Hangzhou GreatStar Industrial Co., Ltd.
2025 Annual Report

April 2026

2025 Annual Report

Section I Important Notice, Table of Contents and Definitions

The Board of Directors, the directors, and senior management personnel 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, officer in charge of accounting and head 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 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.

Possible risks are detailed in the "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 profit distribution proposal of the Company considered and approved by the meeting of the Board of Directors involves the distribution of a cash dividend of RMB 4 (including tax) and the issuance of 0 bonus shares (including tax) for every 10 shares based on a total of 1194478182 shares. No capital reserve is to be transferred 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, the officer in charge of accounting and the head of the accounting department of the Company.

II. Original copies of the financial statements bearing the chop of the accounting firm and signatures of CPAs.

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.

Hangzhou GreatStar Industrial Co., Ltd.

Chairman of the Company: Qiu Jianping

April 29, 2026

Definitions

Term to be defined	Refers to	Definition
Reporting period	Refers to	January 1, 2025 - December 31, 2025
Company, the Company, the listed company, GreatStar	Refers to	Hangzhou GreatStar Industrial Co., Ltd.
Sheffield	Refers to	Hangzhou GreatStar 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.
PT Company	Refers to	Prim' Tools Limited
GreatStar Group	Refers to	GreatStar Holding Group Co., Ltd.
Lista	Refers to	Lista Holding AG
Prime-Line	Refers to	Prime-Line Products, LLC
Zhongce Rubber	Refers to	Zhongce Rubber Group Co., Ltd.
Zhongce Haichao	Refers to	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.
Hangcha Group	Refers to	Hangcha Group Co., Ltd.
GreatStar Europe	Refers to	GreatStar Europe AG
Geelong	Refers to	Geelong Holdings Limited
CSRC	Refers to	China Securities Regulatory Commission

Section II Company Profile and Key Financial Indicators

I. Company Profile

Stock name	GreatStar	Stock code	002444
Stock exchanges on which the shares are listed	Shenzhen Stock Exchange		
Name of the Company in Chinese	杭州巨星科技股份有限公司		
Company Name (Abbreviation in Chinese)	GreatStar		
Name of the Company in English (if any)	Hangzhou GreatStar Industrial Co., Ltd.		
Short name of the Company in English (if any)	GreatStar		
Legal representative of the Company	Qiu Jianping		
Registered Address	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou		
Postcode (Registered Address)	310019		
Changes of the 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		
Postcode (Office Address)	310019		
Website	https://www.greatstartools.com/		
Email	zq@greatstartools.com		

II. Contact Persons and Contact Methods

	Secretary to the Board	Securities Affairs Representative
Name	Zhou Siyuan	Lu Haidong
Address	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou
Tel	0571-81601076	0571-81601076

Fax	0571-81601088	0571-81601088
Email	zq@greatstartools.com	zq@greatstartools.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, cninfo (http://www.cninfo.com.cn)
Location for inspection of annual report of the Company	Office of the Board of Directors of the Company

Changes in Registration Information

Unified Social Credit Code	91330000731506099D
Changes in main business lines since the Company's IPO (if any)	None
Changes in controlling shareholder (if any)	None

V. Additional Related Information

Accounting firm engaged by the Company

Name of the accounting firm	Pan-China Certified Public Accountants LLP (Special General Partnership)
Office address of the accounting firm	Block B, China Resources Building, 1366 Qianjiang Road, Shangcheng District, Hangzhou 310020, China
Name of signing CPAs	Fei Fnnghua 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. Principal Accounting Data and Financial Indicators

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

□ Yes ☑No

	2025	2024	YoY Changes	2023 years
Operating revenue	14,666,295,589.93	14,795,453,293.25	-0.87%	10,929,992,802.32

(RMB)				
Net profit attributable to the shareholders of the listed company (RMB)	2, 509, 717, 178. 14	2, 303, 624, 287. 24	8. 95%	1, 691, 612, 756. 79
Net profit after deduction of non-recurring profits and losses attributable to the shareholders of the listed company (RMB)	2, 325, 689, 259. 78	2, 304, 107, 114. 56	0. 94%	1, 697, 490, 987. 11
Net cash flow from operating activities (RMB)	2, 309, 961, 219. 29	1, 740, 214, 109. 88	32. 74%	2, 125, 854, 925. 65
Basic earnings per share (RMB/share)	2. 1011	1. 9286	8. 94%	1. 4162
Diluted earnings per share (RMB/share)	2. 1011	1. 9286	8. 94%	1. 4162
Weighted average ROE	14. 16%	14. 53%	-0. 37%	11. 89%
	End of 2025	End of 2024	Changes over the end of the previous year	End of 2023
Total assets (RMB)	23, 624, 976, 541. 85	23, 104, 639, 375. 15	2. 25%	19, 683, 797, 271. 17
Net assets attributable to shareholders of the listed company (RMB)	18, 814, 504, 768. 32	16, 402, 655, 855. 37	14. 70%	14, 847, 980, 075. 62

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. Accounting Data Differences under Domestic and Overseas Accounting Standards

1. Differences in 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 in 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 in 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 in 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. Main Financial Indicators by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	3, 656, 152, 858. 21	3, 371, 345, 205. 12	4, 128, 799, 941. 03	3, 509, 997, 585. 57
Net profits attributable to shareholders of listed company	460, 716, 041. 98	812, 145, 794. 48	882, 325, 234. 51	354, 530, 107. 17
Net profit after deduction of non-recurring profits and losses attributable to the shareholders of the listed company	462, 402, 124. 87	791, 911, 186. 11	781, 177, 578. 73	290, 198, 370. 07
Net cash flows from operating activities	548, 052, 938. 23	485, 704, 685. 48	579, 312, 684. 68	696, 890, 910. 90

Whether the 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 2025	Amount in 2024	Amount in 2023	Note
Gain or loss on disposal of non-current assets (including write-off of provision for	160, 794, 863. 82	-6, 432, 683. 87	1, 655, 224. 56	This is primarily due to the company's use of its equity in Zhejiang Guozi Robot

assets impairment)				Technology Co., Ltd. as a capital contribution to acquire equity in Zhejiang Hangcha Guozi Intelligent Technology Robot Co., Ltd., recognizing the disposal gains or losses in accordance with the provisions of Accounting Standards for Business Enterprises No. 7—Non-Monetary Asset Exchange.
Government grants included in the current profit or loss (excluding those closely related to operating activities of the Company and granted constantly affecting the Company's profits or losses in accordance with certain standards based on state policies)	51, 451, 487. 79	23, 560, 230. 06	30, 311, 586. 83	
Gain or loss from changes in fair value of value and disposal of financial assets and liabilities held by non-financial enterprises, excluding those arising from hedging business related to the Company's normal operating activities	37, 418. 31	-17, 827, 609. 62	-34, 667, 995. 27	
Gain or loss on assets under entrusted investment or management	9, 879, 776. 01	7, 328, 187. 39	1, 915, 298. 69	

Restatement of provision for depreciation of receivables in separate depreciation test			96, 458. 50	
Other non-operating revenue or expenditures	-4, 167, 126. 21	-2, 501, 418. 31	-3, 873, 470. 17	
Less: Effect of income tax	32, 924, 528. 45	2, 142, 850. 29	-1, 142, 001. 28	
Non-controlling shareholders' equity affected (after tax)	1, 043, 972. 91	2, 466, 682. 68	2, 457, 334. 74	
Total Amount	184, 027, 918. 36	-482, 827. 32	-5, 878, 230. 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

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. Principal Business of the Company during the Reporting Period

The Company is mainly engaged in the tool industry, and its main products include hand tools, power tools and industrial tools, which are mainly used in the fields of home maintenance, construction engineering, vehicle maintenance, telecommunications, etc. The home building, repair, and maintenance industry is the most important application channel with the highest proportion, while the power tools and construction tools driven by AI infrastructure become the largest incremental market these years. 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. Tools, such as repair and maintenance necessities, are highly needed by families in North America and Europe for professional and DIY purposes, making 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, and each technological renovation or industrial renovation brought a new round of demands for tools.

In 2025, the tool industry was significantly impacted by the U.S. government’s tariff policies, resulting in notable inflationary pressures and suppressed demand for household tools. Despite a marginal decline in U.S. long-term interest rates, the absolute of the market remained elevated, continuing to constrain housing market. Meanwhile, the U.S. home turnover rate lingered at a historical low, and the demand for tools related to traditional real estate remained sluggish. Concurrently, an unprecedented wave of AI infrastructure investment was initiated by the US globally, driving robust growth in the demand for tools supporting power infrastructure and computing center construction, achieving a growth rate of over 3%.

In 2026, following the February ruling that the U.S. tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were ultra vires and invalidated, the adverse impact of tariff volatility on the industry gradually subsided and transitioned to a positive catalyst. Meanwhile, further declines in U.S. long-term interest rates are anticipated, which is expected to normalize housing market transactions. Coupled with sustained growth of investment in global AI infrastructure, particularly the burgeoning demand for power infrastructure and AI computing center in the United States, the global tool industry is poised for accelerated growth. Benefiting from the recovery of the real estate and manufacturing sectors, as well as macroeconomic growth, the demand for power tools and data center infrastructure will maintain its uptrend from 2026 onward. The global tool market is forecast to grow from USD 118.7 billion in 2026 to USD 142.8 billion by 2030, representing acompound annual growth rate (CAGR) of 4.7%during the 2026–2030 period.

II. Industry Overview during the Reporting Period

During the Reporting Period, despite the changes in the US tariff policies, which posed significant adverse impact to the Company’s production and operation, its focus remained on the consumer hand tools and power tools in Europe and the U.S., while expanding into the industrial tools sector. Additionally, the Company strove to expand its product portfolio driven by AI infrastructure in power tools and data center storage cabinets, while stepping up global productivity expansion to address trade protectionism amid constant development of new categories, particularly for the new power tools, which has gradually emerged as a key growth driver. Its private brands, in particular cross-border e-commerce businesses, maintained rapid growth, contributing to the stable overall performance.

During the Reporting Period, the Company registered an operating revenue of RMB 14,666,295,600, representing a year-on-year decrease of 0.87%. In 2025, the net profit attributable to the shareholders of the listed company reached RMB 2,509,717,200, up 8.95% year-on-year, and the net profit attributable to the shareholders of the listed company after deduction of non-recurring gains and losses reached RMB 2,325,689,300, up 0.94% year-on-year.

III. Core Competitiveness

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, affected by severe tariff fluctuations, the Company accelerated the construction of manufacturing capacity in Southeast Asia, with the Phase III Vietnam and Phase II Thailand manufacturing facilities put into operation. 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 has been the key driver for 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 403 million in R&D and developed 2,160 new products, and developed several new product lines, including tool cabinets, cordless vacuum cleaners, power repair tool series, brushless power tool series, and related components, all of which were highly recognized. The Company continued extensive innovation in power tools, especially lithium battery-powered tools, with active participation in power tool projects for major supermarket customers and new orders. In response to the significant increase in demand for power repair tools in the U.S., the Company closely collaborated with customers to develop new power tools, driving rapid business growth. 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 changing 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. The Company strategically prioritized self-owned brand development to strengthen influence and competitive advantages, particularly e-commerce matrix, such as WORKPRO, DURATECH, SK, Pony & Jorgensen, with significant year-on-year growth. 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, GreatStar 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. Main Businesses

1. Overview

During the Reporting Period, the company and the industry were significantly impacted by drastic fluctuations in the international trade. Particularly in the second quarter, the Company's production and delivery schedules were adversely affected. Additional tariff costs drove up the industry's average selling prices, leading to a notable decline in sales volume across the industry. To address such major change, the Company expedited its international business expansion and product innovation to secure new customer orders, while continuously advancing product innovation in its business landscape. The Company's new products, especially power tools and cross-border e-commerce business, maintained rapid growth, thus enhancing the its overall profitability.

During the Reporting Period, the Company registered an operating revenue of RMB 14,666,295,600, representing a year-on-year decrease of 0.87%. In 2025, the net profit attributable to the shareholders of the listed company reached RMB 2,509,717,200, up 8.95% year-on-year, and the net profit attributable to the shareholders of the listed company after deduction of non-recurring gains and losses reached RMB 2,325,689,300, up 0.94% year-on-year. The performance of each business segment is as follows:

1. Hand Tools

During the Reporting Period, the Company leveraged the value and advantages of its established century-old brands in the Europe and the US to broaden the private brand matrix through innovation from single category to diversified categories. It continued to improve private dealer system with focus on new customer development, and supported the growth of private brands. The early commissioning of new production capacities in Vietnam and Thailand alleviated production bottlenecks, which supported new business expansion and enhanced its global competitiveness. The Company actively expanded channels in non-U.S. regions to address its weaknesses. However, the US tariff policies significantly impacted the Company's hand tool orders in Q2 and Q3. The hand tool business logged a revenue decreasing by 5.46% year-on-year.

2. Power Tools

During the Reporting Period, the European industrial tools market remained weak, with total volume continuing to decline. The Company seized the opportunity presented by the development of U.S. computing power centers, actively expanding its product offerings in electric tools and data center cabinets. Despite the fact that the long development cycle of industrial tools resulted in a small amount of deliveries, these efforts effectively offset the decline in the European market. The year-on-year growth of power tools reached 22.55%.

3. Industrial tools

During the reporting period, the development of new industrial tools was much slower than that of consumer tools due to the relatively long development cycle of industrial tools. Meanwhile, the European economy experienced a slow recovery, leading to a decline in industrial demand. Consequently, the Company saw an overall decline in its industrial tool business. Revenue from the industry tool business decreased by 0.11% year-on-year.

2. Revenue and Costs

(1) Operating revenue composition

Unit: RMB

	2025		2024		YoY increase or decrease
	Amount	% in operating revenue	Amount	% in operating revenue	
Total operating	14,666,295,589.	100%	14,795,453,293.	100%	-0.87%

revenue	93		25		
By industry					
Tools and hardware	14, 580, 175, 712. 50	99.41%	14,735,499,758. 36	99.59%	-1.05%
Other income	86, 119, 877. 43	0.59%	59,953,534.89	0.41%	43.64%
By product					
Hand tools	9, 518, 890, 202. 66	64. 90%	10, 068, 822, 637. 63	68. 05%	-5. 46%
Power tools	1, 762, 200, 665. 72	12. 02%	1, 437, 910, 630. 20	9. 72%	22. 55%
Industrial tools	3, 225, 320, 167. 71	21. 99%	3, 228, 766, 490. 53	21. 82%	-0. 11%
Chip	73, 764, 676. 41	0. 50%			100. 00%
Other income	86, 119, 877. 43	0. 59%	59, 953, 534. 89	0. 41%	43. 64%
By region					
America	9, 217, 799, 075. 53	62. 85%	9, 386, 789, 108. 12	63. 44%	-1. 80%
Europe	3, 566, 159, 743. 88	24. 32%	3, 645, 853, 524. 62	24. 64%	-2. 19%
Others	1, 015, 288, 902. 58	6. 92%	1, 001, 929, 091. 21	6. 77%	1. 33%
Domestic (China)	780, 927, 990. 51	5. 32%	700, 928, 034. 41	4. 74%	11. 41%
Other income	86, 119, 877. 43	0. 59%	59, 953, 534. 89	0. 41%	43. 64%
By sales model					
OBM	7, 044, 121, 367. 27	48. 03%	7, 090, 396, 049. 91	47. 92%	-0. 65%
ODM	7, 536, 054, 345. 23	51. 38%	7, 645, 103, 708. 45	51. 67%	-1. 43%
Other income	86, 119, 877. 43	0. 59%	59, 953, 534. 89	0. 41%	43. 64%

(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 revenue	Operating cost	Gross margin	YoY increase or decrease in operating	YoY increase or decrease in operating	YoY increase or decrease in gross margin

				revenue	cost	
By industry						
Tools and hardware	14, 580, 175, 712. 50	9, 826, 583, 836. 51	32. 60%	-1. 05%	-1. 87%	0. 56%
By product						
Hand tools	9, 518, 890, 202. 66	6, 450, 597, 189. 03	32. 23%	-5. 46%	-5. 66%	0. 14%
Power tools	1, 762, 200, 665. 72	1, 234, 983, 539. 09	29. 92%	22. 55%	12. 76%	6. 09%
Industrial tools	3, 225, 320, 167. 71	2, 091, 751, 975. 19	35. 15%	-0. 11%	0. 55%	-0. 42%
Chip	73, 764, 676. 41	49, 251, 133. 20	33. 23%	100. 00%	100. 00%	33. 23%
By region						
America	9, 217, 799, 075. 53	6, 321, 297, 102. 77	31. 42%	-1. 80%	-2. 41%	0. 43%
Europe	3, 566, 159, 743. 88	2, 319, 476, 043. 66	34. 96%	-2. 19%	-1. 87%	-0. 21%
By sales model						
OBM	7, 044, 121, 367. 27	4, 528, 210, 076. 63	35. 72%	-0. 65%	-0. 74%	0. 06%
ODM	7, 536, 054, 345. 23	5, 298, 373, 759. 88	29. 69%	-1. 43%	-2. 81%	1. 00%

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 most recent period were adjusted based on the statistical standard at the end of the reporting period

□ Applicable ☑ Not Applicable

(3) Whether physical sales revenue exceeds service revenue

☑Yes □ No

Industry	Item	Unit	2025	2024	YoY increase or decrease
Hardware tools	Sales volume	PCS	476, 929, 297	491, 820, 869	-3. 03%
	Production volume	PCS	482, 893, 521	510, 146, 746	-5. 34%
	Inventory volume	PCS	150, 717, 439	139, 751, 851	7. 85%

Reasons for changes of 30% or more in related data

□ Applicable ☑ Not Applicable

(4) Performance of significant sales contracts and major procurement contracts signed by the Company as of the end of the Reporting Period

□ Applicable ☑ Not Applicable

(5) Operating cost composition

Industry and product

Industry and product

Unit: RMB

Industry	Item	2025		2024		YoY increase or decrease
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Tools and hardware	/	9,826,583,836.51	99.58%	10,013,591,820.11	99.55%	-1.87%
Other operating costs	/	41,022,473.57	0.42%	45,246,763.47	0.45%	-9.34%

Unit: RMB

Product	Item	2025		2024		YoY increase or decrease
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Hand tools	/	6,450,597,189.03	65.37%	6,837,963,556.46	67.98%	-5.66%
Power tools	/	1,234,983,539.09	12.52%	1,095,217,050.13	10.89%	12.76%
Industrial tools	/	2,091,751,975.19	21.20%	2,080,411,213.52	20.68%	0.55%
Chip	/	49,251,133.20	0.50%	0.00	0.00%	100.00%
Other operating costs	/	41,022,473.57	0.42%	45,246,763.47	0.45%	-9.34%

Note

None

(6) Whether there have been changes in the consolidation scope during the Reporting Period

☑Yes □ 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) Main sales clients and main suppliers

Main sales clients of the Company

Total sales amount from top five clients (RMB)	7,063,045,998.31
Proportion of total annual sales from top five clients	48.16%
Proportion of related party sales in those from top five clients to total annual sales	0.00%

Top five clients

No.	Client name	Sales amount (RMB)	Proportion in the total annual sales
1	1st	3, 353, 141, 225. 29	22. 86%
2	2nd	1, 515, 149, 231. 07	10. 33%
3	3rd	1, 512, 661, 217. 85	10. 31%
4	4th	414, 799, 448. 94	2. 83%
5	5th	267, 294, 875. 16	1. 82%
Total Amount	--	7, 063, 045, 998. 31	48. 16%

Additional information about main clients

□ Applicable ☑Not Applicable

Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	437,068,360.74
Proportion of total annual purchases from top five suppliers	6.04%
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 in the total annual purchase
1	1st	106,261,097.04	1.47%
2	2nd	97,070,919.71	1.34%
3	3rd	87,541,042.24	1.21%
4	4th	80,153,743.94	1.11%
5	5th	66,041,557.81	0.91%
Total Amount	--	437,068,360.74	6.04%

Additional information about main suppliers

□ Applicable ☑ Not Applicable

During the Reporting Period, the Company's trading business revenue accounted for more than 10% of total operating revenue.

□ Applicable ☑ Not Applicable

3. Expenses

Unit: RMB

	2025	2024	YoY increase or decrease	Explanation of significant change
Selling expenses	1, 053, 708, 464. 37	974, 899, 236. 57	8. 08%	
Administrative expenses	1, 013, 400, 953. 67	917, 903, 108. 55	10. 40%	
Financial expenses	-27, 459, 828. 51	-131, 245, 920. 88	-79. 08%	Primarily attributable to foreign exchange fluctuations, driven by volatility in the exchange rate.
R&D expenses	403, 064, 547. 61	366, 158, 892. 23	10. 08%	

4. R&D Expenditures

☑ Applicable □ Not Applicable

Major R&D Project Name	Purposes	Progress	Objectives to be Achieved	Expected Impact on the Development of the Company
Development of	Develop an	Not completed	Add product	Enhance market

a lithium battery with fast charging/discharging and compatibility with multiple adapters for leveling instruments	innovative lithium battery dedicated for leveling instruments		features or improve performance	competitiveness, increase sales and profits
Development of a laser level with high-precision dynamic channel locking system and intelligent remote control technology	Develop an automatic laser level with high-precision dynamic channel locking system and intelligent remote control technology	Not completed	Add product features or improve performance	Enhance market competitiveness, increase sales and profits
Development of an intelligent laser level supporting dual-voltage power supply and compatible with power boards	Develop an intelligent laser level supporting dual-voltage power supply and compatible with power boards	Completed	Add product features or improve performance	Enhance market competitiveness, increase sales and profits
Development of a laser measurement and control system based on remote telemetry and dual-sided synchronous tracking	Develop a laser measurement and control system based on remote telemetry and dual-sided synchronous tracking	Not completed	Add product features or improve performance	Enhance market competitiveness, increase sales and profits
Development of an impact-resistant high-precision laser measurement system integrating	Develop an impact-resistant high-precision laser measurement system based on fast	Not completed	Add product features or improve performance	Enhance market competitiveness, increase sales and profits

fast charge/discharge technology and IP68 protection	charge/discharge technology and IP68 protection			
Development of high-strength, anti-deformation nylon material production technology	Develop proprietary high-strength, anti-deformation nylon material	Completed	Add product features or improve performance	Expand product lines, further automate production, increase company profits and revenue, secure stable market orders, enhance product competitiveness
Development of multifunctional, high-torque quick-change wrench	Develop multifunctional, high-torque quick-change wrench to enhance core competitiveness in high-end hand tool sector	Completed	Add product features or improve performance	Expand product lines, further automate production, increase company profits and revenue, secure stable market orders, enhance product competitiveness
Development of a quick-change handle structure for utility knives	Address waste, unhygienic conditions, and single-function issues of non-replaceable utility knife handles; develop a safe, reliable, efficient quick-change handle structure	Completed	Add product features or improve performance	Expand product lines, further automate production, increase company profits and revenue, secure stable market orders, enhance product competitiveness
Development of high-wear-resistance,	Develop a specialized nylon material	Completed	Add product features or improve	Expand product lines, further automate

high-strength nylon material for quick-change utility knife handles	meeting core requirements of high wear resistance, high strength, and high fatigue resistance for quick-change handle structures; solve wear, deformation, and breakage issues of existing materials		performance	production, increase company profits and revenue, secure stable market orders, enhance product competitiveness
Development of a dual-position rotating blade structure for utility knives	Develop an innovative blade rotation structure enabling fast and precise switching and secure locking between at least two common angles	Completed	Add product features or improve performance	Expand product lines, further automate production, increase company profits and revenue, secure stable market orders, enhance product competitiveness
Development of high-strength quick-release and quick-feed copper tube cutter	Develop an efficient and reliable quick-release mechanism for "one-touch opening/closing" of the cutter frame, significantly improving work efficiency	Completed	Add product features or improve performance	Expand product lines, further automate production, increase company profits and revenue, secure stable market orders, enhance product competitiveness
Lithium laser distance meter with electronic angle function	Process improvement	Completed	Add product features or improve performance	Increase sales and company profits

High-brightness green laser 5-line rechargeable laser level	Process improvement	Completed	Add product features or improve performance	Increase sales and company profits
Development of high-precision long-range green laser distance measurement platform	Process improvement	Not completed	Add product features or improve performance	Increase sales and company profits
Development of low-power wireless SoC and its SDK and key application technologies	Launch new chip products and application development platforms for the company's low-power wireless SoC product line	Completed	Add product features or improve performance	Enhance market competitiveness, increase sales and profits
Development of next-generation intelligent audio SoC chip and SDK, and new application solutions for smart host human-machine interface MCU chips	Launch new chip products and application development platforms for the company's intelligent audio SoC product line	Completed	Add product features or improve performance	Enhance market competitiveness, increase sales and profits
Development of automatic polishing process for wrenches	Improve polishing process	Completed	Add product features or improve performance	Improve polishing efficiency and quality
Development of a photoelectric sensor-based auto-searching laser level and supporting software system	Develop a laser level base platform system that can automatically search and locate with a	Completed	Add product features or improve performance	Expand product lines, enhance product features to increase company profits

	receiver over long distances			
Development of indoor/outdoor automatic positioning and floor paving system integrating IMU sensors and high-precision indoor laser 3D positioning system	Develop an automated indoor concrete paving system	Completed	Add product features or improve performance	Expand product lines
Development of handheld multifunctional wall and ground radar detection technology	Develop identification and detection of targets inside walls and underground based on radar detection technology	Not completed	Add product features or improve performance	Expand product lines
Development of a high-precision laser level with adaptive laser power adjustment technology	Improve LD power adjustment method and adapt to LD differences to enhance precision and stability of laser levels	Not completed	Add product features or improve performance	Improve product performance and competitiveness
Development of new electronic digital caliper and its wireless transmission module	Provide digital measurement solutions for the company's advanced digital factory implementation	Not completed	Add product lines with wireless and Bluetooth transmission functions; add digital measurement system management software	Expand product lines, enhance user loyalty, increase market competitiveness, revenue, and profits

Development of high-precision caliper and automatic zero-setting and calibration device	Provide measurement solutions for multiple fields, expand high-value-added products, broaden product applications	Completed	Add product lines, enhance competitiveness, strengthen brand	Improve product competitiveness, increase revenue and profits
Development of industry-specific electronic digital calipers for specific measurement needs	Provide reliable measurement solutions for multiple fields, expand high-value-added products	Completed	Add product lines, enhance competitiveness, strengthen brand	Improve product competitiveness, increase revenue and profits
Development of automatic precision machining equipment for main scale	Improve machining efficiency and precision, reduce labor intensity, and realize automation	Completed	Reduce worker labor intensity while improving product processing efficiency and reducing defect rate	Promote industrial upgrading, reduce labor costs, improve product quality
Development of automated and digital grinding equipment for non-standard caliper frames	Improve machining efficiency and precision, reduce labor intensity, and realize automation	Completed	Reduce worker labor intensity while improving product processing efficiency and reducing defect rate	Promote industrial upgrading, reduce labor costs, improve product quality
Development of three-point internal diameter and digital micrometer	Measure bore diameter of through holes or blind holes	Completed	Easy operation, three-point self-centering for more accurate bore measurement, avoiding errors of traditional two-point measurement	Improve product competitiveness, increase revenue and profits

