current financial assets	0.00	0.00
Investment property	112,388,354.73	117,273,455.37
Fixed assets	1,901,663,424.38	1,726,806,882.04
Construction in progress	230,519,711.33	270,199,288.71
Productive biological assets	0.00	0.00

Oil & gas assets	0.00	0.00
Right-of-use assets	339,969,350.42	378,820,165.25
Intangible assets	1,009,998,048.27	887,953,084.78
including: data source	0.00	0.00
Development expenditures	0.00	0.00
including: data source	0.00	0.00
Goodwill	2,354,591,436.25	2,599,611,926.14
Long-term prepayments	27,512,461.87	33,173,513.74
Deferred tax assets	112,814,957.16	92,688,356.60
Other non-current assets	25,232,490.69	53,392,982.77
Total non-current assets	9,613,286,597.47	9,127,379,587.89
Total assets	23,104,639,375.15	19,683,797,271.17
Current liabilities:		
Short-term borrowings	3,244,951,208.83	1,103,247,899.65
Central bank loans	0.00	0.00
Loans from other banks	0.00	0.00
Held-for-trading financial liabilities	0.00	3,227,726.23
Derivative financial liabilities	0.00	0.00
Notes payable	18,164,045.86	18,253,448.48
Accounts payable	1,851,137,529.57	1,567,046,072.54
Advances received	0.00	0.00
Contractual liabilities	106,017,720.45	147,202,549.06
Financial liabilities under repo	0.00	0.00
Absorbing deposit and interbank	0.00	0.00

deposit		
Deposit for agency security transaction	0.00	0.00
Deposit for agency security underwriting	0.00	0.00
Employee benefits payable	316,666,985.78	243,435,045.23
Taxes and rates payable	245,844,792.00	132,452,194.11
Other payables	239,969,518.47	37,629,238.62
Including: Interest payable	0.00	0.00
Dividend payable	8,400,000.00	8,400,000.00
Handling fee and commission payable	0.00	0.00
Reinsurance accounts payable	0.00	0.00
Liabilities held for sale	0.00	0.00
Non-current liabilities due within one year	74,278,507.40	978,130,617.03
Other current liabilities	5,347,901.13	2,050,790.27
Total current liabilities	6,102,378,209.49	4,232,675,581.22
Non-current liabilities:		
Insurance policy reserve	0.00	0.00
Long-term borrowings	0.00	708,270.00
Bonds payable	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Lease liabilities	274,350,587.68	283,800,769.92
Long-term payables	0.00	0.00

Long-term employee benefits payable	19,644,424.28	19,098,027.87
Provisions	23,641,123.22	7,702,646.75
Deferred income	3,550,653.49	2,518,392.49
Deferred tax liabilities	95,535,420.23	124,722,086.70
Other non-current liabilities	0.00	0.00
Total non-current liabilities	416,722,208.90	438,550,193.73
Total liabilities	6,519,100,418.39	4,671,225,774.95
Equity:		
Share capital	1,194,478,182.00	1,202,501,992.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserve	3,766,412,906.96	3,999,886,029.16
Less: Treasury shares	0.00	236,625,962.00
Other comprehensive income	204,062,809.90	231,453,437.99
Special reserve	0.00	0.00
Surplus reserve	930,940,581.24	788,960,468.06
General risk reserve	0.00	0.00
Undistributed profit	10,306,761,375.27	8,861,804,110.41
Total equity attributable to the parent company	16,402,655,855.37	14,847,980,075.62
Non-controlling interest	182,883,101.39	164,591,420.60
Total equity	16,585,538,956.76	15,012,571,496.22
Total liabilities & equity	23,104,639,375.15	19,683,797,271.17

Legal representative: Qiu Jianping Person in charge of accounting: Ni Shuyi Person in charge of the accounting department: Ni Shuyi

2. Balance sheet of the parent company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	3,999,104,746.39	2,400,684,069.57
Held-for-trading financial assets	4,235,862.82	0.00
Derivative financial assets	0.00	0.00
Notes receivable	2,387,886.99	8,033,890.80
Accounts receivable	2,242,593,357.32	1,638,745,287.87
Receivables financing	52,686,764.33	262,013,539.68
Advances paid	8,064,560.09	11,438,698.21
Other receivables	929,166,370.23	1,445,999,317.30
Including: Interest receivable	0.00	0.00
Dividend receivable	26,000,000.00	0.00
Inventories	107,695,705.49	101,143,349.48
including: data source	0.00	0.00
Contract assets	0.00	0.00
Assets held for sale	0.00	0.00
Non-current assets due within one year	0.00	0.00
Other current assets	55,211,468.01	66,731,233.06
Total current assets	7,401,146,721.67	5,934,789,385.97
Non-current assets:		
Debt investments	0.00	0.00

Other debt investments	0.00	0.00
Long-term receivables	0.00	0.00
Long-term equity investments	8,673,530,489.76	7,703,097,944.18
Other equity instrument investments	12,600,000.00	16,550,000.00
Other non-current financial assets	0.00	0.00
Investment property	112,388,354.73	117,273,455.37
Fixed assets	225,226,159.31	239,950,369.38
Construction in progress	1,945,157.29	0.00
Productive biological assets	0.00	0.00
Oil & gas assets	0.00	0.00
Right-of-use assets	0.00	0.00
Intangible assets	23,534,902.49	26,740,634.44
including: data source	0.00	0.00
Development expenditures	0.00	0.00
including: data source	0.00	0.00
Goodwill	0.00	0.00
Long-term prepayments	0.00	0.00
Deferred tax assets	24,120,733.48	18,122,919.74
Other non-current assets	336,313,343.34	932,619.13
Total non-current assets	9,409,659,140.40	8,122,667,942.24
Total assets	16,810,805,862.07	14,057,457,328.21
Current liabilities:		
Short-term borrowings	1,100,751,833.34	450,357,500.00
Held-for-trading financial	0.00	1,167,281.60

liabilities		
Derivative financial liabilities	0.00	0.00
Notes payable	1,760,830,124.66	0.00
Accounts payable	1,482,233,882.30	1,238,382,198.05
Advances received	0.00	0.00
Contractual liabilities	72,479,603.86	58,701,562.32
Employee benefits payable	70,508,254.87	61,070,459.75
Taxes and rates payable	51,254,093.58	32,211,961.74
Other payables	217,889,145.69	15,986,880.08
Including: Interest payable	0.00	0.00
Dividend payable	0.00	0.00
Liabilities held for sale	0.00	0.00
Non-current liabilities due within one year	0.00	875,578,132.08
Other current liabilities	666,370.82	917,003.08
Total current liabilities	4,756,613,309.12	2,734,372,978.70
Non-current liabilities:		
Long-term borrowings	0.00	708,270.00
Bonds payable	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Lease liabilities	0.00	0.00
Long-term payables	0.00	0.00
Long-term employee benefits payable	0.00	0.00

Provisions	0.00	0.00
Deferred income	0.00	327,332.57
Deferred tax liabilities	2,849,929.01	3,375,906.47
Other non-current liabilities	0.00	0.00
Total non-current liabilities	2,849,929.01	4,411,509.04
Total liabilities	4,759,463,238.13	2,738,784,487.74
Equity:		
Share capital	1,194,478,182.00	1,202,501,992.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserve	3,779,451,659.46	3,999,622,372.57
Less: Treasury shares	0.00	236,625,962.00
Other comprehensive income	-11,841,601.39	-32,965,723.38
Special reserve	0.00	0.00
Surplus reserve	927,192,284.33	785,212,171.15
Undistributed profit	6,162,062,099.54	5,600,927,990.13
Total equity	12,051,342,623.94	11,318,672,840.47
Total liabilities & equity	16,810,805,862.07	14,057,457,328.21

3. Consolidated income statement

Unit: RMB

Item	2024	2023
I. Total operating revenue	14,795,453,293.25	10,929,992,802.32
Including: Operating income	14,795,453,293.25	10,929,992,802.32

Interest income	0.00	0.00
Premiums earned	0.00	0.00
Revenue from handling charges and commission	0.00	0.00
II. Total operating cost	12,239,918,292.55	9,240,335,423.72
Including: Operating cost	10,058,838,583.58	7,454,122,092.19
Interest expenses	0.00	0.00
Handling charges and commission expenditures	0.00	0.00
Surrender value	0.00	0.00
Net payment of insurance claims	0.00	0.00
Net provision of insurance reserve	0.00	0.00
Premium bonus expenditures	0.00	0.00
Reinsurance expenses	0.00	0.00
Taxes and surcharges	53,364,392.50	43,711,142.65
Selling expenses	974,899,236.57	851,283,975.98
Administrative expenses	917,903,108.55	776,183,642.34
R&D expenses	366,158,892.23	322,536,093.62
Financial expenses	-131,245,920.88	-207,501,523.06
Including: Interest expense	77,039,863.73	84,769,466.12
Interest income	144,780,008.82	139,528,683.81
Add: Other earnings	32,331,999.42	38,182,241.65
Investment income (losses presented by “-”)	520,914,548.33	241,291,566.77
Including: Earnings from the investment in associated company and joint venture	530,889,040.50	342,117,235.54

Gains from derecognition of financial assets at amortized cost	0.00	0.00
Gains on foreign exchange (losses presented by "-")	0.00	0.00
Gains on net exposure to hedging risk (losses presented by "-")	0.00	0.00
Gains on changes in fair value ("-" for loss)	-10,060,907.46	50,175,050.93
Credit impairment losses (losses presented by "-")	-51,589,457.48	-3,493,974.10
Assets impairment loss (losses presented by "-")	-270,805,950.46	-24,884,814.56
Gains on asset disposal (losses presented by "-")	92,152.90	5,810,457.76
III. Operating profit (losses presented by "-")	2,776,417,385.95	1,996,737,907.05
Add: Non-operating revenue	4,332,916.36	2,829,375.43
Less: Non-operating expenditure	13,359,171.44	10,858,078.80
IV. Profit before tax (or less: total loss)	2,767,391,130.87	1,988,709,203.68
Less: Income tax expenses	401,598,051.05	293,995,290.66
V. Net profit ("-" for net loss)	2,365,793,079.82	1,694,713,913.02
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations ("-" for net loss)	2,365,793,079.82	1,694,713,913.02
2. Net profit from discontinuing operations (losses presented by "-")	0.00	0.00
(II) Categorized by the portion of equity ownership		
1. Net profit attributable to	2,303,624,287.24	1,691,612,756.79

shareholders of the parent company		
2. Net profit attributable to non-controlling interests	62,168,792.58	3,101,156.23
VI. Other comprehensive income after tax	-29,401,194.83	117,066,457.29
Items attributable to the owners of the parent company	-27,390,628.09	116,444,521.87
(I) Not to be reclassified subsequently to profit or loss	-6,618,086.40	-5,844,140.40
1. Remeasurement gains or losses of a defined benefit plan	-6,618,086.40	-5,844,140.40
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss	0.00	0.00
3. Changes in fair value of other equity instrument investments	0.00	0.00
4. Changes in fair value of enterprise's own credit risk	0.00	0.00
5. Others	0.00	0.00
(II) To be reclassified subsequently to profit or loss	-20,772,541.69	122,288,662.27
1. Other comprehensive income that can be reclassified to profit or loss in equity method	21,124,121.99	21,100,545.46
2. Changes in fair value of other debt investments	0.00	0.00
3. Amount of financial assets reclassified into other comprehensive income	0.00	0.00
4. Provision for credit impairment of other debt investments	0.00	0.00
5. Cash flow hedging reserves	0.00	0.00
6. Exchange differences on translation of foreign currency	-41,896,663.68	101,188,116.81

financial statements		
7. Others	0.00	0.00
Items attributable to non-controlling shareholders	-2,010,566.74	621,935.42
VII. Total comprehensive income	2,336,391,884.99	1,811,780,370.31
Total comprehensive income attributable to owners of the parent company	2,276,233,659.15	1,808,057,278.66
Total comprehensive income attributable to non-controlling interests	60,158,225.84	3,723,091.65
VIII. Earnings per share		
(I) Basic EPS (yuan per share)	1.9286	1.4162
(II) Diluted EPS (yuan per share)	1.9286	1.4162

If a combination of enterprises under common control occurs during the current period, the net profit realized by the combined company before the combination: RMB , net profit realized by the combined company in the prior period: RMB

Legal representative: Qiu Jianping Person in charge of accounting: Ni Shuyi Person in charge of the accounting department: Ni Shuyi

4. Income statement of parent company

Unit: RMB

Item	2024	2023
I. Business revenue	6,432,193,174.81	5,100,581,314.29
Less: Business cost	4,936,773,254.21	3,792,527,183.47
Taxes and surcharges	9,493,244.77	7,715,724.52
Selling expenses	191,938,384.88	173,392,838.87
Administrative expenses	203,706,780.49	166,179,737.65
R&D expenses	233,595,851.96	187,893,193.78
Financial expenses	-145,687,748.39	-143,455,738.47
Including: Interest expense	54,232,222.46	46,016,538.72

Interest income	124,448,655.88	108,657,184.31
Add: Other earnings	9,594,033.63	17,451,841.60
Investment income (losses presented by “-”)	577,177,040.17	445,995,857.81
Including: Earnings from the investment in associated company and joint venture	530,784,197.01	343,264,489.19
Gains on derecognition of financial assets measured at amortized cost (“-”for loss)	0.00	0.00
Gains on net exposure to hedging risk (losses presented by “-”)	0.00	0.00
Gains on changes in fair value (“-” for loss)	1,167,281.60	11,908,494.02
Credit impairment losses (losses presented by “-”)	1,212,651.40	-4,822,719.73
Assets impairment loss (losses presented by “-”)	-24,790,627.99	-1,720,872.69
Gains on asset disposal (losses presented by “-”)	17,697.49	-2,578.20
II. Operating profit (“-” for loss)	1,566,751,483.19	1,385,138,397.28
Add: Non-operating revenue	951,296.43	21,839.75
Less: Non-operating expenditure	5,387,417.76	1,221,834.95
III. Total profit (“-” for loss)	1,562,315,361.86	1,383,938,402.08
Less: Income tax expenses	142,514,230.07	132,767,511.86
IV. Net profit (losses presented by “-”)	1,419,801,131.79	1,251,170,890.22
(I) Net profit from continuing operations (losses presented by “-”)	1,419,801,131.79	1,251,170,890.22
(II) Net profit from discontinued operations (losses presented by	0.00	0.00

“-”)		
V. Other comprehensive income after tax	21,124,121.99	21,100,545.46
(I) Not to be reclassified subsequently to profit or loss	0.00	0.00
1. Remeasurement gains or losses of a defined benefit plan	0.00	0.00
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss	0.00	0.00
3. Changes in fair value of other equity instrument investments	0.00	0.00
4. Changes in fair value of enterprise's own credit risk	0.00	0.00
5. Others	0.00	0.00
(II) To be reclassified subsequently to profit or loss	21,124,121.99	21,100,545.46
1. Other comprehensive income that can be reclassified to profit or loss in equity method	21,124,121.99	21,100,545.46
2. Changes in fair value of other debt investments	0.00	0.00
3. Amount of financial assets reclassified into other comprehensive income	0.00	0.00
4. Provision for credit impairment of other debt investments	0.00	0.00
5. Cash flow hedging reserves	0.00	0.00
6. Exchange differences on translation of foreign currency financial statements	0.00	0.00
7. Others	0.00	0.00
VI. Total comprehensive income	1,440,925,253.78	1,272,271,435.68

VII. Income per share		
(I) Basic EPS (yuan per share)		
(II) Diluted EPS (yuan per share)		

5. Consolidated statement of cash flows

Unit: RMB

Item	2024	2023
I. Cash flows from operating activities:		
Cash receipts from sales of goods or rendering of services	14,398,404,538.50	11,048,006,862.67
Net increase of client deposit and interbank deposit	0.00	0.00
Net increase of central bank loans	0.00	0.00
Net increase of loans from other financial institutions	0.00	0.00
Cash receipts from original insurance contract premium	0.00	0.00
Net cash receipts from reinsurance	0.00	0.00
Net increase of policy-holder deposit and investment	0.00	0.00
Cash receipts from interest, handling charges and commission	0.00	0.00
Net increase of loans from others	0.00	0.00
Net increase of repurchase	0.00	0.00
Net cash receipts from agency security transaction	0.00	0.00
Receipts of tax refund	742,500,316.45	583,201,648.50
Other cash receipts related to operating activities	208,993,314.29	208,205,906.01

Subtotal of cash inflows from operating activities	15,349,898,169.24	11,839,414,417.18
Cash payments for goods purchased and services received	9,152,532,227.97	5,989,741,586.47
Net increase of loans and advances to clients	0.00	0.00
Net increase of central bank deposit and interbank deposit	0.00	0.00
Cash payments for insurance indemnities of original insurance contracts	0.00	0.00
Net increase of loans to others	0.00	0.00
Cash payments for interest, handling charges and commission	0.00	0.00
Cash payments for policy bonus	0.00	0.00
Cash paid to and on behalf of employees	2,423,959,422.93	2,120,346,828.58
Cash payments for taxes and rates	559,877,130.10	452,373,215.20
Other cash payments related to operating activities	1,473,315,278.36	1,151,097,861.28
Subtotal of cash outflows from operating activities	13,609,684,059.36	9,713,559,491.53
Net cash flows from operating activities	1,740,214,109.88	2,125,854,925.65
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	3,749,948,855.00	215,228,000.00
Cash receipts from investment income	10,905,935.90	2,073,898.69
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	16,121,192.96	23,946,188.31

Net cash receipts from the disposal of subsidiaries & other business units	0.00	0.00
Other cash receipts related to investing activities	116,534,532.41	33,448,671.74
Subtotal of cash inflows from investing activities	3,893,510,516.27	274,696,758.74
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	488,525,997.09	437,785,839.58
Cash payments for investments	3,642,462,717.82	264,938,405.70
Net increase of pledged borrowings	0.00	0.00
Net cash payments for the acquisition of subsidiaries & other business units	237,635,304.14	127,498,351.89
Other cash payments related to investing activities	102,805,167.97	106,497,712.80
Subtotal of cash outflows from investing activities	4,471,429,187.02	936,720,309.97
Net cash flows from investing activities	-577,918,670.75	-662,023,551.23
III. Cash flows from financing activities:		
Cash receipts from absorbing investments	0.00	0.00
Including: Cash received by subsidiaries from non-controlling shareholders as investments	0.00	0.00
Cash receipts from borrowings	3,300,484,473.60	2,366,725,718.44
Other cash receipts related to financing activities	1,904,901,349.76	219,062,966.67
Subtotal of cash inflows from financing activities	5,205,385,823.36	2,585,788,685.11

Cash payments for repayment of borrowings	3,822,471,434.66	3,007,635,287.44
Cash payments for distribution of dividends or profits and for interest expenses	810,969,060.32	485,345,579.38
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit	26,634,646.96	3,661,540.00
Other cash payments related to financing activities	214,048,809.84	324,405,035.75
Subtotal of cash outflows from financing activities	4,847,489,304.82	3,817,385,902.57
Net cash flows from financing activities	357,896,518.54	-1,231,597,217.46
IV. Effect of foreign exchange rate changes on cash & cash equivalents	60,587,407.75	-41,681,587.83
V. Net increase in cash and cash equivalents	1,580,779,365.42	190,552,569.13
Add: Opening balance of cash and cash equivalents	4,983,979,749.60	4,793,427,180.47
VI. Closing balance of cash and cash equivalents	6,564,759,115.02	4,983,979,749.60

6. Cash flow of parent company

Unit: RMB

Item	2024	2023
I. Cash flows from operating activities:		
Cash receipts from sales of goods or rendering of services	6,266,491,898.73	4,835,766,166.56
Receipts of tax refund	564,759,535.86	430,347,044.12
Other cash receipts related to operating activities	113,148,409.44	120,761,810.00

Subtotal of cash inflows from operating activities	6,944,399,844.03	5,386,875,020.68
Cash payments for goods purchased and services received	3,398,832,105.81	4,225,129,108.58
Cash paid to and on behalf of employees	371,946,230.87	336,593,149.20
Cash payments for taxes and rates	139,945,410.19	144,878,031.37
Other cash payments related to operating activities	436,104,623.67	300,115,796.73
Subtotal of cash outflows from operating activities	4,346,828,370.54	5,006,716,085.88
Net cash flows from operating activities	2,597,571,473.49	380,158,934.80
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	2,687,639,003.75	79,878,183.33
Cash receipts from investment income	54,404,989.43	137,938,460.00
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	568,365.21	30,597.86
Net cash receipts from the disposal of subsidiaries & other business units	0.00	0.00
Other cash receipts related to investing activities	821,132,235.46	1,500,029,015.02
Subtotal of cash inflows from investing activities	3,563,744,593.85	1,717,876,256.21
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	11,585,131.53	55,045,787.35
Cash payments for investments	3,029,020,755.10	617,551,952.54
Net cash payments for the	0.00	0.00

acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	709,218,007.94	260,731,453.45
Subtotal of cash outflows from investing activities	3,749,823,894.57	933,329,193.34
Net cash flows from investing activities	-186,079,300.72	784,547,062.87
III. Cash flows from financing activities:		
Cash receipts from absorbing investments	0.00	0.00
Cash receipts from borrowings	2,855,050,140.00	1,989,119,500.00
Other cash receipts related to financing activities	0.00	0.00
Subtotal of cash inflows from financing activities	2,855,050,140.00	1,989,119,500.00
Cash payments for repayment of borrowings	3,083,973,462.08	2,190,236,500.00
Cash payments for distribution of dividends or profits and for interest expenses	761,324,826.10	454,071,750.47
Other cash payments related to financing activities	67,260,838.47	17,897,921.26
Subtotal of cash outflows from financing activities	3,912,559,126.65	2,662,206,171.73
Net cash flows from financing activities	-1,057,508,986.65	-673,086,671.73
IV. Effect of foreign exchange rate changes on cash & cash equivalents	-15,575,260.33	-50,071,484.72
V. Net increase in cash and cash equivalents	1,338,407,925.79	441,547,841.22
Add: Opening balance of cash and	2,399,221,210.00	1,957,673,368.78

cash equivalents		
VI. Closing balance of cash and cash equivalents	3,737,629,135.79	2,399,221,210.00