Development of digital external micrometer with wireless transmission module	Improve data processing efficiency, enhance user experience, and boost product performance	Not completed	Add product lines, enhance competitiveness, strengthen brand	Enhance competitiveness, promote technological innovation, expand market
Development of new lever dial gauge measuring device	Add brand products	Completed	Add product lines	Expand product lines, increase company profits and revenue, secure stable market orders
Development of calibration rod sleeve and customized products for external micrometer	Meet customer requirements	Completed	Add product lines	Expand product lines, increase company profits and revenue, secure stable market orders
Application of TOX rivetless joining technology on color steel sheets in the toolbox cabinet industry	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Development and application of multi-position ratchet technology in hand tool products	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Development and application of TYPE-C PD intelligent integrated battery charging technology in power tool	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness

products				
Application of new quick-change structure in power tools	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Application of ultra-low structural stress hot working process in high-dimensional-accuracy, high-strength-toughness hardware tools	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Application of nitrogen-assisted injection molding system in tools	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Application of "ultra-high temperature investment casting" technology in tools	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Feasibility study on application of 3-axis acceleration sensor in high-power focusing flashlights	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Application of anti-fingerprint technology on vacuum cleaner products	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness

Development and application of low-noise technology in wet/dry vacuum cleaners	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Domestication development of high-cost-performance Damascus steel outdoor knives	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
A nail gun with built-in pressure adjustment function for frame structures	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Development and application of low-power intelligent ambient light sensor in lamps	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Development and application of chromium-free environmentally friendly oxidation electrophoresis on hand tools	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Application of high-modulus high-strength nylon composite material in hardware tools	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Development of multifunctional wall detection and laser level technology	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness

platform				
Application of graphical UI on multi-language laser distance measurers	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Development and application of high-power super fast charging battery pack technology in power tools	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Development and application of metal coating technology for utility tools	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
GreatStar private label inventory and business support system development project	Improve system functions and operational efficiency	Completed	Meet multi-mode business needs	Meet multi-mode business needs
GreatStar lean supply chain GBS business system deep optimization - supply planning efficiency execution comprehensive improvement project	Improve system functions and operational efficiency	Completed	Meet multi-mode business needs	Meet multi-mode business needs
Development of intelligent tennis court cleaning robot	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Development and application of	Add product features or	Completed	Develop new products,	Stabilize market, acquire

multi-scenario intelligent snow removal robot	improve performance		improve product process technology	new customers, enhance market competitiveness
Development and application of US standard home pet interactive robot	Add product features or improve performance	Completed	Develop new products, improve product process technology	Stabilize market, acquire new customers, enhance market competitiveness
Research on automatic assembly process for tail screws of plastic-handled putty knives for home decoration	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research on blow molding process for hand tool storage boxes based on industrial robots	Add product features or improve performance	Not completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research on lightweight PVC scraper blade forming process for home decoration	Add product features or improve performance	Not completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable

				market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Development and application of automatic feeding system for putty knife blade stamping for home decoration	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research on automatic positioning assembly process for aluminum alloy workbench frames for home decoration	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research on application of plasma surface treatment technology in UV printing on plastic parts	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber

				coating adhesion and reduce scrap rate, increase production efficiency
Research on intelligent manufacturing production line for stainless steel putty knives for home decoration	Add product features or improve performance	Not completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
High-power LED flashlight for outdoor adventure with energy storage power function	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research on multi-light source control drive circuit design and application for handheld high-power LED lighting fixtures	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and

				reduce scrap rate, increase production efficiency
Research on metal powder injection molding process for home hand tool accessories	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research and application of multi-station progressive die precision forming technology for hand tool parts	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research on impact-resistant bubble vial processing technology for high-precision leveling tools	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase

				production efficiency
Research on surface quenching heat treatment process for woodworking clamp lever arms	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research on precision injection molding process for thick-walled plastic parts of woodworking clamps	Add product features or improve performance	Not completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Development of high-precision digital dual-screen aluminum alloy level ruler	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency

Research on investment casting process for handmade tool knife handles	Add product features or improve performance	Not completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research on progressive die precision forming process for high-load sawhorse components	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Development of LED driver power supply for portable lighting fixtures based on TRIAC dimming technology	Add product features or improve performance	Completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research and application of	Add product features or	Not completed	Develop new products,	Further automation,

load automatic identification control technology for handheld high-power LED flashlight driver circuits	improve performance		improve product process technology	increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Development of all-around high-resolution electronic level ruler based on intelligent control technology	Add product features or improve performance	Not completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Research and application of multi-station progressive die precision forming technology for complex sheet metal parts of hand tackers	Add product features or improve performance	Not completed	Develop new products, improve product process technology	Further automation, increase company profits and revenue, secure stable market orders, improve rubber coating adhesion and reduce scrap rate, increase production efficiency
Low-cost long-distance laser sensing device on universal	Develop a high-speed, high-precision 360° long-distance	Completed	Meet diverse market needs	Increase mass production, expand production

platform	LiDAR			lines, enhance product competitiveness
Ultra-compact safety short-range laser sensing device	Develop a low-cost ultra-compact short-range LiDAR	Completed	Develop new products, expand new application areas	Increase mass production, expand production lines, enhance product competitiveness
High-speed wireless laser communication device	Develop a bidirectional data communication device using near-infrared light	Completed	Meet diverse market needs	Increase mass production, expand production lines, enhance product competitiveness
Static short-range laser scanning mapping device	Develop a high-frequency high-precision static 3D laser scanner	Completed	Meet diverse market needs	Increase mass production, expand production lines, enhance product competitiveness
Dynamic mobile laser scanning mapping device	Develop a portable mobile 3D laser scanner	Completed	Meet diverse market needs	Increase mass production, expand production lines, enhance product competitiveness
Development and industrialization of high-resolution wide-field 3D vision sensor - solid-state multi-beam wide field-of-view laser sensing device	Develop a solid-state multi-beam LiDAR	Completed	Meet diverse market needs	Increase mass production, expand production lines, enhance product competitiveness
Development of outdoor smart	Develop outdoor smart cabinets	Completed	Develop new products,	Increase company profits

cabinets			improve product process technology	and revenue, secure stable market orders
Development of smart pellet smokers	Develop smart pellet smokers	Completed	Develop new products, improve product process technology	Increase company profits and revenue, secure stable market orders
Development of modular service carts	Develop modular service carts	Completed	Develop new products, improve product process technology	Increase company profits and revenue, secure stable market orders
Development of portable gas cooktops for yachts	Develop portable gas cooktops for yachts	Completed	Develop new products, improve product process technology	Increase company profits and revenue, secure stable market orders
Development of heavy-duty toolboxes (single rail load capacity 70KG)	Develop heavy-duty toolboxes (single rail load capacity 70KG)	Not completed	Develop new products, improve product process technology	Increase company profits and revenue, secure stable market orders
Development of AI intelligent pizza ovens	Develop AI intelligent pizza ovens	Not completed	Develop new products, improve product process technology	Increase company profits and revenue, secure stable market orders
Development of heavy modular combination cabinets	Develop heavy modular combination cabinets	Not completed	Develop new products, improve product process technology	Increase company profits and revenue, secure stable market orders
Development of WORKPRO adjustable wrenches	Develop adjustable wrenches with novel design, dipped handle for comfort and practicality	Completed	Develop new products	Secure stable market orders
Development of SK mini curved jaw water pump	Develop mini curved jaw water pump	Completed	Develop new products	Capture certain market share after launch,

pliers	pliers with novel design, compact and portable, practical			increase sales revenue
Development of injection sliding pliers	Develop injection sliding pliers with novel design, compact and portable, practical	Completed	Develop new products	Capture certain market share after launch, increase sales revenue
Development of K-style groove joint pliers	Develop groove joint pliers with novel design, button spring return, dipped handle for comfort and practicality	Completed	Develop new products	Increase company sales revenue and profits
Development of multi-position quick-release groove joint pliers	Develop multi-position groove joint pliers with novel design, button-operated quick open/close for convenience and practicality	Completed	Develop new products	Improve enterprise benefits
Development of key technology for intelligent production equipment for high-precision ratchet wrenches	Add product features or improve performance	Completed	Improve labor productivity	Improve enterprise benefits
Development of composite four-direction dual ratchet wrench	Add product features or improve performance	Completed	Add product features or improve performance	Capture certain market share after launch, increase sales revenue
Development of multifunctional	Add product features or	Completed	Add product features or	Capture certain market share

mini bit ratchet wrench	improve performance		improve performance	after launch, increase sales revenue
Development of integrated joint flare nut wrench	Add product features or improve performance	Completed	Add product features or improve performance	Increase company sales revenue and profits
Development of six-jaw super joint ratchet wrench	Add product features or improve performance	Completed	Add product features or improve performance	Improve enterprise benefits
Ultra-short swing joint ratchet wrench	Add product features or improve performance	Completed	Add product features or improve performance	Capture certain market share after launch, increase sales revenue
New bent dual-direction ratchet specialty wrench	Add product features or improve performance	Not completed	Add product features or improve performance	Able to capture certain market share
Development and industrialization of 22nm high-performance multi-mode wireless audio processor SoC	Develop communication protocol stacks and multiple application solutions for complex audio processing scenarios	Completed	Add product features or improve performance	Serves as starting point for subsequent chip products
Development of Bluetooth audio SoC chip	Develop a 22nm high-integration Bluetooth audio SoC chip	Not completed	Add product features or improve performance	Target low cost and low power consumption, forming high-low product configuration for chip products
Development of a series of brick trowels with wooden handles	Add new specifications	Completed	Increase product variety, meet customer needs	Expand product lines, increase company profits and revenue
Development of	Add new	Completed	Increase	Expand product

dog-head brand dipped handle claw hammers	specifications		product variety, meet customer needs	lines, increase company profits and revenue
Development of one-piece wall axe	Add new specifications	Completed	Increase product variety, meet customer needs	Expand product lines, increase company profits and revenue
Development of dipped handle double-face installation hammer	Add new specifications	Completed	Increase product variety, meet customer needs	Expand product lines, increase company profits and revenue
Development of multi-tooth grinding technology for saw blades	Save labor, improve production efficiency	Completed	Save labor, improve production efficiency	Further automation
Development of fully automatic continuous punching process for pipe cutter blades	Save labor, improve production efficiency	Completed	Save labor, improve production efficiency	Further automation
Development of 180P swivel ratchet handle	New product development	Completed	Develop new products	Stabilize market, acquire new customers
Development of ultrasonic-laser hybrid cleaning process for pliers and cutting tools	Save labor, improve production efficiency	Completed	Save labor, improve production efficiency	Further automation
Development of automatic laser welding technology for garden tools	Save labor, improve production efficiency	Completed	Save labor, improve production efficiency	Further automation
Development of automatic screw feeding technology for PVC pipe	Save labor, improve production efficiency	Not completed	Save labor, improve production efficiency	Further automation

cutters				
Development of automatic handle assembly technology for trowels	Save labor, improve production efficiency	Not completed	Save labor, improve production efficiency	Further automation
Research and development of multifunctional flexible welding system	Improve product performance	Completed	Improve product performance	Expand market, increase orders
Research and development of adjustable multi-system controlled automatic cylinder die for drawer corner punching and cutting	Improve product performance	Completed	Improve product performance	Expand market, increase orders
Research and development of a KD-style modular multi-purpose combination cabinet	Develop brand new product	Completed	Develop brand new product	Expand market, increase orders
Research and development of a stackable quick-disassemble tool cabinet	Develop brand new product	Completed	Develop brand new product	Expand market, increase orders
Research and development of a multi-guide multifunctional modular floor cabinet	Develop brand new product	Completed	Develop brand new product	Expand market, increase orders
Research and development of a multifunctional	Develop brand new product	Completed	Develop brand new product	Expand market, increase orders

cart with flip-up toe kick				
Research and development of a modular toolbox cabinet that can be freely combined	Develop brand new product	Not completed	Develop brand new product	Expand market, increase orders
Research and development of an all-terrain all-weather utility cart	Develop brand new product	Completed	Develop brand new product	Expand market, increase orders
Research and development of an oil-resistant, stain-resistant multifunctional mechanic combination cabinet	Develop brand new product	Completed	Develop brand new product	Expand market, increase orders
Research and development of a multifunctional shelf capable of multi-directional flipping, multi-layer stacking, and quick disassembly	Develop brand new product	Completed	Develop brand new product	Expand market, increase orders
Research and development of a multi-process collaborative composite forming automatic mold	Improve product performance	Completed	Improve product performance	Expand market, increase orders
Research and development of a high-	Improve product performance	Not completed	Improve product performance	Expand market, increase orders

precision composite heteromorphic drawing mold				
Project 310 (New 600 series)	Replace old product series	Not completed	Add product features or improve performance	Increase sales, reduce production costs
Project 330 (New 780 series)	Replace old product series	Not completed	Add product features or improve performance	Increase sales, reduce production costs
Project 340 (New 830 series)	Replace old product series	Not completed	Add product features or improve performance	Increase sales, reduce production costs
Battery-powered nail gun	Replace old product series	Not completed	Add product features or improve performance	Increase sales
Battery-powered screwdriver	Replace old product series	Completed	Add product features or improve performance	Increase market share
RFID serial number	Scalable serial number for process optimization	Not completed	Improve labor productivity	Reduce administrative costs and overheads
Connection box	Develop digital wiring box to collect Autotec tool data	Not completed	Upgrade existing tools, improve customer satisfaction	Increase sales through predictive maintenance
ISO Safety project	Develop tools with special safety mechanisms	Completed	Upgrade existing tools, improve customer satisfaction	Increase sales and market share
T-gauging nail gun - 25mm	Replace old product series	Completed	Increase sales, optimize product mix, simplify spare parts system	Increase sales, optimize product mix, simplify spare parts system
T-gauging nail	Replace old	Completed	Increase sales,	Increase sales,

gun - 54	product series		streamline product mix, simplify spare parts	streamline product mix, simplify spare parts
Autotec pusher	Develop nail pushing tool	Completed	New tool, expand product range	Expand product portfolio
75mm pulse nail gun	Long nail tool for metal-to-wood connections	Completed	New tool, expand product range	Increase fastener sales
Corrugated nail gun	Replace old product series	Completed	Increase sales, optimize product mix, simplify spare parts system	Increase sales, optimize product mix, simplify spare parts system
Wood nail gun	New tool for new fastener type (wood nails)	Not completed	Explore new markets	Explore new markets
Autotec Tester	Test and repair tool for Autotec tools	Completed	Improve service level and market position	Improve service level and market position
New drawer	Easier drawer manufacturing	Not completed	More efficient production	Reduce manufacturing costs, improve quality
New slide rail	Bring drawer slide rail in-house	Not completed	Reduce costs, ensure reliable delivery	Improve delivery reliability and assurance
New cabinet body for garage equipment	Provide customer solution	Not completed	Richer product range	Increase sales
Cable management solution for electric height-adjustable desks	Product line expansion to meet customer needs	Completed	Increase customer value, increase sales	Sales growth
Lighting fixtures	Bring lighting in-house	Completed	Reliable supply chain	Reliable delivery, better quality

APS-Dock	Reduce complexity, decrease variants, simplify overall installation planning	Not completed	Increase customer acceptance	Increase sales
Healthcare carts	Complementary product to APOS	Not completed	Enter more markets	Increase sales
Roll-up door cabinet	Bring roll-up door cabinet in-house	Completed	Richer product range	Sales growth
Packaging service for customers who always buy the same shelf	Increase customer loyalty	Completed	Greater customer benefit, potential sales increase	Increase sales
RFID tag (integrated with GS system)	Develop RFID tags in drawer cabinets	Not completed	Enter more markets	Increase sales
LECV3	Develop optimization based on previous two systems	Not completed	Good customer satisfaction, explore new markets	Sales growth
New E-Control software release	Follow-up version to E-Control	Not completed	Product improvement	Sell functional products
Electronic lock 2.0	New generation lock with improved features	Not completed	Product improvement	Increase sales
Development of test facility	Robot for continuous load testing of various products	Completed	Ensure product quality	Maintain good reputation
Various product concepts and research for Strategy 2030	Improve quality, achieve long-term sales growth	Not completed	Strengthen brand	Achieve long-term sales growth
New drawing	Drawers	Completed	Improve	Reduce

machine (OLMA)	manufactured by new machine (OLMA)		production efficiency	production costs, improve quality
Healthcare product series	Adapt various products to meet healthcare and chemical industry requirements	Completed	Enter more markets	Increase sales
Improve R&D testing capabilities	Robot for continuous load testing of various Lista products	Completed	Ensure product quality	Maintain good reputation
Sheet metal joining technology	Introduce new joining technology in sheet metal field	Completed	New production equipment ordered, awaiting delivery and installation	Optimize and improve product series
Genesis	Develop new PCB for calipers	Not completed	Master this core technology	Master core technology
Vacuum cleaner with "multi-stage filtration system + electrostatic adsorption technology"	Improve product quality and performance	Completed	Add product features or improve performance	Expand product lines
Vacuum cleaner based on "cyclone separation technology" without dust bag	Improve product quality and performance	Completed	Add product features or improve performance	Expand product lines
Vacuum cleaner with "vortex suppression + streamlined airflow channel" technology	Improve product quality and performance	Completed	Add product features or improve performance	Expand product lines

Vacuum cleaner using 3D LiDAR for intelligent navigation and path planning	Improve product quality and performance	Completed	Add product features or improve performance	Expand product lines
Vacuum cleaner using nano polypropylene fiber new-structure dust bag	Improve product quality and performance	Completed	Add product features or improve performance	Expand product lines
Rechargeable mobile modular lighting equipment	Improve product quality and performance	Not completed	Add product features or improve performance	Expand product lines
Foldable multifunctional outdoor lamp	Improve product quality and performance	Not completed	Add product features or improve performance	Expand product lines
Development and industrialization of 12V/20V lithium battery pack process	Increase efficiency	Not completed	Improve labor productivity	Improve production efficiency
Customization and introduction of automatic drill production line	Increase efficiency	Not completed	Improve labor productivity	Improve production efficiency
Sidoni project	Develop PCB for calipers	Completed	Reduce cost	Reduce production costs, improve quality

R&D Personnel

	2025	2024	Percentage of change
Number of R&D Personnel	1,157	1,100	5.18%
Proportion of R&D Personnel	7.64%	8.31%	-0.67%
Educational Background of R&D Personnel			

Bachelor's Degree	532	468	13. 68%
Master's Degree	47	36	30. 56%
Age Composition of R&D Personnel			
< 30	190	182	4. 40%
30-40	609	595	2. 35%

R&D Expenditure

	2025	2024	Percentage of change
Amount (RMB)	403,064,547.61	366,158,892.23	10.08%
Proportion of R&D Expenditure to Operating Revenue	2.75%	2.47%	0.28%
Capitalized R&D Expenditure Amount (RMB)	0.00	0.00	0.00%
Proportion of Capitalized R&D Expenditure to Total R&D Expenditure	0.00%	0.00%	0.00%

Reasons for and Impact of Major Changes in the Composition of the Company's R&D Personnel

□ Applicable ☑Not Applicable

Reasons for the Significant Changes in the Proportion of Total R&D Investment to Operating Revenue over the Previous Year

□ Applicable ☑ Not Applicable

Reasons for the Significant Changes in the Capitalization Rate of R&D Investment and Its Rationality

□ Applicable ☑ Not Applicable

5. Cash flow

Unit: RMB

Item	2025	2024	YoY increase or decrease
Subtotal of cash inflows from operating activities	15, 906, 587, 835. 16	15, 349, 898, 169. 24	3. 63%
Subtotal of cash outflows from operating activities	13, 596, 626, 615. 87	13, 609, 684, 059. 36	-0. 10%
Net cash flows from	2, 309, 961, 219. 29	1, 740, 214, 109. 88	32. 74%

operating activities			
Subtotal of cash inflows from investing activities	6, 099, 778, 272. 78	3, 893, 510, 516. 27	56. 67%
Subtotal of cash outflows from investing activities	7, 341, 355, 987. 35	4, 471, 429, 187. 02	64. 18%
Net cash flows from investing activities	-1, 241, 577, 714. 57	-577, 918, 670. 75	-114. 84%
Subtotal of cash inflows from financing activities	1, 409, 941, 469. 60	5, 205, 385, 823. 36	-72. 91%
Subtotal of cash outflows from financing activities	3, 994, 798, 027. 17	4, 847, 489, 304. 82	-17. 59%
Net cash flows from financing activities	-2, 584, 856, 557. 57	357, 896, 518. 54	-822. 24%
Net increase in cash and cash equivalents	-1, 511, 543, 084. 62	1, 580, 779, 365. 42	-195. 62%

Major Influence Factors for the Significant Year-on-Year Changes in Relevant Data

☑ Applicable □ Not Applicable

Net Cash Flow from Operating Activities increased by 32.74% year-on-year mainly due to the company's continued efforts to strengthen the management of customer accounts receivable collection and effectively improve accounts payable management during the current period, both in combination resulting into the increase in net operating cash flow.
Net Cash Flow from Investment Activities decreased by 113.64% year-on-year mainly due to the increase in capital investment in Southeast Asia production base in the current period over the previous period, as well as the large-amount expenditures on the purchase of TESA and CORGAP in the previous period.
Net Cash Flow from Financing Activities decreased by 823.66% year-on-year mainly due to the repayment of debt financing and the distribution of dividends in the current period.

Reasons for the Significant Difference between the Net Cash Flow from Operating Activities of the Company during the Reporting Period and the Net Profit of the Current Year

□ Applicable ☑ Not Applicable

V. Analysis of Main Businesses

□ Applicable ☑ Not Applicable

VI. Assets and Liabilities

1. Significant changes in the composition of assets

Unit: RMB

	End of 2025		Early 2025		Proportion change	Explanation of significant change
	Amount	% in total assets	Amount	% in total assets		

Cash and bank balances	5, 285, 542, 062. 99	22. 37%	6, 852, 110, 987. 40	29. 66%	-7. 29%	
Accounts receivable	3, 031, 728, 191. 68	12. 83%	3, 166, 431, 539. 36	13. 70%	-0. 87%	
Contract assets	0. 00	0. 00%	0. 00	0. 00%	0. 00%	
Inventories	3, 223, 583, 403. 95	13. 64%	3, 005, 193, 720. 21	13. 01%	0. 63%	
Investment property	107, 454, 651. 08	0. 45%	112, 388, 354. 73	0. 49%	-0. 04%	
Long-term equity investments	4, 018, 678, 654. 50	17. 01%	3, 485, 769, 642. 85	15. 09%	1. 92%	
Fixed assets	2, 359, 033, 146. 84	9. 99%	1, 901, 663, 424. 38	8. 23%	1. 76%	
Construction in progress	233, 077, 109. 12	0. 99%	230, 519, 711. 33	1. 00%	-0. 01%	
Right-of-use assets	308, 505, 567. 58	1. 31%	339, 969, 350. 42	1. 47%	-0. 16%	
Short-term borrowings	1, 280, 065, 456. 36	5. 42%	3, 244, 951, 208. 83	14. 04%	-8. 62%	
Contract liabilities	141, 176, 439. 00	0. 60%	106, 017, 720. 45	0. 46%	0. 14%	
Long-term borrowings	0. 00	0. 00%	0. 00	0. 00%	0. 00%	
Lease liabilities	246, 547, 442. 58	1. 04%	274, 350, 587. 68	1. 19%	-0. 15%	

High 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% equity in Bea Gmbh	Equity acquisition	RMB 220.4312 million	Germany	Power Tools Manufacturing and Sales	Financial supervision, entrusted to external auditor	Profitable	1.15%	No
100% equity in Geelong (Thailand) Co., Ltd	Established	RMB 571.2502 million	Thailand	Cabinet Manufacturing	Financial supervision, entrusted to external auditor	Profitable	2.98%	No
100% equity in Arrow Fasterner Co., LLC	Equity acquisition	RMB 479.4935 million	The US	Power Tools Manufacturing and Sales	Financial supervision, entrusted to external auditor	Loss	2.50%	No
100% equity in Greatstar Industrial Vietnam Company Limited	Established	RMB 797.62	Vietnam	Handtools manufacture and sale	Financial supervision, entrusted to external auditor	Profitable	4.17%	No

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. Held-for-trading financial assets	4, 235, 862. 82	17, 625. 53			5, 861, 864, 658. 14	5, 811, 341, 599. 86	302, 657. 52	55, 079, 204. 15

(excluding derivative financial assets)								
2. Derivative financial assets	1,177,261.44					1,177,261.44		0.00
4. Investment in other equity instruments	12,600,000.00							12,600,000.00
5. Other Non-current Financial Assets					78,336,000.00			78,336,000.00
Financial assets subtotal	18,013,124.26	17,625.53			5,940,200,658.14	5,812,518,861.30	302,657.52	146,015,204.15
Above total	18,013,124.26	17,625.53			5,940,200,658.14	5,812,518,861.30	302,657.52	146,015,204.15
Financial liabilities	0.00	249,661.65					6,026.04	255,687.69

Other changes

Other variances attributable to exchange rate fluctuations and M&A activity.

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

Item	Closing book balance	Book value at the end of the period	Types of restrictions	Reason for restriction
Cash and bank balances	201,200,000.00	201,200,000.00	Pledge	Guarantee deposit for bank acceptance
Cash and bank balances	17,499,793.14	17,499,793.14	Pledge	Deposits for letter of credit

Cash and bank balances	3, 514, 400. 00	3, 514, 400. 00	Pledge	Deposits for credit card
Cash and bank balances	1, 483, 076. 80	1, 483, 076. 80	Pledge	Deposits for lease
Cash and bank balances	4, 920, 762. 65	4, 920, 762. 65	Pledge	Deposits for customs duty guarantee
Cash and bank balances	3, 452, 000. 00	3, 452, 000. 00	Pledge	Deposits for construction guarantee
Cash and bank balances	200, 000. 00	200, 000. 00	Frozen	Litigation guarantee deposits
Cash and bank balances	56, 000. 00	56, 000. 00	Pledge	Deposits for ETC
Fixed assets	40, 901, 325. 49	22, 278, 766. 05	Mortgaged	Bank acceptance bill mortgage
Intangible assets	3, 198, 505. 51	1, 854, 723. 26	Mortgaged	Bank acceptance bill mortgage
Total	276, 425, 863. 59	256, 459, 521. 90		

VII. Analysis of Investment

1. Overview

☑ Applicable □ Not Applicable

Investment amount in the reporting period (RMB)	Investment amount in the same period of the previous year (RMB)	Changes
2, 018, 303, 724. 96	1, 171, 853, 727. 25	72. 23%

2. Major equity investment acquired during the reporting period

□ Applicable ☑ Not Applicable

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

☑ Applicable □ Not Applicable

Unit: RMB

Project	Investment	Fixed asset	Industry	Investment	The cumul	Source of	Project	Expected	Accumulat	Reasons for	Disclosure	Disclosure

Name	method	investment or not	involved in investment project	during the reporting period	ative actual investment amount as of the end of the reporting period	funds	progress	returns	ed earnings realized as of the end of the reporting period	not meeting planned progress and expected returns	date (if any)	index (if any)
Phase III Plant Construction Project of Vietnam Intelligent Co., Ltd.	Self-built	Yes	Hand Tool Manufacturing	117,211,427.97	264,433,284.14	Funds raised and own funds	98.92%	0.00	0.00	/		
Phase IV Plant Construction Project of Great Star Vietnam Co., Ltd.	Self-built	Yes	Hand Tool Manufacturing	165,878,697.61	165,878,697.61	Own funds	58.51%	0.00	0.00	/		
Industrial Housing Project of Great Star Energy Co., Ltd.	Self-built	Yes	Battery Manufacturing	50,992,024.06	117,882,066.45	Funds raised and own funds	88.98%	0.00	0.00	/		

Total Amount	--	--	--	117,211,427.97	264,433,284.14	--	--	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 purposes 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 current period	Cumulative fair value changes recognized in equity	Purchase amount in the reporting period	Sales amount in the reporting period	Closing amount	Proportion of the closing amount in the Company's net assets at the end of the reporting period
Foreign exchange derivatives	236,146.53	25,058.16	-24.97	0	568,650.05	588,548.76	4,785.31	0.25%
Total Amount	236,146.53	25,058.16	-24.97	0	568,650.05	588,548.76	4,785.31	0.25%
Significant changes in the accounting policies and specific accounting principles of hedging business during the	Unchanged							

reporting period compared to the same period in the previous year	
Actual gains or losses during the reporting period	The investment income related to derivative investments recognized during the reporting period amounted to RMB 269,454.43, unrealised fair-value variance during the reporting period amounted to RMB -249,661.65.
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 estimated foreign currency receipts and target cost exchange rates. The contracted settlement amounts matched estimated 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. 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, the analysis of the fair values of derivatives shall disclose the specific method used and the setting of relevant assumptions and parameters	N/A
Whether it is involved in litigation (if applicable)	N/A
Date of announcement of the Board Meeting to approve investment in derivatives (if any)	April 22, 2025

Date of announcement of the Shareholders' Meeting to approve investment in derivatives (if any)	April 22, 2025

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.