7. Consolidated statement of changes in owners' equity

Amount for the current period

Unit: RMB

Item	2024														
	Owners' equity attributable to the parent company													Non -con troll ing inter est	Tota l equi ty
	Shar e cap ital	Other equity instruments			Cap ital rese rve	Less : Trea sury shar es	Oth er com preh ensi ve inco me	Spe cial rese rve	Sur plus rese rve	Gen eral risk rese rve	Und istri bute d prof it	Oth er	Subt otal		
		Pref erre d shar es	Perp etua l bon ds	Oth er											
I. End ing bala nce of the prev ious year	1,20 2,50 1,99 2.00	0.00	0.00	0.00	3,99 9,88 6,02 9.16	236, 625, 962. 00	231, 453, 437. 99	0.00	788, 960, 468. 06	0.00	8,86 1,80 4,11 0.41		14,8 47,9 80,0 75.6 2	164, 591, 420. 60	15,0 12,5 71,4 96.2 2
Add : Cha nges in acco unti ng poli cies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
Corr ecti on for prev ious erro	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

rs															
Oth er	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
II. Ope ning bala nce for the curr ent year	1,20 2,50 1,99 2.00	0.00	0.00	0.00	3,99 9,88 6,02 9.16	236, 625, 962. 00	231, 453, 437. 99	0.00	788, 960, 468. 06	0.00	8,86 1,80 4,11 0.41		14,8 47,9 80,0 75.6 2	164, 591, 420. 60	15,0 12,5 71,4 96.2 2
Am ount of incr ease /dec reas e with in the curr ent peri od ("-" for less)	-8,02 3,81 0.00	0.00	0.00	0.00	-233, 473, 122. 20	-236, 625, 962. 00	-27,3 90,6 28.0 9	0.00	141, 980, 113. 18	0.00	1,44 4,95 7,26 4.86		1,55 4,67 5,77 9.75	18,2 91,6 80.7 9	1,57 2,96 7,46 0.54
(I) Tot al com preh ensi ve inco me	0.00	0.00	0.00	0.00	0.00	0.00	-27,3 90,6 28.0 9	0.00	0.00	0.00	2,30 3,62 4,28 7.24		2,27 6,23 3,65 9.15	60,1 58,2 25.8 4	2,33 6,39 1,88 4.99
(II) Ow ners , inve stm ent and redu	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

ctions in capital															
1 . 1. Co mm on shar es inve sted by own ers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
2 . 2. Cap ital cont ribu tion fro m hold ers of othe r equi ty instr ume nts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
3 . 3. Am ount of shar e-ba sed pay men ts reco gniz ed in own	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

ers' equi ty															
4 . Oth er	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
(III) Prof it distr ibuti on	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141, 980, 113. 18	0.00	-858, 667, 022. 38		-716, 686, 909. 20	-26,6 34,6 46.9 6	-743, 321, 556. 16
1 . 1. Wit hdra wal of surp lus rese rves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141, 980, 113. 18	0.00	-141, 980, 113. 18		0.00	0.00	0.00
2 . Wit hdra wal of gen eral risk rese rve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
3 . 2. Dist ribu tion to own ers (or shar ehol ders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-716, 686, 909. 20		-716, 686, 909. 20	-26,6 34,6 46.9 6	-743, 321, 556. 16

4 . Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
(IV) Internal carry-forward of owners' equity	-8,023,810.00	0.00	0.00	0.00	-228,602,152.00	-236,625,962.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
1 . 1. Capital reserves converted into capital (or stock)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
2 . 2. Surplus reserves converted into capital (or stock)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
3 . 3. Makeup for	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

loss of surplus reserves															
4 . 4. Changes from re-measurement of defined benefit plan carried over to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
5 . 5. Other comprehensive income carried over to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
6 . Oth	-8,023,810.00	0.00	0.00	0.00	-228,602,152.00	-236,625,962.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

er															
(V) Spe cial rese rve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
1 . 1. Wit hdra wn for the curr ent peri od	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
2 . 2. Use d for the curr ent peri od	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
(VI) Oth ers	0.00	0.00	0.00	0.00	-4,87 0,97 0.20	0.00	0.00	0.00	0.00	0.00	0.00		-4,87 0,97 0.20	-15,2 31,8 98.0 9	-20,1 02,8 68.2 9
IV. End ing bala nce of the curr ent peri od	1,19 4,47 8,18 2.00	0.00	0.00	0.00	3,76 6,41 2,90 6.96	0.00	204, 062, 809. 90	0.00	930, 940, 581. 24	0.00	10,3 06,7 61,3 75.2 7		16,4 02,6 55,8 55.3 7	182, 883, 101. 39	16,5 85,5 38,9 56.7 6

Amount in the previous period

Unit: RMB

Item	2023
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	Owners' equity attributable to the parent company													Non -con troll ing inter est	Tota l equi ty
	Shar e cap ital	Other equity instruments			Cap ital rese rve	Less : Trea sury shar es	Oth er com preh ensi ve inco me	Spe cial rese rve	Sur plus rese rve	Gen eral risk rese rve	Und istri bute d prof it	Oth er	Subt otal		
		Pref erre d shar es	Perp etua l bon ds	Oth er											
I. End ing bala nce of the prev ious year	1,20 2,50 1,99 2.00	0.00	0.00	0.00	3,95 0,77 8,93 6.53	236, 625, 962. 00	115, 010, 556. 85	0.00	663, 843, 379. 04	0.00	7,70 2,43 8,64 1.41		13,3 97,9 47,5 43.8 3	226, 581, 692. 93	13,6 24,5 29,2 36.7 6
Add : Cha nges in acco unti ng poli cies	0.00	0.00	0.00	0.00	0.00	0.00	-1,6 40.7 3	0.00	0.00	0.00	186, 853. 02		185, 212. 29	235, 795. 46	421, 007. 75
Corr ecti on for prev ious erro rs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
Oth er	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
II. Ope ning bala nce for the curr	1,20 2,50 1,99 2.00	0.00	0.00	0.00	3,95 0,77 8,93 6.53	236, 625, 962. 00	115, 008, 916. 12	0.00	663, 843, 379. 04	0.00	7,70 2,62 5,49 4.43		13,3 98,1 32,7 56.1 2	226, 817, 488. 39	13,6 24,9 50,2 44.5 1

ent year															
Am ount of incr ease /dec reas e with in the curr ent peri od ("-" for less)	0.00	0.00	0.00	0.00	49,1 07,0 92.6 3	0.00	116, 444, 521. 87	0.00	125, 117, 089. 02	0.00	1,15 9,17 8,61 5.98		1,44 9,84 7,31 9.50	-62, 226, 067. 79	1,38 7,62 1,25 1.71
(I) Tota l com preh ensi ve inco me	0.00	0.00	0.00	0.00	0.00	0.00	116, 444, 521. 87	0.00	0.00	0.00	1,69 1,61 2,75 6.79		1,80 8,05 7,27 8.66	3,72 3,09 1.65	1,81 1,78 0,37 0.31
(II) Ow ners ' inve stm ent and redu ctio ns in capi tal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
1 . 1. Co mm on shar es inve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

sted by own ers															
2 . 2. Cap ital cont ribu tion fro m hold ers of othe r equi ty instr ume nts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
3 . 3. Am ount of shar e-ba sed pay men ts reco gniz ed in own ers' equi ty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
4 . Oth er	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
(III) Prof it distr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125, 117, 089. 02	0.00	-532 ,434 ,140 .81		-407 ,317 ,051 .79	-12, 061, 540. 00	-419 ,378 ,591 .79

tribution															
1 . 1. Wit hdra wal of surp lus rese rves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125, 117, 089. 02	0.00	-125 ,117 ,089 .02		0.00	0.00	0.00
2 . Wit hdra wal of gen eral risk rese rve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
3 . 2. Dist ribu tion to own ers (or shar ehol ders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-407 ,317 ,051 .79		-407 ,317 ,051 .79	-12, 061, 540. 00	-419 ,378 ,591 .79
4 . Oth er	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
(IV) Inte rnal carr y-fo rwar d of own ers'	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

equity															
1 . 1. Capital reserves converted into capital (or stock)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
2 . 2. Surplus reserves converted into capital (or stock)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
3 . 3. Makeup for loss of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
4 . 4. Changes from re-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

mea sure men t of defi ned ben efit plan carri ed over to retai ned earn ings															
5 . 5. Oth er com preh ensi ve inco me carri ed over to retai ned earn ings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
6 . Oth er	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
(V) Spe cial rese rve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
1 . 1. Wit hdra wn for	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

the current period															
2.2. Used for the current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
(VI) Others	0.00	0.00	0.00	0.00	49,107,092.63	0.00	0.00	0.00	0.00	0.00	0.00		49,107,092.63	-53,887,619.44	-4,780,526.81
IV. Ending balance of the current period	1,202,501,992.00	0.00	0.00	0.00	3,999,886,029.16	236,625,962.00	231,453,437.99	0.00	788,960,468.06	0.00	8,861,804,110.41		14,847,980,075.62	164,591,420.60	15,012,571,496.22

8. Statement of changes in owners' equity of the parent company

Amount for the current period

Unit: RMB

Item	2024											
	Share capital	Other instruments equity			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Other	Total equity
		Preferred shares	Perpetual bonds	Other								
I. Ending balance of	1,202,501,992.00	0.00	0.00	0.00	3,999,622,372.57	236,625,962.00	-32,965,723.38	0.00	785,212,171.15	5,600,927,990.13		11,318,672,840.47

the previ ous year												
Add: Chan ges in accoun ting polici es	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Corre ction for previ ous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
II. Openi ng balan ce for the curre nt year	1,202, 501,9 92.00	0.00	0.00	0.00	3,999, 622,3 72.57	236,6 25,96 2.00	-32,9 65,72 3.38	0.00	785,2 12,17 1.15	5,600, 927,9 90.13		11,31 8,672, 840.4 7
Amou nt of increa se/dec rease withi n the curre nt perio d ("-" for less)	-8,02 3,810. 00	0.00	0.00	0.00	-220, 170,7 13.11	-236, 625,9 62.00	21,12 4,121. 99	0.00	141,9 80,11 3.18	561,1 34,10 9.41		732,6 69,78 3.47
(I) Total comp rehen sive incom e	0.00	0.00	0.00	0.00	0.00	0.00	21,12 4,121. 99	0.00	0.00	1,419, 801,1 31.79		1,440, 925,2 53.78

(II) Owne rs' invest ment and reduct ions in capita l	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
1. 1. Com mon shares invest ed by owner s	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2. 2. Capit al contri butio n from holde rs of other equity instru ments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
3. 3. Amou nt of share- based paym ents recog nized in owner s' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
4 . Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
(III)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141,9 80,11	-858, 667,0		-716, 686,9

Profit distribution									3.18	22.38		09.20
1. 1. Withdrawal of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141,980,113.18	-141,980,113.18		0.00
2. 2. Distribution to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-716,686,909.20		-716,686,909.20
3 . Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
(IV) Internal carry-forward of owners' equity	-8,023,810.00	0.00	0.00	0.00	-228,602,152.00	-236,625,962.00	0.00	0.00	0.00	0.00		0.00
1. 1. Capital reserves converted into capital (or stock)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2. 2. Surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

es conve rted into capita l (or stock)												
3. 3. Make up for loss of surplu s reserv es	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
4. 4. Chan ges from re-me asure ment of define d benefi t plan carrie d over to retain ed earnin gs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
5. 5. Other comp rehen sive incom e carrie d over to retain ed earnin gs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

6 . Other	-8,02 3,810. 00	0.00	0.00	0.00	-228, 602,1 52.00	-236, 625,9 62.00	0.00	0.00	0.00	0.00		0.00
(V) Speci al reserv e	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
1. 1. Withd rawn for the curre nt perio d	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2. 2. Used for the curre nt perio d	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
(VI) Other s	0.00	0.00	0.00	0.00	8,431, 438.8 9	0.00	0.00	0.00	0.00	0.00		8,431, 438.8 9
IV. Endin g balan ce of the curre nt perio d	1,194, 478,1 82.00	0.00	0.00	0.00	3,779, 451,6 59.46	0.00	-11,8 41,60 1.39	0.00	927,1 92,28 4.33	6,162, 062,0 99.54		12,05 1,342, 623.9 4

Amount in the previous period

Unit: RMB

Item	2023										
	Share capita	Other instruments	equity	Capit al	Less: Treas	Other comp	Speci al	Surpl us	Undis tribut	Other	Total equity

	1	Prefer red shares	Perpe tual bonds	Other	reserv e	ury shares	rehe n sive incom e	reserv e	reserv e	ed profit		
I. Endin g balan ce of the previ ous year	1,202, 501,9 92.00	0.00	0.00	0.00	3,958, 727,5 98.88	236,6 25,96 2.00	-54,0 66,26 8.84	0.00	660,0 95,08 2.13	4,882, 191,2 40.72		10,41 2,823, 682.8 9
Add: Chan ges in accoun ting polici es	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Corre ction for previ ous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
II. Openi ng balan ce for the curre nt year	1,202, 501,9 92.00	0.00	0.00	0.00	3,958, 727,5 98.88	236,6 25,96 2.00	-54,0 66,26 8.84	0.00	660,0 95,08 2.13	4,882, 191,2 40.72		10,41 2,823, 682.8 9
Amou nt of increa se/dec rease withi n the curre nt perio d ("-" for	0.00	0.00	0.00	0.00	40,89 4,773. 69	0.00	21,10 0,545. 46	0.00	125,1 17,08 9.02	718,7 36,74 9.41		905,8 49,15 7.58

less)												
(I) Total comprehen sive income	0.00	0.00	0.00	0.00	0.00	0.00	21,10 0,545. 46	0.00	0.00	1,251, 170,8 90.22		1,272, 271,4 35.68
(II) Owners' investment and reductions in capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
1. 1. Common shares invested by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2. 2. Capital contribution from holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
3. 3. Amount of share-based payments recognized	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

in owner s' equity												
4 . Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125,17,089.02	-532,434,140.81		-407,317,051.79
1. 1. Withd rawal of surplus reserv es	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125,17,089.02	-125,117,089.02		0.00
2. 2. Distri butio n to owner s (or share holde rs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-407,317,051.79		-407,317,051.79
3 . Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
(IV) Intern al carry-forwa rd of owner s' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
1. 1. Capit al reserv es conve rted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

into capital (or stock)												
2. 2. Surplus reserves converted into capital (or stock)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
3. 3. Make up for loss of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
4. 4. Changes from re-measurement of defined benefit plan carried over to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
5. 5. Other comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

e carried over to retained earnings												
6 . Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
(V) Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
1. 1. Withd rawn for the current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2. 2. Used for the current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
(VI) Others	0.00	0.00	0.00	0.00	40,89 4,773. 69	0.00	0.00	0.00	0.00	0.00		40,89 4,773. 69
IV. Endin g balan ce of the current period	1,202, 501,9 92.00	0.00	0.00	0.00	3,999, 622,3 72.57	236,6 25,96 2.00	-32,9 65,72 3.38	0.00	785,2 12,17 1.15	5,600, 927,9 90.13		11,31 8,672, 840.4 7

III. Basic Information of the Company

Jointly established by natural persons Qiu Jianping, Wang Lingling, Li Zheng, Wang Weiyi and Wang Min, Hangzhou Great Star Industrial Co., Ltd. (hereinafter referred to "Company" or the "Company") was approved by the Hangzhou Administration for Industry and Commerce and registered with the Hangzhou Administration for Industry and Commerce headquartered in Hangzhou, Zhejiang on August 9, 2001. The Company holds the business license and its Unified Social Credit Code is 91330000731506099D, with registered capital of RMB 1,194,478,182.00 and a total of 1,194,478,182 shares (par value of RMB 1 per share). including 51,309,780 outstanding A-shares restricted for sale and 1,143,168,402 outstanding A-shares unrestricted for sale. The Company's shares have been listed for trading on July 13, 2010 on the Shenzhen Stock Exchange.

The Company is a player under the hardware industry, Primary business activities include the R&D, production, and sales of tools, power tools, and industrial tools.

These financial statements were approved for external release at the 12th Meeting of the Sixth Board of Directors on April 21, 2025.

IV. Bases for Preparing the Financial Statements

1. Bases for preparation

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

2. Going concern

There is no matter or circumstance that results in any significant doubt about the Company's ability to continue as a going concern for a period of 12 months from the end of the reporting period.

V. Significant Accounting Policies and Accounting Estimates

Reminder to specific accounting policies and accounting estimates:

Important Notes: The Company formulated specific accounting policies and estimates for transactions or matters such as impairment of financial instruments, inventory, depreciation of fixed assets, construction in progress, intangible assets, and revenue recognition.

1. Statement of compliance with accounting standards for business enterprises

These Financial Statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and give an authentic and complete picture of the Company's financial position, results of operations and cash flows, and other relevant information.

2. Accounting period

The fiscal year starts from January 1 to December 31 on Gregorian calendar.

3. Business cycle

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

4. Recording currency

The Company and its domestic subsidiaries take Renminbi (RMB) as recording currency. Hong Kong Great Star International Co., Ltd., Great Star Tools USA, Inc, Great Star Europe AG, and other overseas subsidiaries, which are engaged in foreign operations, select the currency of the principal economic environments in which they operate as the recording currency.

5. Determination method and selection basis of materiality standard√ Applicable ☐ Not Applicable

Item	Materiality standard
Significant Write-offs of Accounts Receivable	Individual amounts exceeding 0.5% of total assets
Significant Write-offs of Other Receivables	Individual amounts exceeding 0.5% of total assets
Significant Prepayments Aged over 1 Year	Individual amounts exceeding 0.5% of total assets
Important construction in progress	The Company recognizes the construction in progress whose amount exceeds 0.5% of the total assets as an important construction in progress
Important goodwill	The Company recognizes the combination of asset groups whose original book value of goodwill exceeds 10% of the total original book value of the Group's goodwill as an important goodwill
Significant Accounts Payable Aged over 1 Year	Individual amounts exceeding 0.5% of total assets
Significant Other Payables Aged over 1 Year	Individual amounts exceeding 0.5% of total assets
Significant Contract Liabilities Aged over 1 Year	Individual amounts exceeding 0.5% of total assets
Significant Estimated Liabilities	Individual amounts exceeding 0.5% of total assets
Important cash flow from investing activities	Individual amounts exceeding 5% of total assets
Important overseas operating entity	Revenue exceeding 5% of the Group's total revenue
Important subsidiary and non-wholly owned subsidiary	Revenue exceeding 15% of the Group's total revenue
Important joint venture	Individual equity-method investment gains exceeding 15% of the Group's total profit
Important commitments	The company recognizes the commitment whose amount exceeds 0.5% of the total assets as an important commitment
Important contingencies	The company recognizes the contingent event whose amount exceeds 0.5% of the total assets as an important contingent event
Important events subsequent to the balance sheet date	The company recognizes the event subsequent to the balance sheet date whose amount exceeds 0.5% of the total assets as an important event subsequent to the

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

1. Accounting Treatment for Business Combinations Under Common Control

Assets and liabilities acquired in a business combination are measured at the carrying amounts in the consolidated financial statements of the ultimate controlling party as of the merger date. 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 Treatment for Business Combinations not Under Common Control

The difference between the merger cost and the fair value of the identifiable net assets acquired is recognized as goodwill if the merger cost exceeds the fair value. If the combined cost is less than the fair value of net identifiable assets obtained from the acquiree during business merger, the fair value and combined cost of various identifiable assets, liabilities and contingent liabilities from the acquiree must be rechecked. If the combined cost is, after recheck, still less than the fair value of net identifiable assets obtained from the acquiree during business merger, the balance must be included into current profits and losses.

7. Criteria for joint control and methods for preparing consolidated financial statements

1. Determination of Control

Control is established when the Company has power over the investee, is exposed to variable returns through its involvement in the investee's activities, and can use its power to affect the number of returns.

2. Preparation Method for Consolidated Financial Statements

The parent company consolidates all subsidiaries under its control. 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

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 recognise the assets held assumed solely by the Company and the assets held assumed jointly as per the shares of the Company;

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

(3) to recognise revenue from disposal of the share of joint operations of the Company; (4) to recognise revenue from disposal of the assets from joint operations by the shares held by the Company; and

(5) to recognise fees solely occurred by Company and recognise fees from joint operations in appropriation to the share held by the Company

9. Recognition criteria of cash and cash equivalents

Cash set out in the cash flow statement refers to stock cash and bank deposits that can be used for payment at any time. Cash equivalent refers to investment that is held for a short period, highly mobile, easily convertible into given amount of cash and unlikely to change in value.

10. Translation of foreign-currency transactions and foreign-currency financial statements

In the initial recognition of foreign currency transactions, amounts in foreign currency are translated into amounts in reporting currency at the spot exchange rate on the transaction date. Foreign-currency monetary items at the balance sheet date are translated with the spot exchange rate on the same date, and the exchange differences arising from different exchange rates, except for the exchange differences on the principal of and interest on special foreign-currency borrowings relating to the acquisition and setup of assets eligible for capitalization, are recognized in current gains/losses; foreign currency non-monetary items measured with historical cost are still converted based on the spot exchange rate on the transaction date, without changing its RMB amount; and for the foreign currency non-monetary items measured with fair value, conversion is made as per the spot exchange rate on the date when the fair value is defined, with the different stated as the current gains or losses or other comprehensive income.

Differences in translation of foreign-currency financial statements arising from the foregoing are stated as other comprehensive income.

11. Financial instruments

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.

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.

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.

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.

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.

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.

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

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.

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.

The Company categorizes the inputs used in the valuation technique in the following levels and applies such inputs in a certain order:

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 the receivables and contract assets that result from transactions governed by Accounting Standards for Business Enterprises No. 14 -Revenue and do not contain any significant financing component or for which the Company does not consider a financing component in any contract of no more than a year, the Company applies a simplified measurement method to measure the provision for losses at an amount equivalent to the expected credit losses over the entire period of existence.

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.

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

The Company refers to the historical credit loss and combines the current situation and the projections of future economic situation, in a bid to calculate the expected credit loss based on the default risk exposure and the expected credit loss rate of the whole duration.

13. Accounts receivables

1. Accounts receivable and contract assets with expected credit losses measured on a portfolio basis

Category	Basis for portfolio determination	Methods to measure expected credit losses
Receivables - Ageing combination	Ageing	The Company refers to the historical credit loss, combines the current situation and the projections of future economic situation, and prepares a comparison table between the ageing of accounts receivables and expected credit loss rate, in a bid to calculate the expected credit loss
Other receivables - Ageing combination	Ageing	The Company refers to the historical credit loss, combines the current situation and the projections of future economic situation, and prepares a comparison table between the ageing of other receivables and expected credit loss rate, in a bid to calculate the expected credit loss
Other receivables - Portfolio of receivables from connected parties with consolidated scope	Receivables from and payables to connected parties within the consolidation scope	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.
Prepayments - Ageing combination	Ageing	The Company refers to the historical credit loss, combines the current situation and the projections of future economic situation, and prepares a comparison table between the ageing of prepayments and expected credit loss rate, in a bid to calculate the expected credit loss

2. The comparison table between the ageing of accounts receivables and expected credit loss rate

Ageing	Accounts receivable Expected credit loss rate (%)	Other receivables Expected credit loss rate (%)	Advances paid Expected credit loss rate (%)
Within one year (inclusive, the same below)	5	5	5
1-2	10	10	10
2-3	20	20	20

3-4	30	30	30
4-5	50	50	50
More than 5 years	100	100	100

The aging of accounts receivable/other receivables/prepayments starts from the month in which the payment actually occurs.

3. Identification standards for accounts receivable and contract assets with expected credit losses measured on a single item basis

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. Contractual assets

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.

15. Inventory

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.

16. Assets held for sale

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.

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.

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.

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.

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.

17. Long-term equity investments

Significant influence refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies.

2. Determination of investment cost

(1) For business combination under common control, where long-term equity investments are obtained by cash paid, non-monetary funds paid, assumed liabilities or equity securities issued as consideration by the combining party, on the combination date, the initial investment cost shall be taken as the share of the owner's equity of the combined party at book value in the final control party's consolidated financial statements. According to the difference between the initial investment cost of long-term equity investments and the book value of the consideration paid or the aggregate nominal value of shares issued, capital reserve shall be written down. If the capital reserve is not sufficient to be written down, then the retained earnings shall be written down.

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

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

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

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.

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

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.

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.

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.

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.

18. Investment properties

Measurement model of investment properties

Cost model

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.

19. Fixed assets

(1) Recognition criteria

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

Category	Depreciation method	Depreciable life	Residual rate	Annual depreciation rate
Buildings	Straight-line method	20-25 years	0%-5%	5.00%-3.80%
General equipment	Straight-line method	3-10 years	0%-10%	33.33%-9.00%
Special equipment	Straight-line method	5-15 years	0%-10%	20.00%-6.00%
Transportation facilities	Straight-line method	4-10 years	5%-10%	23.75%-9.00%

20. Construction in progress

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
Machinery and equipment	The machinery and equipment meet the design requirements or the standards stipulated in the contract
Buildings	(1) The substantial construction, including installation, has been finished completely or substantially; (2) The amount of continuing disbursements for the houses and buildings under acquisition and construction is very small, or nearly no such disbursement incurs; (3) The houses and buildings under acquisition and construction have met the design or contract requirements, or are basically in compliance with the design or contract requirements; (4) If the final settlement of account has not been completed while the construction project reaching the designed usable conditions, the construction project shall be transferred to fixed assets using estimated value based on the actual cost of the project from the date of reaching the expected usable state

21. Borrowing costs

(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.

22. Intangible assets

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

1. Intangible assets include land ownership, land use rights, patent rights, trademark rights, proprietary technologies, management software and emission rights and 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	50 years, 30 years, reference to the usable life of the land.	Straight Method	Line
Patent rights	10 years, referring to the years that it can bring economic benefits to the Company	Straight Method	Line
Trademark rights	10 years, referring to the years that it can bring economic benefits to the Company	Straight Method	Line
Proprietary technologies	5 years, referring to the years that it can bring economic benefits to the Company	Straight Method	Line
Management software	3-10 years, referring to the years that it can bring economic benefits to the Company	Straight Method	Line
Emission rights	10 years, referring to the years that it can bring economic benefits to the Company	Straight Method	Line

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. For intangible assets with indefinite useful life, the assessment basis for indefinite useful life is that the period to bring future economic benefits to the Company is unforeseeable. The Company's intangible assets with indefinite useful life are land ownership.

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

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.

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.

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.

(5) Design expense

Design expense refers to expense incurred in the conception, development and manufacture of new products and processes and design of processes, technical specifications, protocols, operational characteristics, etc., including costs related to creative design activities carried out for developing innovative, creative and breakthrough products.

Expense incurred for routine preparation for the tooling process and industrial engineering for large-scale batch production and commercial production are not included in the aggregation scope.

Test expense includes clinical trial expense for the development of new drugs, field test expense for exploration and development technologies, and field trial expense.

(8) 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.

23. Long-term assets impairment

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.

24. Long-term expenses to be amortized

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.

25. Contract liabilities

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 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.

26. Employee benefits

(1) Accounting treatment of short-term employee benefits

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 of post-employment benefits

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.

(3) Accounting treatment of termination benefits

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

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.

27. Estimated liabilities

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.

28. Share-based payment

Equity-settled share-based payments in exchange for staff services that are contingent upon completion of services in the waiting period or satisfaction of specified performance conditions, the services received in the present period are included in the related costs or expenses at fair value on the date of grant of the equity instruments, based on the best estimate of the number of contingent equity instruments, at each balance sheet date in the waiting period, with a corresponding adjustment to the capital reserve.

Equity-settled share-based payments in exchange for services rendered by other parties, if the fair value of the services rendered by the other parties can be measured reliably, is measured at the fair value of the services rendered by the other party at the acquisition date; If the fair value of the services provided by other parties cannot be reliably measured, but the fair value of the equity instrument can be reliably measured, it is measured at the fair value of the equity instrument at the date when the services are obtained and included in the related cost or expense, with a corresponding increase in owner's equity.

Cash-settled share-based payments in exchange for staff services that are contingent upon the completion of services in the waiting period or satisfaction of specified performance conditions, are included in the related costs or expenses and the corresponding liabilities for services rendered in the present period at the fair value of the liabilities assumed by the company on the basis of the best estimate of the right to perform at each balance sheet date during the waiting period.

If the modification increases the fair value of the equity instruments granted, the Company recognizes an increase in services received in response to the increase in fair value of the equity instruments; If the modification increases the number of equity instruments granted, the Company recognizes the fair value of the increased equity instruments as an increase in access to services accordingly; If the Company modifies the vesting conditions in a manner beneficial to the employees, the Company considers the modified vesting conditions when dealing with the vesting conditions.

If the modification reduces the fair value of the equity instruments granted, the Company continues to recognize the amount of services received based on the fair value of the equity instruments at the date of grant, irrespective of the decrease in fair value of the equity instruments; If the modification reduces the number of equity instruments granted, the Company treats the reduction as a cancellation of the equity instruments granted; If the vesting condition is modified in a manner detrimental to the employees, the modified vesting condition is not considered when dealing with the vesting condition.

If the Company cancels an equity instrument granted or settles an equity instrument granted within the waiting period (unless canceled because the vesting condition is not met), the cancellation or settlement is treated as an accelerated vesting, immediately recognizing the amount that would have been recognized within the remaining waiting period.

29. Revenue

Disclosure of accounting policies used in revenue recognition and measurement by business type

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.

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.

Export revenue is recognized when the Company has declared the product in accordance with the contract, obtained a bill of lading or arrived at the destination specified by the client and the client confirms the acceptance, has received the payment for goods or has obtained the right to receive payment and the related economic benefits are likely to flow in.

Similar businesses adopt different business models and involve different revenue recognition and measurement methods

30. Contract cost

Incremental costs of the Company to acquire a contract that are expected to be recovered are recognized as an asset as contract acquisition cost. If contract acquisition cost is amortized over a period not exceeding one year, such costs are recognized directly in current gains/losses when incurred.

Costs of the Company for the performance of a contract, which fall out of the scope of regulation on standards about inventories, fixed assets, or intangible assets and fall in the following conditions, are recognized as an asset as contract performance cost:

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

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

31. Government grants

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

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.

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.

32. Deferred tax assets/deferred tax liabilities

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.

33. Lease

(1) Accounting treatment for lease as lessee

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.

(3) Amending or terminating the Share-based Payment Plan

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.

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.

(2) Accounting treatment for lease as lessor

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, capitalizes 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.

34. Other significant accounting policies and accounting estimates

An operating segment is a component of the Company that satisfies all the following conditions:

35. Changes in material accounting policies and accounting estimates

(1) Changes in material accounting policies

☒ Applicable ☐ Not Applicable

1. The Company has implemented the provisions of "Classification of Current Liabilities and Non-current Liabilities" under Interpretation No. 17 of Accounting Standards for Business Enterprises issued by the Ministry of Finance effective from January 1, 2024. This change in accounting policy has no impact on the Company's financial statements.

2. The Company has implemented the provisions of "Disclosure of Supplier Financing Arrangements" under Interpretation No. 17 of Accounting Standards for Business Enterprises issued by the Ministry of Finance effective from January 1, 2024.

3. The Company has implemented the provisions of "Accounting Treatment for Sale and Leaseback Transactions" under Interpretation No. 17 of Accounting Standards for Business Enterprises issued by the Ministry of Finance effective from January 1, 2024. This change in accounting policy has no impact on the Company's financial statements.

4. The Company has implemented the provisions of "Accounting Treatment for Warranty-Type Quality Assurance Not Constituting a Distinct Performance Obligation" under Interpretation No. 18 of Accounting Standards for Business Enterprises issued by the Ministry of Finance effective from January 1, 2024. This change in accounting policy has no impact on the Company's financial

statements.

(2) Changes in material accounting estimates

☐ Applicable ☒ Not Applicable

(3) Initial implementation of the new accounting standards from 2024 adjusts the status of relevant items in the financial statements at the beginning of the year of initial implementation

☐ Applicable ☒ Not Applicable

Vi. Taxes

1. Major taxes and tax rates

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.	13%,6%
Urban maintenance and construction tax	Actual turnover tax paid	7%,5%,1%
Business income tax	Taxable amount of income	For details, please refer to the description of the business income tax rates of the taxpayers with different tax rates.
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%
Education surcharge	Actual turnover tax paid	3%
Local education surcharge	Actual turnover tax paid	2%

Disclosure of details when taxpayers are subject to different enterprise income tax rates

Name of tax payer	Income tax rate
The company	15%
Changzhou Huada Kejie Opto-Electro Instrument Co.,	15%

Ltd.	
Hangzhou Lianhe Electric Manufacturing Co., Ltd.	15%
Dongguan Ouda Electronics Co., Ltd.	15%
Zhejiang Yiyang Tool Manufacturing Co., Ltd.	15%
Suzhou Xindadi Hardware Product Co., Ltd	15%
Zhongshan Geelong Industry Co., Ltd.	15%
Ningbo Fenghua Great Star Tools Co., Ltd.	15%
Jingjiang Measuring Tools Limited	15%
Hangzhou Ole-Systems Co., Ltd.	15%
Zhejiang Guoxin Tools Co., Ltd.	20%
Hangzhou Great Star Intelligent Technology Co., Ltd.	20%
Hangzhou Huada Kejie Opto-Electro Instrument Co., Ltd (HDKJ)	20%
TESA Precision Technology (Suzhou) Co., Ltd.	20%
Hangzhou Youchuangjia Trading Co., Ltd.	20%
Hangzhou Great Star Sheffield Trading Co., Ltd.	20%
Yiyang Tools Manufacturing Co., Ltd.	20%
PREXISO Laser Measurement Tool (Hangzhou) Co., Ltd.	20%
Shanghai Endura Tools Co., Ltd.	20%
Changzhou Huada Kejie Construction Machinery Co., Ltd.	20%
Hangzhou Youdebao Trading Co., Ltd.	20%
Longyou Xingyi Machinery Equipment Technology Co., Ltd.	20%
Hong Kong Great Star International Co., Ltd.	16.50%

Hong Kong International Huada Kejie Opto-Electro Instruments Co., Ltd.	16.50%
Prim' Tools Limited	16.50%
HongKong Goldblatt Industrial Co., Ltd	16.50%
Hongkong Shop-Vac International Co., Limited	16.50%
Geelong Sales Company International (HK) Limited	16.50%
Other domestic taxpayers other than those mentioned above	25%
Other overseas taxpayers other than those mentioned above	Tax rate applicable in the local jurisdiction

3. Tax incentives

1. In accordance with the relevant provisions of the Administrative Measures for the Identification of High-tech Enterprises (Guo Ke Fa Huo [2016] No.32) and the Administrative Work Guide for the Identification of High-tech Enterprises (Guo Ke Fa Huo [2016] No.195), the Company was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202233005456, which was valid for 3 years (2022 to 2024), and was subject to business income tax at the rate of 15% in the year of 2024.

2. In accordance with the relevant provisions of the Administrative Measures for the Identification of High-tech Enterprises (Guo Ke Fa Huo [2016] No.32) and the Administrative Work Guide for the Identification of High-tech Enterprises (Guo Ke Fa Huo [2016] No.195), the subsidiary Changzhou Huada Kejie Opto-Electronic Instruments Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202332000640, which was valid for 3 years (2023 to 2025) and was subject to business income tax at a rate of 15% in the of 2023.

3. In accordance with the relevant provisions of the Administrative Measures for the Identification of High-tech Enterprises (Guo Ke Fa Huo [2016] No.32) and the Administrative Work Guide for the Identification of High-tech Enterprises (Guo Ke Fa Huo [2016] No.195), the subsidiary Hangzhou Lianhe Electric Manufacturing Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202233010022, which was valid for 3 years (2022 to 2024) and was subject to business income tax at a rate of 15% in the of 2024.

4. According to the relevant provisions of the Administrative Measures for the Identification of High-tech Enterprises (Guo Ke Fa Huo [2016] No.32) and the Administrative Work Guide for the Identification of High-tech Enterprises (Guo Ke Fa Huo [2016] No.195), the subsidiary Dongguan Ouda Electronics Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202444008811, which was valid for 3 years (2024-2026) and was subject to business income tax at the rate of 15% for the half year of 2024.

5. In accordance with the relevant provisions of the Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 32) and the Guidelines for Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 195), the sub-subsidiary, Zhejiang Yiyang Tools Manufacturing Co., Ltd. has been accredited as a high-tech enterprise and has obtained High-tech Enterprise Certificate with the

number of GR202233007785, which is valid for 3 years (from 2022 to 2024), and was subject to business income tax at the rate of 15% for the year of 2024.

6. In accordance with the relevant provisions of the Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 32) and the Guidelines for Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 195), the subsidiary, Suzhou Xindadi Hardware Product Co., Ltd has been accredited as a high-tech enterprise and has obtained the High-tech Enterprise Certificate with the number of GR202432004996, which is valid for 3 years (from 2024 to 2026), and was subject to business income tax at a rate of 15% in the half year of 2024.

7. In accordance with the relevant provisions of the Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 32) and the Guidelines for Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 195), the sub-subsidiary, Zhongshan Geelong Industry Co., Ltd has been accredited as a high-tech enterprise and has obtained the High-tech Enterprise Certificate with the number of GR202244011605, which is valid for 3 years (from 2022 to 2024), and was subject to business income tax at the rate of 15% for the year of 2024.

8. In accordance with the relevant provisions of the Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 32) and the Guidelines for Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 195), the subsidiary, Ningbo Fenghua Juxing Tools Co., Ltd has been accredited as a high-tech enterprise and has obtained the High-tech Enterprise Certificate with the number of GR202233100274, which is valid for 3 years (from 2022 to 2024), and was subject to business income tax at the rate of 15% for the year of 2024.

9. In accordance with the relevant provisions of the Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 32) and the Guidelines for Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 195), the subsidiary, Jingjiang Measuring Tools Limited has been accredited as a high-tech enterprise and has obtained the High-tech Enterprise Certificate with the number of GR202432008867, which is valid for 3 years (from 2024 to 2026), and was subject to business income tax at the rate of 15% for the year of 2024.

10. In accordance with the relevant provisions of the Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 32) and the Guidelines for Administrative Measures for the Accreditation of High and New Technology (Guo Ke Fa Huo [2016] No. 195), the subsidiary, Hangzhou Ole-Systems Co., Ltd. has been accredited as a high-tech enterprise and has obtained the High-tech Enterprise Certificate with the number of GRGR202433005080, which is valid for 3 years (from 2024 to 2026), and was subject to business income tax at the rate of 15% for the year of 2024.

11. In accordance with the Notice on Issuing Administrative Measures on Preferential Policies on Value-added Tax for Promoting the Employment of Persons with Disabilities (Cai Shui [2016] No. 52) issued by the Ministry of Finance and State Taxation Administration, the subsidiary company, Longyou Hugong Forging Three Tools Co., Ltd, which accommodated persons with disabilities for employment, is entitled to enjoy preferential policies on immediate withdrawal of value-added tax (VAT) quota in the current period, after the filing for the competent tax authorities.

12. According to the document "Announcement on Further Supporting Preferential Policies on Income Tax for Small and MicroEnterprises" (Announcement No. 12 of the Ministry of Finance and the Taxation Administration, 2022) of the Ministry of Finance and the Taxation Administration, during the period from January 1, 2023 to December 31, 2027, the portion of the annual taxable income of small and micro-enterprises at a reduced rate of 25.00%, and the enterprise income tax shall be paid at a rate of 20%. From January 1, 2024 to December 31, 2024, Hangzhou Great Star Intelligent Technology Co., Ltd., Hangzhou Huada Kejie Opto-Electro Instrument Co., Ltd, TESA Precision Technology (Suzhou) Co., Ltd., Hangzhou Youchuangjia Trading Co., Ltd., Zhejiang Guoxin Tools Co., Ltd., Hangzhou Great Star Sheffield Trading Co.,

Ltd., Yiyang Tools Manufacturing Co., Ltd., PREXISO Laser Measurement Tool (Hangzhou) Co., Ltd., Shanghai Endura Tools Co., Ltd., Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd., Hangzhou Youdebao Trading Co., Ltd. and Longyou Xingyi Machinery Equipment Technology Co., Ltd. are eligible for this income tax preferential policy, and are subject to a corporate income tax rate of 20%.

VII. Notes to the Consolidated Financial Statements Items

1. Currency funds

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	640,344.57	700,564.56
Bank deposits	6,560,350,720.32	4,982,842,025.49
Other monetary capital	291,119,922.51	195,185,221.71
Total	6,852,110,987.40	5,178,727,811.76
Of which: Total amount of funds deposited beyond China	1,398,337,940.28	1,695,139,084.93

Other notes:

Other monetary capital at the end of the period included the disposal proceeds and interest of Donghai Bank equity transfer held in the escrow account of RMB 200,784,460.05, bank acceptance deposits of RMB 62,506,684.57, letter of credit deposits of RMB 17,255,624.81, credit card deposits of RMB 3,594,200.00, deposits held in Alipay of RMB 2,882,207.71, rent deposits of RMB 1,516,752.40, customs duty bond deposits of RMB 1,438,150.55, funds in transit of RMB 885,842.42, litigation guarantee deposit of RMB 200,000.00 and ETC deposit of RMB 56,000.00.

Other monetary capital at the beginning of the period included short-term loan deposits of RMB 144,071,225.10, forward exchange settlement deposits of RMB 21,496,066.60, letter of credit deposits of RMB 16,290,210.00, bank acceptance deposits of RMB 6,388,901.19, credit card deposits of RMB 3,541,350.00, customs duty bond deposits of RMB 1,416,859.57, rent deposits of RMB 1,494,449.70, deposits held in Alipay of RMB 437,159.55, and ETC deposit of RMB 49,000.00.

2. Financial assets for trading

Unit: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value and the changes are included in current profits and losses	5,413,124.26	122,650,783.01

Including:		
Derivative financial assets	1,177,261.44	14,406,531.52
Bank financial products	4,235,862.82	108,244,251.49
Including:		
Total	5,413,124.26	122,650,783.01

Other notes:

3. Notes receivable

(1) Classification list of notes receivable

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	5,932,105.78	18,203,655.36
Commercial acceptance bills		500,000.00
Total	5,932,105.78	18,703,655.36

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Percent age of Provision		Amount	Proportion	Amount	Percent age of Provision	
Including:										
Notes receivable with combined bad debt	5,932,105.78	100.00 %			5,932,105.78	18,703,655.36	100.00 %			18,703,655.36

provision by groups										
Including:										
Bankers' acceptance bill	5,932,105.78	100.00%			5,932,105.78	18,203,655.36	97.33%			18,203,655.36
Commercial acceptance bill						500,000.00	2.67%			500,000.00
Total	5,932,105.78	100.00%			5,932,105.78	18,703,655.36	100.00%			18,703,655.36

Provision for bad debts by combination:

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Bankers' acceptance bill as a combination	5,932,105.78		
Total	5,932,105.78		

A description of the basis for determining the combination:

☐ Applicable ☒ Not Applicable

4. Accounts receivables

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	3,313,103,135.86	2,176,117,907.81
1 to 2 years	13,687,408.57	23,191,769.49

2 to 3 years	4,495,516.50	13,428,736.08
More than 3 years	14,205,576.83	5,084,597.93
3 to 4 years	10,368,656.56	3,543,090.14
4 to 5 years	2,632,425.58	470,644.20
More than 5 years	1,204,494.69	1,070,863.59
Total	3,345,491,637.76	2,217,823,011.31

(2) Classified disclosure by bad debt provision method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Percentage of Provision		Amount	Proportion	Amount	Percentage of Provision	
Accounts receivable with provision for bad debts on an individual basis	5,795,571.59	0.17%	5,795,571.59	100.00%						
Including:										
Accounts receivable with bad debt provision by	3,339,696,066.17	99.83%	173,264,526.81	5.19%	3,166,431,539.36	2,217,823,011.31	100.00%	116,179,932.12	5.24%	2,101,643,079.19

combination										
Including:										
Total	3,345,491,637.76	100.00%	179,060,098.40	5.35%	3,166,431,539.36	2,217,823,011.31	100.00%	116,179,932.12	5.24%	2,101,643,079.19

Provision for bad debts on an individual basis: 5,795,571.59

Unit: RMB

Item	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Percentage of Provision	Rationale for the provision
Immaterial individually identified items			5,795,571.59	5,795,571.59	100.00%	Customer applied for bankruptcy, expected to be uncollectible.
Total			5,795,571.59	5,795,571.59		

Provision for bad debts by combination:

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Within 1 year	3,307,307,564.27	165,365,378.20	5.00%
1-2 years	13,687,408.57	1,368,740.86	10.00%
2-3 years	4,495,516.50	899,103.30	20.00%
3-4 years	10,368,656.56	3,110,596.97	30.00%
4-5 years	2,632,425.58	1,316,212.79	50.00%
More than 5 years	1,204,494.69	1,204,494.69	100.00%
Subtotal	3,339,696,066.17	173,264,526.81	

A description of the basis for determining the combination:

☐ Applicable ☒ Not Applicable

(3) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts for the current period:

Unit: RMB

Category	Opening balance	Amount of change during the period				Closing balance
		Make provision	Recovery or reversal	Write-offs	Other	
Provision for Individual bad debt		5,795,571.59				5,795,571.59
Provision made on a portfolio basis	116,179,932.12	54,745,719.47		1,439,972.28	3,778,847.50	173,264,526.81
Total	116,179,932.12	60,541,291.06		1,439,972.28	3,778,847.50	179,060,098.40

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

Unit: RMB

Unit name	Amount recovered or reversed		Mode of recovery	
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(4) The accounts receivable actually written off during the period was RMB 1,439,972.28.

(5) Top five accounts receivable.

The aggregate amount of top five accounts receivable and contractual assets at the end of the period was RMB

2,132,183,956.73, accounting for 63.73% of the aggregate amount of accounts receivable and contractual assets at

the end of the period, and the aggregate amount of corresponding provision for bad debts and that for contractual assets was RMB 106,618,852.42.