VIII. Sale of Major Assets and Equity Interests

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 Joint-Stock 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 revenue	Operating profit	Net profit
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Equity participation company	Service	3,500,000,000.00	54,119,861,799.81	25,934,776,308.07	44,956,230,268.68	4,169,143,138.88	4,034,362,832.71

Acquisition and disposal information of subsidiaries during the reporting period

☑ Applicable □ Not Applicable

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

	the reporting period	
Hangzhou BeA Machinery Equipment Manufacturing Co., Ltd.	Established	No material impact on the Company's overall production, operations, and performance for the period
GSSG Industrial Pte. Ltd.	Established	
GSMA International Sdn. Bhd.	Established	
GSTH Co., Ltd.	Established	
GSME S.de R.L. de C.V.	Established	
Hangzhou Nano IC Technologies Co., Ltd.	M&A	
Expanse Microelectronics (Shanghai) Co., Ltd	M&A	
HongKong Nano IC Technologies Co., Ltd.	M&A	
Yuanhaoxin Microelectronics (Chengdu) Co., Ltd.	Established	
Hangzhou Lianhe Tools Manufacturing Co., Ltd.	Cancelled	
Hangzhou Lianhe Electric Manufacturing Co., Ltd.	Cancelled	

Description of major holding and equity participation companies

None

X. Structured Entities Controlled by the Company

□ Applicable ☑Not Applicable

XI. Outlook for the Company's Future Development

(I) Development Strategy

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. Meanwhile, through M&R, it will fully develop non-hand tools including power tools and outdoor gear.

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. Thanks to its supply chain network and Chinese engineers, the Company will dominate the current global division of tools industry, enhance its leading position in 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 will deepen 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 2026, the Company will endeavor to achieve a growth exceeding 10% 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 US is currently the largest single market of the Company. Following the U.S. Supreme Court’s ruling that the extensive tariff measures implemented by the U.S. government under the International Emergency Economic Powers Act (IEEPA) were illegal, the U.S. government imposed new tariffs globally, which resulted in additional tariffs to products exported by the Company to the United States from China and Southeast Asia, introducing adverse impacts and uncertainties on 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 revenue 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 revenue. 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 is well placed to negotiate with its outsourced upstream manufacturers, its profitability may still be affected 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 the Reporting Period

☑ Applicable □ Not Applicable

Reception date	Reception venue	Reception method	Type of reception	Reception object	Main topics discussed and information	Index of basic research

			object		provided	situation
April 3, 2025	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Online communication via network platforms	Institutions	Over 200 institutions	Impact of "reciprocal tariffs" on the Company and the countermeasures of the Company	Registration Form for Investor Relations Activities (No.: [2025] No. 001)
April 23, 2025	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Institutions, individuals	Institutional and individual investors who participated in telephone consultations	The annual business operations and future development strategies of the Company in 2024	N/A
April 24, 2025	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Institutions, individuals	Institutional and individual investors who participated in telephone consultations	The annual business operations and future development strategies of the Company in 2024	N/A
April 25, 2025	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Online communication via network platforms	Individual, institution	Investors who participated in the 2024 Online Performance Briefing of the Company via the Value Online website or mini-program	The annual business operations and future development strategies of the Company in 2024	Registration Form for Investor Relations Activities (No.: [2025] No. 002)
April 30, 2025	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Individual, institution	Institutional and individual investors who participated in telephone consultations	The business operations of the Company in Q1 2025	N/A
August 27, 2025	No. 35, Jiuhuan Road, Shangcheng District,	Telephone communication	Institutions, individuals	Institutional and individual investors who participated	Operational Performance in H1 2025	N/A

	Hangzhou			in telephone consultations		
August 28, 2025	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Institutions, individuals	Institutional and individual investors who participated in telephone consultations	Operational Performance in H1 2025	N/A
October 31, 2025	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Others	Institutional and individual investors who participated in telephone consultations	Operational Performance in Q1-Q3 2025	N/A

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

Whether the Company disclosed the implementation of the "Quality and Returns Enhancement" action plan.

Yes □ No

To safeguard investors' interests, boost their confidence, and promote sustainable development, the Company formulated the "Quality and Returns Enhancement" Action Plan, with a focus on core and long-term competitiveness, governance optimization, and investor satisfaction. For more details, please refer to the *Quality and Returns Enhancement Action Plan* (Announcement No. 2024-041) disclosed on August 30, 2024 at www.cninfo.com.cn. Additionally, the Company disclosed the *Progress Report on Quality & Returns Enhancement Action Plan* (Announcement No. 2025-013) on April 22, 2025 and the *Progress Report on Quality & Returns Enhancement Action Plan* (Announcement No. 2025-014) on Apri 29, 2026.

Section IV Environmental, Social and Governance

(I) Corporate Governance

During the Reporting Period, the Company, in strict compliance with 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. By the end of the Reporting Period, the corporate government of the Company in effect basically met the requirements of the relevant listed company governance documents issued by the China Securities Regulatory Commission.

(I) Shareholders and general 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, namely 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*, exercises its powers and functions in accordance with the law. All directors attended board meetings and shareholders' meetings on time and fulfilled their duties honestly, faithfully, diligently, and responsibly.

(IV) Relationship between the 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 controlling shareholders have regulated their behaviors, exercise shareholders' rights through general meetings, assume corresponding obligations, and avoid, directly or indirectly, interfering with the Company's decision-making and business activities beyond the general meetings, thereby safeguarding the legitimate rights and interests of the Company and other shareholders.

(IV) Performance Evaluation and Incentive Mechanisms

The Company has established a comprehensive performance evaluation mechanism, and the appointment of senior executives t is open, transparent, and in compliance with relevant laws, regulations, and internal company rules and regulations. The Company has established a performance evaluation system linking employees' income to their job performance. In the future, the Company will explore more forms of incentive mechanisms, establish a multi-level integrated 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 safeguards the legitimate rights and interests of related stakeholders, effectively balances the interests among shareholders, employees, society, and other parties, emphasizes the fulfillment of social responsibilities, and promotes the Company's sustainable and healthy development.

(IV) 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* 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 refine the internal rules and regulations of corporate governance, strengthen standardized operations, and promote sustained and stable development in accordance with the *Code of Corporate Governance of Listed Companies* and *Stock Listing Rules of the Shenzhen Stock Exchange*. Whether there is any 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

Whether there is any 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

None.

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

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

The Company's personnel, human resources, and salaries are entirely independent. Senior executives, 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 any controlling shareholder or their subsidiaries other than as director or supervisor.

(III) Integrity of 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 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. No controlling shareholder influences 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 conducts 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. Directors and Senior Executives

1 General Information

Name	Gender	Age	Title	Status	Commencement date of term	Termination date of term	Number of shares held at the beginning of the perio	Number of additional shares held during the perio	Number of reduced shares held during the perio	Other changes in shareholding	Number of shares held at the end of the period	Reason for change in shareholding

							d	d	d			
Qiu Jianping	Male	64	Chairman	Incumbent	June 16, 2008	September 10, 2026	46,015,258	400,000	0	0	46,415,258	Overweight at the secondary market
Chi Xiaoheng	Female	51	Vice Chairman and President	Incumbent	June 16, 2008	September 10, 2026	729,950	5,000	130,000	0	604,950	Overweight & underweight at the secondary market
Wang Lingling	Female	64	Director and Vice President	Incumbent	June 16, 2008	September 10, 2026	12,950,960	0	0	0	12,950,960	
Li Zheng	Male	66	Director and Vice President	Incumbent	June 16, 2008	September 10, 2026	676,470	0	169,000	0	507,470	Underweight at the secondary market
Xu Zheng	Female	42	Employee Representative Director	Incumbent	June 4, 2025	September 10, 2026	0	0	0	0	0	
Xu Zheng	Female	42	Director	Departing	June 16, 2008	June 4, 2025	0	0	0	0	0	
Qiu Fei	Female	36	Director	Incumbent	May 31, 2024	September 10, 2026	0	0	0	0	0	

Wang Gang	Male	50	Independent Director	Incumbent	August 31, 2020	September 10, 2026	0	0	0	0	0	
Chen Zhimin	Female	65	Independent Director	Incumbent	August 31, 2020	September 10, 2026	0	0	0	0	0	
Shi Hong	Female	62	Independent Director	Incumbent	August 31, 2020	September 10, 2026	0	0	0	0	0	
Ni Shuyi	Female	49	Chief Financial Officer	Incumbent	June 16, 2008	September 10, 2026	0	0	0	0	0	
Wang Min	Male	54	Vice president	Incumbent	June 16, 2008	September 10, 2026	760,200	0	0	0	760,200	
Li Feng	Male	51	Vice president	Incumbent	June 16, 2008	September 10, 2026	853,277	0	213,300	0	639,977	Underweight at the secondary market
Zhou Siyuan	Male	39	Board Secretary, Vice President	Incumbent	January 23, 2018	September 10, 2025	500,000	0	125,000	0	375,000	Underweight at the secondary market
Jiang Saiping	Female	54	Vice president	Incumbent	May 10, 2022	September 10, 2026	0	0	0	0	0	
Zhang	Female	46	Vice presid	Incumbent	January 27 ,	September	2,900	0	0	0	2,900	

Mao			ent		2022	10, 2026						
Zhou Yiqiong	Female	54	Vice president	Incumbent	September 11, 2023	September 10, 2026	0	0	0	0	0	
Li Jingjian	Male	55	Vice president	Incumbent	10/11/2024	September 10, 2026	2	0	0	0	2	
Zhang Xiaosong	Male	60	Vice president	Incumbent	June 4, 2025	September 10, 2026	0	0	0	0	0	
Pan Guorong	Male	59	Vice president	Incumbent	11/25/2025	September 10, 2026	0	0	0	0	0	
Tang Feng	Male	50	Vice president	Incumbent	11/25/2025	September 10, 2026	0	0	0	0	0	
Xia Yong	Male	40	Vice president	Incumbent	11/25/2025	September 10, 2026	0	0	0	0	0	
Total Amount	--	--	--	--	--	--	62,489,017	405,000	637,300	0	62,256,717	--

Whether there was any departure of director or senior executive during their term within the Reporting Period

□ Yes ☑No

changes in the Company's directors and senior executives

☑ Applicable □ Not Applicable

Name	Position	Type	Date	Reason
Zhang Xiaosong	Vice president	Appointment	June 4, 2025	Job Transfer
Pan Guorong	Vice president	Appointment	11/25/2025	Job Transfer
Tang Feng	Vice president	Appointment	11/25/2025	Job Transfer
Xia Yong	Vice president	Appointment	11/25/2025	Job Transfer

Xu Zheng	Employee Representative Director	Elected	June 4, 2025	Job Transfer

Employment

Professional background, key work experience, and main responsibilities in the Company of the current directors, supervisors, and senior executives

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. From May 2021 to present, he served as Director 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 June 2020 to January 2021, she served as the Vice Chairman and Vice President of the Company. From May 2021 to present, she served 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 been serving as the Chairman's Secretary of GreatStar Holding Group Co., Ltd. Since 2011, she has been serving as a director of Hangcha Group Co., Ltd. From 2008 to June 2025, she served as a director of the Company. Since June 2025, she has been serving as Employee Representative of the Company.

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 GreatStar Holding Group Co., Ltd.; from October 2023 to present, she served as General Manager of GreatStar 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. Since August 2020, he has been serving as an independent director of the Company.

2. Other senior executives

Mr. Zhou Siyuan, Board Secretary 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. She 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. Since 2008, he has been serving as Vice President of the Company , 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 January2022, she served as Senior Director of International E-commerce at Hangzhou GreatStar 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 with no permanent residency abroad, holds 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.

Mr. Zhang Xiaosong, Vice President of the Company, born in July 1966, holds Chinese nationality with no permanent residency abroad, holds a college degree. From March 2013 to February 2025, he served as the director of the Light Industrial Products Service Division (Chinese Mainland and Hong Kong) of SGS-CSTC Standards Technical Services Co., Ltd. Since February 2025, he has been serving as Vice President of the Company, responsible for the Company’s Quality Control Center.

Mr. Pan Guorong, Vice President of the Company, born in October 1966, holds Chinese nationality with no permanent residency abroad, holds a college degree. From May 2003 to July 2023, he served as General Manager of Hangzhou United Electrical Manufacturing Co., Ltd., a subsidiary of the Company. From July 2023 to August 2025, he served as General Manager of the Manufacturing Department at the Company's Vietnam Base. Since August 2025, he has been serving as General Manager of the Company's Vietnam Base. Since November 2205, he has been serving as the Vice President of the Company.

Mr. Tang Feng, Vice President of the Company, born in August 1975, holds Chinese nationality with no permanent residency abroad, holds a Bachelor's Degree. From 2015 to November 2025, he served as Director of the Export Sales Department of the Company. Since November 2025, he has been serving as Vice President of the Company.

Mr. Xia Yong, Vice President of the Company, born in September 1985, holds Chinese nationality with no permanent residency abroad. From May 2010 to June 2021, he served as Senior Sales Manager of the Company.

From June 2021 to September 2023, he served as Senior Deputy General Manager of Zhongshan Jilong Industrial Co., Ltd., a subsidiary of the Company. Since October 2023, he has been serving as General Manager of Zhongshan Jilong Industrial Co., Ltd. Since November 2205, he has been serving as the Vice President of the Company.

Concurrent employment of controlling shareholder and actual controller as both the chairman and general manager of the listed company

□ Applicable ☑ Not Applicable

Employment at shareholders

☑ Applicable □ Not Applicable

Name of the person holding the position	Name of the shareholder	Position held at the shareholder	Commencement date of term	Termination date of term	Whether remuneration and allowances are received from the shareholder
Qiu Jianping	GreatStar Holding Group Co., Ltd.	Chairman	August 10, 2009		No
Wang Lingling	GreatStar Holding Group Co., Ltd.	Vice chairman	January 10, 2020		No
Li Zheng	GreatStar Holding Group Co., Ltd.	Director	August 10, 2009		No
Chi Xiaoheng	GreatStar Holding Group Co., Ltd.	Director	August 10, 2009		No
Xu Zheng	GreatStar Holding Group Co., Ltd.	Supervisor	10/16/2023		Yes
Qiu Fei	GreatStar Holding Group Co., Ltd.	Chairman and General Manager	10/16/2023		Yes
Notes to the employment at the shareholder	None				

Employment at other entities

☑ Applicable □ Not Applicable

Name of the person holding the position	Name of the other entity	Position held at the other entity	Commencement date of term	Termination date of term	Whether remuneration and allowances are received

					from the other entity
Qiu Jianping	Zhejiang Hangcha Holding Co., Ltd.	Chairman and General Manager	February 02,2011		No
Qiu Jianping	Hangcha Group Co., Ltd.	Director	February 02, 2011		No
Qiu Jianping	Zhejiang Zhongtai GreatStar Real Estate Co., Ltd.	Director	May 10, 2005		No
Qiu Jianping	Hangzhou GreatStar Industrial Co., Ltd.	Executive Director	March 19, 2011		No
Qiu Jianping	Hangzhou GreatStar Precision Machinery Co., Ltd.	Chairman	12/30/2006		No
Qiu Jianping	SMART SILVER LIMITED	Director	January 20, 2011		No
Qiu Jianping	Deer Jet (Hong Kong) Business Jet Management Limited	Director	January 20, 2011		No
Qiu Jianping	Bright Winner Limited	Director	January 20, 2011		No
Qiu Jianping	Billion Glory Limited	Director	January 20, 2011		No
Qiu Jianping	Grand Rich Limited	Director	January 20, 2011		No
Qiu Jianping	Huge Sino Manufactory Limited	Executive Director	June 20, 2013		No
Qiu Jianping	Hong Kong Golden Harvest Investment Co., Limited	Director	January 20, 2011		No

Qiu Jianping	Xinjiang Lianhe Investment Limited Partnership Enterprise	Executive Partner	January 10, 2012		No
Qiu Jianping	Pacific Gain Limited	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	Director	November 8, 2017		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 Wenxing Enterprise Management Partnership (Limited Partnership)	Executive Partner	January 7, 2021		No
Qiu Jianping	Hangzhou Chaoyang Risheng Enterprise Management Partnership (Limited	Executive Partner	January 7, 2021		No

	Partnership)				
Qiu Jianping	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Chairman	April 17, 2019		No
Qiu Jianping	Zhejiang Xinchai Co., Ltd.	Director	12/26/2019		No
Qiu Jianping	Zhongce Rubber Group Co., Ltd.	Director	September 1, 2021		No
Wang Lingling	Hangzhou GreatStar 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 GreatStar Real Estate Co., Ltd.	Supervisor	March 11, 2011		No
Wang Lingling	Zhejiang Hangcha Holding Co., Ltd.	Director	January 27, 2012		No
Wang Lingling	Hangzhou GreatStar 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 GreatStar Precision	Director	September 20, 2011		No

	Machinery Co., Ltd.				
Xu Zheng	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Supervisor	April 21, 2019		No
Xu Zheng	Zhejiang Hangcha Holding Co., Ltd.	Supervisor	January 27, 2012		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	Hangcha Group Co., Ltd.	Director	September 8, 2025		No
Qiu Fei	Zhejiang Hangcha Holding Co., Ltd.	Director	January 11, 2019		No
Qiu Fei	Hangzhou GreatStar Precision Machinery Co., Ltd.	General Manager	March 02, 2020		No
Qiu Fei	Hangzhou Lujing Culture and Creativity Co., Ltd.	Manager	April 26, 2020		No
Qiu Fei	Hangzhou GreatStar Industrial Co., Ltd.	Manager	February 17, 2022		No
Qiu Fei	GH Optics (Jiangsu) Co.,	Director	May 14, 2021		No

	Ltd.				
Qiu Fei	Hangzhou Quanlin Investment Partnership (Limited Partnership)	Executive Partner	11/16/2015		No
Qiu Fei	Hangzhou Nano IC Technologies Co., Ltd.	Director	August 05, 2025		No
Qiu Fei	Zhongce Rubber Group Co., Ltd.	Director	September 1, 2021		No
Qiu Fei	Zhejiang Xinchai Co., Ltd.	Director	January 17, 2024		No
Qiu Fei	Quanlin Limited Liability Company	Director	August 08, 2019		No
Qiu Fei	Hangzhou Jinsong Euna Electric Appliance Co., Ltd.	Vice chairman	11/13/2025		No
Wang Gang	Hangzhou Robam Electrical Appliance Co., Ltd.	Board Secretary, Director	June 01, 2008		Yes
Wang Gang	Hangzhou Nbond Nonwovens Co., Ltd.	Director	11/27/2019		No
Wang Gang	De Dietrich Household Appliances (Shanghai) Trading Co., Ltd.	Director	June 25, 2012		No
Wang Gang	Hangzhou Fortune Gas Cryogenic Group Co., Ltd.	Director	August 26, 2015		No

Wang Gang	Hangzhou XZB Tech Co., Ltd.	Independent Director	12/28/2022		Yes
Wang Gang	De Dietrich Trading (Shanghai) Co., Ltd.	Director	June 16, 2016		No
Wang Gang	Hangzhou G&G Tourism Supplies Co., Ltd.	Director	10/25/2017		No
Wang Gang	Shanghai MXCHIP Information Technology Co., Ltd.	Supervisor	11/14/2017		No
Wang Gang	Hangzhou Laoban Fuchuang Investment Management Co., Ltd.	Supervisor	May 07, 2018		No
Wang Gang	Shengzhou Kinde Intelligent Kitchen Electric Appliance Co., Ltd.	Director	July 13, 2018		No
Wang Gang	Versolsolar Hangzhou Co., Ltd.	Director	April 13, 2021		No
Wang Gang	Ningbo Qingfeng Investment Co., Ltd.	Director	12/25/2017		No
Chen Zhimin	Tongkun Group Co., Ltd.	Independent Director	June 22, 2020		
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., Ltd.	Supervisor	May 14, 2021		No
Zhou Siyuan	Hangzhou Nano IC Technologies Co., Ltd.	Director	March 3, 2017		No
Zhou Siyuan	Hangzhou Oak Private Equity Fund Management Co., Ltd.	Supervisor	March 16, 2018		No
Zhou Siyuan	Hangzhou Xihu Tiandi Property Co., Ltd.	Director	May 13, 2011		No
Zhou Siyuan	Zhejiang United Investment Co., Ltd.	Director	10/13/2025		No
Zhou Siyuan	Hangzhou Jinsong Euna Electric Appliance Co., Ltd.	Director	11/13/2025		No
Zhou Siyuan	Silk Road Fund Co., Ltd.	Director	11/26/2025		No
Note on positions with other organizations	None				

Penalties to current directors, supervisors and senior managers or those who departed during the Reporting Period by securities regulatory authorities in the past three years

□ Applicable ☑ Not Applicable

IV. Remuneration of Directors and Senior Executives

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

1. Decision-making process for the remuneration of directors and senior executives

The remuneration scheme for the directors is proposed by the Remuneration and Evaluation Committee, and reviewed and approved by the Board of Directors and the General Meeting. The remuneration scheme for the Company's Senior Executives is proposed by the Remuneration and Evaluation Committee, and reviewed and approved by the Board of Directors.

2. Basis for determination of remuneration for directors and senior executives

Non-independent directors holding positions in the Company receive post-based remuneration, while independent directors receive allowances, the amount of which is approved by the General Meeting. The remuneration of Senior Executives consists of basic salary and performance-based salary. The basic remuneration is mainly determined based on factors such as position, responsibilities, capabilities, and market salary, not subject to assessment and paid on a monthly basis. The performance-based remuneration is determined based on comprehensive assessment results including individual performance and the Company's annual target accomplishment, paid by each assessment cycle.

Remuneration of Directors and Senior Management of the Company during the Reporting Period

Unit: ten thousand RMB

Name	Gender	Age	Title	Status	Total Pre-tax Remuneration Received from the Company	Whether Remuneration is Received from Related Parties of the Company
Qiu Jianping	Male	64	Chairman	Incumbent	62.57	No
Chi Xiaoheng	Female	51	Vice Chairman and President	Incumbent	242	No
Wang Lingling	Female	64	Director and Vice President	Incumbent	40.67	No
Li Zheng	Male	66	Director and Vice President	Incumbent	162	No
Xu Zheng	Female	42	Employee Representative Director	Incumbent	30.14	No
Qiu Fei	Female	36	Director	Incumbent	0	Yes
Wang Gang	Male	50	Independent Director	Incumbent	10	No
Chen Zhimin	Female	65	Independent Director	Incumbent	10	No
Shi Hong	Female	62	Independent Director	Incumbent	10	No

Ni Shuyi	Female	49	Chief Financial Officer	Incumbent	118	No
Wang Min	Male	54	Vice president	Incumbent	133	No
Li Feng	Male	51	Vice president	Incumbent	228	No
Zhou Siyuan	Male	39	Vice President, Secretary of the Board of Directors	Incumbent	118	No
Jiang Saiping	Female	54	Vice president	Incumbent	132	No
Zhang Mao	Female	46	Vice president	Incumbent	128	No
Zhou Yiqiong	Female	54	Vice president	Incumbent	100	No
Li Jingjian	Male	55	Vice president	Incumbent	98	No
Zhang Xiaosong	Male	60	Vice president	Incumbent	108.9	No
Pan Guorong	Male	59	Vice president	Incumbent	112.57	No
Tang Feng	Male	50	Vice president	Incumbent	78	No
Xia Yong	Male	40	Vice president	Incumbent	135	No
Total Amount	--	--	--	--	2,056.85	--

Assessment Basis for the Actual Remuneration Received by all Directors and Senior Executives by the End of the Reporting Period	Performance Appraisal Scheme for Directors and Senior Executives Formulated by the Remuneration and Appraisal Committee
Accomplishment of the Assessment for the Actual Remuneration Received by all Directors and Senior Executives by the End of the Reporting Period	The remuneration assessment work has been completed.

Deferred Payment Arrangements for the Actual Remuneration Received by all Directors and Senior Executives by the End of the Reporting Period	None
Suspension and Recovery of the Actual Remuneration Received by all Directors and Senior Executives by the End of the Reporting Period	None

Other Explanations

□ Applicable ☑ Not Applicable

V. Performance of Duties by Directors during the Reporting Period

1. 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 General Meetings of Shareholders							
Name of Director	Number of Board Meetings Required to be Present in the Reporting Period	Number of Board Meetings Present in Person	Number of Board Meetings Present via Communication	Number of Board Meetings Present by Proxy	Number of Board Meetings Absent	Whether the director failed to attend Board meetings in person for two consecutive times	Number of General Meetings Present
Qiu Jianping	9	9	0	0	0	No	2
Chi Xiaoheng	9	9	0	0	0	No	2
Wang Lingling	9	9	0	0	0	No	2
Li Zheng	9	9	0	0	0	No	2
Xu Zheng	9	9	0	0	0	No	2
Qiu Fei	9	9	0	0	0	No	2
Wang Gang	9	9	0	0	0	No	1
Chen Zhimin	9	9	0	0	0	No	2
Shi Hong	9	9	0	0	0	No	2

Explanation for failure to attend Board meetings in person for two consecutive times

None

2. Objection to Some Issues Raised by Directors

Whether the directors raised objections on matters related to the Company

□ Yes ☑No

No objections were raised by any director on any matter related to the Company during the Reporting Period.

3. Other Explanations on Performance of Duties by Directors

Whether proposals put forward by directors are adopted

☑Yes □ No

Explanation on adoption or non-adoption of proposals put forward by directors

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.

VI. Performance of Committees under the Board of Directors during the Reporting Period

Committee	Members	Number of meetings held	Date of convening	Content/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, Xu Zheng	1	April 17, 2025	*Proposal on the 2025 Annual Remuneration Scheme for the Directors of the Company* and the *Proposal on the 2025 Annual Remuneration Scheme for the Senior Executives of the Company* were reviewed and approved.			

Audit Committee	Wang Gang, Shi Hong, Chen Zhimin, Qiu Jianping, Xu Zheng	4	April 17, 2025	The following documents were deliberated and approved: *2024 Annual Report* (full text and summary), *2024 Annual Audit Report*, *2024 Financial Final Accounts Report*, *2024 Internal Control Self-Evaluation Report*, *Proposal on Renewing the Appointment of Tianjian Certified Public Accountants (Special General Partnership) as the Audit Institution for the Company in 2025*, *Proposal on the 2025 Estimated Daily Connected Transactions*, *Audit Work Summary of Audit Departmen*			

				t in 2024 and Audit Work Plan for 2025, *Report on the Deposit and Use of Raised Funds in 2024*, *Report of the Audit Committee on the Fulfillment of Supervisory Duties by the Accounting Firm in 2024*, *Proposal on Changes in Accounting Policies*, and *Proposal on Provision for Asset Impairment*.			
Audit Committee	Wang Gang, Shi Hong, Chen Zhimin, Qiu Jianping, Xu Zheng	4	April 29, 2025	The *2025 First Quarter Report* was deliberated and approved.			
Audit Committee	Wang Gang, Shi Hong, Chen Zhimin, Qiu Jianping, Xu Zheng	4	August 25, 2025	The full text and summary of the *2025 Semi-annual Report* and the *Proposal on the 2025 Interim Profit Distributio*			

				n Plan of the Company were reviewed and approved.			
Audit Committee	Wang Gang, Shi Hong, Chen Zhimin, Qiu Jianping, Xu Zheng	4	10/29/2025	The *2025 Third Quarter Report* was deliberated and approved.			
Nomination Committee	Shi Hong, Chen Zhimin, Chi Xiaoheng	2	June 4, 2025	The *Proposal on the Appointment of the Vice President of the Company* was deliberated and approved.			
Nomination Committee	Shi Hong, Chen Zhimin, Chi Xiaoheng	2	11/25/2025	The *Proposal on the Appointment of the Vice President of the Company* was deliberated and approved.			
Strategy and Development Committee	Qiu Jianping, Shi Hong, Chen Zhimin, Chi Xiaoheng, Li Zheng	1	July 14, 2025	The *Proposal on Equity Acquisition* was deliberated and approved.			

VII. Work of the Audit Committee

Whether the Audit Committee identified any risks in the Company during its supervision in the Reporting Period

□ Yes ☑No

The Audit Committee has no objection to the supervision matters in the reporting period.

VIII. Staffing

1. Number of Employees, Professional Composition and Educational Background

Number of active employees of the parent company at the end of the Reporting Period (person)	1, 530
Number of in-service employees of major subsidiaries at the end of the Reporting Period	12, 102
Number of in-service employees of major subsidiaries as of the end of the Reporting Period	13, 632
Number of employees receiving remuneration in the current period	13, 632
Number of retired employees for whom the parent company and major subsidiaries bear expenses	0
Professional Composition	
Processional Composition Category	Number of Employees by Profession
Production staff	9, 455
Sales staff	1, 320
Technical staff	1, 157
Financial staff	252
Administrative staff	1, 448
Total Amount	13, 632
Educational background	
Educational background category	Number
Master’s degree or above	237
University (including junior college)	3, 507
Senior high school (including secondary vocational school and technical school)	3, 773

Below senior high school	6, 115
Total Amount	13, 632

2. Remuneration Policy

The Company strictly follows the relevant provisions of the Labor Contract Law in managing employee payroll and ensures that payroll is paid in full and on time before the 20th day of each month. In 2024, average employee salary of the Company was higher than the average standard of Zhejiang Province in 2024. The Company paid employees' regular, weekend, and overtime wage in full as per relevant regulations and under 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 survey throughout the year. The salary calculation schemes fall into two categories. Front-line employees are subject to overtime work scheme, with hourly 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 Program

Employee training and development is one of the core modules of the human resource management strategy of the Company. In 2025, the training focused on three main priorities: Onboarding training for new employees, improvement of professional technical capabilities, and development of professional ethics. A total of 165 training sessions were completed throughout the year, covering 4,508 person-times, with a total training duration of 9,546 hours.
In terms of talent development, the Company focused on the selection and training of reserve talents for directors and managers, while launching the "Elite Training Camp" to enhance the management competence of core business backbones.

Looking ahead to 2026, the Company will continue to deepen organizational empowerment and talent development in line with the core strategies: 1) To optimize the Elite Training Camp program; 2) implement a special program for improving the leadership capabilities of managers; 3) strengthen the development of internal high-quality lecturers to satisfy the demand for business expansion.

4. Labor Outsourcing

□ Applicable √ Not Applicable

IX. 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

During the Reporting Period, the formulation and implementation of the Company's profit distribution plan conform to the *Notice on Further Implementation of Cash Dividends Distribution of Listed Companies* by the China Securities Regulatory Commission, the *No.3 Guideline for the Supervision of Listed Companies - Cash Dividend Distribution of Listed Companies*, the *Articles of Association*, the *Planning of Shareholders' Return for the Next Three Years (2024-2026)*, and relevant provisions. 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.

Notes on the cash dividend policy	
Whether it conforms to the provisions of the Company's Articles of Association or the requirements of the resolutions by the General Meeting	Yes
Whether the distribution standards and ratios are clear	Yes

and unambiguous	
Whether the relevant decision-making procedures and mechanisms are complete	Yes
Whether the independent directors perform their duties diligently and duly	Yes
Whether the Company discloses the reasons where no cash dividends is distributed and the measures are taken to enhance the returns for investors	N/A
Whether minority shareholders have sufficient opportunities to express their opinions and appeals, and their legitimate rights and interests are fully protected	Yes
Whether the conditions and procedures are compliant and transparent for any change or adjustment to the cash dividend policy	N/A

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

Number of bonus shares distributed for every 10 shares (shares)	0
Cash dividends distributed for every 10 shares (RMB) (including tax)	4
Base number of shares for the distribution plan (shares)	1194478182
Cash dividend amount (RMB) (including tax)	477,791,272.80
Cash dividend amount distributed by other means (e.g., share repurchase) (RMB)	0.00
Total cash dividend amount (including those distributed by other means) (RMB)	477,791,272.80
Distributable profits (RMB)	7,732,350,320.73
Percentage of total cash dividends (including those distributed by other means) to total profit distribution	100.00%
Information on the current cash dividend distribution	
Others	

Notes on profit distribution and the plan for the transfer of capital reserves into share capital
Audited by Pan-China Certified Public Accountants LLP (Special General Partnership), the Company (Parent Company) achieved a net profit of RMB 188,907,800 in 2025. Together with the remaining distributable profit from prior years of RMB 6,162,062,100, and after deduction of the cash dividend distribution of RMB 298,619,500 for 2025, the actual distributable profit available to shareholders amounts to RMB 7,732,350,300. (Note: Any discrepancy between the totals and the sum of individual components is resulted from rounding adjustments.) Based on the Company's development strategy and actual operating conditions, considering that cash dividends were already distributed during the interim period in 2025, the Company proposed a profit distribution plan for 2025: With the total share capital of 1,194,478,182 shares as of December 31, 2025 as the base, a cash dividend of RMB 4.00 per 10 shares (tax-inclusive) will be distributed to all shareholders, and an estimated total cash payout will be RMB 477,791,272.80. No bonus shares will be issued, and there will be no capital reserve to be converted into share capital. The remaining undistributed profits will be carried forward to the next year. As of December 31, 2025, the parent company has cumulatively appropriated RMB 927,192,284.33 as statutory surplus reserves, exceeding 50% of the registered capital. In accordance with the relevant provisions of the *Company Law* and the *Articles of Association*, no additional surplus reserves will be appropriated for the year 2025.

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

□ Applicable ☑ Not Applicable

During the reporting period, the Company did not implement any equity incentive plans, employee stock ownership plans, or other employee incentive measures.

XI. 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 continuously improved and refined its internal control system and mechanism in strict accordance with the provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Basic Internal Control Norms for Enterprises and other relevant laws, regulations, and normative documents. The Board of Directors conducted an annual self-assessment of the Company’s internal controls and disclosed the Internal Control Self-Assessment Report each year. Additionally, the Company engaged an accounting firm to conduct an internal control audit in accordance with the requirements of the Shenzhen Stock Exchange. In 2025, the Company abolished its Board of Supervisors in accordance with the provisions of the Company Law of the People's Republic of China, the Guidelines on the Bylaws of Listed Companies and other relevant regulations. The Audit Committee of the Board of Directors then exercised the functions and powers of the Board of Supervisors, as stipulated by the Company Law of the People's Republic of China and other applicable laws and regulations. Additional directors, who are employees' representatives, took office. The Company revised its Articles of Association and formulated the Management System for the Departure of Directors and Senior Managers. Meanwhile, the Company revised its Rules of Procedure for the Shareholders Meeting, Rules of Procedure for the Board of Directors Meeting, Working System for Independent Directors, Rules on Implementation for the Remuneration and Evaluation Committee, Rules on Implementation for the Strategic and Development Committee, Management System for the Departure of Directors and Senior Managers, Rules on Implementation for the Audit Committee, and Rules on Implementation for the Nomination Committee in accordance with the provisions of the Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange—the Standard Operation of Listed Companies on the Main Board, the Measures for the Administration of Independent Directors of Listed Companies, and other laws, regulations, and normative documents. Through these efforts, the company has continuously improved and enhanced its governance performance.

During the reporting period, the Company reported no material or significant deficiencies in its internal controls over financial and non-financial reporting. The Company maintained effective internal control over financial reporting in all material aspects in accordance with the provisions of its standard internal control system and other relevant regulations.

2. Material deficiencies in internal controls discovered during the reporting period

□ Yes ☑No

XII. Management and Control of Subsidiaries During the Reporting Period

Company name	Integration plan	Integration progress	Problems in integration	Solutions adopted	Progress of problem resolution	Follow-up solution plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Abnormalities in management and control of subsidiaries

□ Yes ☑No

XIII. Internal Control Evaluation Report or Internal Control Audit Report

1. Internal Control Evaluation Report

Date of full disclosure of the Internal Control Evaluation Report	April 29, 2026	
Index on full disclosure of the Internal Control Evaluation Report	2025 Internal Control Self-Assessment Report disclosed on cninfo (http://www.cninfo.com.cn)	
The proportion of total assets of the units covered by the evaluation to the total assets specified in the Company's consolidated financial statements	100.00%	
The proportion of operating revenue of the units covered by the evaluation to the operating revenue specified in the Company's consolidated financial statements	100.00%	
Deficiency Identification Standards		
Category	Financial reporting	Non-financial reporting
Qualitative evaluation standards	(1) Signs of material deficiencies in financial reporting shall include the following: i) Fraud by directors, supervisors, and senior managers; ii) Correction of material errors in financial reports that have been made public; iii) Material misstatements in the financial reports of the current period that	The following cases shall be identified as material deficiencies, while other cases may be determined as significant or general deficiencies based on the severity of impact. (1) Unreasonable enterprise decision-making processes; (2) Violation of national laws and regulations, such as those involving

	were discovered by the certified public accountant, but not by the Company's internal controls in operation; and iv) Ineffective supervision of internal controls by the audit committee and internal audit department. (2) Signs of significant deficiencies in financial reporting shall include the following: i) Failure to select and apply accounting policies in accordance with generally accepted accounting principles; ii) Failure to develop anti-fraud procedures and controls; and iii) Failure to develop corresponding control mechanisms for the accounting processes involving irregular or special transactions, or failure to develop and implement corresponding compensating controls. (3) Any deficiencies other than material or significant deficiencies shall be identified as general deficiencies.	environmental pollution; (3) Frequent loss of managerial or technical personnel; (4) Frequent negative news coverage by the media; (5) Failure to make corrections, particularly for material or significant deficiencies identified in internal control evaluations; and (6) Lack of institutional controls or systemic failure of controls over important business segments.
Quantitative evaluation standards	Internal control deficiencies that may lead to or have led to losses related to profits shall be measured in accordance with the impact on revenue. If such a deficiency, alone or in combination with other deficiencies, may lead to misstatements in financial reporting of less than 1% of the revenue, it shall be considered a general deficiency; if the resultant misstatements exceed 1% but are less than 3% of the revenue, it shall be considered a significant deficiency; if the resultant misstatements exceed 3% of the revenue, it shall be considered a material deficiency. Internal control deficiencies that may lead to or have led to losses related to asset management shall be measured in accordance with the impact on total assets. If such a deficiency, alone or in combination with other deficiencies, may lead to misstatements in financial reporting of less than 1% of the total assets, it shall be considered a general deficiency; if the resultant misstatements exceed 1% but are less than 3% of the total assets, it	(1) Material deficiency: causing direct property loss of RMB 10 million or more; (2) Significant deficiency: causing direct property loss of RMB 1 million to RMB 10 million (inclusive); (3) General deficiency: causing direct property loss of RMB 1 million (inclusive) or less.

	shall be considered a significant deficiency; if the resultant misstatements exceed 3% of the total assets, it shall be considered a material deficiency.	
Number of material deficiencies in financial reporting	0	
Number of material deficiencies in non-financial reporting	0	
Number of significant deficiencies in financial reporting	0	
Number of significant 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 GreatStar has maintained effective internal controls over financial reporting in all material aspects in accordance with the provisions of the Basic Internal Control Norms for Enterprises and other relevant regulations as of December 31, 2025.	
Disclosure of Internal Control Audit Report	Disclosed
Date of full disclosure of the Internal Control Audit Report	April 29, 2026
Type of opinion in the Internal Control Audit Report	Standard unqualified opinion
Existence of material deficiencies in non-financial reporting	No

Whether the accounting firm has issued a non-standard opinion in the Internal Control Audit Report

□ Yes ☑No

Whether the accounting firm's opinion in the Internal Control Audit Report is consistent with the opinion in the Self-Evaluation Report of the Board of Directors

☑Yes □ No

Whether a non-standard audit opinion is recorded in the Internal Control Audit Report for the reporting period or the previous year

□ Yes ☑No

XIV. Rectification of Issues Identified by Self-Inspection in the Special Campaign on Corporate Governance for Listed Companies

N/A

XV. Disclosure of Environmental Information

Whether the listed company and its major subsidiaries are included in the List of Enterprises Legally Required to Disclose Environmental Information

□ Yes ☑No

XVI. Social Responsibility

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

During the reporting period, the Company further strengthened the regulation of operations, established and improved its corporate governance structure, and ensured standard management for the convening, holding and deliberation procedures of the Shareholders Meeting, so as to secure shareholders' rights to be informed of, participate in and vote on the Company's major matters. The Company continuously improved its internal control system. It abolished the Board of Supervisors and revised or formulated the Rules of Procedure for the Shareholders Meeting, the Rules of Procedure for the Board of Directors Meeting, the Working System for Independent Directors, the Rules on Implementation for the Remuneration and Evaluation Committee, the Rules on Implementation for the Strategic and Development Committee, the Management System for the Departure of Directors and Senior Managers, the Rules on Implementation for the Audit Committee, the Rules on Implementation for the Nomination Committee and the Articles of Association in accordance with the provisions of relevant regulations. The Audit Committee of the Board of Directors exercised the functions and powers of the Board of Supervisors, as stipulated by the Company Law of the People's Republic of China and other applicable laws and regulations. Additional directors, who are employees' representatives, took office. It diligently fulfilled its information disclosure obligations, ensuring information disclosures were truthful, accurate, complete, timely and fair without selective disclosure. To protect the legal rights and interests of all shareholders, especially minority shareholders, the Company strictly implemented insider registration and confidentiality regulations, treated all shareholders and investors impartially, strengthened investor relations management, and ensured communication with investors through multiple channels such as the investor interaction platforms and hotlines.

(2) Protection of the rights and interests of employees

The Company adheres to a people-oriented approach and focuses on talent strategy in its development. In strict accordance with the provisions of the Labor Law of the People's Republic of China, the Law on the Protection of the Rights and Interests of Women and other relevant laws and regulations, the Company pays social insurance premiums for its employees on time, including pension, medical, unemployment, work injury, and maternity insurance, respects and protects the personal rights and interests of its employees, and attaches close attention to employee health, safety, and satisfaction. The company places great importance on talent cultivation, regularly organizing safety production training, basic skills training for various positions, and comprehensive quality training for managers. This allows employees to effectively enhance their overall professional qualities and comprehensive abilities beyond their current roles, facilitates mutual growth of employees and the Company, and fosters harmonious and stable labor relations.

(3) Protection of the rights and interests of suppliers, clients, and customers

The Company adheres to the principles of "honesty and trustworthiness, mutual benefit and reciprocity, and compliance" in its transactions and attaches great importance to communication and coordination with all relevant parties. It fully 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 prioritizes client interests, applies strict quality controls over products, continuously improves service quality, and always pays close attention to product safety, ensuring that the rights and interests of all parties are properly protected.

(4) Environmental protection

The Company attaches great importance to environmental protection efforts, treating it as a crucial task alongside energy conservation and emission reduction. During the reporting period, the Company carried out effective and comprehensive treatment of wastewater and exhaust gases in strict accordance with relevant environmental regulations and corresponding standards, with the wastewater and exhaust gas treatment facilities operating normally. To strengthen emission reduction management and pollution control, the Company conducts regular inspections and ensures that the environmental protection facilities work properly and that energy conservation and emission reduction efforts proceed smoothly.

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

During the reporting period, the Company did not participate in any activities specifically designed to consolidate and expand the achievements in poverty alleviation and rural revitalization.

Section V Significant Matters

I. Fulfillment of commitments

1. Commitments fulfilled by the Company, its actual controller, shareholders, related parties and acquirers, and other relevant parties during the reporting period, as well as those not yet fulfilled as of the end of the reporting period

☑ Applicable □ Not Applicable

Commitment	Commitment party	Commitment type	Commitment content	Commitment date	Commitment term	Fulfillment status
Commitments made upon asset restructuring	Qiu Jianping; Wang Lingling	To reduce and control related party transactions	1. The companies under my control and I 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 its position as the controlling	June 4, 2019	Perpetual	Being strictly fulfilled

			shareholder of the listed company. 3. If any related party transaction is indeed necessary and unavoidable, the Company and companies under its control will enter into agreements with the listed company in accordance with the principles of fairness, equity, 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 Articles of Association. The Company will ensure that transactions with the listed company will not be conducted			

			under terms that are evidently unfair compared to market prices, and will 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	GreatStar Group	To reduce and control related party transactions	1. The Company and 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 my position as the controlling shareholder of the listed company. 2. The Company will not seek preference in	June 4, 2019	Perpetual	Being strictly fulfilled

			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, the Company and companies under its control will enter into agreements with the listed company in accordance with the principles of fairness, equity, 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 Articles of Association.			

			The Company will ensure that transactions with the listed company will not be conducted under terms that are evidently unfair compared to market prices, and will 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	To avoid horizontal competition	1. I will not directly or indirectly engage in or participate in any business activity that may constitute direct or indirect competition with the business activities of the listed company and its subsidiaries. I guarantee that I will take effective legal measures to prevent other companies under my	June 4, 2019	Perpetual	Being strictly fulfilled

			control from engaging in or participating in any business activities that compete with the business activities of the listed company and its subsidiaries. 2. If the listed company further expands its scope of business, other companies under my control and I will not compete with the listed company in business activities under the expanded scope. If there is potential competition with the listed company's business activities under the expanded scope, other companies under my control and I will withdraw from the competition with the listed company in one of the following ways: A) ceasing the			

			business activities that constitute or may constitute competition with the listed company; B) integrating the competing business activities into the listed company's operations; or C) transferring the competing business activities to an unrelated third party. 3. If I or other companies under my control have any opportunity to engage in or participate in any business activity that may compete with the listed company's business activities, I will immediately notify the listed company of such opportunity. If the listed company confirms its willingness to take advantage of the opportunity			

			within the reasonable period specified in the notification, I will make every effort to provide the opportunity to the listed company. 4. If I breach the above commitments, I am willing to bear all liability arising therefrom and fully compensate or indemnify the listed company for any direct or indirect losses caused thereby.			
Commitments made upon asset restructuring	GreatStar Group	To avoid horizontal competition	1. The Company will not directly or indirectly engage in or participate in any business activity that may constitute direct or indirect competition with the business activities of the listed company and its subsidiaries. The Company guarantees that it will take effective legal	June 4, 2019	Perpetual	Being strictly fulfilled

			measures to prevent other companies under its control from engaging in or participating in any business activities that compete with the business activities of the listed company and its subsidiaries. 2. If the listed company further expands its scope of business, the Company and other companies under its control will not compete with the listed company in business activities under the expanded scope. If there is potential competition with the listed company's business activities under the expanded scope, the Company and other companies under its control will withdraw from the competition			

			with the listed company in one of the following ways: A) ceasing the business activities that constitute or may constitute competition with the listed company; B) integrating the competing business activities into the listed company's operations; or C) transferring the competing business activities to an unrelated third party. 3. If the Company or any other company under its control has any opportunity to engage in or participate in any business activity that may compete with the listed company's business activities, the Company will immediately notify the listed company of			

			such opportunity. If the listed company confirms its willingness to take advantage of the opportunity within the reasonable period specified in the notification, the Company will make every effort to provide the opportunity to the listed company. 4. If it breaches the above commitments, the Company is willing to bear all liability arising therefrom and fully compensate or indemnify the listed company for any direct or indirect losses caused thereby.			
Commitments made upon asset restructuring	Qiu Jianping; Wang Lingling	To maintain the independence of the listed company	I undertake to ensure that, upon completion of this transaction, the listed company will continue to improve its corporate governance structure and independent	June 4, 2019	Perpetual	Being strictly fulfilled

			management system in accordance with the provisions of relevant laws, regulations and the Articles of Association, and 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	GreatStar Group	To maintain the independence of the listed company	The Company undertakes to ensure that, upon completion of this transaction, the listed company will continue to improve its corporate governance structure and independent management system in accordance with the provisions of relevant laws, regulations and the Articles of Association, and will maintain its independence in terms of business,	June 4, 2019	Perpetual	Being strictly fulfilled

			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 under unfair terms, nor will I damage the Company's interests in any other way. 2. I undertake to restrain my position-related consumption. 3. I undertake not to use the Company's assets for investments or consumption activities unrelated to the fulfillment of my duties. 4. I undertake to ensure that the remuneration system formulated by the Board of Directors or the Remuneration and Evaluation Committee will be linked	June 4, 2019	Perpetual	Being strictly fulfilled

			to the implementation of the Company's measures to supplement returns. If I breach the above commitments and cause losses to the Company or its shareholders, I will bear the liability for compensation in accordance with the law.			
Commitments made upon asset restructuring	GreatStar Group	Other commitments	1. The Company will not overstep its authority to interfere with its operations and management activities, nor will it infringe upon its interests. 2. If the China Securities Regulatory Commission (CSRC) issues explicit regulations on measures to supplement returns and related commitments from the date of this commitment until the completion of this transaction	June 4, 2019	Perpetual	Being strictly fulfilled

			and the above commitments cannot meet such CSRC regulations, the Company will make supplementary commitments in accordance with such CSRC regulations. 3. The Company will strictly implement measures to supplement the diluted immediate returns. If it fails to implement such measures, the Company will publicly explain the specific reasons for the failure at the Company's Shareholders Meeting 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 the Company breaches the above commitments and causes losses to itself or its shareholders, it will bear the liability for compensation in accordance with the law.			
Commitments made upon asset restructuring	Qiu Jianping; Wang Lingling	Other commitments	1. The Company will not overstep its authority to interfere with its operations and management activities, nor will it infringe upon its interests. 2. If the China Securities Regulatory Commission (CSRC) issues explicit regulations on measures to supplement returns and related commitments from the date of this commitment until the completion of this transaction and the above commitments cannot meet such CSRC	June 4, 2025	Perpetual	Being strictly fulfilled

			regulations, the Company will make supplementary commitments in accordance with such CSRC regulations. 3. I will strictly implement measures to supplement the diluted immediate returns. If I fail to implement such measures, I will publicly explain the specific reasons for the failure at the Company's Shareholders Meeting and 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 breach the above commitments and cause losses to the Company or its shareholders,			

			I will bear the liability for compensation in accordance with the law.			
Commitments made upon IPO or refinancing	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 under unfair terms, nor will I damage its interests in any other way. 2. I undertake to restrain the position-related consumption of directors and senior managers. 3. I undertake not to use the Company's assets for investments or consumption activities unrelated to the fulfillment of my duties. 4. I undertake to ensure that the remuneration system formulated by the Board of Directors or the Remuneration Committee will be linked to the implementation of the Company's measures to supplement	11/23/2018	Perpetual	Being strictly fulfilled

			returns. 5. I undertake to ensure that, if the Company implements any equity incentive plans in the future, the exercise conditions of such plans will be linked to the implementation of the Company's measures to supplement returns. As one of the parties responsible for implementing measures to supplement returns, if I violate or refuse to fulfill the above commitments, I agree to be subject to the relevant penalties or management measures imposed by the CSRC, 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	GreatStar Group	Other commitments	The Company undertakes not to overstep its authority to interfere with its operations and management activities, nor will it infringe upon its interests. As one of the parties responsible for implementing measures to supplement returns, if it violates or refuses to fulfill the above commitments, the Company agrees to be subject to the relevant penalties or management measures imposed by the CSRC, 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.	11/23/2018	Perpetual	Being strictly fulfilled
Commitments made upon	Qiu Jianping; Wang	Other	I undertake not to	11/13/2019	Perpetual	Being strictly

IPO or refinancing	Lingling	commitments	overstep my authority to interfere with the Company's operations and management activities, nor will I infringe upon the Company's interests. As one of the parties responsible for implementing measures to supplement returns, if I violate or refuse to fulfill the above commitments, I agree to be subject to the relevant penalties or management measures imposed by the CSRC, 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.			fulfilled
Commitments made upon IPO or refinancing	GreatStar Group	Commitments regarding horizontal competition, related party transactions	During the period when the Company serves as the controlling shareholder	April 05, 2009	As it serves as the controlling shareholder of the Company	Being strictly fulfilled

		and fund misappropriation	of the issuer, GreatStar Holding Group Co., Ltd. and any enterprises that it will directly or indirectly control in the future will not engage in or participate in any operations or activities within or outside of China in any form (including but not limited to investment, mergers and acquisitions, associates, joint ventures, cooperation, partnerships, contracting or leasing operations, or purchase of the shares of the listed company) that constitute or may constitute substantial competition with the issuer's main business activities. Nor will it support any third parties other than the issuer and its wholly owned or controlled subsidiaries			

			in engaging in or participating in any operations or activities that constitute or may constitute substantial competition with the issuer's main business operations within or outside of China in any form. If the issuer suffers losses due to the Company's failure to fulfill the commitments and warranties set out in the letter of commitment, GreatStar Holding Group Co., Ltd. will indemnify the issuer for all actual losses incurred.			
Commitments made upon IPO or refinancing	Qiu Jianping; Wang Lingling	Commitments regarding horizontal competition, related party transactions and fund misappropriation	During the period when they possess the actual control rights over the issuer, Qiu Jianping and his wife and enterprises under their direct or indirect control, other than the issuer and its wholly	April 05, 2010	As they serve as the actual controllers of the Company	Being strictly fulfilled

			owned or controlled subsidiaries, will not engage in or participate in any operations or activities within or outside of China in any form (including but not limited to investment, mergers and acquisitions, associates, joint ventures, cooperation, partnerships, contracting or leasing operations, or purchase of the shares of the listed company) 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 in engaging in or participating in any operations or activities that constitute or			

			may constitute substantial competition with the issuer's main business operations within or outside of China in any form. If the issuer suffers losses due to their failure to fulfill the commitments and warranties set out in the letter of commitment, Qiu Jianping and his wife will indemnify the issuer for all actual losses incurred			
Fulfillment of commitments as scheduled	Yes					

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

□ Applicable √ Not Applicable

3. Performance Commitments of the Company

□ 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 and independent directors (if any) on the "Non-standard Audit Report" of the accounting firm for the current reporting period

□ Applicable ☑ Not Applicable

VI. Notes on changes in accounting policies and accounting estimates and corrections of significant accounting errors compared to the previous year's financial report

□ Applicable ☑ Not Applicable

There were no changes in accounting policies or accounting estimates, or corrections of significant accounting errors during the reporting period.