5. Receivables financing

Unit: RMB

Item	Closing balance	Opening balance
Bankers' acceptance bill	13,281,053.48	4,661,476.96
Accounts receivable	52,686,764.33	262,013,539.68
Total	65,967,817.81	266,675,016.64

(2) Classified disclosure by bad debt provision method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Percent age of Provision		Amount	Proportion	Amount	Percent age of Provision	
Including:										
Provision made on a portfolio basis	68,740,805.41	100.00%	2,772,987.60	4.03%	65,967,817.81	280,465,202.94	100.00%	13,790,186.30	4.92%	266,675,016.64
Including:										
Bankers' acceptance bill	13,281,053.48	19.32%			13,281,053.48	4,661,476.96	1.66%			4,661,476.96
Accounts receivable	55,459,751.93	80.68%	2,772,987.60	5.00%	52,686,764.33	275,803,725.98	98.34%	13,790,186.30	5.00%	262,013,539.68
Total	68,740,805.41	100.00%	2,772,987.60	4.03%	65,967,817.81	280,465,202.94	100.00%	13,790,186.30	4.92%	266,675,016.64

Provision for bad debts by combination:

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Bankers' acceptance bill as a combination	13,281,053.48		
Receivables - Ageing combination	55,459,751.93	2,772,987.60	5.00%
Total	68,740,805.41	2,772,987.60	

A description of the basis for determining the combination:

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	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 January 1, 2024 during the period				

(3) Provision for bad debts made, recovered or reversed during the period

Unit: RMB

Category	Opening balance	Amount of change during the period				Closing balance
		Make provision	Recovery or reversal		Other changes	
Provision for impairment by combination	13,790,186.30	-11,017,198.70				2,772,987.60
Total	13,790,186.30	-11,017,198.70				2,772,987.60

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

Unit: RMB

Unit name	Amount recovered	Reasons for	Mode of recovery	Basis determining for the
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	or reversed	reversal		provision for bad debts and its rationale
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Other notes:

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

Item	Amounts derecognised at the end of the period
Banker's acceptance bills endorsed but not yet due	18,134,018.62
Banker's acceptance bills discounted but not yet due	1,761,550,272.87
Subtotal	1,779,684,291.49

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.

(5) Accounts receivables derecognised due to transfer of financial assets

Item	Amounts derecognised	Gain or loss related to derecognition	Method of transferring financial assets
Loans	263,332,675.85 [Note]	-3,327,549.02	Assignment in receivables financing without recourse
Total	263,332,675.85	-3,327,549.02	

[Note]: Of which, the US dollar amount of assignment in receivables financing without recourse was USD 26,640,696.03. The US dollar amount of assignment in receivables financing without recourse translated into RMB at the closing exchange rate, was RMB191,503,979.34.

6. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Other receivables	125,512,916.86	66,293,368.61

Total	125,512,916.86	66,293,368.61
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1. Other receivables

(1) Other receivables by nature of payment

Unit: RMB

Nature of payment	Closing book balance	Opening book balance
Export tax refund receivable	101,111,214.10	36,262,490.59
Deposit Guarantee	24,247,870.61	25,769,009.71
Temporary payments receivable	7,729,985.37	9,062,266.44
Employee reserves	1,576,636.07	516,688.29
Other	948,475.03	2,406,414.47
Total	135,614,181.18	74,016,869.50

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	124,203,162.81	60,333,551.96
1 to 2 years	1,651,998.24	4,497,031.02
2 to 3 years	3,966,491.39	1,406,745.06
More than 3 years	5,792,528.74	7,779,541.46
3 to 4 years	1,286,925.04	5,173,757.51
4 to 5 years	3,918,146.26	364,280.00
More than 5 years	587,457.44	2,241,503.95
Total	135,614,181.18	74,016,869.50

√ Applicable □ Not Applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Percentage of Provision		Amount	Proportion	Amount	Percentage of Provision	
Including:										
Provision made on a portfolio basis	135,614,181.18	100.00%	10,101,264.32	7.45%	125,512,916.86	74,016,869.50	100.00%	7,723,500.89	10.43%	66,293,368.61
Including:										
Total	135,614,181.18	100.00%	10,101,264.32	7.45%	125,512,916.86	74,016,869.50	100.00%	7,723,500.89	10.43%	66,293,368.61

Provision for bad debts by combination: 10,101,264.32

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Ageing combination	135,614,181.18	10,101,264.32	7.45%
Including: within 1 year	124,203,162.81	6,210,158.14	5.00%
1-2 years	1,651,998.24	165,199.82	10.00%
2-3 years	3,966,491.39	793,298.28	20.00%
3-4 years	1,286,925.04	386,077.51	30.00%
4-5 years	3,918,146.26	1,959,073.13	50.00%
More than 5 years	587,457.44	587,457.44	100.00%
Total	135,614,181.18	10,101,264.32	

A description of the basis for determining the combination:

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as of January 1, 2024	3,016,677.58	449,703.10	4,257,120.21	7,723,500.89
Balance January 1, 2024 during the period				
-- Transferred to Phase II	-82,599.91	82,599.91		
-- Transferred to Phase III		-396,649.14	396,649.14	
Provision during the period	3,035,621.57	29,545.95	-927,862.99	2,137,304.53
Write-offs during the period	116,785.04			116,785.04
Other changes	357,243.94			357,243.94
Balance as of December 31, 2024	6,210,158.14	165,199.82	3,725,906.36	10,101,264.32

Basis for Classification of Stages and Provision Rate for Bad Debts

The basis for phase division: a period of less than one year represents that the credit risk failed to increase significantly after initial recognition (Phase I); a period of 1-2 years represents that the credit risk increased significantly after initial recognition (Phase II) but did not result in credit impairment; a period of over 2 years represents that credit impairment occurred after initial recognition (Phase III). Changes in the book balance of the provision for losses with significant change in amount during the period

☐ Applicable ☒ Not Applicable

Other receivables of the top 5 in ending balance of the debtor

Unit: RMB

Unit name	Nature of payments	Closing balance	Ageing	Percentage of total closing balance of other receivables	Closing balance of provision for bad debts
Export tax refund receivable	Export tax refund receivable	101,111,214.10	Within 1 year	74.56%	5,055,560.71
Suzhou Jinwei Hollow Technology Co., Ltd.	Deposit Guarantee	5,000,000.00	Within 1 year	3.69%	250,000.00
Công ty cổ phần Tường Viên Grand Park	Deposit Guarantee	2,970,372.26	4-5 years	2.19%	1,485,186.13
Contribution to employee's social insurance premium and housing provident funds	Temporary payments receivable	2,319,911.88	Within 1 year	1.71%	115,995.59
Zhongshan Xiaolan Jidong No.2 Joint-Stock Co-operative Economic United Society	Deposit Guarantee	1,529,562.00	2-3 years	1.13%	305,912.40
Total		112,931,060.24		83.28%	7,212,654.83

7. Advance payments

(1) Ageing analysis

Ageing	Closing balance				Opening balance		
	Book balance	Percentage (%)	Provision for impairment	Book value	Book balance	Percentage (%)	Provision for impairment
Within 1 year	100,339,547.43	95.81	5,016,977.35	95,322,570.08	106,611,225.38	97.49	5,330,561.49
1-2 years	2,670,589.19	2.55	267,058.92	2,403,530.27	1,816,906.88	1.66	181,690.68
2-3	1,058,707.37	1.01	211,741.46	846,965.91	617,246.80	0.56	123,449.36

years							
3-4 years	342,124.78	0.33	102,637.44	239,487.34	78,182.89	0.07	23,454.86
4-5 years	78,182.78	0.07	39,091.41	39,091.37	116,319.01	0.11	58,159.51
More than 5 years	242,332.33	0.23	242,332.33		126,013.32	0.11	126,013.32
Total	104,731,483.88	100.00	5,879,838.91	98,851,644.97	109,365,894.28	100.00	5,843,329.22

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

The aggregate amount of prepayments in the top 5 at the end of the period was RMB 19,171,232.44, accounting for 18.31% of the aggregate amount of prepayments at the end of the period.

Other notes:

8. Inventory

Whether companies need to comply with disclosure requirements in the property sector

No

(1) Inventory classification

Unit: RMB

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	846,358,014.35	11,590,442.09	834,767,572.26	669,059,988.90	8,495,823.44	660,564,165.46
Work in progress	304,968,452.59		304,968,452.59	274,146,569.34		274,146,569.34
Inventory	1,887,888,643.73	54,651,505.54	1,833,237,138.19	1,651,616,654.30	34,234,466.08	1,617,382,188.22
Commissioned processing	27,435,812.50		27,435,812.50	14,520,201.78		14,520,201.78

materials						
Low-value consumables	4,784,744.67		4,784,744.67	2,689,354.00		2,689,354.00
Total	3,071,435,667.84	66,241,947.63	3,005,193,720.21	2,612,032,768.32	42,730,289.52	2,569,302,478.80

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

Unit: RMB

Item	Opening balance	Amount of increase during the period		Amount of decrease during the period		Closing balance
		Make provision	Other	Reversal or write-offs	Other	
Raw materials	8,495,823.44	8,414,328.79	818,324.34	5,886,053.95	251,980.53	11,590,442.09
Inventory	34,234,466.08	23,605,915.20	7,101,288.54	10,290,164.28		54,651,505.54
Total	42,730,289.52	32,020,243.99	7,919,612.88	16,176,218.23	251,980.53	66,241,947.63

2) Specific basis for determining net realizable value, and the reason for provision for reversal or inventory write-off during the period

Item	Specific basis For determining net realizable value	Reversal of decline in value of inventories Reasons for provision	Write off inventory decline in value Reasons for provision
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		Consumption of inventories for which provision for decline in value of inventories has been made during the period
Inventory	Net realizable value is determined as the estimated selling price of the relevant finished goods, less estimated selling expenses and related taxes.		Part of the inventories for which provision for decline in value of inventories had been made were sold or scrapped, and the corresponding provision for decline in value of inventories had been written

			off
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Unit: RMB

Name of combination	Closing			Opening		
	Closing balance	Provision for decline		Opening balance	Provision for decline	Write-Down Allowance Recognition Rate

9. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Finance lease payments receivable	103,672.03	108,310.38
Total	103,672.03	108,310.38

10. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Retained VAT	139,569,107.69	95,585,442.39
Prepaid enterprise income tax	5,022,532.40	11,454,011.78
Amortised expenses	1,104,457.22	1,409,020.54
Interest on fixed deposits	20,139,151.69	20,342,139.76
Total	165,835,249.00	128,790,614.47

Other notes:

11. Other investments in equity instruments

Unit: RMB

Item Name	Closing balance	Opening balance					Dividend income recognized for current	Reasons for designation as at fair value measure
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							period	ment and its changes incorpora ted in other comprehe nsive income
Hangzhou Haibang Xinhu Talent Venture Capital Partnership (limited partnership)	12,600,000.00	16,550,000.00					4,050,000.00	
Total	12,600,000.00	16,550,000.00					4,050,000.00	

Unit: RMB

Item Name			
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Sub-disclosure of non-trading investments in equity instruments for the period

Unit: RMB

Item Name	Dividend income recognised	Accumulated gains	Accumulated losses	Amounts of transferring from other comprehensive income to retained earnings	Reasons for designation as at fair value measurement and its changes incorporated in other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings
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Other notes:

12. Long-term receivables**(1) Long-term receivables**

Unit: RMB

Item	Closing balance			Opening balance			Discount rate range
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Finance lease payments	226,719.52		226,719.52	335,454.55		335,454.55	0.75%
Of which: unrealised financing gains	-2,870.19		-2,870.19	-3,685.91		-3,685.91	
Total	226,719.52		226,719.52	335,454.55		335,454.55	

13. Long-term equity investments

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in joint ventures	3,511,019,079.32	25,249,436.47	3,485,769,642.85	2,950,574,477.94		2,950,574,477.94
Total	3,511,019,079.32	25,249,436.47	3,485,769,642.85	2,950,574,477.94		2,950,574,477.94

(2) Detailed information

Invested units	Opening balance		Increase and decrease during the period			
	Book value	Provision for Impairment Individual bad debt	Additional investments	Decrease in investments	Gains and losses on investments recognised under the equity method	Adjustment to other comprehensive income
Joint ventures						
Hangzhou	1,670,401,382.17				353,709,550.57	18,016,561.25

Zhongce Haichao Enterprise Management Co., Ltd.						
Zhejiang Hangcha Holding Co., Ltd	960,509,516.53				156,921,354.29	548,004.86
Zhejiang Guozi Robotics Co., Ltd.	4,160,678.72				12,160,119.65	-55,233.62
Ningbo Donghai Bank Co., Ltd.	211,372,897.15				8,712,443.33	2,364,930.83
Changzhou Stabila Laser Instrument Company Limited	3,764,415.43				104,843.49	
Hangzhou Weina Technologies Co., Ltd.	100,365,587.94				-719,270.83	249,858.67
Total	2,950,574,477.94				530,889,040.50	21,124,121.99

(continued)

Invested units	Increase and decrease during the period				Closing balance	
	Other changes in equity	Declaration of issuing cash dividends or profits	Provision for accrual impairment	Other	Book value	Provision for impairment
Joint ventures						
Hangzhou Zhongce Haichao Enterprise Management	5,679,831.15				2,047,807,325.14	

Co., Ltd.						
Zhejiang Hangcha Holding Co., Ltd	-782,313.51				1,117,196,562.17	
Zhejiang Guozi Robotics Co., Ltd.	-35,203.91				16,230,360.84	
Ningbo Donghai Bank Co., Ltd.	3,569,125.16		25,249,436.47		200,769,960.00	25,249,436.47
Changzhou Stabila Laser Instrument Company Limited					3,869,258.92	
Hangzhou Weina Technologies Co., Ltd.					99,896,175.78	
Total	8,431,438.89		25,249,436.47		3,485,769,642.85	25,249,436.47

Item	Book value	Recoverable amount	Provision for Impairment in the current period
Ningbo Donghai Bank Co., Ltd.	226,019,396.47	200,769,960.00	25,249,436.47
Subtotal	226,019,396.47	200,769,960.00	25,249,436.47

(continued)

Item		
Ningbo Donghai Bank Co., Ltd.		
Subtotal		

14. Investment properties

(1) Investment properties by using cost measurement model

√ Applicable □ Not Applicable

Unit: RMB

Item	Houses, buildings	Land use rights	Construction progress	in	Total
I. Original book value					
1. Opening balance	118,165,047.78	16,928,850.24			135,093,898.02
2. Increase amounts during the period					
(1) Outsourcing					
(2) Transfer from inventories\fixed assets\construction in progress					
(3) Increase in business combination					
3. Decrease amounts during the period					
(1) Disposals					
(2) Other transfers out					
4. Closing balance	118,165,047.78	16,928,850.24			135,093,898.02
II. accumulated depreciation and accumulated amortization					

1. Opening balance	15,168,256.19	2,652,186.46		17,820,442.65
2. Increase amounts during the period	4,546,523.64	338,577.00		4,885,100.64
(1) Accrual or amortization	4,546,523.64	338,577.00		4,885,100.64
3. Decrease amounts during the period				
(1) Disposals				
(2) Other transfers out				
4. Closing balance	19,714,779.83	2,990,763.46		22,705,543.29
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	98,450,267.95	13,938,086.78		112,388,354.73
2. Opening book value	102,996,791.59	14,276,663.78		117,273,455.37

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

Other notes:

15. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	1,901,663,424.38	1,726,806,882.04
Liquidation of fixed assets		
Total	1,901,663,424.38	1,726,806,882.04

(1) Fixed assets

Unit: RMB

Item	Buildings	General equipment	Special equipment	Transportation facilities	Total
I. Original book value:					
1. Opening balance	1,586,452,585.26	294,419,746.00	1,465,652,691.46	46,380,372.46	3,392,905,395.18
2. Increase amounts during the period	243,540,374.25	61,796,398.34	303,792,605.74	4,922,943.73	614,052,322.06

(1) Acquisitions	5,455,659.10	38,686,748.13	39,648,406.47	5,202,326.91	88,993,140.61
(2) Transfer from construction in progress	213,911,583.17	10,574,356.23	97,421,917.30		321,907,856.70
(3) Increase in business combination	28,373,246.24	23,571,067.01	194,616,377.00	736,768.80	247,297,459.05
(4) Effect of exchange rate changes	-4,200,114.26	-11,035,773.03	-27,894,095.03	-1,016,151.98	-44,146,134.30
3. Decrease amounts during the period	17,111,925.32	11,960,201.88	41,450,697.37	2,774,605.60	73,297,430.17
(1) Disposal or retirement	17,111,925.32	11,960,201.88	41,450,697.37	2,774,605.60	73,297,430.17
4. Closing balance	1,812,881,034.19	344,255,942.46	1,727,994,599.83	48,528,710.59	3,933,660,287.07
II. Accumulated depreciation					
1. Opening balance	508,637,303.13	185,647,248.84	932,982,011.70	35,163,771.41	1,662,430,335.08
2. Increase amounts during the period	100,017,463.62	45,310,974.02	267,910,498.97	2,732,783.00	415,971,719.61
1) Accrual	77,502,592.37	36,191,009.47	114,700,433.55	2,830,300.31	231,224,335.70
(2) Increase in business combination	24,089,899.68	20,879,461.91	174,889,572.58	408,671.48	220,267,605.65
(3) Effect of exchange rate changes	-1,575,028.43	-11,759,497.36	-21,679,507.16	-506,188.79	-35,520,221.74
3. Decrease amounts during the period	5,025,765.67	10,099,054.31	33,068,458.81	1,924,794.34	50,118,073.13

(1) Disposal or retirement	5,025,765.67	10,099,054.31	33,068,458.81	1,924,794.34	50,118,073.13
4. Closing balance	603,629,001.08	220,859,168.55	1,167,824,051.86	35,971,760.07	2,028,283,981.56
III. Provision for impairment					
1. Opening balance			3,668,178.06		3,668,178.06
2. Increase amounts during the period	614,175.85		44,703.07		658,878.92
1) Accrual					
(2) Increase in business combination	614,175.85				614,175.85
(3) Effect of exchange rate changes			44,703.07		44,703.07
3. Decrease amounts during the period	614,175.85				614,175.85
(1) Disposal or retirement	614,175.85				614,175.85
4. Closing balance			3,712,881.13		3,712,881.13
IV. Book value					
1. Closing book value	1,209,252,033.11	123,396,773.91	556,457,666.84	12,556,950.52	1,901,663,424.38
2. Opening book value	1,077,815,282.13	108,772,497.16	529,002,501.70	11,216,601.05	1,726,806,882.04

(2) Fixed assets leased out under operating leases

Unit: RMB

Item	Book value at the end of the period
Buildings	24,463,412.10
Special equipment and general equipment	4,818,245.37
General equipment	7,316.05
Subtotal	29,288,973.52

(3) Property, plant and equipment for which no title deeds have been issued

Unit: RMB

Item	Book value	Reasons for failure to obtain title certificates
Factory building of Greatstar Industrial Vietnam Company Limited	158,716,134.17	Being handled
E-commerce Building of Great Star	70,111,003.74	Being handled
Subtotal	228,827,137.91	

Other notes:

16. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	230,519,711.33	270,199,288.71
Total	230,519,711.33	270,199,288.71

(1) Construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Swiss Intelligent	43,406,088.52		43,406,088.52			

Drawer Line						
Phase I Plant Construction Project of Vietnam Intelligent Co. Ltd				22,619,555.29		22,619,555.29
Phase II Plant Construction Project of Vietnam Intelligent Co. Ltd				22,994,368.41		22,994,368.41
Phase III Plant Construction Project of Great Star Vietnam Co., Ltd.	71,553,489.28		71,553,489.28			
Phase II Project with Annual Output of 1.5 million Mesh Technical Reform				5,438,938.06		5,438,938.06
Intelligent Factory Project with an Annual Output of 1 Million Sets of New Power Tools				121,305,866.48		121,305,866.48
Vietnam Joint Plant Equipment Installation				219,966.85		219,966.85
Industrial Housing Project of Great Star Energy Co., Ltd.	66,890,042.39		66,890,042.39	24,054,355.41		24,054,355.41

Sporadic project	48,670,091.14		48,670,091.14	73,566,238.21		73,566,238.21
Total	230,519,711.33		230,519,711.33	270,199,288.71		270,199,288.71

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

Unit: RMB

Item Name	Budgeted number	Opening balance	Amount of increase during the period	Amounts transferred to fixed assets during the period	Other decrease in amounts during the period	Closing balance	The proportion of cumulative investment in the project of the budget	Progress of works	Accumulated interest capitalization amounts	Of which: Amount of interest capitalization during the period	Interest capitalization rate for the period	Source of funds
Intelligent Factory Project with an Annual Output of 1 Million Sets of New Power Tools	133,000,000.00	121,305,866.48	24,031,412.81	145,337,279.29	0.00	0.00	110.67%	100%				Raised funds
Total	133,000,000.00	121,305,866.48	24,031,412.81	145,337,279.29	0.00	0.00						

☐ Applicable ☒ Not Applicable

17. Right-of-use assets

Unit: RMB

Item	Buildings	General equipment	Special equipment	Transportation facilities	Total
I. Original book value					
1. Opening balance	640,244,272.68	4,588,281.39	4,122,094.65	22,958,500.09	671,913,148.81
2. Increase amounts during the period	54,020,223.60	-507,305.90	-737,031.10	-1,060,676.02	51,715,210.58
(1) Leased-in	43,184,404.98			4,501,272.00	47,685,676.98
(2) Increase in business combination	42,520,503.16			3,244,160.00	45,764,663.16
(3) Effect of exchange rate changes	-31,684,684.54	-507,305.90	-737,031.10	-8,806,108.02	-41,735,129.56
3. Decrease amounts during the period	144,248,099.16				144,248,099.16
(1) Lease expiration	144,248,099.16				144,248,099.16
4. Closing balance	550,016,397.12	4,080,975.49	3,385,063.55	21,897,824.07	579,380,260.23
II. Accumulated depreciation					
1. Opening balance	278,011,992.44	2,372,574.76	2,879,790.01	9,828,626.35	293,092,983.56
2. Increase amounts during the period	80,103,191.63	217,047.55	300,360.39	2,221,161.48	82,841,761.05
1) Accrual	102,102,086.66	519,065.60	1,167,897.60	7,031,716.80	110,820,766.66

(2) Increase in business combination	174,192.98				174,192.98
(3) Effect of exchange rate changes	-22,173,088.01	-302,018.05	-867,537.21	-4,810,555.32	-28,153,198.59
3. Decrease amounts during the period	136,523,834.80				136,523,834.80
(1) Disposals					
(2) Lease expiration	136,523,834.80				136,523,834.80
4. Closing balance	221,591,349.27	2,589,622.31	3,180,150.40	12,049,787.83	239,410,909.81
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	328,425,047.85	1,491,353.18	204,913.15	9,848,036.24	339,969,350.42

2. Opening book value	362,232,280.24	2,215,706.63	1,242,304.64	13,129,873.74	378,820,165.25
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18. Intangible assets

(1) Intangible assets

Unit: RMB

Item	Land use rights	Patent rights	Non-proprietary technology	Land ownership	Trademark rights	Proprietary technologies	Management software	Emission rights	Total
I. Original book value									
1. Opening balance	323,645,371.06	28,190,737.06		138,374,618.21	430,532,611.13	18,478,820.35	184,680,751.09	2,648,543.69	1,126,551,452.59
2. Increase amounts during the period	112,309,751.66	315,355.78		18,623,910.50	4,393,044.54		71,605,789.06		207,247,851.54
(1) Acquisitions	109,207,770.75	227,705.38		20,055,216.10	3,339.62		7,656,327.18		137,150,359.03
(2) Internal R&D									
(3) Increase in business combination	5,420,674.45				13,058,858.00		66,908,921.26		85,388,453.71
(4) Effect of exchange rate changes	-2,318,693.54	87,650.40		-1,431,305.60	-8,669,153.08		-2,959,459.38		-15,290,961.20
3. Decreases							239,107.29		239,107.29

e amounts during the period									
(1) Disposals							239,107.29		239,107.29
4. Closing balance	435,955,122.72	28,506,092.84		156,998,528.71	434,925,655.67	18,478,820.35	256,047,432.86	2,648,543.69	1,333,560,196.84
II. Accumulated amortization									
1. Opening balance	55,517,303.47	4,326,411.02			17,857,256.64	14,775,356.75	144,908,123.93	1,213,916.00	238,598,367.81
2. Increase amounts during the period	9,716,841.71	4,072,471.34			12,624,358.21	505,287.97	57,992,143.80	264,854.40	85,175,957.43
1) Accrual	8,772,362.65	4,080,602.93			12,391,651.82	505,287.97	19,828,314.83	264,854.40	45,843,074.60
(2) Increase in business combination	1,061,834.93						41,173,152.07		42,234,987.00
(3) Effect of exchange rate changes	-117,355.87	-8,131.59			232,706.39		-3,009,323.10		-2,902,104.17
3. Decrease amounts							212,176.67		212,176.67

during the period									
(1) Disposals							212,176.67		212,176.67
4. Closing balance	65,234,145.18	8,398,882.36			30,481,614.85	15,280,644.72	202,688,091.06	1,478,770.40	323,562,148.57
III. Provision for impairment									
1. Opening balance									
2. Increase amounts during the period									
1) Accrual									
(2) Increase in business combination									
3. Decrease amounts during the period									
(1) Disposals									

4. Closing balance									
IV. Book value									
1. Closing book value	370,720,977.54	20,107,210.48		156,998,528.71	404,444,040.82	3,198,175.63	53,359,341.80	1,169,773.29	1,009,998,048.27
2. Opening book value	268,128,067.59	23,864,326.04		138,374,618.21	412,675,354.49	3,703,463.60	39,772,627.16	1,434,627.69	887,953,084.78

The proportion of intangible assets formed through internal R&D of the balance of intangible assets at the end of the period

19. Goodwill

(1) Original book value of goodwill

Unit: RMB

Name of investee or matters forming goodwill	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Resulting from business combinations	Impact of exchange rate changes	Disposals	Other	
Lista Holding AG	1,189,377,366.10		-59,437,786.03			1,129,939,580.07
Geelong Orchid Holdings Ltd	568,037,859.11					568,037,859.11
Arrow Fastener Co., LLC	653,931,525.60		9,759,069.60			663,690,595.20
Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	118,076,677.01					118,076,677.01

Prim' Tools Limited	69,957,952.71		1,044,030.61			71,001,983.32
Suzhou Xindadi Hardware Product Co., Ltd	42,288,608.30					42,288,608.30
Prexiso AG	38,079,740.04		-1,902,991.85			36,176,748.19
Prime-Line Products, LLC	30,455,610.00		454,510.00			30,910,120.00
Asset group related to the workwear and labor protection equipment procured by Scruffs Workwear Ltd	24,973,059.72		97,780.82			25,070,840.54
Longyou Hugong Forging Three Tools Co., Ltd,	8,072,738.29					8,072,738.29
Shanghai Endura Tools Co., Ltd.	5,677,361.84					5,677,361.84
Hangzhou Shibeide Cutting Tools Co., Ltd	884,415.32					884,415.32
Zhejiang Guoxin Tools Co., Ltd.	308,667.41					308,667.41
Yiyang Tools Manufacturing Co., Ltd.	170,033.92					170,033.92
Equity in TESA group'		5,638,355.53	9,781.44			5,648,136.97

s high-precision measurement instruments and related asset portfolio						
Corgrap S.A.		13,085,302.36	-232,272.37			12,853,029.99
Total	2,750,291,615.37	18,723,657.89	-50,207,877.78			2,718,807,395.48

(2) Provision for impairment of goodwill

Unit: RMB

Name of investee or matters forming goodwill	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Make provision	Other	Disposals	Other	
Lista Holding AG	70,398,887.67					70,398,887.67
Geelong Orchid Holdings Ltd	2,455,041.61					2,455,041.61
Arrow Fastener Co., LLC		129,920,366.88				129,920,366.88
Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	58,591,956.96					58,591,956.96
Prime-Line Products, LLC	3,311,657.93	27,598,462.07				30,910,120.00
Suzhou Xindadi Hardware Product Co., Ltd		19,840,692.86				19,840,692.86

Prexiso AG		36,176,748.19				36,176,748.19
Asset group related to the workwear and labor protection equipment procured by Scruffs Workwear Ltd	808,928.28					808,928.28
Longyou Hugong Forging Three Tools Co., Ltd,	8,072,738.29					8,072,738.29
Shanghai Endura Tools Co., Ltd.	5,677,361.84					5,677,361.84
Hangzhou Shibeide Cutting Tools Co., Ltd	884,415.32					884,415.32
Zhejiang Guoxin Tools Co., Ltd.	308,667.41					308,667.41
Yiyang Tools Manufacturing Co., Ltd.	170,033.92					170,033.92
Total	150,679,689.23	213,536,270.00				364,215,959.23

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

Name of asset group or combination of asset groups	Composition and basis of asset group or combination of asset groups	Operating segment and its basis	Whether the asset group or combination of asset groups was consistent with that determined on the purchase date and when the previous-year goodwill impairment test was made
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Lista Holding AG	The operational assets and liabilities relating to tool storage business in Lista Holding AG asset group can generate independent cash inflows	The asset group containing goodwill in Lista Holding AG is its asset group of tool storage D&R, production and marketing business	Yes
Geelong Orchid Holdings Ltd	The operational assets and liabilities relating to tool storage business in Geelong Orchid Holdings Ltd asset group, which can generate independent cash inflows	The asset group containing goodwill in Geelong Orchid Holdings Ltd is its asset group of tool storage D&R, production and marketing business	The difference from that on the purchase date was mainly due to the adjustment of internal business and equity structure, and Geelong (Thailand) Co, Ltd was introduced into Geelong Orchid Holdings Ltd asset group since 2022
Arrow Fastener Co., LLC	The operational assets and liabilities relating to power tools business in Arrow Fastener Co., LLC asset group can generate independent cash inflows	The asset group containing goodwill in Arrow Fastener Co., LLC is its asset group of power tools D&R, production and marketing business	Yes

(4) Specific method for determining recoverable amount of major goodwill

The recoverable amount was determined based on the present value of expected future cash flows

Item	Book value of the asset group or combination of asset groups containing goodwill	Recoverable amount	Provision for Impairment in the current period
Lista Holding AG	1,508,096,869.73	1,585,384,000.00	
Geelong Orchid Holdings Ltd	1,128,465,594.12	1,689,242,000.00	
Arrow Fastener Co., LLC	1,098,916,686.88	968,996,320.00	129,920,366.88

(continued)

Item	Years of forecast	Revenue growth rate, profit margin and other parameters over the forecast period and their	Discount rate and its determination
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	period	determination basis		basis
Lista Holding AG	5-year period for detailed forecasts	Based on historical experience and market development forecasts, the company has determined that during the forecast period (2025-2029), the revenue growth rate is -4.71%-6.93%, the gross profit margin 24.99%-30.66%, and the pre-tax profit margin 14.96%-20.64%, respectively		The pre-tax interest rate for the time value of market currency and specific risks of related asset groups, with a discount rate of 11.10%
Geelong Orchid Holdings Ltd		Based on historical experience and market development forecasts, the company has determined that during the forecast period (2025-2029), the revenue growth rate is -30.00%--2.53%, the gross profit margin 18.40%-19.81%, and the pre-tax profit margin 11.50%--13.15%, respectively		The pre-tax interest rate for the time value of market currency and specific risks of related asset groups, with a discount rate of 10.95%
Arrow Fastener Co., LLC		Based on historical experience and market development forecasts, the company has determined that during the forecast period (2025-2029), the revenue growth rate is 6.00%-12.00%, the gross profit margin 27.50%-30.00%, and the pre-tax profit margin 11.14%-14.37%, respectively		The pre-tax interest rate for the time value of market currency and specific risks of related asset groups, with a discount rate of 13.11%

20. Long-term expenses to be amortized

Unit: RMB

Item	Opening balance	Amount of increase during the period	Amortization amounts for the period	Other decreases in amounts	Closing balance
Expenditure on leasehold improvements of fixed assets	4,861,455.82		1,352,227.93		3,509,227.89
Renovation expense	8,931,551.15	8,979,204.61	10,457,429.81	48,384.44	7,404,941.51

Mold costs	13,757,631.14	10,883,954.81	13,989,154.07	-64,450.45	10,716,882.33
Other	5,622,875.63	5,182,912.66	4,903,568.41	20,809.74	5,881,410.14
Total	33,173,513.74	25,046,072.08	30,702,380.22	4,743.73	27,512,461.87

Other notes:

21. Deferred tax assets/deferred tax liabilities

(1) Deferred income tax assets without offsetting

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for bad debts	177,504,282.04	35,824,522.68	114,342,356.82	20,739,142.33
Provision for decline in value of inventories	56,332,185.60	11,927,785.25	51,824,082.19	11,178,964.81
Changes in fair value of financial instruments held for trading			1,305,491.60	195,823.74
Deferred income			327,332.57	49,099.89
Lease liabilities	118,705,122.25	22,691,594.75	153,978,306.34	29,296,516.80
Accrued expenses	153,653,955.57	37,409,440.65	115,214,300.28	29,368,943.84
Distribution of partnership profits	7,827,989.08	1,174,198.36	12,399,101.26	1,859,865.19
Provision for impairment of long-term equity investments	25,249,436.47	3,787,415.47		
Total	539,272,971.01	112,814,957.16	449,390,971.06	92,688,356.60

(2) Deferred tax liabilities without offsetting

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Appraisal of appreciation of assets in non-identically controlled business combinations	171,508,444.39	38,009,919.29	200,326,710.67	44,293,429.84
Changes in fair value of financial instruments held for trading			472,251.49	70,837.72
Interest receivable	18,054,561.65	2,708,184.25	20,342,139.76	3,081,934.25
Depreciation of fixed assets	102,200,205.25	24,062,416.98	156,961,011.90	35,286,769.43
Right-of-use assets	135,262,753.54	25,232,331.77	151,808,469.71	29,083,863.76
Other	26,883,255.53	5,522,567.94	63,126,203.66	12,905,251.70
Total	453,909,220.36	95,535,420.23	593,036,787.19	124,722,086.70

(3) Breakdown of unrecognized deferred tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible losses	281,673,732.40	308,577,922.52
Total	281,673,732.40	308,577,922.52

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

Unit: RMB

Years	Closing amount	Opening amount	Remarks
2024		32,427,712.45	

2025	7,717,417.88	34,160,783.63	
2026	20,350,304.34	49,388,642.26	
2027	32,324,862.72	49,038,971.22	
2028	46,155,828.43	59,949,715.41	
2029	24,853,578.01	7,438,617.58	
2030	31,867,179.73	13,508,002.18	
2031	38,267,903.81	27,932,795.58	
2032	27,578,778.95	10,717,366.53	
2033	45,037,724.97	24,015,315.68	
2034	7,520,153.56		
Total	281,673,732.40	308,577,922.52	

Other notes:

22. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for acquisition of land				39,173,724.83		39,173,724.83
Prepayments for equipment	24,009,847.07		24,009,847.07	13,667,157.94		13,667,157.94
Prepayments for acquisition of intangible assets	1,222,643.62		1,222,643.62	552,100.00		552,100.00

Total	25,232,490.69		25,232,490.69	53,392,982.77		53,392,982.77
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Other notes:

23. Assets subject to ownership or use restrictions

Unit: RMB

Item	Closing				Opening			
	Book balance	Book value	Types of restrictions	Reasons of restrictions	Book balance	Book value	Types of restrictions	Restricted Situation
Monetary funds	200,784,460.05	200,784,460.05	Frozen	The disposal proceeds from the transfer of Donghai Bank equity interests, which are deposited in an escrow account, are subject to usage restrictions under the agreement as certain preconditions for effectiveness have not yet been satisfied.	144,071,225.10	144,071,225.10	Pledge	Guarantee deposit for short-term loan
Monetary funds	62,506,684.57	62,506,684.57	Pledge	Guarantee deposit for bank acceptance	21,496,066.60	21,496,066.60	Pledge	Guarantee deposit for forward settlement

				e				t of exchange and sale
Monetary funds	17,255,62 4.81	17,255,62 4.81	Pledge	Deposits for letter of credit	16,290,21 0.00	16,290,21 0.00	Pledge	Deposits for letter of credit
Monetary funds	3,594,200 .00	3,594,200 .00	Pledge	Deposits for credit card	6,388,901 .19	6,388,901 .19	Pledge	Guarante e deposit for bank acceptanc e
Monetary funds	1,516,752 .40	1,516,752 .40	Pledge	Premium for lease	3,541,350 .00	3,541,350 .00	Pledge	Deposits for credit card
Monetary funds	1,438,150 .55	1,438,150 .55	Pledge	Deposits for customs guarantee s	1,416,859 .57	1,416,859 .57	Pledge	Deposits for customs guarantee s
Monetary funds	200,000.0 0	200,000.0 0	Frozen	Litigation Guarante e Deposits	1,494,449 .70	1,494,449 .70	Pledge	Premium for lease
Monetary funds	56,000.00	56,000.00	Pledge	Guarante e deposit for ETC	49,000.00	49,000.00	Pledge	Guarante e deposit for ETC
Fixed assets	40,901,32 5.49	23,888,75 6.55	Mortgage d	Mortgage for bank acceptanc e	40,901,32 5.49	25,832,62 6.15	Mortgage d	
Fixed assets	20,789,90 9.21	8,293,197 .33	Mortgage d	Mortgage for bank loan	20,789,90 9.21	9,133,057 .17	Mortgage d	Mortgage for bank loan
Intangible assets	3,198,505 .51	1,918,693 .34	Mortgage d	Mortgage for bank acceptanc e	3,198,505 .51	1,982,663 .42	Mortgage d	Used as collateral for issuing bank acceptanc e bills. 押
Intangible	2,451,822	1,287,313	Mortgage	Mortgage	2,451,822	1,336,350	Mortgage	Mortgage

assets	.91	.56	d	for bank loan	.91	.05	d	for bank loan
Total	354,693,4 35.50	322,739,8 33.16			262,089,6 25.28	233,032,7 58.95		

Other notes:

24. Short-term loans

(1) Classification of short-term loans

Unit: RMB

Item	Closing balance	Opening balance
Pledge borrowing		75,565,506.84
Mortgage	10,000,000.00	10,000,000.00
Guaranteed borrowing	222,370,769.05	62,000,000.00
Credit borrowing	3,011,746,723.66	884,391,813.12
Pledge and guaranteed borrowing		70,827,000.00
Interest payable not yet due for accrual	833,716.12	463,579.69
Total	3,244,951,208.83	1,103,247,899.65

Notes on classification of short-term borrowings:

25. Held-for-trading financial liabilities

Unit: RMB

Item	Closing balance	Opening balance
Held-for-trading financial liabilities	0.00	3,227,726.23
Including:		
Forward foreign exchange contract	0.00	3,227,726.23
Including:		
Total	0.00	3,227,726.23

Other notes:

26. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Bankers' acceptance bill	18,164,045.86	18,253,448.48
Total	18,164,045.86	18,253,448.48

27. Accounts payable

(1) List of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Payables for materials procurement	1,582,762,971.51	1,330,757,594.65
Payable expenses	181,783,133.70	161,043,215.61
Payables for project equipment	86,591,424.36	75,245,262.28
Total	1,851,137,529.57	1,567,046,072.54

28. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Interest payable	0.00	0.00
Dividend payable	8,400,000.00	8,400,000.00
Other payables	231,569,518.47	29,229,238.62
Total	239,969,518.47	37,629,238.62

(1) Dividends payable

Unit: RMB

Item	Closing balance	Opening balance
	8,400,000.00	8,400,000.00

Total	8,400,000.00	8,400,000.00
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Other notes, including significant dividends payable overdue for over 1 year and reasons for non-payment:

2. Other payables

(1) List of other payables by nature of payment

Unit: RMB

Item	Closing balance	Opening balance
Proceeds from disposal of Donghai Bank equity interests	200,769,960.00	
Temporary receipts payable	6,182,126.28	4,920,331.64
Deposit Guarantee	5,705,008.12	6,717,780.30
Accrued expenses	879,106.22	1,829,256.00
Payables for share acquisition	14,534,895.43	13,219,688.93
Other	3,498,422.42	2,542,181.75
Total	231,569,518.47	29,229,238.62

Other notes:

29. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Loans	106,017,720.45	147,202,549.06
Total	106,017,720.45	147,202,549.06

Unit: RMB

Item	Closing balance	Reasons for non-repayment or forwarding
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Amount of and reasons for significant changes in the book value during the reporting period:

Unit: RMB

Item	Amount of change	Reason for change
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30. Employee benefits payable

(1) List of employee benefits payable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term employee benefits	229,084,904.41	2,326,735,642.20	2,256,969,839.06	298,850,707.55
II. Post-employment benefits - defined contribution plans	14,350,140.82	157,810,074.75	154,343,937.34	17,816,278.23
Total	243,435,045.23	2,484,545,716.95	2,411,313,776.40	316,666,985.78

(2) List of short-term employee benefits

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Wages, bonuses, allowances and subsidies	222,358,296.09	2,131,690,536.95	2,064,670,580.08	289,378,252.96
2. Employee welfare expenses	1,258,945.29	74,291,084.72	74,014,729.98	1,535,300.03
3. Social insurance premiums	4,179,540.35	75,850,385.78	74,711,501.89	5,318,424.24
Including: Medical insurance premiums	3,684,262.85	71,600,349.59	70,381,017.97	4,903,594.47
Work injury compensation insurance premiums	486,170.13	3,410,965.02	3,484,814.58	412,320.57
Maternity insurance premiums	9,107.37	839,071.17	845,669.34	2,509.20
4. Housing	327,058.84	30,617,696.69	30,124,110.72	820,644.81

provident funds				
5. Labor union funds and employee education funds	961,063.84	14,285,938.06	13,448,916.39	1,798,085.51
Total	229,084,904.41	2,326,735,642.20	2,256,969,839.06	298,850,707.55

(3) List of defined contribution plans

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	11,596,295.23	146,018,803.28	142,756,220.10	14,858,878.41
2. Unemployment insurance premiums	2,753,845.59	11,791,271.47	11,587,717.24	2,957,399.82
Total	14,350,140.82	157,810,074.75	154,343,937.34	17,816,278.23

Other notes:

31. Taxes and rates payable

Unit: RMB

Item	Closing balance	Opening balance
Value-added tax	12,969,579.69	15,175,202.82
Business income tax	203,604,129.97	97,187,904.30
Individual income tax	7,732,896.26	2,756,689.72
Urban maintenance and construction tax	632,907.78	561,518.74
Property tax	9,704,616.75	8,004,245.12
Stamp duty	2,409,504.43	1,823,901.04
Land use tax	3,445,004.11	3,360,603.50
Education surcharge	307,857.52	322,147.54
Local education surcharge	205,238.35	214,765.00

Environmental protection tax	2,603.20	1,974.70
Disabled person's protection fund	64,058.91	66,367.44
Withheld consumption tax	4,281,778.22	2,251,893.93
Withheld VAT	483,211.81	582,131.10
Withheld enterprise income tax		142,849.16
Resource tax	1,405.00	
Total	245,844,792.00	132,452,194.11

Other notes:

32. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year		874,962,000.00
Lease liabilities due within one year	74,278,507.40	102,552,484.95
Interest payable on long-term borrowing not yet due for accrual		616,132.08
Total	74,278,507.40	978,130,617.03

Other notes:

33. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output tax amount to be forwarded	1,885,603.77	2,050,790.27
Product quality warranty	3,462,297.36	
Total	5,347,901.13	2,050,790.27

Increase/decrease in short-term bonds payable:

Unit: RMB

Bond	nomi nal value	Coup on Rate	Issue date	Term	Issue d amou nt	Open ing balan ce	Curr ent issue	Provi sion for inter ests base d on nomi nal value	Amo rtisa tion of prem ium/ disco unt	Repa ymen t in the perio d		Closi ng balan ce	
Total													

Other notes:

34. Long-term borrowings

(1) Classification list of long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Credit borrowing	0.00	708,270.00
Total	0.00	708,270.00

Notes on classification of long-term borrowings:

Other notes, including interest ranges:

35. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Outstanding lease payments	282,590,015.71	298,113,358.92
Less: unrecognized financing costs	-8,239,428.03	-14,312,589.00
Total	274,350,587.68	283,800,769.92

Other notes:

36. Long-term employee benefits payable**(1) List of long-term employee benefits payable**

Unit: RMB

Item	Closing balance	Opening balance
II. Benefits upon severance	19,644,424.28	19,098,027.87
Total	19,644,424.28	19,098,027.87

37. Estimated liabilities

Unit: RMB

Item	Closing balance	Opening balance	Reason for formation
Product quality warranty		5,100,895.87	Product selling
Soil remediation costs	23,641,123.22	2,601,750.88	Policy requirements
Total	23,641,123.22	7,702,646.75	

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

38. Deferred income

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason for formation
Government grants	2,518,392.49	2,123,600.00	1,091,339.00	3,550,653.49	Special grants
Total	2,518,392.49	2,123,600.00	1,091,339.00	3,550,653.49	--

Other notes:

39. Share capital

Unit: RMB

	Opening balance	Increase/decrease (+, -) in current change					Closing balance
		New shares issued	Bonus shares	Conversion of capital reserve into share	Other	Subtotal	

				capital			
Total number of shares	1,202,501,992.00				-8,023,810.00	-8,023,810.00	1,194,478,182.00

Other notes:

40. Capital reserve

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share premium)	3,740,659,392.60	2,353,941.12	244,289,416.61	3,498,723,917.11
Other capital reserves	259,226,636.56	9,247,938.31	816,499.42	267,658,075.45
Total	3,999,886,029.16	11,601,879.43	245,105,916.03	3,766,412,906.96

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

1) Notes on changes in Capital reserve - (share capital premium)

(i) Increase for the period

In December 2024, the Company disposed of its 35.00% equity interest in Precis Laser Measurement Tools (Hangzhou) Co., Ltd. for a nominal consideration of RMB 1. When preparing the consolidated financial statements, the difference between the disposal of minority interest and the proportionate share of net assets attributable to the Company from the acquisition date calculated based on the additional ownership interest amounted to RMB 1,031,953.08, which was recognized in capital reserve (share capital premium).