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

☑ Applicable □ Not Applicable

See IX. Changes in the scope of consolidation in Section VIII Financial Report

VIII. Employment and dismissal of accounting firm

Currently engaged accounting firm

Domestic accounting firm	Pan-China Certified Public Accountants LLP (Special General Partnership)
Compensation for the domestic accounting firm (RMB ten thousand)	89.5
Continuous duration of audit service of the domestic accounting firm	17
Name of the CPAs from the domestic accounting firm	Fei Fanghua and Hu Fujian
Continuous duration of audit service of CPAs from the domestic accounting firm	3
Overseas accounting firm (if any)	N/A
Compensation for the overseas accounting firm (RMB ten thousand) (if any)	0
Continuous duration of audit service of the overseas accounting firm (if any)	N/A
Name of the CPAs from the overseas accounting firm (if any)	N/A
Continuous duration of audit service of CPAs from the overseas accounting firm (if any)	N/A

Change to accounting firm

□ Yes ☑No

Employment of the accounting firm, financial consultant or sponsor for internal control audit

□ Applicable ☑Not Applicable

IX. Potential delisting situation following the disclosure of the 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 (RMB ten thousand)	Whether provisions 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)	128.21	No	As of December 31, 2025, the amount of money involved in cases that have been decided in favor is RMB 1,282,100.	For litigation matters, the Company will: 1) Seek to recover the involved funds through successful litigation or mediation; 2) Require the involved unit and its associated legal persons or individuals to provide a guarantee for the execution of the debt, so as to ensure the recovery of the involved funds; and 3) Make provision for bad debt in	In execution		

				accordance with 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)	262.57	No	As of June 30, 2025, the amount of money involved in cases that have been prosecuted but not yet been decided is RMB 22,500, that involved in cases that have not yet been prosecuted is RMB 387,000, and that involved in cases that have been decided as not liable was RMB 2,213,200.	For litigation matters, the Company will: 1) Seek to recover the involved funds through successful litigation or mediation; 2) Require the involved unit and its associated legal persons or individuals to provide a guarantee for the execution of the debt, so as to ensure the recovery of the involved funds; and 3) Make provision for bad debt in accordance with accounting	In execution		

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

XII. Penalties and corrective measures

□ Applicable ☑ Not Applicable

During the reporting period, no penalties or corrective measures were imposed on the Company.

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

☑ Applicable □ Not Applicable

During the reporting period, the Company and its controlling shareholder, GreatStar 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 did not enter into any related-party transactions relevant to routine operations during the reporting period.

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

☑ Applicable □ Not Applicable

Related parties	Relationship	Type of related-party transaction	Content of transaction	Pricing principle of related-party transaction	Book value of transferred assets (RMB ten thousand)	Evaluated value of transferred assets (RMB ten thousand)	Transfer price (RMB ten thousand)	Settlement method of related-party transaction	Gain or Loss from the transaction (RMB ten thousand)	Date of disclosure	Disclosure index
Zhejiang Hangcha	Another company controlled by	Equity swap	Exchange the 19.5285% equity	Fair Value	1,589.32	7,830.91	7,833.6	Equity	15,297.55		

<table>
<tr><td>Guozi Intelligent Technology Robot Co., Ltd.</td><td>the same parent company</td><td></td><td>interest in Guozi Robotics for an 8.9214% equity interest in Hangcha Intelligent</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="4">Reasons for the significant difference between the transfer price and the book value or evaluated value (if any)</td><td colspan="8">N/A</td></tr>
<tr><td colspan="4">Impact on the Company's business performance and financial condition</td><td colspan="8">According to the provisions of Accounting Standards for Business Enterprises No. 7—Exchange of Non-monetary Assets, the recognized gain or loss from disposal is RMB 152,975,500.</td></tr>
<tr><td colspan="4">Performance achieved during the reporting period for relevant transactions involving performance agreements</td><td colspan="8">N/A</td></tr>
</table>

3. Related-party transactions with joint investments

□ Applicable ☑ Not Applicable

The Company did not enter into any related-party transactions with joint investments during the reporting period.

4. Credits and liabilities with related parties

□ Applicable ☑ Not Applicable

During the reporting period, the Company did not have any significant receivables or payables with related parties.

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 during the reporting period.

XV. Material contracts and their execution

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 leases 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 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
Prime line Products, LLC	August 30, 2024	4,217.28	January 23, 2025	4,217.28	General liability guarantee	N/A	N/A	9 months	Yes	Yes

Primeline Products, LLC	September 24, 2025	4,217.28	10/20/2025	1,181.83	General liability guarantee	N/A	N/A	1 years	No	Yes
Suzhou Xindadi Hardware Co., Ltd.	May 9, 2023	10,000	June 22, 2023	3,200	Joint liability guarantee	N/A	N/A	3 years	No	Yes
Zhongshan Geelong Industry Co., Ltd.	September 24, 2022	8,400	November 3, 2022	0	Joint liability guarantee	N/A	N/A	3 years	Yes	Yes
Total guarantee quota for subsidiaries approved in the reporting period (B1)		4,217.28		Total guarantee amount actually incurred for subsidiaries in the reporting period (B2)		11,581.83				
Total guarantee quota approved for subsidiaries as of the end of the reporting period (B3)		14,217.28		Total actual guarantee balance for subsidiaries as of the end of the reporting period (B4)		4,381.83				
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		4,217.28		Total guarantee amount actually incurred in the reporting period		11,581.83				

(A1+B1+C1)		(A2+B2+C2)	
Total guarantee quota approved as of the end of the reporting period (A3+B3+C3)	14,217.28	Total actual guarantee balance as of the end of the reporting period (A4+B4+C4)	4,381.83
Proportion of the actual guarantee amount (A4+B4+C4) to the Company's net assets		0.23%	
Including:			
Balance of debt guarantee provided directly or indirectly to the guaranteed party with an asset-liability ratio of higher than 70% (E)		1,181.83	
Total amount of the above three items (D+E+F)		1,181.83	

Description on the specific situation of the composite guarantee

Not Applicable

3. Entrusted management of cash assets

(1) Entrusted wealth management

☑ Applicable □ Not Applicable

Entrusted wealth management in the reporting period

Unit: ten thousand RMB

Type	Risk features	Balance of entrusted wealth management in the reporting period	Overdue amount not recovered
Bank financial products	R1-R2	3,492.40	0
Others	R1	2,015.52	0

Specific cases of the Company's engagement of financial institutions to conduct asset management as a single entrust or, as well as high-risk entrusted wealth management with low security and poor liquidity

□ Applicable ☑ Not Applicable

(2) Entrusted loans

□ Applicable ☑ Not Applicable

The Company has no entrusted loans in the reporting period.

4. Other material contracts

□ Applicable ☑ Not Applicable

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

XVI. Use of raised funds

□ Applicable ☑ Not Applicable

No raised funds were used during the reporting period.

XVII. Explanation of other significant matters

☑ Applicable □ Not Applicable

1. The Company holds an indirect stake in Zhongce Rubber via Zhongce Haichao. Zhongce Rubber was listed on the main board of the Shanghai Stock Exchange on June 5, 2025 (Stock Name: Zhongce Rubber, Stock Code: 603049). In accordance with the Accounting Standards for Business Enterprises, the Company's equity investment in Zhongce Haichao was accounted for using the equity method and classified as a long-term equity investment. Following the listing of Zhongce Rubber, this accounting method remains unchanged and any fluctuations in its stock price will not affect the Company's profits or losses during this period.

2. On July 14, 2025, the Company held its 16th meeting of the 6th Board of Directors, which reviewed and approved the Proposal on the Acquisition of Equity. The Company acquired 18.4706% of the equity in Hangzhou Nano IC Technologies Co., Ltd. (hereinafter referred to as "Nano IC") (corresponding to a registered capital of RMB 3.2028 million) through a cash payment. Prior to this transaction, the company held 32.5294% of the equity in Nano IC (corresponding to a registered capital of RMB 5.6406 million), and Nano IC was an associate of the company. After the transaction, the company holds 51% of the equity in Nano IC (corresponding to a registered capital of RMB 8.8434 million), and Nano IC has become a subsidiary of the company. As of now, Nano IC has become a subsidiary of the company.

XVIII. Significant matters of subsidiaries of the Company

□ Applicable ☑ Not Applicable

Section VI 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	Others	Subtotal	Quantity	Proportion
I. Conditional shares	47,445,404	3.97%				303,750	303,750	47,749,154	4.00%
1. State-owned shares									
2. Shares held by the state-owned legal persons									
3. Shares held by other domestic capital	47,445,404	3.97%				303,750	303,750	47,749,154	4.00%
Of which: Domestic legal person shares									
Domestc natural person shares	47,445,404	3.97%				303,750	303,750	47,749,154	4.00%
4. Shares held by overseas capital									

Of which: Overseas legal person shares									
Overseas natural person shares									
II. Unconditional shares	1,147,032,778	96.03%				-303,750	-303,750	1,146,729,028	96.00%
1. RMB-denominated ordinary shares	1,147,032,778	96.03%				-303,750	-303,750	1,146,729,028	96.00%
2. Foreign capital shares listed in China									
3. Foreign capital stocks listed overseas									
4. Others									
III. Total number of shares	1,194,478,182	100.00%				0	0	1,194,478,182	100.00%

Reasons for changes in shares

□ Applicable ☑ Not Applicable

Approval of share changes

□ Applicable ☑ Not Applicable

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 at the beginning of the period	Number of additional shares restricted for sale in the current period	Number of shares discharged from restriction for sale in the current period	Number of shares restricted for sale at the end of the period	Cause for restriction	Date of discharge
Qiu Jianping	34,511,443	300,000	0	34,811,443	Shares locked for directors	25% of the total number of shares discharged from restriction for sale at the beginning of each year within the tenure
Chi Xiaoheng	547,462	3,750	0	551,212	Shares locked for directors	25% of the total number of shares discharged from restriction for sale at the beginning of each year within the tenure
Total Amount	35,058,905	303,750	0	35,362,655	--	--

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

3. Existing employee stocks

□ Applicable ☑ Not Applicable

III. Shareholders and actual controllers

1. Number of shareholders and their shareholding

Unit: share

Total number of ordinary shareholders at the end of the reporting period	29,539	Total number of ordinary shareholders at the end of the previous month prior to the disclosure date of the annual report	39,486	Total number of preferred shareholders whose voting rights were restored at the end of the reporting period (if any) (Note 8)	0	Total number of preferred shareholders whose voting rights were restored at the end of the previous month prior to the disclosure date of the annual report (if any) (Note 8)		0
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
GreatStar 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	3.89%	46,415,258	400,000	34,811,443	11,603,815	N/A	0
Hong Kong Securities Clearing Company Limited	Offshore legal entity	3.60%	43,055,493	-148,103	0	43,055,493	N/A	0
National Social Security	Others	2.03%	24,215,255	9,495,290	0	24,215,255	N/A	0

Fund 406 Portfolio								
China Merchants Bank Corporation - Foresight Growth Value Hybrid Securities Investment Fund	Others	1.89%	22,550,088	-8,715,312	0	22,550,088	N/A	0
Monetary Authority of Macao - Own funds	Offshore legal entity	1.13%	13,541,967	1,569,886	0	13,541,967	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 101 Portfolio	Others	1.07%	12,810,401	9,409,644	0	12,810,401	N/A	0
Kuwait Investment Authority	Offshore legal entity	0.91%	10,817,900	-310,003	0	10,817,900	N/A	0
Agricultural Bank of China Limited — CSI 500 Exchange Traded Open-End Index Securities Investment Fund	Others	0.88%	10,562,644	278,700	0	10,562,644	N/A	0
Strategic investors or general legal persons becoming the top 10		None						

shareholders as a result of the placement of new shares (if any) (Note 3)	
Description of the relationship or concerted action among the above shareholders	GreatStar 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 the Takeover of Listed Companies.
Descriptions on entrusting/entrusted voting and waiver of voting right by the above-mentioned shareholders	None
Descriptions on the repurchase accounts among the top 10 shareholders (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 common shares unrestricted for sale by the end of the reporting period	Type of shares	
		Type of shares	Quantity
GreatStar Holding Group Co., Ltd.	463,739,864	RMB Ordinary Shares	463,739,864
Hong Kong Securities Clearing Company Limited	43,055,493	RMB Ordinary Shares	43,055,493
National Social Security Fund 406 Portfolio	24,215,255	RMB Ordinary Shares	24,215,255
China Merchants Bank Corporation - Foresight Growth Value Hybrid Securities Investment Fund	22,550,088	RMB Ordinary Shares	22,550,088
Monetary Authority of Macao - Own funds	13,541,967	RMB Ordinary Shares	13,541,967
National Social Security Fund 101 Portfolio	12,810,401	RMB Ordinary Shares	12,810,401
Qiu Jianping	11,603,815	RMB Ordinary Shares	11,603,815

Kuwait Investment Authority	10,817,900	RMB Ordinary Shares	10,817,900
Agricultural Bank of China Limited — CSI 500 Exchange Traded Open-End Index Securities Investment Fund	10,562,644	RMB Ordinary Shares	10,562,644
Industrial and Commercial Bank of China Limited — Invesco Great Wall Jingsheng Dual-Interest Bond Securities Investment Fund	7,676,508	RMB Ordinary Shares	7,676,508
Description on affiliation or concerted action among the top 10 common share holders with unrestricted shares and between the top 10 common share holders with unrestricted shares and the top 10 common share holders	GreatStar 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 the Takeover of Listed Companies.		
Description of the participation of the top 10 common share holders 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

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 share holders and top 10 common share holders with unrestricted tradable shares engaged in agreed repurchase within the reporting period

□ Yes ☑No

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

2. Controlling shareholder of the Company

Nature of the controlling shareholder: Natural person holding

Type of the controlling shareholder: Natural person

Name of the controlling shareholder	Nationality	Whether the controlling shareholder holds a residency permit in other countries or regions
Qiu Jianping	China	No
Main occupation and position	Chairman of the Company, Chairman of the GreatStar Group	
Shareholdings in other domestic and overseas listed companies that the controlling shareholder controls and owns during the reporting period	Hangcha Group Co., Ltd., Stock code: 603298, Stock name: Hangcha Group, was listed on the Shanghai Stock Exchange on December 27, 2016. The company 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, was listed on the Shenzhen Stock Exchange on July 22, 2021. The company is mainly engaged in the research and development, production and sales of non-road diesel engines and related parts. Zhongce Rubber Group Co., Ltd., Stock code: 603049, Stock name: Zhongce Rubber, was listed on the Shanghai Stock Exchange on June 5, 2025. The company is mainly engaged in the research and development, production and sales of tires such as all-steel tires, semi-steel tires, bias tires, and automobile tires.	

Changes in the controlling shareholder during the reporting period

□ Applicable ☑ Not Applicable

No change was recorded in the controlling shareholder 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

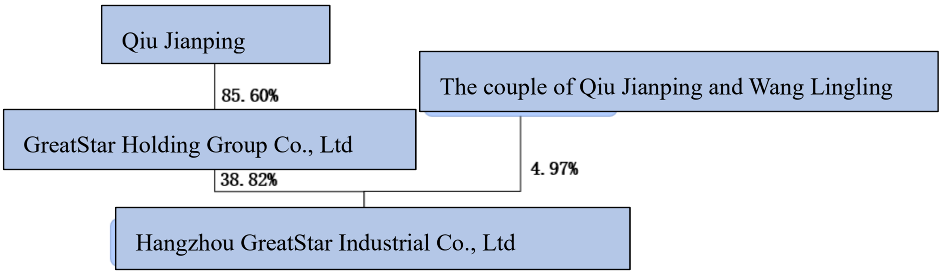
Name of the actual controller	Relationship with the actual controller	Nationality	Whether the controlling shareholder holds a residency permit in other countries or regions
Qiu Jianping	The actual controller	China	No
Main occupation and position	Chairman of the Company, Chairman of the GreatStar Group		
Overseas listed companies under the control of the actual controller over the past decade	Mr. Qiu Jianping is the actual controller of Hangcha Group Co., Ltd. (Stock code: 603298), Zhejiang Xinchai Co., Ltd. (Stock code: 301032) and Zhongce Rubber Group Co., Ltd. (Stock code: 603049).		

Change in the actual controller during the reporting period

□ Applicable ☑ Not Applicable

No change was recorded in the actual controller 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 trusts

□ 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 corporate shareholder 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

□ Applicable ☑ Not Applicable

V. Preferred shares

□ Applicable ☑ Not Applicable

The Company had no preferred shares during the reporting period.

Section VII Securities

□ Applicable ☑ Not Applicable

Section VIII Financial Report

I. Audit Report

Type of audit opinion	Standard unqualified opinion
Signing date of the Audit Report	April 28, 2026
Auditing firm	Pan-China Certified Public Accountants LLP (Special General Partnership)
Document No. of the Audit Report	T.J.S. [2026] No. 10560
Name of the CPAs	Fei Fanghua and Hu Fujian

Audit Report

I. Opinion

We have audited the financial statements of Hangzhou GreatStar Industrial Co., Ltd. (hereinafter referred to as "GreatStar"), which comprise the consolidated and parent company's balance sheets as at December 31, 2025, the consolidated and parent company's income statements, the consolidated and parent company's cash flow statements and the consolidated and parent company's statements of changes in owner's equity for 2025, as well as the notes to the related financial statements.

In our opinion, the accompanying financial statements have been prepared in accordance with the provisions of the Accounting Standards for Business Enterprises in all material respects. They present a fair view of the consolidated and parent company's financial positions of GreatStar as at December 31, 2025, and the consolidated and parent company's business performance and cash flows for 2025.

II. Basis for opinion

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

III. Critical audit matters

Critical audit matters are those matters that, in our professional judgment, are most significant in our audit of the financial statements for the current period. These matters shall be addressed in the context of our audit of the financial statements as a whole and our issuance of an audit opinion. We do not provide a separate opinion on these matters.

(I) Revenue recognition

1. Description

See Section VIII (V) and Section VIII (VII) to these Financial Statements for relevant disclosures.

GreatStar's operating revenues are mainly generated by its hand tools, power tools and industrial tools. GreatStar has achieved the operating revenue of RMB 14,666,295,589.93 in 2025. As operating revenue is one of the key performance indicators of GreatStar, there may be an inherent risk that the management of GreatStar (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 the critical audit matters, we carried out the following major audit procedures:

(1) Obtain an understanding of the key internal controls related to revenue recognition, evaluate the design of these controls, identify whether they are implemented, and test whether the relevant internal controls function effectively;

(2) Assess the sales contract, obtain an understanding of the main terms and conditions of contracts, and evaluate whether the revenue recognition method is appropriate;

(3) Analyze the operating revenues and gross profits 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 the domestic sales revenue, assess the supporting document of selected items, such as sales contracts, orders, sales invoices, stock-out documents and clients' receipts; for the export revenue, obtain electronic port data and compare it with account records and assess the supporting document of selected items, such as sales contracts, export declarations, bills of lading and sales invoices;

(5) Issue written confirmations for the sales revenues of selected items based on the written confirmations of accounts receivable;

(6) Perform a cut-off test on the operating revenues to verify whether the operating revenues have been recognized within the appropriate period; and

(7) Assess whether the information related to the operating revenues has been appropriately set out in the Financial Statements.

(II) Impairment of goodwill

1. Description

See Section VIII (V) and Section VIII (VII) to these Financial Statements for relevant disclosures.

As of December 31, 2025, the original carrying value of goodwill of GreatStar was RMB 2,858,836,300, and the provision for impairment was RMB 378,337,200, resulting in a carrying value of RMB 2,480,499,100.

When conducting the goodwill impairment test, the Management 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 was calculated and confirmed based on the present value of estimated future cash flows. Given the significant value of goodwill and the potential impact of the goodwill impairment test on critical management judgments, we included impairment of goodwill as a critical audit matter.

2. Audit response

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

(1) Obtain an understanding of the key internal controls related to impairment of goodwill, evaluate the design of these controls, identify whether they are implemented, and test whether the relevant internal controls function effectively;

(2) Review the Management's estimation of the present value of future cash flows in previous years, or the subsequent re-estimation made by the Management as required;

(3) Assess the competence, professional qualifications and objectivity of external valuation experts engaged by the Management;

(4) Evaluate the suitability and consistency of the methods used by the Management in the impairment test;

(5) Evaluate the suitability of the key assumptions applied by the Management in the impairment test, and review whether the relevant assumptions are consistent with the business operations, historical experience and approved budgets;

(6) Assess the suitability, relevance and reliability of the data applied by the Management in the impairment test, and review the consistency of the relevant information in the impairment test;

(7) Test whether the Management's calculation of the present value of estimated future cash flows is accurate; and

(8) Assess whether the information related to impairment of goodwill has been appropriately set out in the Financial Statements.

IV. Other information

The Management shall be responsible for 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. In doing so, we shall 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 the 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 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 misstatements due to fraud or error.

The Management is responsible for assessing GreatStar's ability to continue as a going concern, disclosing matters related to going concern (where applicable), and using the assumption of going concern in preparing the Financial Statements, unless the Management intends to liquidate the Company or to cease operations, or has no alternative but to do so.

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

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

We aim to obtain reasonable assurance that the Financial Statements are free from material misstatements due to fraud or error, and to issue an audit report that includes our audit opinion. While reasonable assurance is a high level of assurance, it does not guarantee that an audit conducted in accordance with the CSA will always detect the existence of material misstatements. Misstatements may arise from fraud or error, and shall be considered material if they are reasonably expected to influence the economic decisions made on the basis of these Financial Statements, either individually or in aggregate.

When conducting an audit in accordance with the CSA, we exercise professional judgment and maintain professional skepticism. We also perform the following procedures:

(I) Identify and assess the risks of material misstatements in the Financial Statements due to fraud or error, design and perform audit processes responsive to such risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. As fraud may involve collusion, forgery, intentional omissions, misrepresentations, or dominance over internal controls, 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 errors.

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

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

(IV) Conclude on the appropriateness of the Management's use of the going-concern assumption, and on whether there is significant uncertainty regarding events or conditions that may cast significant doubt on GreatStar'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 any related disclosures in the Financial Statements if we conclude that there is a significant uncertainty, or to issue an audit report containing the modified opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained as of the reporting date of our audit report. However, future events or conditions may cause GreatStar to cease operating as a going concern.

(V) Evaluate the overall presentation, structure and content of the Financial Statements, and whether the Financial Statements provide 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 GreatStar 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 schedule of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We provide those charged with governance with a statement confirming our compliance with the relevant ethical requirements regarding independence. We also communicate with them regarding all relationships and other matters that may reasonably be considered to affect our independence, as well as any relevant preventive measures (where applicable).

Based on the matters communicated with those charged with governance, we identify the matters of greatest significance in the audit of the Financial Statements for the current period, which therefore constitute critical audit matters. We describe such matters in our audit report unless any law or regulation precludes the public disclosure of a matter, or in extremely rare circumstances where we determine that a matter should not be included in our report, as the adverse consequences could reasonably be expected to outweigh the benefits to the public interest of such communication.

II. Financial Statements

Unit in notes to financial statements: RMB

1. Consolidated balance sheet

Prepared by: Hangzhou GreatStar Industrial Co., Ltd.

12/31/2025

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		

Cash and bank balances	5,285,542,062.99	6,852,110,987.40
Settlement funds	0.00	0.00
Loans to other banks	0.00	0.00
Held-for-trading financial assets	55,079,204.15	5,413,124.26
Derivative financial assets	0.00	0.00
Notes receivable	5,841,917.21	5,932,105.78
Accounts receivable	3,031,728,191.68	3,166,431,539.36
Receivables financing	23,264,245.34	65,967,817.81
Advances paid	137,394,951.14	98,851,644.97
Premiums receivable	0.00	0.00
Reinsurance accounts receivable	0.00	0.00
Reinsurance reserve receivable	0.00	0.00
Other receivables	113,456,013.34	125,512,916.86
Including: Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Financial assets under reverse repo	0.00	0.00
Inventories	3,223,583,403.95	3,005,193,720.21
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	10,828,251.42	103,672.03
Other current assets	212,560,955.57	165,835,249.00
Total current assets	12,099,279,196.79	13,491,352,777.68
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	135,312.41	226,719.52
Long-term equity investments	4,018,678,654.50	3,485,769,642.85
Other equity instrument investments	12,600,000.00	12,600,000.00
Other non-current financial assets	78,336,000.00	0.00
Investment property	107,454,651.08	112,388,354.73
Fixed assets	2,359,033,146.84	1,901,663,424.38
Construction in progress	233,077,109.12	230,519,711.33
Productive biological assets	0.00	0.00
Oil & gas assets	0.00	0.00
Right-of-use assets	308,505,567.58	339,969,350.42
Intangible assets	1,275,320,599.09	1,009,998,048.27
including: data source	0.00	0.00
Development expenditures	0.00	0.00
including: data source	0.00	0.00
Goodwill	2,480,499,121.21	2,354,591,436.25
Long-term prepayments	26,955,233.21	27,512,461.87
Deferred tax assets	109,966,392.57	112,814,957.16
Other non-current assets	515,135,557.45	25,232,490.69
Total non-current assets	11,525,697,345.06	9,613,286,597.47
Total assets	23,624,976,541.85	23,104,639,375.15
Current liabilities:		

Short-term borrowings	1,280,065,456.36	3,244,951,208.83
Central bank loans	0.00	0.00
Loans from other banks	0.00	0.00
Held-for-trading financial liabilities	255,687.69	0.00
Derivative financial liabilities	0.00	0.00
Notes payable	26,272,095.73	18,164,045.86
Accounts payable	1,945,634,064.76	1,851,137,529.57
Advances received	3,300,249.16	0.00
Contract liabilities	141,176,439.00	106,017,720.45
Financial liabilities under repo	0.00	0.00
Absorbing deposit and interbank deposit	0.00	0.00
Deposit for agency security transaction	0.00	0.00
Deposit for agency security underwriting	0.00	0.00
Employee benefits payable	359,545,379.93	316,666,985.78
Taxes and rates payable	189,703,141.30	245,844,792.00
Other payables	31,148,252.22	239,969,518.47
Including: Interest payable	0.00	0.00
Dividend payable	8,664,536.00	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	71,554,757.51	74,278,507.40

Other current liabilities	10,404,351.20	5,347,901.13
Total current liabilities	4,059,059,874.86	6,102,378,209.49
Non-current liabilities:		
Insurance policy reserve	0.00	0.00
Long-term borrowings	0.00	0.00
Bonds payable	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Lease liabilities	246,547,442.58	274,350,587.68
Long-term payables	0.00	0.00
Long-term employee benefits payable	17,946,145.36	19,644,424.28
Provisions	24,590,397.94	23,641,123.22
Deferred income	2,829,772.34	3,550,653.49
Deferred tax liabilities	130,824,352.64	95,535,420.23
Other non-current liabilities	0.00	0.00
Total non-current liabilities	422,738,110.86	416,722,208.90
Total liabilities	4,481,797,985.72	6,519,100,418.39
Equity:		
Share capital	1,194,478,182.00	1,194,478,182.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserve	3,865,435,407.88	3,766,412,906.96
Less: Treasury shares	0.00	0.00

Other comprehensive income	305,791,589.29	204,062,809.90
Special reserve	0.00	0.00
Surplus reserve	930,940,581.24	930,940,581.24
General risk reserve	0.00	0.00
Undistributed profit	12,517,859,007.91	10,306,761,375.27
Total equity attributable to the parent company	18,814,504,768.32	16,402,655,855.37
Non-controlling shareholders' equity	328,673,787.81	182,883,101.39
Total equity	19,143,178,556.13	16,585,538,956.76
Total liabilities and equity	23,624,976,541.85	23,104,639,375.15

Legal representative: Qiu Jianping Officer in charge of accounting: Ni Shuyi Head of accounting department: Ni Shuyi

2. Balance sheet of the parent company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	2,616,786,603.20	3,999,104,746.39
Held-for-trading financial assets	0.00	4,235,862.82
Derivative financial assets	0.00	0.00
Notes receivable	2,499,410.03	2,387,886.99
Accounts receivable	2,170,720,054.08	2,242,593,357.32
Receivables financing	5,495,243.56	52,686,764.33
Advances paid	15,460,531.12	8,064,560.09
Other receivables	478,740,980.28	929,166,370.23
Including: Interest receivable	0.00	0.00
Dividend receivable	535,464.00	26,000,000.00