In November 2024, the Company acquired an additional 13.04% equity interest in Prim' Tools Limited for a consideration of RMB 18,750,905.39. When preparing the consolidated financial statements, the difference between the newly obtained long-term equity investment from the purchase of minority interest and the proportionate share of net assets attributable to the Company from the acquisition date calculated based on the additional ownership interest amounted to RMB 1,352,902.45, which was recognized in capital reserve (share capital premium).

(ii) Decrease for the period

In August 2024, the Company acquired a 14.00% equity interest (representing the Company's look-through ownership percentage, the same applies below) in Hangzhou Ole-Systems Co., Ltd. from minority shareholders for a consideration of RMB 9,744,000.00. When preparing the consolidated financial statements, the difference between the newly obtained long-term equity investment from the purchase of minority interest and the proportionate share of net assets attributable to the Company from the acquisition date (calculated based on the additional ownership interest) resulted in a RMB 15,687,264.62 reduction to capital reserve.

The Company reduced capital reserve (share premium) by RMB 228,602,152.00 through cancellation of treasury shares. For details, please refer to the disclosure in Section X (VII) 39 of this report.

2) Notes on changes in Capital reserve - Other capital reserves

The Company has adjusted the carrying amount of its long-term equity investments and capital reserve (other capital surplus) by its proportionate share of changes in owners' equity (excluding net profit or loss, other comprehensive income and profit distributions) in Zhejiang Guozi Robotics Co., Ltd., Zhejiang Hangcha Holding Co., Ltd., Ningbo Donghai Bank Co., Ltd. and Hangzhou Zhongce Haichao Enterprise Management Co., Ltd. for the current period, with the adjustment amounts being RMB -35,203.91 (negative amounts are presented as decreases in the current period, the same applies hereinafter), RMB -782,313.51, RMB 3,569,125.16 and RMB 5,679,831.15, respectively.

41. Treasury shares

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Treasury shares	236,625,962.00		236,625,962.00	0.00
Total	236,625,962.00		236,625,962.00	0.00

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

The movement of treasury shares is detailed in Section X (VII) 39 of this report.

42. Other comprehensive income

Unit: RMB

Item	Opening balance	Jan.-Sept. 2023						Closing 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	Less: Amounts of transferring from other comprehensive income recognized in previous periods to retained earnings in the	Less: Income tax expenses	After-tax amount attributable to the parent company	After-tax amount attributable to non-controlling shareholders	

			the period	period				
I. Not to be reclassified subsequently to profit or loss	-94,583,601.48	-7,639,996.80			-1,021,910.40	-6,618,086.40		-101,201,687.88
Including : Remeasurements of the net defined benefit plan	-94,583,601.48	-7,639,996.80			-1,021,910.40	-6,618,086.40		-101,201,687.88
II. To be reclassified subsequently to profit or loss	326,037,039.47	-20,772,541.69				-20,772,541.69	-2,010,566.74	305,264,497.78
Including : Items under equity method that may be reclassified to profit or loss	-32,965,723.38	21,124,121.99				21,124,121.99		-11,841,601.39
Translation reserve	359,002,762.85	-41,896,663.68				-41,896,663.68	-2,010,566.74	317,106,099.17
Total of other comprehensive income	231,453,437.99	-28,412,538.49			-1,021,910.40	-27,390,628.09	-2,010,566.74	204,062,809.90

Other notes, including effective portion of gains/losses of cash flow hedging reclassified to adjustment to initially recognized amount of hedged items:

43. Surplus reserve

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	788,960,468.06	141,980,113.18		930,940,581.24
Total	788,960,468.06	141,980,113.18		930,940,581.24

Notes on surplus reserves, including increase/decrease during the period and reasons for changes:

44. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	8,861,804,110.41	7,702,625,494.43
Undistributed profits at the end of the period after adjustment	8,861,804,110.41	7,702,625,494.43
Add: Net profits attributable to owners of the parent company	2,303,624,287.24	1,691,612,756.79
Less: Provision of statutory surplus reserve	141,980,113.18	125,117,089.02
Dividends payable for common shares	716,686,909.20	407,317,051.79
Undistributed profits at the end of the period	10,306,761,375.27	8,861,804,110.41

Breakdown of adjustment to undistributed profits at the beginning of the period:

- 1) The undistributed profits at the beginning of the period by RMB 0.00 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 0.00 due to changes in the accounting policies.
- 3) The undistributed profits at the beginning of the period by RMB 0.00 due to significant accounting error correction.
- 4) The undistributed profits at the beginning of the period by RMB 0.00 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 0.00 due to the total of other adjustments.

45. Operating revenues / operating costs

(1) Detailed information

Item	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main business income	14,735,499,758.36	10,013,591,820.11	10,865,309,434.63	7,423,231,250.13
Other income	59,953,534.89	45,246,763.47	64,683,367.69	30,890,842.06
Total	14,795,453,293.25	10,058,838,583.58	10,929,992,802.32	7,454,122,092.19
including: revenue generated from the contracts with the clients	14,780,979,780.81	10,052,877,238.75	10,905,014,276.29	7,448,115,357.77

2) The revenue generated from contracts with clients is broken down by the time of transfer of goods or service

Item	Current period cumulative	Preceding period comparative
Revenue is recognized at a point in time	14,780,979,780.81	10,905,014,276.29
Subtotal	14,780,979,780.81	10,905,014,276.29

(3) The revenue recognized in the period and included in the opening book value of contractual liabilities is RMB 147,202,549.06.

46. Taxes and surcharges

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Urban maintenance and construction tax	10,179,427.55	7,241,177.65
Education surcharge	5,033,697.34	3,574,975.46
Resource tax	1,405.00	

Property tax	22,042,320.26	19,937,301.79
Land use tax	3,588,334.26	3,341,880.06
Vessel and vehicle use tax	47,399.98	50,150.66
Stamp duty	9,106,093.55	7,168,194.80
Local education surcharge	3,355,798.20	2,383,316.95
Environmental protection tax	9,916.36	14,145.28
Total	53,364,392.50	43,711,142.65

Other notes:

47. Administrative expenses

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Employee benefits expenses	546,469,954.20	473,117,714.26
Office expenses	141,760,253.99	101,251,279.49
Depreciation and amortization	87,875,273.02	83,879,427.97
Consulting fees	96,153,766.16	72,053,321.84
Travel expenses	24,149,997.62	17,686,407.52
Business entertainment expenses	4,447,283.78	3,794,559.90
Taxes and rates	1,307,108.86	2,690,241.29
Greening expenses	3,207,501.29	2,273,011.25
Other	12,531,969.63	19,437,678.82
Total	917,903,108.55	776,183,642.34

Other notes:

48. Selling expenses

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Employee benefits expenses	489,206,858.88	418,565,790.97
Advertising and promotional expenses	302,575,258.24	259,757,461.00
Office expenses	82,637,597.70	77,260,165.18
Depreciation and amortization	31,353,869.11	26,148,085.42
Consulting fees	15,196,688.18	19,448,345.84
Travel expenses	11,183,208.91	11,266,789.56
Housing rent	10,565,209.47	9,659,563.96
Commodity inspection fees	9,167,802.94	6,518,131.28
Insurance premiums	8,417,621.46	7,255,364.16
Other	14,595,121.68	15,404,278.61
Total	974,899,236.57	851,283,975.98

Other notes:

49. R&D expenses

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Employee benefits expenses	195,850,722.73	191,340,299.56
Direct input	132,985,979.25	95,403,069.21
Depreciation and amortization	11,896,420.61	13,275,762.42
Other	25,425,769.64	22,516,962.43
Total	366,158,892.23	322,536,093.62

Other notes:

50. Financial expenses

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Interest expenses	77,039,863.73	84,769,466.12
Interest income	-144,780,008.82	-139,528,683.81
Gains or losses on foreign exchange	-78,429,942.76	-163,005,391.80
Bank charges	14,924,166.97	10,263,086.43
Total	-131,245,920.88	-207,501,523.06

Other notes:

51. Other income

Unit: RMB

Sources generating other income	Jan.-Dec. 2024	Jan.-Dec. 2023
Government grants related to assets	1,091,339.00	866,795.25
Government grants related to income	26,472,259.49	33,110,021.82
Refund of handling fees for withholding personal income tax	499,975.68	650,837.62
Additional deduction of value-added tax	4,268,425.25	3,554,586.96
Total	32,331,999.42	38,182,241.65

52. Gains on changes in fair value

Unit: RMB

Sources generating gains on changes in fair value	Jan.-Dec. 2024	Jan.-Dec. 2023
Held-for-trading financial assets	-10,060,907.46	50,175,050.93
Including: Gains on changes in fair value from derivative financial liabilities	-9,588,655.97	49,702,799.44

Total	-10,060,907.46	50,175,050.93
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Other notes:

(53) Investment Income

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Income from long-term equity investments recognised under the equity method	530,889,040.50	342,117,235.54
Investment income from disposal of held-for-trading financial assets	-438,514.77	-82,927,747.51
Discounting loss on receivables financing	-13,585,977.40	-17,897,921.26
Interest income earned on investments in other equity instruments during the holding period	4,050,000.00	
Total	520,914,548.33	241,291,566.77

Other notes:

54. Credit impairment losses

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Loss due to bad debt of accounts receivable	-60,541,291.06	-11,105,061.48
Loss due to bad debt of other receivables	-2,137,304.53	2,678,621.11
Loss due to bad debt of prepayments	71,939.41	1,814,906.71
Loss due to bad debt of receivables financing	11,017,198.70	3,117,559.56
Total	-51,589,457.48	-3,493,974.10

Other notes:

55. Assets impairment loss

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Loss from decline in value of inventories	-32,020,243.99	-23,216,967.50
Impairment losses on long-term equity investments	-252,494,363.47	
Goodwill impairment losses	-213,536,270.00	-1,667,847.06
Total	-270,805,950.46	-24,884,814.56

Other notes:

56. Gains on asset disposal

Unit: RMB

Sources generating gains on asset disposal	Jan.-Dec. 2024	Jan.-Dec. 2023
Gains on disposal of fixed assets	-940,031.97	5,561,483.02
Gains on disposal of intangible assets		-20,689.66
Gains on disposal of right-of-use assets	1,032,184.87	269,664.40
Total	92,152.90	5,810,457.76

57. Non-operating revenues

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023	Amounts included in non-recurring gains and losses of the period
Income compensation from	738,434.16	1,614,376.69	738,434.16
Accounts unable to pay	2,590,148.92	968,138.29	2,590,148.92

Gains from damage and scrapping of non-current assets	112,585.10	38,194.24	112,585.10
Other	891,748.18	208,666.21	891,748.18
Total	4,332,916.36	2,829,375.43	4,332,916.36

Other notes:

58. Non-operating expenditures

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023	Amounts included in non-recurring gains and losses of the period
Outward donations	3,882,166.25	2,730,011.37	3,882,166.25
Expenditure for compensation	761,546.15	3,042,379.23	761,546.15
Losses from damage and scrapping of non-current assets	6,637,421.87	4,193,427.44	6,637,421.87
Fines	1,243,475.15	307,807.49	1,243,475.15
Other	834,562.02	584,453.27	834,562.02
Total	13,359,171.44	10,858,078.80	13,359,171.44

Other notes:

59. Income tax expenses

(1) List of income tax expenses

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Current income tax expenses	460,609,659.27	261,599,598.13
Deferred income tax expenses	-59,011,608.22	32,395,692.53
Total	401,598,051.05	293,995,290.66

(2) Accounting adjustment process for profits and income tax expenses

Unit: RMB

Item	Jan.-Dec. 2024
Total profits	2,767,391,130.87
Income tax expenses calculated based on statutory/applicable tax rates	415,108,669.63
Impact of different tax rates applicable to subsidiaries	36,072,475.41
Impact of adjusting income tax in previous periods	13,997,656.86
Impact of non-taxable income	-7,702,927.99
Impact of non-deductible costs, expenses, and losses	2,235,495.13
Impact of applying deductible losses for which no deferred income tax assets have been recognized in previous periods	-22,073,567.61
Impact of deductible temporary differences or deductible losses for which no deferred income tax assets have been recognized in the current period	67,122,008.49
Impact of investment income from long-term equity investments recognised under the equity method	-79,633,356.07
Impact of additional deduction for technical development expenses and disabled person's wages	-23,528,402.80
Income tax expenses	401,598,051.05

Other notes:

60. Other comprehensive income**61. Items of the cash flow statement**

Other cash received related to business activities

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Recovered deposits for bankers' acceptance bills and letters of	12,232,128.69	14,000,437.19

credit		
Interest income	144,968,496.84	129,624,444.26
Income from government grants	28,595,859.49	34,230,521.82
Operating lease income	14,473,512.44	24,978,526.03
Other	8,723,316.83	5,371,976.71
Total	208,993,314.29	208,205,906.01

Notes on other cash receipts related to operating activities:

Other cash paid related to business activities

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Current operating costs	1,454,310,798.16	1,118,626,858.56
Payment of operating deposits such as bankers' acceptances	11,850,569.93	26,220,461.19
Other	7,153,910.27	6,250,541.53
Total	1,473,315,278.36	1,151,097,861.28

Notes on other cash payments related to operating activities:

Other cash received related to investment activities

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Recovered deposits for purchasing forward settlement and sale of foreign exchange	21,496,066.60	33,448,671.74
Recovery of equity acquisition deposits	95,038,465.81	
Total	116,534,532.41	33,448,671.74

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
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Notes on other cash receipts related to investment activities:

Other cash paid related to investment activities

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Deposits for purchasing forward settlement and sale of foreign exchange		21,496,066.60
Loss on investment in forward settlement and sale of foreign exchange	7,766,702.16	85,001,646.20
Payment of equity acquisition deposits	95,038,465.81	
Total	102,805,167.97	106,497,712.80

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
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Notes on other cash payments related to investment activities:

Other cash received related to fund-raising activities

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Recovered deposits for bank loans	144,071,225.10	20,893,800.00
Received discount payments for bills issued within the scope of consolidation	1,760,830,124.66	198,169,166.67
Total	1,904,901,349.76	219,062,966.67

Notes on other cash receipts related to fund-raising activities:

Other cash paid related to fund-raising activities

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Funds paid for acquiring	27,179,698.89	32,455,611.57

non-controlling interests		
Repayment of Borrowed funds and their interests		5,197,708.36
Repayment of lease liabilities and interests	114,283,133.55	123,288,119.76
Handling fees for financing guarantees and receivables financing transfers	13,585,977.40	17,897,921.26
Payment of deposits for bank loans	59,000,000.00	144,071,225.10
Payment of deposits for lease of right-of-use assets		1,494,449.70
Total	214,048,809.84	324,405,035.75

Notes on other cash payments related to fund-raising activities:

√ Applicable □ Not Applicable

Unit: RMB

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	1,103,247,899.65	5,061,314,598.26	91,690,191.78	3,011,301,480.86		3,244,951,208.83
Long-term borrowings (including those due within one year)	876,286,402.08		2,531,055.88	878,817,457.96		
Lease liabilities (including those due within one year)	386,353,254.87		83,423,470.45	113,108,341.94	8,039,288.30	348,629,095.08
Total	2,365,887,556.60	5,061,314,598.26	177,644,718.11	4,003,227,280.76	8,039,288.30	3,593,580,303.91

Amount transferred through commercial bill endorsement involving no cash receipts and payments

Item	Current period cumulative	Preceding period comparative
Amount of commercial bills transferred through endorsement	38,555,043.63	22,963,797.20
including: payment for goods	36,339,068.00	22,474,502.07
Payment for acquisition of fixed assets and other long-term assets	2,215,975.63	489,295.13

62. Supplementary information to cash flow statement

(1) Additional information on cash flow statement

Unit: RMB

Additional information	Amount for the current period	Amount in the previous period
1. 1. Reconciliation of net profit to cash flows from operating activities		
Net profit	2,365,793,079.82	1,694,713,913.02
Add: Provision for impairment of assets	322,395,407.94	28,378,788.66
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	235,770,859.34	214,351,487.73
Depreciation of right-of-use assets	110,820,766.66	113,387,781.38
Amortization of intangible assets	46,181,651.60	38,183,264.73
Amortization of long-term amortized expenses	30,702,380.22	18,665,725.17
Loss on disposal of fixed assets, intangible assets, and other long-term assets (or less: income)	-92,152.90	-5,810,457.76
Loss on scrapping of fixed assets (or less: income)	6,524,836.77	4,155,233.20

Loss from changes in fair value (or less: income)	10,060,907.46	-50,175,050.93
Financial expenses (or less: income)	-1,390,079.03	-78,235,925.68
Investment losses (or less: income)	-520,914,548.33	-241,291,566.77
Decrease in deferred income tax assets (or less: increase)	-20,126,600.56	16,926,252.12
Increase in deferred income tax liabilities (or less: decrease)	-29,186,666.47	37,930,071.86
Decrease in inventory (or less: increase)	-475,831,098.28	219,605,808.88
Decrease in operating receivables (or less: increase)	-836,103,954.08	-21,476,546.56
Increase in operating payables (or less: decrease)	495,609,319.72	136,546,146.60
Other		
Net cash flows from operating activities	1,740,214,109.88	2,125,854,925.65
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	6,564,759,115.02	4,983,979,749.60
Less: Opening balance of cash	4,983,979,749.60	4,793,427,180.47
Add: Closing balance of cash equivalents		

Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	1,580,779,365.42	190,552,569.13

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

Unit: RMB

	Amount
Cash or cash equivalents paid in the current period for business combination occurring in the current period	317,204,804.44
Including:	
Equity interest in high-precision measurement tool business and the related asset groups of TESA Group	271,633,096.28
Corgrap S.A.	45,571,708.16
	79,569,500.30
Including:	
Equity interest in high-precision measurement tool business and the related asset groups of TESA Group	72,850,185.88
Corgrap S.A.	6,719,314.42
Including:	
Net cash payments for the acquisition of subsidiaries	237,635,304.14

Other notes:

3. Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	6,564,759,115.02	4,983,979,749.60
including: cash on hand	640,344.57	700,564.56
Bank deposits readily available for	6,560,350,720.32	4,982,842,025.49

payment		
Other monetary fund readily available for payment	3,768,050.13	437,159.55
II. Closing balance of cash and cash equivalents	6,564,759,115.02	4,983,979,749.60

Unit: RMB

Item	Amount for the current period	Amount in the previous period	
Raised funds		115,301,372.56	
Total		115,301,372.56	

Unit: RMB

Item	Amount for the current period	Amount in the previous period	
Equity transfer and interest on disposal of Ningbo Donghai Bank Co., Ltd. deposited in the Jointly Managed Account Funds	200,784,460.05		Not readily available
Guarantee deposit for forward settlement of exchange and sale		21,496,066.60	Not readily available
Guarantee deposit for short-term loan		144,071,225.10	Not readily available
Deposits for letter of credit	17,255,624.81	16,290,210.00	Not readily available
Guarantee deposit for bank acceptance	62,506,684.57	6,388,901.19	Not readily available
Deposits for credit card	3,594,200.00	3,541,350.00	Not readily available
Premium for lease	1,516,752.40	1,494,449.70	Not readily available
Deposits for customs guarantees	1,438,150.55	1,416,859.57	Not readily available
Litigation Guarantee	200,000.00		200,000.00

Deposits			
Guarantee deposit for ETC	56,000.00	49,000.00	Not readily available
Total	287,351,872.38	194,748,062.16	

Other notes:

63. Monetary items in foreign currencies

1. Monetary items in foreign currencies

Unit: RMB

Item	Closing balance of foreign currencies	Exchange rate for translation	Closing balance in RMB after translation
Monetary funds			3,786,258,292.15
Including: USD	425,199,580.04	7.1884	3,056,504,661.16
EUR	22,253,954.12	7.5257	167,476,582.52
HKD	8,449,262.57	0.9260	7,824,017.14
CHF	6,664,064.04	7.9977	53,297,184.97
GBP	43,836,029.98	9.0765	397,877,726.11
CAD	8,712.23	5.0498	43,995.02
AUD	39,226.76	4.5070	176,795.01
THB	17,189,942.66	0.2126	3,654,581.81
JPY	82,056,202.81	0.0462	3,790,996.57
VND	329,738,416,294.41	0.00028206	93,006,017.70
Mexican peso	38,789.99	0.3498	13,568.74
Riel	3,996,550.00	0.0018	7,193.79
CZK	331,530.56	0.3174	105,227.80
SEK	767,243.44	0.6565	503,695.32
DKK	1,445,534.50	1.0084	1,457,676.99

NOK	770,927.28	0.6724	518,371.50
Accounts receivable			3,184,768,241.90
Including: USD	392,668,032.36	7.1884	2,822,654,883.82
EUR	28,779,254.43	7.5257	216,584,035.06
HKD			
GBP	4,405,745.90	9.0765	39,988,752.66
AUD	30,946.20	4.5070	139,474.52
THB	109,126.06	0.2126	23,200.20
JPY	38,442,569.91	0.0462	1,776,046.73
VND	3,220,464,085.66	0.00028206	908,364.10
SEK	156,425,719.44	0.6565	102,693,484.81
Long-term borrowings			
Including: USD			
EUR			
HKD			
Receivables financing			167,920.23
Including: USD	23,359.89	7.1884	167,920.23
Current Portion of Non-current Assets			
Including: CHF	12,962.73	7.9977	103,672.03

Long-term receivables			226,719.52
Including: CHF	28,348.09	7.9977	226,719.52
Short-term borrowings			294,287,368.08
	39,104,318.28	7.5257	294,287,368.08
Accounts payable			654,254,766.05
Including: USD	47,355,950.93	7.1884	340,413,517.67
CHF	15,223,060.34	7.9977	121,749,469.68
EUR	10,634,428.29	7.5257	80,031,516.98
VND	268,461,790,186.49	0.00028206	75,722,332.54
THB	142,516,414.06	0.2126	30,298,989.63
JPY	53,540,538.96	0.0462	2,473,572.90
GBP	214,066.37	9.0765	1,942,973.41
HKD	1,752,044.54	0.9260	1,622,393.24
Current Portion of Non-current Liabilities			47,797,119.02
Including: USD	958,848.00	7.1884	6,892,582.96
EUR	1,239,576.66	7.5257	9,328,682.07
HKD	802,208.12	0.926	742,844.72
CHF	3,645,437.87	7.9977	29,155,188.45
VND	5,948,701,765.58	0.00028206	1,677,890.82
Lease liabilities			237,805,552.35

Including: USD	805,850.00	7.1884	5,792,772.14
HKD	138,210.56	0.9260	127,982.98
CHF	28,993,935.41	7.9977	231,884,797.23

Other notes:

(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

Name	Principal operating locations	Bookkeeping currency
Great Star Tools USA, INC. and its subsidiaries	The US	USD
Hongkong Greatstar International Co., Limited and its subsidiaries	Hongkong SAR, Vietnam, Thailand	HKD, USD, VND, THB
Lista Holding AG and its subsidiaries	Switzerland, Austria, Germany, France, Spain, Italy, United Kingdom, and Czech Republic	CHF, EUR, GBP and CZK
BeA GmbH and its subsidiaries	Germany, Austria, Australia, France, Czech Republic, United States, Norway, Sweden, Switzerland, Slovakia, Spain, Italy, United Kingdom, and Portugal	EUR, AUD, USD, CHF, GBP, CZK, SEK and NOK

64. Lease

(1) The Company as lessee

1) For details regarding the right-of-use assets, please refer to Section X (VII) 17 of this report.