Inventories	111,632,905.27	107,695,705.49
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	32,076,147.62	55,211,468.01
Total current assets	5,433,411,875.16	7,401,146,721.67
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	10,314,842,446.77	8,673,530,489.76
Other equity instrument investments	12,600,000.00	12,600,000.00
Other non-current financial assets	78,336,000.00	0.00
Investment property	107,454,651.08	112,388,354.73
Fixed assets	216,041,423.01	225,226,159.31
Construction in progress	1,144,818.50	1,945,157.29
Productive biological assets	0.00	0.00
Oil & gas assets	0.00	0.00
Right-of-use assets	0.00	0.00
Intangible assets	22,233,771.13	23,534,902.49
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	20,618,871.39	24,120,733.48
Other non-current assets	387,133,180.34	336,313,343.34
Total non-current assets	11,160,405,162.22	9,409,659,140.40
Total assets	16,593,817,037.38	16,810,805,862.07
Current liabilities:		
Short-term borrowings	1,000,404.44	1,100,751,833.34
Held-for-trading financial liabilities	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable	1,000,000,000.00	1,760,830,124.66
Accounts payable	1,677,823,308.30	1,482,233,882.30
Advances received	1,486,022.69	0.00
Contract liabilities	55,310,249.00	72,479,603.86
Employee benefits payable	72,569,690.77	70,508,254.87
Taxes and rates payable	17,120,862.54	51,254,093.58
Other payables	7,883,982.65	217,889,145.69
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	0.00
Other current liabilities	782,425.24	666,370.82
Total current liabilities	2,833,976,945.63	4,756,613,309.12
Non-current liabilities:		

Long-term borrowings	0.00	0.00
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	0.00
Deferred tax liabilities	3,211,208.52	2,849,929.01
Other non-current liabilities	0.00	0.00
Total non-current liabilities	3,211,208.52	2,849,929.01
Total liabilities	2,837,188,154.15	4,759,463,238.13
Equity:		
Share capital	1,194,478,182.00	1,194,478,182.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserve	3,879,581,679.57	3,779,451,659.46
Less: Treasury shares	0.00	0.00
Other comprehensive income	23,026,416.60	-11,841,601.39
Special reserve	0.00	0.00
Surplus reserve	927,192,284.33	927,192,284.33
Undistributed profit	7,732,350,320.73	6,162,062,099.54

Total equity	13,756,628,883.23	12,051,342,623.94
Total liabilities and equity	16,593,817,037.38	16,810,805,862.07

3. Consolidated income statement

Unit: RMB

Item	2025	2024
I. Total operating revenue	14,666,295,589.93	14,795,453,293.25
Including: Operating revenue	14,666,295,589.93	14,795,453,293.25
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	12,361,877,045.42	12,239,918,292.55
Including: Operating cost	9,867,606,310.08	10,058,838,583.58
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 reserve for insurance liabilities	0.00	0.00
Premium bonus expenditures	0.00	0.00
Reinsurance expenses	0.00	0.00
Taxes and surcharges	51,556,598.20	53,364,392.50
Selling expenses	1,053,708,464.37	974,899,236.57
Administrative expenses	1,013,400,953.67	917,903,108.55
R&D expenses	403,064,547.61	366,158,892.23

Financial expenses	-27,459,828.51	-131,245,920.88
Including: Interest expense	32,496,491.85	77,039,863.73
Interest income	95,093,328.68	144,780,008.82
Add: Other earnings	59,555,834.18	32,331,999.42
Investment income ("-" for loss)	779,647,692.89	520,914,548.33
Including: Earnings from the investment in associates and joint ventures	615,943,718.32	530,889,040.50
Gains from derecognition of financial assets at amortized cost	0.00	0.00
Gains on foreign exchange ("-" for loss)	0.00	0.00
Net exposure hedging gains ("-" for loss)	0.00	0.00
Fair value changes gains ("-" for loss)	-232,036.12	-10,060,907.46
Credit impairment losses ("-" for loss)	-10,478,528.69	-51,589,457.48
Asset impairment losses ("-" for loss)	-146,460,132.29	-270,805,950.46
Proceeds from asset disposal ("-" for loss)	-708,451.08	92,152.90
III. Operating profit ("-" for loss)	2,985,742,923.40	2,776,417,385.95
Add: Non-operating revenue	3,507,091.58	4,332,916.36
Less: Non-operating expenditure	8,095,589.35	13,359,171.44
IV. Total profit ("-" for total loss)	2,981,154,425.63	2,767,391,130.87
Less: Income tax expenses	414,370,949.67	401,598,051.05
V. Net profit ("-" for net loss)	2,566,783,475.96	2,365,793,079.82
(I) Categorized by the continuity of operations		

1. Net profit from continuing operations (“-” for net loss)	2,566,783,475.96	2,365,793,079.82
2. Net profit from discontinued operations (“-” for net loss)	0.00	0.00
(II) Categorized by the portion of equity ownership		
1. Net profit attributable to shareholders of the parent company	2,509,717,178.14	2,303,624,287.24
2. Net profit attributable to non-controlling shareholders	57,066,297.82	62,168,792.58
VI. Other comprehensive income after tax	96,162,862.46	-29,401,194.83
Items attributable to the owners of the parent company	101,728,779.39	-27,390,628.09
(I) Not to be reclassified subsequently to profit or loss	-1,546,989.60	-6,618,086.40
1. Remeasurement gains or losses of a defined benefit plan	-1,546,989.60	-6,618,086.40
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	103,275,768.99	-20,772,541.69
1. Other comprehensive income that can be reclassified to profit or loss in equity method	38,215,794.00	21,124,121.99
2. Changes in fair value of other debt investments	0.00	0.00
3. Amount of financial assets reclassified into other	0.00	0.00

comprehensive income		
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	68,583,166.80	-41,896,663.68
7. Others	-3,523,191.81	0.00
Items attributable to non-controlling shareholders	-5,565,916.93	-2,010,566.74
VII. Total comprehensive income	2,662,946,338.42	2,336,391,884.99
Total comprehensive income attributable to owners of the parent company	2,611,445,957.53	2,276,233,659.15
Total comprehensive income attributable to non-controlling interests	51,500,380.89	60,158,225.84
VIII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)	2.1011	1.9286
(II) Diluted EPS (yuan per share)	2.1011	1.9286

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 Officer in charge of accounting: Ni Shuyi Head of accounting department: Ni Shuyi

4. Income statement of the parent company

Unit: RMB

Item	2025	2024
I. Total operating revenue	5,863,206,165.95	6,432,193,174.81
Less: operating cost	4,653,615,811.99	4,936,773,254.21
Taxes and surcharges	9,093,429.51	9,493,244.77
Selling expenses	218,766,375.65	191,938,384.88

Administrative expenses	207,709,250.73	203,706,780.49
R&D expenses	219,301,210.30	233,595,851.96
Financial expenses	-72,058,362.18	-145,687,748.39
Including: Interest expense	12,832,743.33	54,232,222.46
Interest income	84,611,678.55	124,448,655.88
Add: Other earnings	43,273,357.66	9,594,033.63
Investment income (“-” for loss)	1,313,629,744.85	577,177,040.17
Including: Earnings from the investment in associates and joint ventures	615,883,103.55	530,784,197.01
Gains on derecognition of financial assets measured at amortized cost (“-” for loss)	0.00	0.00
Net exposure hedging gains (“-” for loss)	0.00	0.00
Fair value changes gains (“-” for loss)	0.00	1,167,281.60
Credit impairment losses (“-” for loss)	21,088,984.61	1,212,651.40
Asset impairment losses (“-” for loss)	-12,660,749.91	-24,790,627.99
Proceeds from asset disposal (“-” for loss)	-25,767.81	17,697.49
II. Business profit (“-” for loss)	1,992,084,019.35	1,566,751,483.19
Add: Non-operating revenue	67,891.47	951,296.43
Less: Non-operating expenditure	2,362,141.36	5,387,417.76
III. Total profit (“-” for total loss)	1,989,789,769.46	1,562,315,361.86
Less: Income tax expenses	120,882,002.77	142,514,230.07
IV. Net profit (“-” for net loss)	1,868,907,766.69	1,419,801,131.79
(I) Net profit from continuing	1,868,907,766.69	1,419,801,131.79

operations ("-" for net loss)		
(II) Net profit from discontinued operations ("-" for net loss)	0.00	0.00
V. Other comprehensive income after tax	34,868,017.99	21,124,121.99
(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	34,868,017.99	21,124,121.99
1. Other comprehensive income that can be reclassified to profit or loss in equity method	38,215,794.00	21,124,121.99
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	-3,347,776.01	0.00
VI. Total comprehensive income	1,903,775,784.68	1,440,925,253.78

VII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)	0	0
(II) Diluted EPS (yuan per share)	0	0

5. Consolidated statement of cash flows

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		
Cash receipts from sales of goods or rendering of services	14,901,553,018.31	14,398,404,538.50
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	817,393,626.94	742,500,316.45
Other cash receipts related to operating activities	187,641,189.91	208,993,314.29
Subtotal of cash inflows from operating activities	15,906,587,835.16	15,349,898,169.24

Cash payments for goods purchased and labor services received	9,065,716,740.37	9,152,532,227.97
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	2,484,667,662.54	2,423,959,422.93
Cash payments for taxes and rates	663,949,611.83	559,877,130.10
Other cash payments related to operating activities	1,382,292,601.13	1,473,315,278.36
Subtotal of cash outflows from operating activities	13,596,626,615.87	13,609,684,059.36
Net cash flows from operating activities	2,309,961,219.29	1,740,214,109.88
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	6,059,234,147.45	3,749,948,855.00
Cash receipts from investment income	10,147,653.02	10,905,935.90
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	30,396,472.31	16,121,192.96
Net cash receipts from the disposal of subsidiaries and other business units	0.00	0.00

Other cash receipts related to investing activities	0.00	116,534,532.41
Subtotal of cash inflows from investing activities	6,099,778,272.78	3,893,510,516.27
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	972,149,732.95	488,525,997.09
Cash payments for investments	6,341,864,658.14	3,642,462,717.82
Net increase of pledged borrowings	0.00	0.00
Net cash payments for the acquisition of subsidiaries and other business units	23,889,596.26	237,635,304.14
Other cash payments related to investing activities	3,452,000.00	102,805,167.97
Subtotal of cash outflows from investing activities	7,341,355,987.35	4,471,429,187.02
Net cash flows from investing activities	-1,241,577,714.57	-577,918,670.75
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	350,941,469.60	3,300,484,473.60
Other cash receipts related to financing activities	1,059,000,000.00	1,904,901,349.76
Subtotal of cash inflows from financing activities	1,409,941,469.60	5,205,385,823.36
Cash payments for repayment of borrowings	3,344,794,563.51	3,822,471,434.66
Cash payments for distribution of dividends or profits and for interest expenses	325,959,644.61	810,969,060.32

Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit	1,950,953.00	26,634,646.96
Other cash payments related to financing activities	324,043,819.05	214,048,809.84
Subtotal of cash outflows from financing activities	3,994,798,027.17	4,847,489,304.82
Net cash flows from financing activities	-2,584,856,557.57	357,896,518.54
IV. Effect of foreign exchange rate changes on cash and cash equivalents	4,929,968.23	60,587,407.75
V. Net increase in cash and cash equivalents	-1,511,543,084.62	1,580,779,365.42
Add: Opening balance of cash and cash equivalents	6,564,759,115.02	4,983,979,749.60
VI. Closing balance of cash and cash equivalents	5,053,216,030.40	6,564,759,115.02

6. Cash flow of the parent company

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		
Cash receipts from sales of goods or rendering of services	5,949,542,547.72	6,266,491,898.73
Receipts of tax refund	595,819,612.13	564,759,535.86
Other cash receipts related to operating activities	125,145,548.35	113,148,409.44
Subtotal of cash inflows from operating activities	6,670,507,708.20	6,944,399,844.03
Cash payments for goods purchased and labor services received	5,597,479,683.36	3,398,832,105.81
Cash paid to and on behalf of employees	410,178,747.70	371,946,230.87

Cash payments for taxes and rates	160,951,766.39	139,945,410.19
Other cash payments related to operating activities	424,590,304.32	436,104,623.67
Subtotal of cash outflows from operating activities	6,593,200,501.77	4,346,828,370.54
Net cash flows from operating activities	77,307,206.43	2,597,571,473.49
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	4,582,081,223.82	2,687,639,003.75
Cash receipts from investment income	568,806,400.72	54,404,989.43
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	675,314.12	568,365.21
Net cash receipts from the disposal of subsidiaries and other business units	0.00	0.00
Other cash receipts related to investing activities	636,978,194.48	821,132,235.46
Subtotal of cash inflows from investing activities	5,788,541,133.14	3,563,744,593.85
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	14,227,065.91	11,585,131.53
Cash payments for investments	5,546,924,763.04	3,029,020,755.10
Net cash payments for the acquisition of subsidiaries and other business units	0.00	0.00
Other cash payments related to investing activities	100,000,000.00	709,218,007.94
Subtotal of cash outflows from investing activities	5,661,151,828.95	3,749,823,894.57
Net cash flows from investing	127,389,304.19	-186,079,300.72

activities		
III. Cash flows from financing activities:		
Cash receipts from absorbing investments	0.00	0.00
Cash receipts from borrowings	1,000,000.00	2,855,050,140.00
Other cash receipts related to financing activities	209,000,000.00	0.00
Subtotal of cash inflows from financing activities	210,000,000.00	2,855,050,140.00
Cash payments for repayment of borrowings	1,100,000,000.00	3,083,973,462.08
Cash payments for distribution of dividends or profits and for interest expenses	307,684,134.40	761,324,826.10
Other cash payments related to financing activities	369,623,187.60	67,260,838.47
Subtotal of cash outflows from financing activities	1,777,307,322.00	3,912,559,126.65
Net cash flows from financing activities	-1,567,307,322.00	-1,057,508,986.65
IV. Effect of foreign exchange rate changes on cash and cash equivalents	40,108,916.14	-15,575,260.33
V. Net increase in cash and cash equivalents	-1,322,501,895.24	1,338,407,925.79
Add: Opening balance of cash and cash equivalents	3,737,629,135.79	2,399,221,210.00
VI. Closing balance of cash and cash equivalents	2,415,127,240.55	3,737,629,135.79

7. Consolidated statement of changes in owners' equity

Current period cumulative

Unit: RMB

Item	2025														
	Owners' equity attributable to the parent company													Non-controlling shareholders' equity	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Ending balance of the previous year	1,194,478,182.00	0.00	0.00	0.00	3,766,412,906.96	0.00	204,062,809.90	0.00	930,940,581.24	0.00	10,306,761,375.27		16,402,655,855.37	182,883,101.39	16,585,538,956.76
Add: Changes in accounting policies	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
Correction for previous	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

errors															
Others	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. Opening balance for the current year	1,194,478,182.00	0.00	0.00	0.00	3,766,412,906.96	0.00	204,062,809.90	0.00	930,940,581.24	0.00	10,306,761,375.27		16,402,655,855.37	182,883,101.39	16,585,538,956.76
III. Amount of increase/decrease within the current period ("-" for loss)	0.00	0.00	0.00	0.00	99,022,500.92	0.00	101,728,779.39	0.00	0.00	0.00	2,211,097,632.64		2,411,848,912.95	145,790,686.42	2,557,639,599.37
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	101,728,779.39	0.00	0.00	0.00	2,509,717,178.14		2,611,445,957.53	51,500,380.89	2,662,946,338.42
(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		0.00	0.00	0.00
1 . Common	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

shares invested by owners															
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		0.00	0.00	0.00
3. Amount of share-based payments recognized in owners' equity	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. Others	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) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-298,619,545.50		-298,619,545.50	-2,215,489.00	-300,835,034.50
1. Withdrawal of surplus	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

reserves															
2. With drawal of general risk reserve	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. Distribution to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-298,619,545.50		-298,619,545.50	-2,215,489.00	-300,835,034.50
4. Others	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	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. 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. Surplus reserves converted	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

into capital (or stock)															
3. Surplus reserve to cover losses	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. 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. 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. Others	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) Special reserve	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. With drawn 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
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	99,022,500.92	0.00	0.00	0.00	0.00	0.00	0.00		99,022,500.92	96,505,794.53	195,528,295.45
IV. Ending balance of the current period	1,194,478,182.00	0.00	0.00	0.00	3,865,435,407.88	0.00	305,791,589.29	0.00	930,940,581.24	0.00	12,517,859,007.91		18,814,504,768.32	328,673,787.81	19,143,178,556.13

Preceding period comparative

Unit: RMB

Item	2024														
	Owners' equity attributable to the parent company													Non-controlling shareholders' equity	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive	Special rese	Surplus reserve	General risk rese	Undistributed profit	Others	Subtotal		
		Prefe	Perpe	Oth											

		rred shares	tual bonds	ers			income	rve		rve					
I. Ending balance of the previous year	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
Add: Changes in accounting policies	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
Correction for previous errors	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
Others	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. Opening balance for the current year	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
III. Amount of increase/d	-8,023,810.00	0.00	0.00	0.00	-233,473,122.20	-236,625,962.00	-27,390,628.09	0.00	141,980,113.18	0.00	1,444,957,264.86		1,554,675,779.75	18,291,680.79	1,572,967,460.54

ecrease within the current period (“-” for loss)															
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	-27,390,628.09	0.00	0.00	0.00	2,303,624,287.24		2,276,233,659.15	60,158,225.84	2,336,391,884.99
(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		0.00	0.00	0.00
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		0.00	0.00	0.00
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		0.00	0.00	0.00

3. Amount of share-based payments recognized in owners' equity	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. Others	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) Profit distribution	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	-26,634,646.96	-743,321,556.16
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	0.00	-141,980,113.18		0.00	0.00	0.00
2. Withdrawal of general risk reserve	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. Distribution to owners (or sharehold	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	-26,634,646.96	-743,321,556.16

ers)															
4. Others	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. 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. 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. 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. Chan	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00

ges from re-measurement of defined benefit plan carried over to retained earnings				0											
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. Others	-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
(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		0.00	0.00	0.00
1. With drawn 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

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	-4,870,970.20	0.00	0.00	0.00	0.00	0.00	0.00		-4,870,970.20	-15,231,898.09	-20,102,868.29
IV. Ending balance of the current period	1,194,478,182.00	0.00	0.00	0.00	3,766,412,906.96	0.00	204,062,809.90	0.00	930,940,581.24	0.00	10,306,761,375.27		16,402,655,855.37	182,883,101.39	16,585,538,956.76

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

Current period cumulative

Unit: RMB

Item	2025											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
I. Ending balance of the previous year	1,194,478,182.00	0.00	0.00	0.00	3,779,451,659.46	0.00	-11,841,601.39	0.00	927,192,284.33	6,162,062,099.54		12,051,342,623.94

Add: Changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Correction for previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
II. Opening balance for the current year	1,194,478,182.00	0.00	0.00	0.00	3,779,451,659.46	0.00	-11,841,601.39	0.00	927,192,284.33	6,162,062,099.54		12,051,342,623.94
III. Amount of increase/decrease within the current period ("-" for loss)	0.00	0.00	0.00	0.00	100,130,020.11	0.00	34,868,017.99	0.00	0.00	1,570,288,221.19		1,705,286,259.29
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	34,868,017.99	0.00	0.00	1,868,907,766.69		1,903,775,784.68
(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. 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 . 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 . Amount of share-based payments recognized in owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
4 . Others	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	0.00	-298,619,545.50		-298,619,545.50
1 . Withdrawal 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
2 . Distribution to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-298,619,545.50		-298,619,545.50
3 . Others	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

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. 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. 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
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. 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
6. Others	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. Withdrawn 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. 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	100,130,020.11	0.00	0.00	0.00	0.00	0.00		100,130,020.11
IV. Ending balance of the current period	1,194,478,182.00	0.00	0.00	0.00	3,879,581,679.57	0.00	23,026,416.60	0.00	927,192,284.33	7,732,350,320.73		13,756,628,883.23

Preceding period comparative

Unit: RMB

Item	2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
I. Ending balance of the previous year	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

Add: Changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Correction for previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
II. Opening balance for the current year	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
III. Amount of increase/decrease within the current period (“-” for loss)	-8,023,810.00	0.00	0.00	0.00	-220,170,713.11	-236,625,962.00	21,124,121.99	0.00	141,980,113.18	561,134,109.41		732,669,783.47
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	21,124,121.99	0.00	0.00	1,419,801,131.79		1,440,925,253.78
(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 . 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 . 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 . Amount of share-based payments recognized in owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
4 . Others	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	141,980,113.18	-858,667,022.38		-716,686,909.20
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 . Distribution to owners (or	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

shareholders)												
3 . Others	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 . 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 . 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 . 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
4 . Changes from re-measurement of defined benefit plan carried over to retained	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

earnings												
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
6. Others	-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
(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. Withdrawn 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. 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	8,431,438.89	0.00	0.00	0.00	0.00	0.00		8,431,438.89
IV. Ending balance of the current period	1,194,478,182.00	0.00	0.00	0.00	3,779,451,659.46	0.00	-11,841,601.39	0.00	927,192,284.33	6,162,062,099.54		12,051,342,623.94

III. Basic Information of the Company

Jointly established by natural persons Qiu Jianping, Wang Lingling, Li Zheng, Wang Weiyi and Wang Min, Hangzhou GreatStar Industrial Co., Ltd. (hereinafter referred to as "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 and a total of 1,194,478,182 shares (par value of RMB 1 per share), including 47,749,154 outstanding A-shares restricted for sale and 1,146,729,028 outstanding A-shares unrestricted for sale. The Company's shares were listed for trading on July 13, 2010 on the Shenzhen Stock Exchange.

The Company is a player in the hardware industry. The company focuses on research and development, production and sales of hand tools, power tools and industrial tools.

The Financial Statements have been authorized for issuance with the approval of the 21st Meeting of the Sixth Board of Directors on April 28, 2026.

IV. Basis for Preparation of the Financial Statements

1. Basis 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 the 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 the recording currency. Hong Kong Greatstar International Co., Ltd., GreatStar Tools USA, Inc., GreatStar 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 Provisions	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
Significant associates	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

6. Accounting treatment for business combinations involving enterprises under or not under common control

1. Accounting methods for business combinations involving enterprises under the common control

Assets and liabilities acquired by the Company in the consolidation are measured at the book value of the party being consolidated in the consolidated financial statements of the ultimate controlling party at the date of the merger. The Company adjusts the capital reserve 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 the capital reserve is insufficient for write-down, the retained earnings shall be adjusted.
2. Accounting methods for business combinations involving enterprises not under the common control

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

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

1. Recognition of control

Control is recognized if one entity has the power over the invested entity, enjoys variable returns through participating in related activities of the invested entity, and has the ability to use the power over the invested entity to influence the amount of the variable returns.
2. Method of preparing consolidated financial statements

The parent company includes all subsidiaries it controls in the scope of the consolidated financial statements. The consolidated financial statements are based on the financial statements of the parent company and its subsidiaries and are prepared by the parent company in accordance with Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements with reference to other information.

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

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

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

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

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

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

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

(5) to recognize fees solely incurred by Company and recognize fees from joint operations in appropriation to the share of the Company.

9. Recognition criteria of cash and cash equivalents

Cash 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 an investment that is held for a short period, highly mobile, easily convertible into a given amount of cash and unlikely to change in value.

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

1. Translation of foreign-currency transactions

In the initial recognition of foreign currency transactions, amounts in foreign currency are translated into amounts in RMB at a rate similar to 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.
2. Translation of foreign-currency financial statements

The asset items and liability items on the balance sheet are translated at the spot exchange rate on the balance sheet date; the owners' equity items are translated at the spot exchange rate on the date of transaction, except for the items of “undistributed profit”; and the revenue and expense items on the income statements are translated at a rate similar to the spot exchange rate on the date of transaction. Differences in translation of foreign-currency financial statements arising from the foregoing are stated as other comprehensive income.

11. Financial instruments

1. Classification of financial assets and financial liabilities

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

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

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

1) Financial assets measured at amortized cost

Such financial assets are measured subsequently at amortized cost using the effective interest rate method. Gains or losses arising from financial assets measured at amortized cost that are not part of any hedging relationship are recognized in the current gains or losses when they are derecognized, reclassified, amortized by the effective interest rate method or recognized as impairment.
2) Investments in debt instruments measured at fair value through other comprehensive income

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

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

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

4) Financial assets measured at fair value through current gains/losses

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

(3) Subsequent measurement of financial liabilities

1) Financial liabilities measured at fair value through current gains/losses

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

2) Financial liabilities resulting from the transfer of financial assets that do not meet the derecognition criteria or from continuing involvement in the transferred financial assets

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

3) Financial guarantee contracts that do not fall under 1) or 2), and loan commitments that fall out of 1) and are issued at below-market interest rates

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

4) Financial liabilities measured at amortized cost

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

(4) Derecognition of financial assets and financial liabilities

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

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

② The financial asset has been transferred, and such transfer satisfies the regulations on derecognition of financial assets under Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets.

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

3. Recognition basis and measurement method for transfer of financial assets

If the Company transfers nearly all the risks and rewards of ownership of a financial asset, such financial asset is

derecognized, and any rights or obligations arising from or retained in the transfer are recognized as assets or liabilities; if nearly all the risks and rewards on the ownership of a financial asset are retained, the transferred financial asset continues to be recognized. If the Company neither transfers nor retains nearly all risks and rewards on the ownership of a financial asset, the Company shall: (1) derecognize the financial asset and recognize the right and obligation arising from or retained in the transfer if it has no control over the asset; and (2) recognize the relevant financial asset and relevant financial liability by the extent of its continued involvement in the transferred financial asset if it has control over the said financial asset.
If the overall transfer of a financial asset satisfies the conditions for derecognition, the difference between (1) the book value of the transferred financial asset on the date of derecognition; and (2) the sum of the consideration from the transfer of the financial asset and the amount of derecognized portion in the accumulated changes of fair value originally stated as other comprehensive income (the financial asset involved in transfer is an investment in a debt instrument measured at fair value through other comprehensive income) is recognized in current gains/losses. If a portion of a financial asset is 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. 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 the transfer is an investment in a debt instrument measured at fair value through other comprehensive income) is recognized in current gains/losses.
4. Methods for determining the fair value of financial assets and financial liabilities

The Company applies the appraisal technique applicable to the current period and supported by sufficient available data and other information to recognize the fair value of financial assets and financial liabilities. The Company categorizes the inputs used in the valuation technique in the following levels and applies such inputs in a certain order:
(1) Level-1 inputs are unadjusted offers in any active market for identical assets or liabilities that are available on the measurement date;

(2) Level-2 inputs are those other than the Level-1 inputs that are directly or indirectly observable for underlying assets or liabilities, including offers for similar assets or liabilities in any active market; offers for identical or similar assets or liabilities in any inactive market; observable inputs other than offers (e.g., interest rates and yield curves observable in normal intervals of offering); and market-validated inputs;

(3) Level-3 inputs are unobservable inputs for the underlying assets or liabilities, including interest rates, stock volatility, future cash flows assuming retirement obligations in business combinations, and financial projections with self-owned data, which cannot be directly observed or verified with observable market data.
5. Impairment of financial instruments
The Company impairs and recognizes provisions for loss based on expected credit losses on financial assets measured at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, receivables from leasing, loan commitments other than those classified as financial liabilities measured at fair value through current gains/losses, and financial guarantee contracts that are not classified as financial liabilities measured at fair value through current gains/losses or financial liabilities resulting from unqualified transfer of financial assets on derecognition or from continued involvement in the transferred financial assets.
Expected credit loss refers to the weighted average of credit loss of financial instruments weighted by the risk of default. Credit loss represents the difference between all contractual cash flows discounted at the original effective interest rate and receivable under the contract and all cash flows expected to be collected, i.e., the present value of the entire cash shortfall. In particular, for any financial asset purchased or originated by the Company with credit impairment, such asset is discounted at effective interest rate upon credit adjustment.
For any financial asset purchased or originated by the Company with credit impairment, the Company recognizes only the cumulative changes in expected credit losses over the entire period of existence from initial recognition as the provision for losses on the balance sheet date.
For 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 a 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 a significant increase after initial recognition by comparing the risk of default of the said financial instrument on the balance sheet date with the risk of default on the date of initial recognition.
On the balance sheet date, if the Company believes that a financial instrument features a low credit risk, it shall be assumed that its credit risk has not increased significantly since initial recognition.
The Company evaluates expected credit risks and measures expected credit losses based on a single financial instrument or a portfolio of financial instruments. Where a portfolio of financial instruments is applied, the Company classifies financial instruments into portfolios based on common risk features.
The Company remeasures expected credit losses on each balance sheet date, from which the amount increased or reversed from the provision for losses resulted is recognized as impairment gains or losses in current gains/losses. For any financial asset measured at amortized cost, the provision for losses is offset against the book value of such financial asset as stated in the balance sheet; for any debt investment measured at fair value through other comprehensive income, the Company recognizes its provision for losses in other comprehensive income, without offsetting the book value of the financial asset.