2) The Company's accounting policies for short-term leases and low-value asset leases are detailed in Section X (V) of this report. The expense of short-term lease and low-value asset lease expenses recognized in current period profit or loss are as follows:

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Expenses for short-term lease	10,441,399.13	15,101,440.22

The expenses for lease of low-value assets (excluding short-term lease)	2,406,629.66	1,471,965.78
Total	12,848,028.79	16,573,406.00

3) Lease-related current period profit/loss and cash flows

Unit: RMB

Item	Amount for the current period	Amount in the previous period
The interest expense on lease liabilities	9,638,355.22	9,930,569.77
Income from subleasing right-of-use assets	1,768,067.20	1,974,154.92
Total	127,456,122.02	140,625,880.63

4) The maturity analysis of lease liabilities and related liquidity risk management are detailed in Section XII (II) of this report.

(2) The Company as lessor

1) Operating Lease

i) Lease Income

Item	Amount for the current period	Amount in the previous period
Lease Income	14,473,512.44	24,978,526.03

ii) Operating lease assets

Item	Closing balance	Opening balance
Fixed Assets	29,288,973.52	36,465,996.45
Investment Properties	112,388,354.73	117,273,455.37
Total	141,677,328.25	153,739,451.82

iii) Undiscounted lease payments to be received from non-cancellable leases in accordance with lease contracts with lessees

Remaining years	Closing balance	Opening balance
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Shorter than one year	11,889,497.86	18,883,203.89
Longer than one year	10,553,896.82	111,517,578.57
Total	22,443,394.68	130,400,782.46

2) Financing lease

(i). Amounts recognized in the statements of profit or loss related to financing lease

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Lease income relating to variable lease payments not included in the net investment in the lease	103,732.26	102,390.60

(ii). A reconciliation between the undiscounted lease payments and the net investment in the lease, identifying the unearned finance income and any discounted unguaranteed residual value

Item	Closing amount	Opening amount
Undiscounted lease receivables	325,763.92	447,450.84
Unearned finance income	4,627.63	3,685.91
Net investment in the lease	321,136.29	443,764.93

(iii). The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Remaining term	Jan.-Dec. 2024	Jan.-Dec. 2023
Less than one year	102,872.82	108,310.38
One to two years	102,872.82	109,439.2
Two to three years	102,872.82	109,439.2
Three to four years	17,145.47	101,020.80
Four to five years		19,241.26
Total	325,763.93	447,450.84

VIII. R&D expenditures

□ Applicable √ Not Applicable

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Employee benefits expenses	195,850,722.73	191,340,299.56
Direct input	132,985,979.25	95,403,069.21
Depreciation and amortization	11,896,420.61	13,275,762.42
Other	25,425,769.64	22,516,962.43
Total	366,158,892.23	322,536,093.62
Including: expenditures on research and development that are expended	366,158,892.23	322,536,093.62

IX. Changes in the scope of consolidation**1. Mergers of businesses not under common control****1. Mergers of businesses not under common control in the period**

Unit: RMB

Target entity	Date of equity acquisition	Cost of equity acquisition	Percentage of equity acquired	Method of equity acquisition	Date of purchase	Basis of recognizing date of purchase	Revenues of target entity from date of purchase to end of period	Net profits of target entity from date of purchase to end of period	Cash flow of target entity from date of purchase to end of period
Equity interest in high-precision measurement tool	February 1, 2024	271,633,096.28	100.00 %	Agreement transfer	February 1, 2024	Transfer of control	297,334,359.17	8,735,408.26	19,654,134.38

business and the related asset groups of TESA Group									
Corgrap S.A.	June 28, 2024	45,571,708.16	100.00 %	Agreement transfer	June 28, 2024	Transfer of control	38,097,699.37	1,424,676.42	-3,279,058.95

Other notes:

2. Merger costs and goodwill

Unit: RMB

Merger costs	Equity interest in high-precision measurement tool business and the related asset groups of TESA Group	Corgrap S.A.
-- Cash	271,633,096.28	45,571,708.16
-- Fair value of non-cash assets		
-- Fair value of issued or undertaken obligations		
-- Fair value of issued equity securities		
-- Fair value of contingent consideration		
-- Fair value of equity held before date of purchase date on the date of purchase		
-- Others		
Total merger costs	271,633,096.28	45,571,708.16
Less: Share in fair value of identifiable net assets obtained	265,994,740.75	32,486,405.80

Amount of goodwill/merger cost less than the share in fair value of identifiable net assets obtained	5,638,355.53	13,085,302.36
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-- Notes on contingent considerations and their changes:

Main reasons for the formation of high goodwill:

Other notes:

3. Identifiable assets and liabilities of target entities on dates of purchase

Unit: RMB

	Equity interest in high-precision measurement tool business and the related asset groups of TESA Group		Corgrap S.A.	
	Fair value on date of purchase	Book value on date of purchase	Fair value on date of purchase	Book value on date of purchase
Assets:				
Monetary funds	72,850,185.88	72,850,185.88	6,719,314.42	6,719,314.42
Receivables	69,309,366.87	69,309,366.87	19,958,636.79	19,958,636.79
Inventories	184,204,150.06	184,204,150.06	13,590,309.82	13,590,309.82
Fixed assets	23,228,313.69	25,439,053.22	976,624.33	976,624.33
Intangible assets	30,094,608.71	43,153,466.71		
Other receivables	2,779,234.47	2,779,234.47	784,079.38	784,079.38
Other current assets	1,813,931.19	1,813,931.19	86,770.90	86,770.90
Right-of-use assets	10,918,516.33	10,918,516.33	34,671,953.85	34,671,953.85
Notes receivable	3,267,371.67	3,267,371.67		
Advances paid	1,832,538.20	1,832,538.20	4,931.68	4,931.68

Construction progress in	4,249,878.49	4,249,878.49		
Long-term prepayments	578,339.81	578,339.81		
Deferred tax assets	4,326,485.95	4,326,485.95	136,663.66	136,663.66
Long-term receivables	485,786.13	485,786.13		
Other non-current assets			154,575.72	154,575.72
Liabilities:				
Borrowings				
Payables	76,573,123.29	76,573,123.29	4,852,466.98	4,852,466.98
Deferred tax liabilities	13,139,580.40	13,139,580.40		
Employee benefits payable	21,639,599.31	21,639,599.31		
Taxes and rates payable	1,964,385.98	1,964,385.98	938,452.14	938,452.14
Other payables	27,960,160.36	27,960,160.36	4,002,349.57	4,002,349.57
Contractual liabilities	6,178,823.41	6,178,823.41	77,229.55	77,229.55
Non-current liabilities due within one year	644,782.29	644,782.29	1,393,287.12	1,393,287.12
Lease liabilities	10,120,578.13	10,120,578.13	33,333,669.39	33,333,669.39
Provisions	992,531.06	992,531.06		
Net assets	250,725,143.22	265,994,740.75	32,486,405.80	32,486,405.80
Less: Non-controlling interests				

Acquired net assets	250,725,143.22	265,994,740.75	32,486,405.80	32,486,405.80
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Method for determining the fair value of identifiable assets and liabilities:

Determined with reference to the fair value of each of identifiable assets and liabilities after being appraised by an asset appraisal agency in an asset-based method.

Contingent liabilities of target entities undertaken in business mergers:

Other notes:

(4) Gains or losses arising from remeasuring equity held before the purchase date at fair value

Is there any transaction that finalizes a business merger through multiple transactions and secures control during the reporting period?

☐ Yes ☒ No

2. Changes in the scope of mergers due to 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:

1. Increase of the scope of consolidation

Company name	Method of equity acquisition	Date of equity acquisition	Contribution	Proportion of contribution
Hangzhou Youdebaot Trading Co., Ltd.	Established	03/14/2024	No contributions made as of the end of December 31, 2024	100.00%
Great Star Tools Australia Pty Ltd	Established	03/26/2024		100.00%
Hangzhou Youchuangjia Trading Co., Ltd.	Agreement transfer	04/22/2024		100.00%
Hangzhou Haiwo Holdings Co., Ltd.	Established	06/06/2024	[Note]	100.00%
Longyou Xingyi Machinery Equipment Technology Co., Ltd.	Established	09/20/2024	71,006,000	100.00%

2. Decrease of the scope of consolidation

Company name	Method of equity disposal	Point of time of equity disposal	Net assets at the date of disposal	From the beginning of the period until the date of disposal Net profit
Haining Great Star Hardware Tools Co., Ltd.	Canceled	07/12/2024	3,754,958.17	33,223.27
Hangzhou Great Star Craftsman Tools Co., Ltd.	Canceled	08/02/2024	19,742,605.01	340,602.17
Hangzhou Great Star Garden Tools Co., Ltd.	Canceled	10/10/2024	16,247,762.29	5,490,407.27
Hangzhou Haiwo Holdings Co., Ltd.	Canceled	10/18/2024	--	--
Bea Limited	Canceled	10/22/2024	--	--
Phoenix Fasteners Ltd.	Canceled	10/22/2024	--	--
Hangzhou Liansheng Tools Manufacturing Co., Ltd.	Canceled	12/18/2024	2,055,311.12	2,206,054.45

X. Interests in other entities

1. Equity in subsidiaries

(1) Composition of the business group

1.The Company included 97 companies, including Zhejiang Great Star Tools Co., Ltd.

2. General information on major subsidiaries

Subsidiary	Registered capital	Principal operating location and registration place	Nature of business	Holding proportion (%)		Method of acquisition
				Direct	Indirect	

Zhejiang Great Star Tools Co., Ltd.	RMB 464.80 million	Jiaxing, Zhejiang Province	Manufacturing	100.00		Established
Hong Kong Great Star International Co., Ltd.	USD 161.43 million	Hong Kong, China	Trading	100.00		Established

(2). Transactions where the controlling interests in subsidiaries are maintained even after the share of owner's equity changes

1. Notes on changes in the share of owner's equity in subsidiaries

Subsidiary	Date of change	Holding proportion before change	Holding proportion after change
Hangzhou Ole-Systems Co., Ltd.	August, 2024	51.00%	65.00%
Prim' Tools Limited	November 2024	86.96%	100.00%
PREXISO Laser Measurement Tool (Hangzhou) Co., Ltd.	September 2024	100.00%	65.00%

(3). Impact of transactions on non-controlling shareholders' equity and owner's equity attributable to the parent company

Item	Hangzhou Ole-Systems Co., Ltd.	Prim' Tools Limited	PREXISO Laser Measurement Tool (Hangzhou) Co., Ltd.
Cost of purchase/consideration of disposal			
Cash	9,744,000.00	18,750,905.39	1.00
Total cost of purchase/consideration of disposal	9,744,000.00	18,750,905.39	1.00
Less: Share of net assets of subsidiaries calculated based on the proportion of equity	-5,943,264.61	20,103,807.83	-1,031,952.08

acquired/disposed of			
Difference	15,687,264.61	-1,352,902.45	1,031,953.08
Including: Adjustment to the capital reserve	-15,687,264.61	1,352,902.45	1,031,953.08

2. Equity in joint ventures and associated enterprises

(1) Significant joint ventures and associated enterprises

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 City, Zhejiang Province	Hangzhou City, Zhejiang Province	Service	27.86%		Equity method accounting
Zhejiang Hangcha Holding Co., Ltd	Hangzhou City, Zhejiang Province	Hangzhou City, Zhejiang Province	Manufacturing	20.00%		Equity method accounting
Zhejiang Guozi Robotics Co., Ltd.	Hangzhou City, Zhejiang Province	Hangzhou City, Zhejiang Province	Manufacturing	19.53%		Equity method accounting
Ningbo Donghai Bank Co., Ltd.	Ningbo City, Zhejiang Province	Ningbo City, Zhejiang Province	Finance	6.33%		Equity method accounting
Changzhou Stabila Laser Instrument Company Limited	Changzhou City, Jiangsu Province	Changzhou City, Jiangsu Province	Manufacturing		31.85%	Equity method accounting
Hangzhou Weina	Hangzhou City,	Hangzhou City,	Manufacturing	32.53%		Equity method

Technologies Co., Ltd.	Zhejiang Province	Zhejiang Province				accounting
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Notes on inconsistency between the shareholding proportion and the vote proportion in a joint venture or associated enterprise:

[Note] the Company holds a 31.85% equity interest in Changzhou Stabila Laser Instrument Company Limited through Changzhou Huada Kejie Opto-Electronic Instruments Co., Ltd.;

(2) Basis for the ability to impose significant influence while holding a voting right of less than 20%

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:

The Company holds a 6.3333% equity interest in Ningbo Donghai Bank Co., Ltd. and a 19.5285% equity interest in Zhejiang Guozi Robotics Co., Ltd. The Company is represented on the Board of Directors of both companies and has the right to participate in the determination of their financial and operating policies.

(2) Summary of financial information on insignificant joint ventures and associated enterprises

Item	Closing balance/current period (in ten thousand RMB)	(in ten thousand RMB)
Joint ventures		
Total book value of investment	348,576.96	295,057.45
Total of following items calculated by based on the holding proportion		
Net profit	53,088.90	34,211.72
Other comprehensive income	2,112.41	2,110.05
Total comprehensive income	55,201.31	36,321.77

XI. Government grants

1. Government grants recognized at the end of the reporting period based on amounts receivable

☐ Applicable ☒ Not Applicable

☐ Applicable ☒ Not Applicable

2. Liability items involving government grants√ Applicable ☐ Not Applicable

Unit: RMB

Accounting Subjects	Opening balance	Increase amounts in grants during the period	Non-operating revenues recorded in the period			Closing balance	Related to assets/income
Deferred income	2,518,392.49	2,123,600.00		1,091,339.00		3,550,653.49	Related to assets
Deferred income							Related to income
Subtotal	2,518,392.49	2,123,600.00		1,091,339.00		3,550,653.49	

3. Government grants recognized in profit or loss√ Applicable ☐ Not Applicable

Unit: RMB

Accounting Subjects	Jan.-Dec. 2024	Jan.-Dec. 2023
Other income	27,687,129.60	33,976,817.07
Offset against R&D expenses		100,000.00
Total	27,687,129.60	34,076,817.07

Other notes:

XII. Risks related to financial instruments

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. Please refer to section V (I)- 4, V (I)-5, V (I)-6 and V (I)-7 of the notes to the financial statements for details on the reconciliation table of opening balance and closing balance of provision for losses of financial instrument.

4. Exposure to credit risk and concentration of credit risk

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

(1) Monetary funds

The Company deposits its bank balances and other monetary funds in financial institutions with a relatively high credit rating, and therefore its credit risk is relatively low.

(2) Receivables

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.

Since the Company's risk points of accounts receivable are distributed among multiple partners and clients, as of December 31, 2024, the Company has certain concentration of credit risk, and 58.32% (versus 52.69% on December 31, 2023:) of the total accounts receivable was due from the five largest clients of the Company. The Company held no collateral or other credit enhancement on balance of receivables.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset at the balance sheet.

(II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement. Liquidity risk is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparties of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company comprehensively utilized financing tools such as notes settlement, bank borrowings, etc. and adopts long-term and short-term financing methods to optimize financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks to meet working capital requirements and expenditures.

Financial liabilities classified based on remaining time period till maturity

Item	Closing balance				
	Book value	Contract amount not yet discounted	Within 1 year	1-3 years	More than 3 years
Bank borrowings	3,244,951,208.83	3,273,786,023.69	3,273,786,023.69		
Held-for-trading financial liabilities					
Notes payable	18,164,045.86	18,164,045.86	18,164,045.86		
Accounts payable	1,851,137,529.57	1,851,137,529.57	1,851,137,529.57		
Other payables	239,969,518.47	239,969,518.47	239,969,518.47		
Lease liabilities	348,629,095.08	358,680,647.03	76,090,631.32	109,362,071.23	173,227,944.48

Subtotal	5,702,851,397.81	5,741,737,764.62	5,459,147,748.91	109,362,071.23	173,227,944.48
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(continued)

Item	Opening balance				
	Book value	Contract amount not yet discounted	Within 1 year	1-3 years	More than 3 years
Bank borrowings	1,979,534,301.73	2,013,990,884.23	2,013,195,731.04		795,153.19
Held-for-trading financial liabilities	3,227,726.23	3,227,726.23	3,227,726.23		
Notes payable	18,253,448.48	18,253,448.48	18,253,448.48		
Accounts payable	1,567,046,072.54	1,567,046,072.54	1,567,046,072.54		
Other payables	37,629,238.62	37,629,238.62	37,629,238.62		
Lease liabilities	386,353,254.87	408,466,278.75	110,352,919.83	126,407,678.23	171,705,680.69
Subtotal	3,992,044,042.47	4,048,613,648.85	3,749,705,136.74	126,407,678.23	172,500,833.88

(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. The Company's interest risk in cash flows relates mainly to bank borrowings with floating interest rate.

As of December 31, 2024, balance of borrowings with interest accrued at floating interest rate totaled RMB 294,287,368.05 (December 31, 2023: RMB 456,526,439.62). If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's gross profit and equity will not be significantly affected.

2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company's foreign currency risk relates mainly to foreign currency Monetary funds and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, the Company may trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

Please refer to section X (VII) 63 of notes to financial statements for details in foreign currency financial assets and liabilities at the end of the period.

2. Financial Assets

(1) Classification of transfer methods

√ Applicable □ Not Applicable

Unit: RMB

Transfer methods	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis determining for derecognition
Bill discounting	Receivables financing	1,761,550,272.87	Derecognized	Almost all risks and rewards have been transferred
Bill Endorsement	Receivables financing	18,134,018.62	Derecognized	Almost all risks and rewards have been transferred
Total		1,779,684,291.49		

(2) Financial assets derecognized as a result of a transfer

√ Applicable □ Not Applicable

Unit: RMB

Item	Transfer methods	Amount of financial assets transferred	Gain or loss related to derecognition
Receivables financing	Bill Discounting	1,761,550,272.87	-10,258,428.38
Receivables financing	Bill Endorsement	18,134,018.62	
Total		1,779,684,291.49	-10,258,428.38

XIII. Fair value disclosure

Item	Fair value as of the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement Value Measurement	Level 3 fair value measurement Value Measurement	Total
Continuing fair value measurement				
1. Financial assets for trading		5,413,124.26		5,413,124.26
Financial assets measured at fair value and the changes thereof are included in current profits and losses		5,413,124.26		5,413,124.26
Bank financial products		4,235,862.82		4,235,862.82
Forward foreign exchange contract		1,177,261.44		1,177,261.44
2. Receivables financing			65,967,817.81	65,967,817.81
3. Investment in other equity instruments			12,600,000.00	12,600,000.00
Total assets continuously measured at fair value		5,413,124.26	78,567,817.81	83,980,942.07

2. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 2 fair value at recurring and non-recurring fair measurement

3. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair measurement

1. As receivables financing is within 1 year, whose time value has no significant impact on the fair value, it is recognized that the fair value of receivables financing mentioned above is approximately equal to its carrying amount.

2. Other equity instrument investments (Hangzhou Haibang Xihu Talent Venture Capital Investment Partnership (LP)), are measured using investment cost as a reasonable estimate of fair value,

XIV. Related party relationships and transactions

1. Parent Company

Parent company	Place of registration	Nature of business	Registered capital	Holding proportion over the Company	Voting right proportion over the Company
Great Star Holding Group Co., Ltd.	Hangzhou	Industrial investment	100 million yuan	38.82%	38.82%

Information on the parent company

The Company's ultimate controlling party is Qiu Jianping.

Other notes:

2. Subsidiaries of the Company

Please refer to section X for the details of the Company's subsidiaries.