6. Offset between financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not mutually offset. However, where both of the following conditions are met, the financial assets and financial liabilities will be presented in the balance sheet with the net amount after mutual offset: (1) the Company has the legal right to offset the recognized amount, which is executable for; and (2) the Company plans to make settlement in net amount, or realizes the financial assets and settles the financial liabilities simultaneously.
When a financial asset is transferred without satisfying the conditions for derecognition, the Company does not 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 receivable

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

Category	Basis for portfolio determination	Methods to measure expected credit losses
Bankers' acceptances receivable	Type of bill	The Company calculates expected credit losses by reference to historical credit loss, taking into account current conditions and projections of future economic conditions through default exposures and expected credit loss rate over the entire period of existence.
Commercial acceptances receivable		
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 receivable and the 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	Nature	The Company calculates expected credit losses by reference to historical credit loss, taking into account current conditions and projections of future economic conditions through default exposures and expected credit loss rate over the next following twelve months or 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 receivable 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 years	10	10	10
2-3 years	20	20	20
3-4 years	30	30	30
4-5 years	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 with expected credit losses measured on a single-item basis

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

14. Inventory

1. Classification of inventories

Inventories include finished goods or merchandise held for sale in the ordinary course of business, work-in-progress that is in the production process, as well as materials and supplies consumed in the production process or while providing services.

2. Method for appraising outgoing inventories

The valuation method for outgoing inventories is based on the weighted average method, applied at the end of each month.

3. Stocktaking system of inventories

The stocktaking system of inventories is a perpetual inventory system.

4. Amortization methods for low-value consumables and packages

(1) Low-value consumables

Low-value consumables are amortized by a lump sum.

(2) Packaging

Low-value consumables are amortized by a lump sum.

5. Provision for decline in value of inventories

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

15. Assets held for sale

1. Classification of non-current assets or disposal groups held for sale

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

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

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

2. Accounting treatment for non-current assets or disposal groups held for sale

(1) Initial measurement and subsequent measurement

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

Non-current assets or disposal groups classified as held for sale on the date of acquisition are measured at whichever is lower: the 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 combination, the difference arising from the initial measurement of a non-current asset or disposal group at fair value less costs to sell is recognized in current gains/losses.

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

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

(2) Accounting treatment for reversal of impairment losses

If, subsequent to the balance sheet date, the fair value less costs to sell of non-current assets held for sale increases, the previously written-down amount should be restored, and this reversal should not exceed the impairment loss recognized for the asset after it was classified as held for sale. The amount of the reversal is recognized in the current profit or loss. The assets impairment loss recognized before non-current assets are classified as held for sale shall not be reversed.

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

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

(3) Accounting Treatment for Assets No Longer Classified as Held for Sale and for Derecognition

When a non-current asset or disposal group no longer meets the criteria for classification as held for sale and is consequently removed from that category, it shall be measured at the lower of the following two amounts: 1) the carrying amount prior to classification as held for sale, adjusted for depreciation, amortization, or impairment that would have been recognized had it not been classified as held for sale; 2) the recoverable amount.

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

3. Criteria for recognition of discontinued operations

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

(1) The component represents a separate major line of business or a distinct geographical area;

(2) The component is part of a plan to dispose of a separate major line of business or a distinct geographical area;

(3) The component is a subsidiary acquired exclusively for resale.

4. Presentation Method for Discontinued Operations

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

16. Long-term equity investments

1. Recognition of common control and significant influence

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

2. Determination of investment cost

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

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

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

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

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

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

3. Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries under control are accounted for using the cost method; long-term equity investments in associates and joint ventures are accounted for using the equity method.

4. Treatment of gradual disposal of subsidiary investments until loss of control through multiple transactions

(1) Judgment Principles for Identifying "package deals"

When gradually disposing of investments in subsidiary equity until the loss of control through multiple transactions, the company shall assess whether the stepwise transactions constitute a "package deal" by considering the terms of the transaction agreements at each step, the consideration obtained separately, the recipients of the equity sold, the methods of disposal, the timing of disposal, and other relevant information. The terms, conditions, and economic impacts of individual transactions that meet one or more of the following criteria generally indicate that the multiple transactions should be treated as a "package deal":

1) These transactions are entered into simultaneously or in consideration of each other's effects;

2) The transactions as a whole can only achieve a complete commercial result;

3) The occurrence of one transaction depends on the occurrence of at least one other transaction;

4) A transaction is uneconomical when viewed alone, but is economical when considered together with other transactions.

(2) Accounting treatment for transactions not classified as "package deals"

1) Individual financial statements

For the equity to be disposed of, the difference between the carrying amount and the actual consideration obtained shall be recognized in the profit or loss for the period. The residual equity that still has a significant influence on the invested units or for which common control is exercised over the invested units shall be accounted for using the equity method. If no control or common control is exercised over the invested units or there is no significant influence on the invested units, the accounting treatment shall be subject to Accounting Standards for Business Enterprises No. 22 Recognition and Measurement of Financial Instruments.

2) Consolidated financial statements

Before losing control, the difference between the consideration received from the disposal and the share of net assets of the subsidiary that has been calculated continuously since the date of acquisition or the date of consolidation shall be applied to adjust the capital reserve (capital surplus). If the capital reserve is insufficient to offset this difference, it shall be deducted from retained earnings.

For the loss of control over former subsidiaries, the residual equity shall be remeasured at the fair value on the date of such loss. The difference between the sum of the consideration received from the disposal of the equity plus the fair value of the residual equity and the share of former subsidiaries' net assets to be held and continuously calculated from the combination date based on the shareholding ratio shall be recorded in investment income for the current period in which the loss of control occurs, and goodwill shall be written down. Other comprehensive income related to equity investments in former subsidiaries shall be transferred to investment income for the current period at the time of the loss of control.

(3) Accounting treatment for transactions classified as "package deals"

1) Individual financial statements

Each transaction shall be accounted for as a single transaction involving the disposal of the subsidiary and 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.
2) Consolidated financial statements

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

17. 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.

18. 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%

19. 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

20. Borrowing costs

1. Recognition criteria for capitalization of borrowing costs

Borrowing costs incurred by the company can be capitalized and included in the cost of the relevant assets if they are directly attributable to the acquisition or production of qualifying assets. Other borrowing costs shall be recognized as expenses in the period incurred and included in the profit or loss for that period.
2. Capitalization period for borrowing costs

(1) Capitalization begins when all of the following conditions are met: 1) Expenditures for the asset have been made; 2) Borrowing costs have been incurred; 3) The acquisition, construction or production activities to make the asset ready for its intended use or sale have commenced.
(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.

21. 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 Line Method
Patent rights	10 years, referring to the years that it can bring economic benefits to the Company	Straight Line Method
Trademark rights	10 years, referring to the years that it can bring economic benefits to the Company	Straight Line Method
Proprietary technologies	5 years, referring to the years that it can bring economic benefits to the Company	Straight Line Method
Management software	3-10 years, referencing the period during which it can bring economic benefits to the company.	Straight Line Method
Emission rights	10 years, referring to the years that it can bring economic benefits to the Company	Straight Line Method

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

(1) Personnel and labor costs

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

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

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

(2) Direct investment costs

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

Depreciation costs refer to the depreciation expense of instruments, equipment and buildings in use in R&D activities.
For instruments, equipment and buildings in use both in R&D activities and non-R&D activities, the necessary records shall be kept on the use of such instruments, equipment and buildings in use, and the actual depreciation expense incurred is allocated between R&D expenses and production and operating expenses by reasonable methods, with reference to factors such as actual working hours and usable area.
Long-term deferred expenses represent the long-term deferred expenses in the process of reconstruction, modification, decoration and repair of R&D facilities, which are aggregated according to actual expenditures and amortized in equal installments over a specified period of time.
(4) Amortization costs of intangible assets

Amortization costs of intangible assets refer to the amortization expenses related to software, intellectual property, and non-patented technologies (such as proprietary technology, licenses, designs, and calculation methods) used for research and development activities.
(5) Design expense
Design expense refers to expenses 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.
(6) Commissioning expense and test expense of equipment

Commissioning expense refer to expenses incurred during the preparation of tooling for research and development activities. This includes costs related to developing specialized or dedicated production machinery, modifying production and quality control procedures, or establishing new methods and standards, among other activities.
Expenses 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.
(7) Expense for commissioned external R&D

Expense for commissioned external R&D refers to the costs incurred by a company when it commissions domestic or foreign institutions or individuals to conduct research and development activities. The results of these research and development activities are owned by the company and are closely related to its main business operations.
(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 recognized 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.

22. 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.

23. 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.

24. 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. Furthermore, the obligations under the defined benefit plans shall be discounted to determine the present value of the defined benefit plan obligations and the current service cost;

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

3) At the end of the reporting period, the employee compensation costs arising from the defined benefit plan are recognized in three parts: service cost, interest net amount on the net liability or net asset of the defined benefit plan, and changes arising from the remeasurement of the net liability or net asset of the defined benefit plan. The service cost and the interest net amount on the net liability or net asset of the defined benefit plan are included in the current profit or loss or the cost of related assets. The changes arising from the remeasurement of the net liability or net asset of the defined benefit plan are included in other comprehensive income and are not permitted to be reclassified to profit or loss in subsequent accounting periods, although the amounts recognized in other comprehensive income can be transferred within equity.

(3) Accounting treatment of defined benefit plans

Defined benefit plans 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 defined benefit plans 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 defined benefit plans.

(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.

25. Provisions

1. The Company recognizes an obligation arising from the provision of external guarantees, litigation matters, product quality assurance, loss contracts, 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.

26. Share-based payment

1. Types of share-based payments

Include equity-settled share-based payments and cash-settled share-based payments.
2. Accounting treatment for the implementation, modification, and termination of share-based payment plans

(1) Equity-settled share-based payments

For equity-settled share-based payments that can be exercised immediately upon grant in exchange for employee services, the fair value of the equity instruments is recognized as relevant costs or expenses on the grant date, with a corresponding adjustment to the capital reserve. 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 payment 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.
(2) Cash-settled share-based payments

For cash-settled share-based payments that can be exercised immediately upon grant in exchange for employee services, the fair value of the liabilities assumed by the company is recognized as relevant costs or expenses on the grant date, with a corresponding increase in liabilities. 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.
(3) Amending or terminating the Share-based Payment Plan

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.

27. Revenue

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

1. Recognition criteria for revenue

At the commencement date of a contract, the Company performs an assessment of the contract, identifies the individual performance obligation contained in the contract, and determines whether the individual performance obligation is performed within a certain period of time or at a certain point in time.
A performance obligation is satisfied within a certain period of time if one of the following conditions is met; otherwise, it is satisfied at a certain point in time: (1) the client obtains and consumes the economic benefits contributed by the performance of the Company while it is being carried out; (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 the performance completed to date throughout 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 taken physical possession of 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; and (6) Other indicators that the client has obtained the control of the commodity.
2. Revenue measurement principles

(1) The company measures revenue based on the transaction price allocated to each distinct performance obligation. The transaction price is the amount of consideration that 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 amortized 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.
3. Specific methods of revenue recognition

(1) Sales of products such as the Company's hand tools, power tools and industrial tools are performance obligations performed at a certain point in time. Revenue from domestic sales is recognized when the Company delivers the product to the contractually agreed place of delivery and the client confirms acceptance, has received the price or has the right to receive the payment and the related economic benefits are likely to flow in. 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

28. 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:
1. Such cost is directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing expenses (or similar costs), costs explicitly borne by a client, and other costs that arise solely due to that contract;

2. Such cost increases the resources available to the Company to fulfill its performance obligations in the future; and

3. The cost is expected to be recoverable.
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 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.

29. Contract assets and 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' payments. The contract assets and liabilities under the same contract are shown on a net basis after mutual offset.

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

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

30. 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.
2. Basis for judging government grants related to assets and accounting methods

Government documents stipulate that grants received for the purchase, construction, or otherwise creation of long-term assets are classified as government grants related to assets. If the government documents are not clear, the judgment shall be based on the basic conditions necessary to obtain the grant, and the government grant whose basic conditions are to purchase, build or otherwise form long-term assets shall be deemed as the government grant related to the asset. Government grants relating to assets offset against the carrying amount of the related assets or are recognized as deferred income. Where government grants relating to assets are recognized as deferred income, they are credited to profit or loss over the useful life of the relevant assets in a reasonable and systematic manner. Government grants measured at nominal amounts are credited directly to profit or loss for the current period. Where the relevant asset is sold, transferred, scrapped or damaged before the end of its useful life, the undistributed balance of the relevant deferred income is transferred to the profit or loss of the current period in which the asset is disposed of.
3. Basis for judging government grants related to income and accounting method

Government grants other than those relating to assets are classified as income-related government grants. For government grants that contain both asset-related and revenue-related components, those that are difficult to distinguish between asset-related and income-related are classified as income-related government grants in their entirety. Government grants relating to income that compensate for related costs, expenses or losses in subsequent periods are recognized as deferred income, and are credited to profit or loss or reduced to related costs in the current period in which the related costs, expenses or losses are recognized; Those used to compensate the related costs or losses incurred are directly included in the current profit or loss or offset against the related costs.
4. Government grants relating to the Company's daily operating activities are included in other revenue or offset against related costs and expenses in accordance with the substance of the economic business. Government grants that are not related to the Company's daily activities are included in the non-operating revenue and expenses.
5. Accounting treatment for interest subsidies on policy loans

(1) When the government allocates interest subsidy funds to the lending bank, which then provides loans to the company at a preferential policy interest rate, the actual amount of borrowed funds received is recorded as the carrying value of the loan. Relevant borrowing costs are calculated based on the principal amount of the loan and the preferential policy interest rate.
(2) When the government directly allocates the interest subsidy funds to the company, the corresponding subsidy amount is deducted from the relevant borrowing costs.

31. Deferred tax assets/Deferred tax liabilities

1. A deferred tax asset or a deferred 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 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 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 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 tax assets, the carrying value of the deferred 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; or (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.

32. Leases

(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.
(1) Right-of-use assets
Right-of-use assets are initially measured at cost, which includes: 1) the amount initially measured for the lease liability; 2) the number of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, less the amount of the lease incentive already enjoyed; 3) initial direct costs incurred by the lessee; and 4) the costs that the lessee expects to incur to dismantle and remove the leased asset, restore the site on which the leased asset is located, or restore the leased asset to the condition agreed upon in the lease terms.
The Company depreciates the right-of-use assets on a straight-line basis. If it is reasonably certain that the ownership of assets leased will be obtained at the end of the lease term, the Company conducts depreciation during the remaining useful life of the leased assets. Otherwise, depreciation is conducted during the lease term or the remaining useful life of the leased assets, whichever is shorter.
(2) Lease Liabilities

At the commencement date of the lease term, the company recognizes the present value of the unpaid lease payments as lease liabilities. The present value of lease payments is calculated using the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the corporate incremental borrowing rate is used as the discount rate. The difference between the lease payments and their present value is treated as an unrecognized finance charge. Interest expense is recognized in profit or loss for each lease term period at the discount rate used to recognize the present value of the lease payments. Variable lease payments that are not included in the measurement of lease liabilities are included in current profit or loss when they actually occur.
After the commencement date of the lease term, when there is a change in the amount of substantially fixed payments, a change in the amount expected to be payable for the remaining value of the guarantee, a change in the index or rate used to determine the amount of the lease payments, a change in the outcome of an assessment of a purchase option, a renewal option or a termination option, or a change in the actual exercise, the Company remeasures the lease liability based on the present value of the changed lease payments and adjusts the carrying value of the right-of-use asset accordingly. If the carrying value of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, the remaining amount is included in the current profit or loss.

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

If the transfer of an asset in a sale-and-leaseback transaction is a sale, the Company measures the right-of-use asset resulting from the sale-and-leaseback at the portion of the original asset's carrying value that relates to the right-of-use acquired through the leaseback, and recognizes a gain or loss related to the right transferred to the lessor only.
If the transfer of an asset in a sale-and-leaseback transaction is not a sale, the Company continues to recognize the transferred asset and, at the same time, recognizes a financial liability equal to the transfer proceeds and accounts for the financial liability in accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

(2) Accounting treatment for lease as lessor

At the commencement date of a lease, the Company classifies a lease as a financial 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. The initial direct costs incurred are capitalized, allocated on the same basis as rental income recognition, and credited to profit or loss in installments of the period. 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) Financial lease
At the commencement date of the lease term, the Company recognizes the financial 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 financial 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.

33. Other significant accounting policies and accounting estimates

1. Segment report

The company determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system. An operating segment is a component of the Company that satisfies all the following conditions:
(1) The component can generate revenue and incur expenses in its daily activities;

(2) Management can regularly evaluate the operating performance of the component to decide on resource allocation and assess its performance;

(3) Relevant accounting information can be obtained to analyze the financial position, operating results, and cash flows of the component.

34. Changes in material accounting policies and accounting estimates

(1) Changes in material accounting policies

□ Applicable ☑ Not Applicable

(2) Changes in material accounting estimates

□ Applicable☑ Not Applicable

(3) Initial implementation of the new accounting standards from 2025 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%,9%,6%
Urban maintenance and construction tax	Actual turnover tax paid	7%,5%,1%
Enterprise income tax	Taxable amount of income	For details, please refer to the description of the business income tax rates of 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 taxpayer	Income tax rate
The company	15%
Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	15%

Dongguan Ouda Electronics Co., Ltd.	15%
Zhejiang Yiyang Tool Manufacturing Co., Ltd.	15%
Suzhou Xindadi Hardware Co., Ltd.	15%
Zhongshan Geelong Industry Co., Ltd.	15%
Ningbo Fenghua GreatStar Tools Co., Ltd.	15%
Jingjiang Measuring Tools Co., Ltd.	15%
Hangzhou Ole-Systems Co., Ltd.	15%
Hangzhou Nano IC Technologies Co., Ltd.	15%
Zhejiang Shiwanke Electrical Appliance Co., Ltd.	15%
Zhejiang Guoxin Tools Co., Ltd.	20%
Hangzhou GreatStar Intelligent Technology Co., Ltd.	20%
Hangzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	20%
TESA Precision Technology (Suzhou) Co., Ltd.	20%
Hangzhou Youchuangjia Trading Co., Ltd.	20%
Hangzhou GreatStar Sheffield Trading 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%
Hangzhou BeA Machinery Equipment Manufacturing Co., Ltd.	20%
Yuanhaoxin Microelectronics (Shanghai) Co., Ltd.	20%
Yuanhaoxin Microelectronics (Chengdu) Co., Ltd	20%
Hong Kong Greatstar 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%
HongKong Nano IC Technologies Co., Limited	16.50%
Other domestic taxpayers	25%
Other foreign taxpayers	Subject to local tax rates

2. Tax incentives

1. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the Company was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202533003671, which is valid for three years (2025-2027) and was subject to business income tax at a rate of 15% in 2025.
2. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the subsidiary Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202332000640, which is valid for three years (2023-2025) and was subject to business income tax at a rate of 15% in 2025.
3. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the sub-subsidiary Dongguan Ouda Electronics Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202444008811, which is valid for three years (2024-2026) and was subject to business income tax at the rate of 15% in 2025.
4. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the subsidiary Zhejiang Yiyang Tools Manufacturing Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202533007094, which is valid for three years (2025-2027) and was subject to business income tax at the rate of 15% in 2025.
5. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the subsidiary Suzhou Xindadi Hardware Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202432004996, which is valid for three years (2024-2026), and was subject to business income tax at the rate of 15% in 2025.
6. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the sub-subsidiary Zhongshan Geelong Industry Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202544003271, which is valid for three years (2025-2027) and was subject to business income tax at the rate of 15% in 2025.
7. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the subsidiary Ningbo Fenghua Juxing Tools Co., Ltd. was

identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202533102636, which is valid for three years (2025-2027) and was subject to business income tax at the rate of 15% in 2025.

8. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the subsidiary Jingjiang Measuring Tools Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202432008867, which is valid for three years (2024-2026), and was subject to business income tax at the rate of 15% in 2025.

9. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the sub-subsidiary Hangzhou Ole-Systems Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202433005080, which is valid for three years (2024-2026), and was subject to business income tax at the rate of 15% in 2025.

10. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the subsidiary Hangzhou Nano IC Technologies Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202533004968, which is valid for three years (2025-2027) and was subject to business income tax at the rate of 15% in 2025.

11. In accordance with the relevant provisions of the Measures for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Guidelines for the Administration of the Accreditation of High-Tech Enterprises (Guokefahuo [2016] No. 195), the subsidiary Zhejiang Shiwanke Electrical Appliance Co., Ltd. was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate numbered GR202533007579, which is valid for three years (2025-2027) and was subject to business income tax at the rate of 15% in 2025.

12. 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 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 filing with the competent tax authority.

13. In accordance with the Announcement on the Implementation of Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), during the period from January 1, 2023 to December 31, 2027, small and micro enterprises shall calculate taxable income at a reduced rate of 25.00% and pay enterprise income tax at a rate of 20%. From January 1, 2025 to December 31, 2025, Zhejiang Guoxin Tools Co., Ltd., Hangzhou GreatStar Intelligent Technology Co., Ltd., Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd, TESA Precision Technology (Suzhou) Co., Ltd., Hangzhou Youchuangjia Trading Co., Ltd., Hangzhou GreatStar Sheffield Trading Co., Ltd., PREXISO Laser Measurement Tool (Hangzhou) Co., Ltd., Shanghai Endura Tools Co., Ltd., Changzhou Huada Kejie Engineering Machinery Co., Ltd., Hangzhou Youdebao Trading Co., Ltd., Hangzhou BeA Machinery Equipment Manufacturing Co., Ltd., Yuanhaoxin Microelectronics (Shanghai) Co., Ltd., and Yuanhaoxin Microelectronics (Chengdu) Co., Ltd. are eligible for this income tax preferential policy, and are subject to a business income tax rate of 20%.

VII. Notes to the Consolidated Financial Statements Items

1. Cash and bank balances

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	833,144.88	640,344.57
Bank deposits	5,049,352,073.75	6,560,350,720.32
Other cash and bank balances	235,356,844.36	291,119,922.51

Total Amount	5,285,542,062.99	6,852,110,987.40
Of which: Total amount of funds deposited beyond China	1,122,319,384.67	1,398,337,940.28

Other notes:

Other cash and bank balances at the end of the period included bank acceptance deposits of RMB 201,200,000.00, credit letter deposit of RMB 17,499,793.14, customs duty guarantee deposit of RMB 4,920,762.65, project guarantee deposit of RMB 4,920,762.65, credit card deposit of RMB 3,514,400.00, deposits held in third-party payment platform of RMB 1,647,233.77, lease deposit of RMB 1,483,076.80, funds in transit of RMB 1,383,578.00, litigation-related deposit of RMB 200,000.00, and ETC deposit of RMB 56,000.00.

Other cash and bank balances at the beginning of the period included proceeds from the disposal of equity in Donghai Bank and related interest held in escrow accounts amounting to RMB 200,784,460.05, bank acceptance bill deposit of RMB 62,506,684.57, credit letter deposit of RMB 17,255,624.81, credit card deposit of RMB 3,594,200.00, deposits held in third-party payment platform of RMB 2,882,207.71, lease deposit of RMB 1,516,752.40, customs duty guarantee deposit of RMB 1,438,150.55, funds in transit of RMB 885,842.42, litigation-related deposit of RMB 200,000.00, and ETC deposit of RMB 56,000.00.

2. Held-for-trading financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value and the changes are included in current profits and losses	55,079,204.15	5,413,124.26
Including:		
Forward foreign exchange contract		1,177,261.44
Bank financial products	34,924,005.52	4,235,862.82
Structured deposit	20,155,198.63	
Including:		
Total Amount	55,079,204.15	5,413,124.26

Other notes:

3. Notes receivable

(1) Details on notes receivable by type

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	5,809,223.21	5,932,105.78

Commercial acceptance bill	32,694.00	
Total Amount	5,841,917.21	5,932,105.78

(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	
Including:										
Notes receivable with bad debt provision by combination	5,841,917.21	100.00%			5,841,917.21	5,932,105.78	100.00%			5,932,105.78
Including:										
Bank acceptance bill	5,809,223.21	99.44%			5,809,223.21	5,932,105.78	100.00%			5,932,105.78
Commercial acceptance bill	32,694.00	0.56%			32,694.00					
Total Amount	5,841,917.21	100.00%			5,841,917.21	5,932,105.78	100.00%			5,932,105.78

Provision for bad debts by combination: 0

Unit: RMB

Item	Closing balance

	Book balance	Provision for bad debts	Percentage of Provision
Bank acceptance bill as a combination	5,809,223.21		
Commercial acceptance bill as a combination	32,694.00		
Total Amount	5,841,917.21		

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

4. Accounts receivable

(1) Disclosure by aging analysis

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	3,131,897,804.30	3,313,103,135.86
1-2 years	59,880,929.75	13,687,408.57
2-3 years	10,237,372.52	4,495,516.50
More than 3 years	17,147,494.05	14,205,576.83
3-4 years	3,762,737.41	10,368,656.56
4-5 years	9,918,127.75	2,632,425.58
More than 5 years	3,466,628.89	1,204,494.69
Total Amount	3,219,163,600.62	3,345,491,637.76

(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 Provisi		Amount	Proportion	Amount	Percentage of Provisi	

				on					on	
Accounts receivable with provision for bad debts on an individual basis	14,248,133.63	0.44%	14,248,133.63	100.00%		5,795,571.59	0.17%	5,795,571.59	100.00%	
Including:										
Accounts receivable with bad debt provision by combination	3,204,915,466.99	99.56%	173,187,275.31	5.40%	3,031,728,191.68	3,339,696,066.17	99.83%	173,264,526.81	5.19%	3,166,431,539.36
Including:										
Total Amount	3,219,163,600.62	100.00%	187,435,408.94	5.82%	3,031,728,191.68	3,345,491,637.76	100.00%	179,060,098.40	5.35%	3,166,431,539.36

Provision for bad debts on a single item basis: Provision for single bad debt

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 amounts	5,795,571.59	5,795,571.59	14,248,133.63	14,248,133.63	100.00%	Customer applied for bankruptcy, expected to be uncollectible.

Total Amount	5,795,571.59	5,795,571.59	14,248,133.63	14,248,133.63		

Bad debt provision by combination: Aging combination

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Within 1 year	3,123,355,467.97	156,167,773.57	5.00%
1-2 years	54,175,132.45	5,417,513.25	10.00%
2-3 years	10,237,372.52	2,047,474.50	20.00%
3-4 years	3,762,737.41	1,128,821.22	30.00%
4-5 years	9,918,127.75	4,959,063.88	50.00%
More than 5 years	3,466,628.89	3,466,628.89	100.00%
Total Amount	3,204,915,466.99	173,187,275.31	

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	Others	
Provision for bad debts on a single item basis	5,795,571.59	8,452,562.04				14,248,133.63
Bad debt provision by combination	173,264,526.81	1,838,577.63		1,090,936.11	-824,893.02	173,187,275.31
Total Amount	179,060,098.	10,291,139.6		1,090,936.11	-824,893.02	187,435,408.