3. Associates and joint ventures of the Company

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:

Associates/ joint ventures names	Relationship with the Company
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Other notes:

4. Other related parties of the Company

Other related parties	Relationships with the Company
Hangzhou Great Star Precision Machinery Co., Ltd	Controlled by the ultimate controlling party of the company
Hangzhou Xihu Tiandi Development Co., Ltd	Controlled by the ultimate controlling party of the company
Hangcha Group Co., Ltd. and its affiliated companies	Controlled by the Company's associate, Hangzhou Zhongce Haichao Enterprise Management Co., Ltd. and under common control by the actual controller
Zhongce Rubber Group Company Limited. and its affiliated companies	Controlled by the Company's associate, Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.

	and under common control by the actual controller
Hangzhou OKAMURA Transmission Co., Ltd.	Associate of Hangcha Group Holdings Co., Ltd.
Nanchang Hangcha Forklift Co., Ltd.	Associate of Hangcha Group Holdings Co., Ltd.
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Associate of Hangcha Group Holdings Co., Ltd.
Zhang Ou	Former senior executive of the Company, leaving in September 2023
Hangzhou Nbond Nonwovens Co., Ltd.	The company where independent director Wang Gang serves as a director
Shanghai Lainuo Optoelectronics Technology Co., Ltd.	The Company's former affiliate, which transferred its equity interest in June 2023

Other notes:

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

Unit: RMB

Related parties	Content of transaction	Jan.-Dec. 2024	Approval amount	Exceeding the limitation or not	Jan.-Dec. 2023
Hangcha Group Co., Ltd. and its affiliated companies	Automatic library	24,209,379.01	62,280,000.00	No	30,292,228.25
Zhongce Rubber Group Company Limited. and its affiliated companies	Tier products and maintenance costs	61,645,821.85	100,000,000.00	No	44,380,282.86
Zhejiang Guozi Robotics Co., Ltd and its affiliated companies	Intelligent logistics robots and services	861,001.04	50,000,000.00	No	2,258,835.96
Hangzhou Nbond Nonwovens	Material	367,952.09	500,000.00	No	

Co., Ltd.					
Changzhou Stabila Laser Instrument Company Limited	Material	279,058.22	12,500,000.00	No	389,429.96
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Forklift, spare parts and maintenance	131,858.41		No	
Nanchang Hangcha Forklift Co., Ltd.	Forklift, spare parts and maintenance	79,699.12		No	
Hangzhou Xihu Tiandi Development Co., Ltd	Service Fee	20,955.70		No	

Sale of goods and rendering of services

Unit: RMB

Related parties	Content of transaction	Jan.-Dec. 2024	Jan.-Dec. 2023
Hangcha Group Co., Ltd. and its affiliated companies	Tools and spare parts	14,747,692.26	15,643,976.65
Hangcha Group Co., Ltd. and its affiliated companies	Lidar sensors	2,230,442.40	2,148,008.87
Hangcha Group Co., Ltd. and its affiliated companies	Operating service	212,759.52	1,086,566.24
Changzhou Stabila Laser Instrument Company Limited	Laser measurement product	3,237,593.02	1,859,443.11
Changzhou Stabila Laser Instrument Company Limited	Consulting service fee	381,618.74	1,297,169.82
Changzhou Stabila Laser Instrument Company Limited	Utilities	148,176.00	148,176.00

Zhejiang Guozi Robotics Co., Ltd and its affiliated companies	Lidar sensors	533,634.51	5,333,946.90
Zhejiang Guozi Robotics Co., Ltd and its affiliated companies	Tools and spare parts	504,765.11	354,282.65
Zhejiang Guozi Robotics Co., Ltd and its affiliated companies	Maintenance costs		442.48
Hangzhou OKAMURA Transmission Co., Ltd.	Tools and spare parts	329,566.37	
Zhongce Rubber Group Company Limited. and its affiliated companies		179,460.23	
Great Star Holding Group Co., Ltd.	Tools and spare parts	57,034.25	25,432.22
Shanghai Lainuo Optoelectronics Technology Co., Ltd.	Sale of goods		3,010.31
Hangzhou Great Star Precision Machinery Co., Ltd	Tools		1,269.94

Note on purchase and sale of goods, rendering and receiving of services

(2) Related party lease

The Company as the lessor:

Unit: RMB

Lessees	Types of assets leased	Lease income recognized for current period	Lease income recognized for previous period
Changzhou Stabila Laser Instrument Company Limited	Buildings	222,264.00	222,264.00

The Company as the lessee:

Unit: RMB

Lessor	Types of	Simplified rental expenses	Variable lease payment	lease not	Rental payment	Interest expenditure	incremental right-of-use
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	assets leased	for short-term and low-value asset lease (if applicable)		adopted in the measurement of lease liabilities				incurred from lease liabilities		assets	
		Jan.-Dec. 2024	Jan.-Dec. 2023	Jan.-Dec. 2024	Jan.-Dec. 2023	Jan.-Dec. 2024	Jan.-Dec. 2023	Jan.-Dec. 2024	Jan.-Dec. 2023	Jan.-Dec. 2024	Jan.-Dec. 2023
Hangzhou Great Star Precision Machinery Co., Ltd	Buildings	1,270,330.26	1,383,389.91			973,000.00	794,500.00				
Hangzhou Xihu Tiandi Development Co., Ltd	Transport equipment	238,938.06				270,000.00					
Hangcha Group Co., Ltd's affiliated company Guangzhou Hangcha Forklift Leasing Co., Ltd	Transport equipment	47,566.38				57,500.00					
Hangcha Group Co., Ltd's	Transport equipment		7,244.20				8,185.95				

affiliated company Shanghai Hangcha Forklift Sales Co., Ltd											
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Notes for related party leases

(3) Other transactions with related parties

Item Name	Contents of related transactions	Jan.-Dec. 2024	Jan.-Dec. 2023
Zhang Ou	48% shareholding in OLEI	9,744,000.00	

(4) Key management's emoluments

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Key management's emoluments	19,415,618.16	14,366,274.48

6. Balance due to or from related parties

(1) Receivables

Unit: RMB

Item Name	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Changzhou Stabila Laser Instrument Company Limited	2,611,712.94	130,585.65	1,832,009.43	91,600.47

Accounts receivable	Hangcha Group Co., Ltd. and its affiliated companies	2,071,106.34	103,555.32	2,133,051.03	106,652.55
Accounts receivable	Zhejiang Guozi Robotics Co., Ltd and its affiliated companies	1,736,462.80	86,823.14	3,206,165.06	160,308.25
Accounts receivable	Zhejiang Hangcha Holding Co., Ltd			672.00	33.60
Subtotal		6,419,282.08	320,964.11	7,171,897.52	358,594.87
Notes receivable	Zhejiang Guozi Robotics Co., Ltd.	226,128.00		500,000.00	
Subtotal		226,128.00		500,000.00	
Receivables financing	Zhejiang Guozi Robotics Co., Ltd.	281,700.00			
Subtotal		281,700.00			
Advances paid	Hangcha Group Co., Ltd. and its affiliated companies	9,369.43	468.47	3,352,500.00	167,625.00
	Hangzhou Nbond Nonwovens Co., Ltd.	8,925.33	446.27		
Subtotal		18,294.76	914.74	3,352,500.00	167,625.00
Other receivables	Changzhou Stabila Laser Instrument Company Limited	66,802.68	3,340.13	86,250.78	4,312.54
Subtotal		66,802.68	3,340.13	86,250.78	4,312.54

(2) Payables

Unit: RMB

Item Name	Related parties	Closing book balance	Opening book balance
Accounts payable	Hangcha Group Co., Ltd. and its affiliated companies	10,578,841.37	1,339,665.54
Accounts payable	Zhejiang Guozi Robotics Co., Ltd and its affiliated companies	82,800.00	5,998,323.14
Accounts payable	Zhongce Rubber Group Company Limited. and its affiliated companies	17,086,602.78	2,808,809.51
Accounts payable	Hangzhou Great Star Precision Machinery Co., Ltd		512,360.95
Subtotal		27,748,244.15	10,659,159.14
Contractual liabilities	Zhejiang Guozi Robotics Co., Ltd and its affiliated companies		4,227,186.77
Contractual liabilities	Hangcha Group Co., Ltd. and its affiliated companies	5,420.00	
Subtotal		5,420.00	4,227,186.77
Other payables	Zhejiang Guozi Robotics Co., Ltd and its affiliated companies		7,285.00
Other payables	Zhang Ou	9,744,000.00	
Subtotal		9,744,000.00	7,285.00

XV. Commitments and contingencies

1. Important commitments

Significant commitments on balance sheet date

As of the approved issuing date of this report, the Company has no significant commitments to be disclosed.

2. Contingencies

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

As of the approved issuing date of this report, the Company has no significant contingencies to be disclosed.

(2) If the Company has no important contingent matters to disclose, a statement thereof shall be made

No significant contingent matters to be disclosed.

XVI. Events after the balance sheet date

(I) 2024 Annual Profit Distribution Plan

The Company's proposed 2024 profit allocation plan was approved at the 12th meeting of the Sixth Board of Directors on April 21, 2025. In accordance with the resolution:

*No cash dividends will be distributed

*No stock dividends will be issued

*No capital surplus capitalization will be conducted

All retained earnings will be carried forward to subsequent fiscal periods.

This distribution plan remains subject to final approval at the Company's upcoming Shareholders' General Meeting.

(II) Post-Balance Sheet Date Asset Reclassification

In November 2024, upon authorization by the Company's Chairman, the Board resolved to transfer 193.42 million shares in Ningbo Donghai Bank Co., Ltd. to Ningbo Fenghua Investment Group Co., Ltd. at a consideration of RMB 200.77 million, pursuant to a conditional share transfer agreement. As of the financial report approval date: The transaction has obtained regulatory approval from the Ningbo Bureau of the National Financial Regulatory Administration

Final equity transfer procedures have been completed between both parties

The transferred assets have been reclassified as non-current assets held for sale in accordance with relevant accounting standards.

XVII. Other Significant Matters

1. Segment information

(1) Determination basis and accounting policy of the reportable segments

Reportable segments are identified according to the structure of the Company's internal organization, management requirements and internal reporting system, and based on product segments. The assets and liabilities shared with different segments are allocated among segments proportionate to their respective sizes.

2. Financial information of reporting segments

Unit: ten thousand RMB

Item	Tools	Power Tools	Industrial tools	Other income	Total
Operating income	1,006,882.27	143,791.06	322,876.65	5,995.35	1,479,545.33

Operating cost	683,796.35	109,521.71	208,041.12	4,524.68	1,005,883.86
Total assets	1,686,313.87	256,176.16	356,455.08	11,238.84	2,310,183.95
Total liabilities	472,146.06	59,067.42	118,054.92	2,641.35	651,910.04

XVIII. Notes to the Principal Items in the Financial Statements of the Parent Company

1. Accounts receivables

(1) Disclosure by aging analysis

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	2,342,607,524.87	1,694,000,248.98
1 to 2 years	6,955,191.86	19,461,035.02
2 to 3 years	3,913,910.07	12,778,077.46
More than 3 years	11,801,549.35	2,532,966.78
3 to 4 years	9,363,233.92	2,436,939.79
4 to 5 years	2,342,288.44	3,600.00
More than 5 years	96,026.99	92,426.99
Total	2,365,278,176.15	1,728,772,328.24

(2) Classified disclosure by bad debt provision method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Percent age of Provision		Amount	Proportion	Amount	Percent age of Provision	
Including:										

Accounts receivable with bad debt provision by combination	2,365,278,176.15	100.00%	122,684,818.83	5.19%	2,242,593,357.32	1,728,772,328.24	100.00%	90,027,040.37	5.21%	1,638,745,287.87
Including:										
Total	2,365,278,176.15	100.00%	122,684,818.83	5.19%	2,242,593,357.32	1,728,772,328.24	100.00%	90,027,040.37	5.21%	1,638,745,287.87

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Within 1 year	2,342,607,524.87	117,130,376.24	5.00%
1-2 years	6,955,191.86	695,519.19	10.00%
2-3 years	3,913,910.07	782,782.01	20.00%
3-4 years	9,363,233.92	2,808,970.18	30.00%
4-5 years	2,342,288.44	1,171,144.22	50.00%
More than 5 years	96,026.99	96,026.99	100.00%
Total	2,365,278,176.15	122,684,818.83	

A description of the basis for determining the combination:

If the provision for bad debts on accounts receivable is made according to the expected credit loss general model:

☐ Applicable ☒ Not Applicable

(3) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts for the current period:

Unit: RMB

Category	Opening balance	Amount of change during the period				Closing balance
		Make provision	Recovery or reversal	Write-offs	Other	
Provision made on a portfolio basis	90,027,040.37	32,657,778.46				122,684,818.83
Total	90,027,040.37	32,657,778.46				122,684,818.83

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

Unit: RMB

Unit name	Amount recovered or reversed	Reasons for reversal	Mode of recovery	Basis for determining the provision for bad debts and its rationale
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2. The aggregate amount of the top five accounts receivable and contractual assets at the end of the period was RMB 1,744,787,089.76, accounting for 73.77% of the aggregate amount of accounts receivable and contractual assets at the end of the period, and the aggregate amount of corresponding provision for bad debts and impairment of contract assets was RMB 87,239,354.49.

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	0.00	0.00
Dividend receivable	26,000,000.00	0.00
Other receivables	903,166,370.23	1,445,999,317.30
Total	929,166,370.23	1,445,999,317.30

(1) Dividends receivable

(1) Classification of dividend receivable

Unit: RMB

Item(or the invested unit)	Closing balance	Opening balance
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Dividend receivable	26,000,000.00	
Total	26,000,000.00	0.00

2. Other receivables

(1) Other receivables by nature of payment

Unit: RMB

Nature of payment	Closing book balance	Opening book balance
Accounts receivable from related parties within the scope of the merger	915,634,027.30	1,510,290,450.29
Export tax refund receivable	49,825,532.56	21,753,209.85
Deposit Guarantee	7,573,377.68	6,855,020.74
Temporary payments receivable	1,491,778.66	1,354,256.48
Employee reserves	285,839.13	107,575.00
Total	974,810,555.33	1,540,360,512.36

2) Aging Disclosure

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	947,407,933.43	1,508,399,514.57
1 to 2 years	1,048,208.13	1,809,061.25
2 to 3 years	1,397,577.23	1,005,531.25
More than 3 years	24,956,836.54	29,146,405.29
3 to 4 years	869,531.25	1,068,525.00
4 to 5 years	917,425.00	6,214,209.32
More than 5 years	23,169,880.29	21,863,670.97
Total	974,810,555.33	1,540,360,512.36

3) Classification Disclosure by Bad Debt Provision Method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Percentage of Provision		Amount	Proportion	Amount	Percentage of Provision	
Including:										
Provision made on a portfolio basis	974,810,555.33	100.00%	71,644,185.10	7.35%	903,166,370.23	1,540,360,512.36	100.00%	94,361,195.06	6.13%	1,445,999,317.30
Including:										
Total	974,810,555.33	100.00%	71,644,185.10	7.35%	903,166,370.23	1,540,360,512.36	100.00%	94,361,195.06	6.13%	1,445,999,317.30

Provision for bad debts by combination: 71,644,185.10

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Ageing combination	59,176,528.03	3,488,245.57	5.89%
Including: within 1 year	57,718,769.32	2,885,938.47	5.00%
1-2 years	353,683.15	35,368.32	10.00%
2-3 years	656,577.23	131,315.45	20.00%
3-4 years	9,500.00	2,850.00	30.00%
4-5 years	10,450.00	5,225.00	50.00%
More than 5 years	427,548.33	427,548.33	100.00%
Total	59,176,528.03	3,488,245.57	

A description of the basis for determining the combination:

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Portfolio of receivables from related parties within the scope of consolidation	915,634,027.30	68,155,939.53	7.44%
Total	915,634,027.30	68,155,939.53	

Provision for Bad Debts Based on the Expected Credit Loss General Model:

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as of January 1, 2024	68,687,849.56	180,906.12	25,492,439.38	94,361,195.06
Balance January 1, 2024 during the period				
-- Transferred to Phase II	-52,410.41	52,410.41		
-- Transferred to Phase III		-139,757.72	139,757.72	
Provision during the period	-21,265,042.48	11,262.00	-1,463,229.48	-22,717,009.96
Balance as of December 31, 2024	47,370,396.67	104,820.81	24,168,967.62	71,644,185.10

Basis for Classification of Stages and Provision Rate for Bad Debts

1 year or less represents that credit risk has not significantly increased since initial recognition (Stage 1); 1-2 years indicates that credit risk has significantly increased since initial recognition but has not yet resulted in credit impairment (Stage 2); more than 2 years signifies that credit impairment has occurred since initial recognition (Stage 3).

Changes in the book balance of the provision for losses with significant change in amount during the period

☐ Applicable ☒ Not Applicable

Other receivables of the top 5 in ending balance of the debtor

Unit: RMB

Unit name	Nature of payments	Closing balance	Ageing	Percentage of total closing balance of other receivables	Closing balance of provision for bad debts
Great Star Tools USA, Inc.	Accounts receivable from related parties within the scope of the merger	520,955,064.82	Within 1 year	53.44%	26,047,753.24
Geelong Sales Company International (HK) Limited	Accounts receivable from related parties within the scope of the merger	208,463,600.00	Within 1 year	21.39%	10,423,180.00
Zhejiang Shiwanke Electrical Appliance Co., Ltd.	Accounts receivable from related parties within the scope of the merger	69,790,006.48	Within 1 year	7.16%	3,489,500.32
Hangzhou Ole-Systems Co., Ltd.	Accounts receivable from related parties within the scope of the merger	50,112,922.23	Within 1 year	5.14%	2,505,646.11
Export refund receivable	Export refund receivable	49,825,532.56	Within 1 year	5.11%	2,491,276.63
Total		899,147,126.09		92.24%	44,957,356.30

3. Long-term equity investments

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	5,191,630,105.83		5,191,630,105.83	4,756,287,881.67		4,756,287,881.67
Investment in joint ventures and associated enterprises	3,507,149,820.40	25,249,436.47	3,481,900,383.93	2,946,810,062.51		2,946,810,062.51
Total	8,698,779,926.23	25,249,436.47	8,673,530,489.76	7,703,097,944.18		7,703,097,944.18

(1) Investment in subsidiaries

Unit: RMB

Invested units	Opening balance (book value)	Opening balance of provision for impairment	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		
Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	200,864,082.56						200,864,082.56	
Haining Great Star Hardware Tools Co., Ltd.	2,000,000.00			2,000,000.00				
Hangzhou Great Star Craftsman Tools Co., Ltd.	4,250,000.00		17,250,000.00	21,500,000.00				

Hangzhou Great Star Tools Co., Ltd.	63,772,246.86						63,772,246.86	
Hangzhou Great Star Hardware Tools Co., Ltd.	3,406,500.00						3,406,500.00	
Hangzhou Great Star Sheffield Trading Co., Ltd.	5,000,000.00						5,000,000.00	
Hangzhou Great Star Intelligent Technology Co., Ltd.	2,000,000.00						2,000,000.00	
Hangzhou United Tools Co., Ltd.	120,000,000.00		34,004,024.56				154,004,024.56	
Hangzhou Lianhe Electric Manufacturing Co., Ltd.	34,004,024.56			34,004,024.56		-		
Hangzhou Lianhe Tools Manufacturing Co., Ltd.	12,804,728.00						12,804,728.00	
Hangzhou Liansheng Tools Manufacturing Co.,	15,087,126.06			15,087,126.06				

Ltd.								
Hangzhou Ole-Systems Co., Ltd.	9,600,000.00			9,600,000.00				
Longyou Hugong Forging Three Tools Co., Ltd,	131,612,153.88						131,612,153.88	
Yiyang Tools Manufacturing Co., Ltd.	45,132,846.12						45,132,846.12	
Ningbo Fenghua Great Star Tools Co., Ltd.	22,558,141.65						22,558,141.65	
PREXIS O Laser Measurement Tool (Hangzhou) Co., Ltd.	3,920,000.00			3,920,000.00				
Suzhou Xindadi Hardware Product Co., Ltd	60,000,000.00						60,000,000.00	
Zhejiang Guoxin Tools Co., Ltd.	25,750,000.00						25,750,000.00	
Zhejiang Great Star Tools Co., Ltd.	464,800,000.00						464,800,000.00	
Zhejiang Shiwanke	50,000,000.00		35,000,000.00				85,000,000.00	

Electrical Applianc e Co., Ltd.								
Great Star Tools USA, Inc	955,660,0 00.00		239,073,8 70.00				1,194,733 ,870.00	
Great Star Europe AG	794,984,1 04.04		157,184,0 00.00				952,168,1 04.04	
Great Star Industrial Vietnam Co., Ltd.	236,688,0 62.90		178,066,0 00.00				414,754,0 62.90	
Hong Kong Great Star Internatio nal Co., Ltd.	978,911,9 94.66		85,890,40 7.00				1,064,802 ,401.66	
Great Star UNITED KINGDO M LTD	513,481,8 70.38			320,076,8 29.00			193,405,0 41.38	
Jingjiang Measurin g Tools Limited			76,868,30 1.15				76,868,30 1.15	
TESA Precision Technolo gy (Suzhou) Co., Ltd.			18,193,60 1.07				18,193,60 1.07	
Total	4,756,287 ,881.67		841,530,2 03.78	406,187,9 79.62			5,191,630 ,105.83	

(2) investment in joint ventures and associated enterprises

Unit: RMB

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	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												
II. Associated enterprises												
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	1,670,401,382.17				353,709,550.57	18,016,561.25	5,679,831.15				2,047,807,325.14	
Zhejiang Hangcha Holding Co., Ltd	960,509,516.53				156,921,354.29	548,004.86	-782,313.51				1,117,196,562.17	
Zhejiang Guozi Robotics Co., Ltd.	4,160,678.72				12,160,119.65	-55,233.62	-35,203.91				16,230,360.84	
Ningbo	211,372.89				8,712,443.3	2,364,930.8	3,568,107.1		25,249,436.		200,769.96	25,249,436.

Donghai Bank Co., Ltd.	7.15				3	3	6		47		0.00	47
Hangzhou Weina Technologies Co., Ltd.	100,365,587.94				-719,270.83	249,858.67					99,896,175.78	
Subtotal	2,946,810,062.51				530,784,197.01	21,124,121.99	8,431,438.89		25,249,436.47		3,481,900,383.93	25,249,436.47
Total	2,946,810,062.51				530,784,197.01	21,124,121.99	8,431,438.89		25,249,436.47		3,481,900,383.93	25,249,436.47

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

Reasons for Differences Between the Above Information and the Information or External Information Used in Previous Years' Impairment Tests

Reasons for the Significant Discrepancy Between the Information Used in Previous Years' Impairment Tests and the Actual Situation in the Current Year

(3) Other notes

4. Operating revenue and cost

(1) Detailed information

Item	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main business income	6,402,490,141.49	4,914,560,079.38	5,058,479,654.25	3,766,003,062.81

Other income	29,703,033.32	22,213,174.83	42,101,660.04	26,524,120.66
Total	6,432,193,174.81	4,936,773,254.21	5,100,581,314.29	3,792,527,183.47
including: revenue generated from the contracts with the clients	6,426,209,514.86	4,931,719,970.67	5,084,611,479.37	3,787,642,082.83

2) The revenue generated from contracts with clients is broken down by the time of transfer of goods or service

Item	Current period cumulative	Preceding period comparative
Revenue is recognized at a point in time	6,426,209,514.86	5,084,611,479.37
Subtotal	6,426,209,514.86	5,084,611,479.37

(3) The revenue recognized in the period and included in the opening book value of contractual liabilities is RMB 58,701,562.32.

5. Investment Income

Unit: RMB

Item	Jan.-Dec. 2024	Jan.-Dec. 2023
Income from long-term equity investments accounted for under the cost method	71,250,000.00	137,938,460.00
Income from long-term equity investments recognised under the equity method	530,784,197.01	343,264,489.19
Investment income from disposal of long-term equity investments	-21,376,029.38	6,573,183.33
Investment income from disposal of held-for-trading financial assets	729,711.03	-23,882,353.45
Discounting loss on receivables financing	-8,260,838.49	-17,897,921.26
Dividend income from investments in other equity instruments during the holding period	4,050,000.00	
Total	577,177,040.17	445,995,857.81

XIX. Supplementary Information**1. Current non-recurring profit and loss statement**

√ Applicable □ Not Applicable

Unit: RMB

Item	Amount	Note
Profit or loss from disposal of non-current assets	-6,432,683.87	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company and granted constantly affecting the Company's gains or losses in accordance with certain standards based on state policies)	23,560,230.06	
Gains or losses from changes in fair value of value and disposal of financial assets and liabilities held by non-financial enterprises, excluding those arising from hedging business related to the Company's normal operating activities	-17,827,609.62	
Profit or loss on entrusted investment or management of assets	7,328,187.39	
Other non-operating revenue or expenditures	-2,501,418.31	
Less: Effect of income tax	2,142,850.29	
Non-controlling interest affected (after tax)	2,466,682.68	
Total	-482,827.32	--

Details of gain or loss items that fall into the category of non-recurring gains and losses:

□ Applicable √ Not Applicable

The Company has no other gain or loss items that fall into the category of non-recurring gains and losses.

Notes for the situation that the non-recurring gain or loss items as illustrated in the Explanatory

Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Gains or Losses are defined as recurring gains or losses

☐ Applicable ☒ Not Applicable

2. Return on equity and earnings per share

Profit for the reporting period	Weighted average ROE	Earnings per share (RMB/ share)	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	14.53%	1.9286	1.9286
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gains and losses	14.54%	1.9290	1.9290

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

(1) Differences in net profit and net assets in financial reports disclosed simultaneously under IAS and under PRC GAAP

☐ Applicable ☒ Not Applicable

(2) Differences in net profit and net assets between financial reports disclosed in accordance with foreign accounting standards and those disclosed in accordance with PRC GAAP at the same time

☐ Applicable ☒ Not Applicable

(3) Explanation of the reasons for differences in accounting data under domestic and foreign accounting standards, and the name of the foreign institution should be indicated if the data that has been audited by the foreign auditor has been reconciled for differences