	40	7				94

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

(4) Accounts receivable actually written off during the period

Unit: RMB

Item	Amount written off
Accounts receivable actually written off	1,090,936.11

Of which significant accounts receivable written off during the period:

Unit: RMB

Unit name	Nature of accounts receivable	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the amount arose from an affiliate transaction

Description of accounts receivable write-offs:

(5) Top five accounts receivable and contract assets at the end of the period

The aggregate amount of the top five accounts receivable at the end of the period was RMB 1,972,373,495.62, accounting for 61.27% of the aggregate amount of accounts receivable at the end of the period, and the aggregate amount of corresponding provision for bad debts and contractual assets impairment was RMB 106,757,506.74.

5. Receivables financing

(1) Classification and Listing of Receivables Financing

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	17,769,001.78	13,281,053.48
Accounts receivable	5,495,243.56	52,686,764.33
Total Amount	23,264,245.34	65,967,817.81

(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	
Including:										
Bad debt provision by combination	23,554,851.72	100.00%	290,606.38	1.23%	23,264,245.34	68,740,805.41	100.00%	2,772,987.60	4.03%	65,967,817.81
Including:										
Bank acceptance bill	17,769,001.78	75.44%			17,769,001.78	13,281,053.48	19.32%			13,281,053.48
Accounts receivable	5,785,849.94	24.56%	290,606.38	5.02%	5,495,243.56	55,459,751.93	80.68%	2,772,987.60	5.00%	52,686,764.33
Total Amount	23,554,851.72	100.00%	290,606.38	1.23%	23,264,245.34	68,740,805.41	100.00%	2,772,987.60	4.03%	65,967,817.81

Bad debt provision by combination: Bank acceptance bill as a combination

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Bank acceptance bill as a combination	17,769,001.78		
Total Amount	17,769,001.78		

A description of the basis for determining the combination:

Bad debt provision by combination: Aging combination

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Ageing combination	5,785,849.94	290,606.38	5.02%
Total Amount	5,785,849.94	290,606.38	

A description of the basis for determining the combination:

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

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total Amount
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as of January 1, 2025 during the period				

Basis for Classification of Stages and Provision Rate for Bad Debts

Description of significant changes in the carrying amount of receivables financing due to loss provision changes in the current 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	Transfer to COGS or Write-off	Other changes	
Provision for impairment by combination	2,772,987.60	-2,482,381.22				290,606.38

Total Amount	2,772,987.60	-2,482,381.22				290,606.38

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

Other notes:

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

Item	Amounts derecognized at the end of the period
Endorsed but Not Yet Due Bank Acceptance Bills	12,987,059.77
Subtotal	12,987,059.77

The acceptors of bank acceptance bills are commercial banks with a high credit standing. The Company derecognizes such bank acceptance bills that have been endorsed, as the commercial banks have a high level of creditworthiness and the likelihood of non-payment of bank 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 receivable derecognized due to transfer of financial assets

Item	Amounts derecognized	Gain or loss related to derecognition	Method of transferring financial assets
Payments for goods	35,132,014.75	-1,616,993.19	Assignment in receivables financing without recourse
Total	35,132,014.75	-1,616,993.19	

6. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	0.00	0.00

Dividend receivable	0.00	0.00
Other receivables	113,456,013.34	125,512,916.86
Total Amount	113,456,013.34	125,512,916.86

(1) Other receivables

1) Other receivables by nature of payment

Unit: RMB

Nature of payment	Closing book balance	Opening book balance
Export tax rebates	85,093,731.52	101,111,214.10
Temporary advance payment receivable	13,658,260.50	7,729,985.37
Deposits	18,561,343.73	24,247,870.61
Employee petty cash	1,446,439.81	1,576,636.07
Others	6,803,876.05	948,475.03
Total Amount	125,563,651.61	135,614,181.18

2) Aging Disclosure

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	113,844,062.99	124,203,162.81
1-2 years	1,606,256.80	1,651,998.24
2-3 years	1,353,334.36	3,966,491.39
More than 3 years	8,759,997.46	5,792,528.74
3-4 years	3,220,813.02	1,286,925.04
4-5 years	1,042,571.56	3,918,146.26
More than 5 years	4,496,612.88	587,457.44
Total Amount	125,563,651.61	135,614,181.18

3) Classification Disclosure by Bad Debt Provision Method

☑ 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:										
Bad debt provision by combination	125,563,651.61	100.00%	12,107,638.27	9.64%	113,456,013.34	135,614,181.18	100.00%	10,101,264.32	7.45%	125,512,916.86
Including:										
Total Amount	125,563,651.61	100.00%	12,107,638.27	9.64%	113,456,013.34	135,614,181.18	100.00%	10,101,264.32	7.45%	125,512,916.86

Bad debt provision by combination: Aging combination

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Within 1 year	113,844,062.99	5,692,203.15	5.00%
1-2 years	1,606,256.80	160,625.68	10.00%
2-3 years	1,353,334.36	270,666.87	20.00%
3-4 years	3,220,813.02	966,243.91	30.00%
4-5 years	1,042,571.56	521,285.78	50.00%
More than 5 years	4,496,612.88	4,496,612.88	100.00%
Total Amount	125,563,651.61	12,107,638.27	

A description of the basis for determining the combination:

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 Amount
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as of January 1, 2025	6,210,158.14	165,199.82	3,725,906.36	10,101,264.32
Balance as of January 1, 2025 during the period				
-- Transferred to Phase II	-80,312.84	80,312.84		
-- Transferred to Phase III		-135,333.44	135,333.44	
Provision during the period	-1,840,974.54	50,446.46	2,393,569.64	603,041.56
Reversal during the period				
Write-offs during the period				
Other changes	1,403,332.39			1,403,332.39
Balance as of December 31, 2025	5,692,203.15	160,625.68	6,254,809.44	12,107,638.27

Basis for Classification of Stages and Provision Rate for Bad Debts

Changes in the book balance of the provision for losses with significant change in amount during the period

□ Applicable √ Not Applicable

4) 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 rebates	Export tax rebates	85,093,731.52	Within 1 year	67.77%	4,254,686.58
Công ty cổ phần Tường Viên Grand Park	Deposits	2,818,199.39	More than 5 years	2.24%	2,818,199.39
Contribution to employee's social insurance premium and housing provident funds	Temporary advance payment receivable	2,479,679.89	Within 1 year	1.97%	123,983.99
Zhongshan Xiaolan Jiedong Er Joint-Stock Co-operative Economic United Society	Deposits	1,529,562.00	3-4 years	1.22%	458,868.60
Zhongshan Xiaolan Urban Construction and Development Corporation	Deposits	1,056,295.00	2-3 years 72,123.00; 34 years 984,172.00	0.84%	309,676.20
Total Amount		92,977,467.80		74.04%	7,965,414.76

7. Prepayments

(1) Prepayments by aging

Unit: RMB

Ageing	Closing balance				Opening balance			
	Book balance	Proportion（%）	Allowance	Book value	Book balance	Proportion（%）	Allowance	Book value
Within 1 year	140,949,710.14	96.85	7,047,486.36	133,902,223.78	100,339,547.43	95.81	5,016,977.35	95,322,570.08
1-2 years	1,982,448.48	1.36	198,244.87	1,784,203.61	2,670,589.19	2.55	267,058.92	2,403,530.27
2-3 years	1,371,206.99	0.94	274,241.37	1,096,965.62	1,058,707.37	1.01	211,741.46	846,965.91
3-4 years	732,569.65	0.50	219,770.90	512,798.75	342,124.78	0.33	102,637.44	239,487.34
4-5 years	197,518.79	0.14	98,759.41	98,759.38	78,182.78	0.07	39,091.41	39,091.37

More than 5 years	306,380.10	0.21	306,380.10		242,332.33	0.23	242,332.33	
Total Amount	145,539,834.15	100.00	8,144,883.01	137,394,951.14	104,731,483.88	100.00	5,879,838.91	98,851,644.97

Description of the reasons for the failure to settle prepayments with an aging of more than 1 year and significant amounts in a timely manner:

(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 45,532,500.89, accounting for 31.29% 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	1,043,317,523.95	31,244,358.02	1,012,073,165.93	846,358,014.35	11,590,442.09	834,767,572.26
Work in progress	372,231,052.62		372,231,052.62	304,968,452.59		304,968,452.59
Inventory	1,729,750,561.02	76,037,735.81	1,653,712,825.21	1,695,961,783.08	54,651,505.54	1,641,310,277.54
Goods in transit	113,351,548.07		113,351,548.07	191,926,860.65		191,926,860.65
Commissioned processing materials	60,482,112.10		60,482,112.10	27,435,812.50		27,435,812.50

Low-value consumables	11,732,700.02		11,732,700.02	4,784,744.67		4,784,744.67
Total Amount	3,330,865,497.78	107,282,093.83	3,223,583,403.95	3,071,435,667.84	66,241,947.63	3,005,193,720.21

(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	Others	Reversal or Transfer to COGS	Others	
Raw materials	11,590,442.09	27,547,614.45	1,143,780.88	8,702,781.54	334,697.86	31,244,358.02
Inventory	54,651,505.54	53,794,166.23	734,579.95	31,470,049.51	1,672,466.40	76,037,735.81
Total Amount	66,241,947.63	81,341,780.68	1,878,360.83	40,172,831.05	2,007,164.26	107,282,093.83

2) Specific basis for determining net realizable value, and reasons for provision for reversal or transfer to COGS during the period

Item	Specific basis for determining net realizable value	Reasons for provision for transfer to COGS	Reasons for provision for transfer to COGS
Raw materials	Net realizable value is determined as the estimated selling price of the relevant finished goods less costs estimated to be incurred to completion, estimated selling expenses and related taxes		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 transferred to COGS

Provision for decline in value of inventories by combination

Unit: RMB

Name of combination	Closing			Opening		
	Closing balance	Provision for decline	Percentage of provision for decline	Opening balance	Provision for decline	Percentage of provision for decline

Recognition standards for provision for decline in value of inventories by combination

9. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Financial lease payments receivable	115,596.54	103,672.03
Term deposits due within one year	10,712,654.88	
Total Amount	10,828,251.42	103,672.03

10. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Input VAT to be credited	206,011,178.79	139,569,107.69
Prepaid enterprise income tax	4,876,387.46	5,022,532.40
Amortised expenses	1,673,389.32	21,243,608.91
Total Amount	212,560,955.57	165,835,249.00

Other notes:

11. Other investments in equity instruments

Unit: RMB

Project Name	Closing balance	Opening balance	Gains Recognized in Other Comprehensive Income for the Current Period	Losses Recognized in Other Comprehensive Income for the Current Period	Cumulative Gains Recognized in Other Comprehensive Income as of the End of the Current	Cumulative Losses Recognized in Other Comprehensive Income as of the End of the Current	Dividend income recognized for current period	Reasons for designation as at fair value measurement and its changes incorporated in

					Period	Period		other comprehensive income
Hangzhou Haibang Xinhu Talent Venture Capital Partnership (limited partnership)	12,600,000.00	12,600,000.00						
Total Amount	12,600,000.00	12,600,000.00						

There are Termination Confirmations for the Current Period

Unit: RMB

Project Name	Cumulative Gains Transferred to Retained Earnings	Cumulative Losses Transferred to Retained Earnings	Reasons for Termination of Confirmation

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

Unit: RMB

Project Name	Dividend income recognized	Accumulated gains	Accumulated losses	Amounts of transfers 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

Other notes:

12. Long-term receivables

(1) Long-term receivables

Unit: RMB

Item	Closing balance	Opening balance	Discount

	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	rate range
Financial lease payments	135,312.41		135,312.41	226,719.52		226,719.52	0.75%
Of which: unrealized financing gains	-4,236.89		-4,236.89	-2,870.19		-2,870.19	
Total Amount	135,312.41		135,312.41	226,719.52		226,719.52	

13. Long-term equity investments

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 recognized under the equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of issuing cash dividends or profits	Provision for accrual impairment	Others		
I. Joint ventures												
II. Associates												
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	2,047,807,325.14				431,318,130.83	35,606,065.98	177,188,579.44				2,691,920,101.39	

Zhejiang Hangcha Holding Co., Ltd.	1,117,196,562.17				184,489,703.48	2,592,996.11	18,549,417.66				1,322,828,679.42	
Zhejiang Guozi Robotics Co., Ltd.	16,230,360.84			72,849,082.15	-373,224.00	36,089.25				56,955,856.06		
Ningbo Donghai Bank Co., Ltd.	200,769,960.00	25,249,436.47		187,453,249.27						-13,316,710.73		
Changzhou Stabila Laser Instrument Co., Ltd.	3,869,258.92				60,614.77						3,929,873.69	
Hangzhou Nano IC Technologies Co., Ltd.	99,896,175.78			75,865,204.95	448,493.24	-19,357.34			10,863,596.31	-13,596,510.42		
Subtotal	3,485,769,642.85	25,249,436.47		336,167,536.37	615,943,718.32	38,215,794.00	195,737,997.10		10,863,596.31	30,042,634.91	4,018,678,654.50	
Total Amount	3,485,769,642.85	25,249,436.47		336,167,536.37	615,943,718.32	38,215,794.00	195,737,997.10		10,863,596.31	30,042,634.91	4,018,678,654.50	

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

Other notes:

Other changes result from the Company's disposal of related long-term equity investments, whereby previously recognized gains or losses on long-term equity investments, adjustments to other comprehensive income, other changes in equity, and impairment provisions are reversed.

14. Other non-current financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value and the changes of which are recorded in current profits and losses	78,336,000.00	
Total Amount	78,336,000.00	0.00

Other notes:

In July 2025, the Company transferred its shares equal to 19.5285% equity interest in Zhejiang Guozi Robotics Co., Ltd. at the consideration of RMB 78,336,000 to increase its capital contribution to Zhejiang Hangcha Intelligent Technology Co., Ltd. (later renamed Zhejiang Hangcha Guozi Intelligent Technology Robot Co., Ltd., hereinafter referred to as "Hangcha Intelligent"). The capital increase was registered with the relevant industrial and commercial authorities in August 2025. As of December 31, 2025, the Company held an 8.7752% equity interest in Hangcha Intelligent. The Company classifies its equity investment in Hangcha Intelligent as a financial asset measured at fair value, with changes recorded in current profits and losses.

15. Investment properties

(1) Investment properties by using cost measurement model

☑ Applicable □ Not Applicable

Unit: RMB

Item	Houses, buildings	Land use rights	Construction in progress	Total Amount
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	94,000.00			94,000.00
(1) Disposals	94,000.00			94,000.00
(2) Other transfers out				
4. Closing balance	118,071,047.78	16,928,850.24		134,999,898.02
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	19,714,779.83	2,990,763.46		22,705,543.29
2. Increase amounts during the period	4,540,567.48	338,577.00		4,879,144.48
(1) Accrual or amortization	4,540,567.48	338,577.00		4,879,144.48
3. Decrease amounts during the period	39,440.83			39,440.83
(1) Disposals	39,440.83			39,440.83
(2) Other transfers				

out				
4. Closing balance	24,215,906.48	3,329,340.46		27,545,246.94
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. Book value at the end of the period	93,855,141.30	13,599,509.78		107,454,651.08
2. Book value at the beginning of the period	98,450,267.95	13,938,086.78		112,388,354.73

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

Other notes:

16. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	2,359,033,146.84	1,901,663,424.38
Liquidation of fixed assets		
Total Amount	2,359,033,146.84	1,901,663,424.38

(1) Fixed assets

Unit: RMB

Item	Buildings	General equipment	Special equipment	Transportation facilities	Total Amount
I. Original book value:					
1. Opening balance	1,812,881,034.19	344,255,942.46	1,727,994,599.83	48,528,710.59	3,933,660,287.07
2. Increase amounts during the period	463,328,675.34	70,724,196.08	320,250,460.66	14,009,593.98	868,312,926.06
(1) Acquisitions		45,390,809.07	127,990,212.45	9,161,637.46	182,542,658.98
(2) Transfer from construction in progress	448,345,784.89	358,407.08	163,188,963.64		611,893,155.61
(3) Increase in business combination		979,270.15	4,093,383.01	1,073,008.84	6,145,662.00
(4) Effect of exchange rate changes	14,982,890.45	23,995,709.78	24,977,901.56	3,774,947.68	67,731,449.47
3. Decrease amounts during the period	25,223,357.50	11,871,443.81	34,193,277.98	1,258,504.19	72,546,583.48

(1) Disposal or retirement	25,223,357.50	11,871,443.81	34,193,277.98	1,258,504.19	72,546,583.48
4. Closing balance	2,250,986,352.03	403,108,694.73	2,014,051,782.51	61,279,800.38	4,729,426,629.65
II. Accumulated depreciation					
1. Opening balance	603,629,001.08	220,859,168.55	1,167,824,051.86	35,971,760.07	2,028,283,981.56
2. Increase amounts during the period	106, 557, 977. 86	50, 496, 707. 40	164, 932, 018. 22	6,281,456.70	328, 268, 160. 18
1) Accrual	98, 338, 152. 73	39, 348, 927. 26	119, 434, 963. 96	4, 680, 985. 06	261, 803, 029. 01
(2) Increase in business combination		762,806.62	1,287,467.30	456,467.08	2,506,741.00
(3) Effect of exchange rate changes	8,219,825.13	10,384,973.52	44,209,586.96	1,144,004.56	63,958,390.17
3. Decrease amounts during the period	5,983,244.06	8,568,155.29	28,642,075.42	847,417.07	44,040,891.84
(1) Disposal or retirement	5,983,244.06	8,568,155.29	28,642,075.42	847,417.07	44,040,891.84
4. Closing balance	704,203,734.88	262,787,720.66	1,304,113,994.66	41,405,799.70	2,312,511,249.90
III. Provision for impairment					
1. Opening balance			3,712,881.13		3,712,881.13
2. Increase amounts during the period			54,436,033.81		54,436,033.81
1) Accrual			54,254,755.30		54,254,755.30

(2) Effect of exchange rate changes			181,278.51		181,278.51
3. Decrease amounts during the period			266,682.03		266,682.03
(1) Disposal or retirement			266,682.03		266,682.03
4. Closing balance			57,882,232.91		57,882,232.91
IV. Book value					
1. Book value at the end of the period	1,546,782,617.15	140,320,974.07	652,055,554.94	19,874,000.68	2,359,033,146.84
2. Book value at the beginning of the period	1,209,252,033.11	123,396,773.91	556,457,666.84	12,556,950.52	1,901,663,424.38

(2) Fixed assets leased out under operating leases

Unit: RMB

Item	Book value at the end of the period
Buildings	20,755,330.18
Subtotal	20,755,330.18

(3) Fixed assets without certificate of ownership

Unit: RMB

Item	Book value	Reasons for failure to obtain title certificates
Vietnam Manufacturing Facility	357,347,807.42	Being handled
Greatstar Energy Industrial Building	116,015,600.41	As of December 31, 2025, the process was still in progress; it was completed in March 2026.
Subtotal	473,363,407.83	

Other notes:

17. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	233,077,109.12	230,519,711.33
Total Amount	233,077,109.12	230,519,711.33

(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
Switzerland Toolbox Cabinet Intelligent Production Line Project	4,672,789.33		4,672,789.33	43,406,088.52		43,406,088.52
Phase III Plant Construction Project of Vietnam Intelligent Co., Ltd.	11,524,128.09		11,524,128.09	71,553,489.28		71,553,489.28
Industrial Housing Project of GreatStar Energy Co., Ltd.				66,890,042.39		66,890,042.39
Geelong Industrial Hardware Products R&D and Production Project	74,440,565.10		74,440,565.10			
Phase IV Plant Construction Project of	83,129,444.32		83,129,444.32			

GreatStar Vietnam Co., Ltd.						
Sporadic project	59,310,182.28		59,310,182.28	48,670,091.14		48,670,091.14
Total Amount	233,077,109.12		233,077,109.12	230,519,711.33		230,519,711.33

(2) Impairment Testing of Construction in Progress

□ Applicable☑Not Applicable

18. Right-of-use assets

(1) Status of Right-of-Use Assets

Unit: RMB

Item	Buildings	General equipment	Special equipment	Transportation facilities	Total Amount
I. Original book value					
1. Opening balance	550,016,397.12	4,080,975.49	3,385,063.55	21,897,824.07	579,380,260.23
2. Increase amounts during the period	56,462,688.71	940,832.83	-2,744,922.59	2,320,600.95	56,979,199.90
(1) Leased-in	14,700,722.40		967,948.80	8,132,498.40	23,801,169.60
(2) Increase in business combination	1,295,920.18				1,295,920.18
(3) Effect of exchange rate changes	40,466,046.13	940,832.83	-3,712,871.39	-5,811,897.45	31,882,110.12
3. Decrease amounts during the period	33,317,007.09				33,317,007.09
(1) Disposals					
(2) Lease expiration	33,317,007.09				33,317,007.09
4. Closing balance	573,162,078.74	5,021,808.32	640,140.96	24,218,425.02	603,042,453.04

II. Accumulated depreciation					
1. Opening balance	221,591,349.27	2,589,622.31	3,180,150.40	12,049,787.83	239,410,909.81
2. Increase amounts during the period	90,173,190.39	790,760.37	-3,104,733.60	481,517.72	88,340,734.88
1) Accrual	75,650,038.69	553,113.60	345,696.00	7,259,616.00	83,808,464.29
(2) Increase in business combination	452,117.01				452,117.01
(3) Effect of exchange rate changes	14,071,034.69	237,646.77	-3,450,429.60	-6,778,098.28	4,080,153.58
3. Decrease amounts during the period	33,214,759.23				33,214,759.23
(1) Disposals					
(2) Lease expiration	33,214,759.23				33,214,759.23
4. Closing balance	278,549,780.43	3,380,382.68	75,416.80	12,531,305.55	294,536,885.46
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. Book value at the end of the period	294,612,298.31	1,641,425.64	564,724.16	11,687,119.47	308,505,567.58
2. Book value at the beginning of the period	328,425,047.85	1,491,353.18	204,913.15	9,848,036.24	339,969,350.42

19. 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 Amount
I. Original book value									
1. Opening 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
2. Increase amounts during the period	92,716,642.08	1,040,012.34		39,928,171.76	37,726,037.64	154,414,863.10	19,174,661.07		345,000,387.99
(1) Acquisitions	102,753,802.31	153,356.74		42,267,157.63		11,337,045.24	15,026,141.69		171,537,503.61
(2) Internal R&D									
(3) Increase in						143,077,817.86	1,890,367.88		144,968,185.74

business combination									
(4) Effect of exchange rate changes	-10,037,160.23	886,655.60		-2,338,985.87	37,726,037.64		2,258,151.50		28,494,698.64
3. Decrease amounts during the period		1,150,000.00		12,652,473.60		997,352.02	3,252,126.93		5,399,478.95
(1) Disposals		1,150,000.00		12,652,473.60		997,352.02	3,252,126.93		5,399,478.95
4. Closing balance	528,671,764.80	28,396,105.18		196,926,700.47	472,651,693.31	171,896,331.43	271,969,967.00	2,648,543.69	1,673,161,105.88
II. Accumulated amortization									
1. Opening 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
2. Increase amounts during the period	14,115,624.23	3,952,429.56			13,274,405.25	16,596,564.26	29,172,217.33	264,854.40	77,376,095.03
1) Accrual	14,658,849.00	3,844,395.50			13,388,119.22	9,866,257.17	19,650,276.03	264,854.40	61,672,751.32
(2) Increase in business combination						6,730,307.09	1,890,367.88		8,620,674.97

(3) Effect of exchange rate changes	-543,224.77	108,034.06			-113,713.97		7,631,573.42		7,082,668.74
3. Decrease amounts during the period		1,150,000.00					1,947,736.81		3,097,736.81
(1) Disposals		1,150,000.00					1,947,736.81		3,097,736.81
4. Closing balance	79,349,769.41	11,201,311.92			43,756,020.10	31,877,208.98	229,912,571.58	1,743,624.80	397,840,506.79
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. Book value at the end of the period	449,321,995.39	17,194,793.26		196,926,700.47	428,895,673.21	140,019,122.45	42,057,395.42	904,918.89	1,275,320,599.09
2. Book value at the beginning of the period	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

At the end of this period, the intangible assets formed through internal R&D within the Company accounted for 0.00% of the total intangible asset balance.

20. Goodwill

(1) Original book value of goodwill

Unit: RMB

Name of invested units 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	Others	
Lista Holding AG	1,129,939,580.07		120,556,840.55			1,250,496,420.62
Geelong Orchid Holdings Ltd	568,037,859.11					568,037,859.11
Arrow Fastener Co., LLC	663,690,595.20		-14,735,548.80			648,955,046.40
Changzhou Huada Kejie	118,076,677.					118,076,677.

Opto-Electro Instrument Co., Ltd.	01					01
Prim' Tools Limited	71,001,983.32		-1,576,417.08			69,425,566.24
Suzhou Xindadi Hardware Co., Ltd.	42,288,608.30					42,288,608.30
Prexiso AG	36,176,748.19		3,859,812.10			40,036,560.29
PrimeLine Products, LLC	30,910,120.00		-686,280.00			30,223,840.00
Hangzhou Nano IC Technologies Co., Ltd.		30,427,616.92				30,427,616.92
Asset group related to the workwear and labor protection equipment procured by Scruffs Workwear Ltd	25,070,840.54		989,133.26			26,059,973.80
Corgrap S.A.	12,853,029.99		1,212,256.76			14,065,286.75
Equity interest in high-precision measurement tool business and the related asset groups of TESA Group	5,648,136.97		-18,474.75			5,629,662.22
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
Haining 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 Amount	2,718,807,395.48	30,427,616.92	109,601,322.04			2,858,836,334.44

(2) Provision for impairment of goodwill

Unit: RMB

Name of invested units or matters forming goodwill	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Make provision	Others	Disposals	Others	
Lista Holding AG	70,398,887.67		13,797,063.33			84,195,951.00
Geelong Orchid Holdings Ltd	2,455,041.61					2,455,041.61
Arrow Fastener Co., LLC	129,920,366.88		-2,884,548.79			127,035,818.09
Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	58,591,956.96					58,591,956.96
Suzhou Xindadi Hardware Co., Ltd.	19,840,692.86					19,840,692.86
Prexiso AG	36,176,748.1		3,859,812.10			40,036,560.2

	9					9
Prime line Products, LLC	30,910,120.00		-686,280.00			30,223,840.00
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
Haining Shibeide Cutting Tools Co., Ltd.	884,415.32					884,415.32
Asset group related to the workwear and labor protection equipment procured by Scruffs Workwear Ltd	808,928.28		35,207.36			844,135.64
Zhejiang Guoxin Tools Co., Ltd.	308,667.41					308,667.41
Yiyang Tools Manufacturing Co., Ltd.	170,033.92					170,033.92
Total Amount	364,215,959.23		14,121,254.00			378,337,213.23

(4) Information on 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 conducted
Lista Holding AG	The operational assets and liabilities relating to	The asset group containing goodwill in	Yes

	tool storage business in Lista Holding AG asset group, which can generate independent cash inflows	Lista Holding AG is its asset group of tool storage D&R, production and marketing business	
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	Different from that determined on the purchase date, but consistent with that determined when the goodwill impairment test was conducted from year 2022 to 2024. The difference from that on the purchase date was mainly due to adjustments in internal business and equity structure, and Geelong (Thailand) Co, Ltd has been part of the Geelong Orchid Holdings Ltd asset group since 2022
Arrow Fastener Co., LLC	The operational assets and liabilities relating to tools business in Arrow Fastener Co., LLC asset group, which can generate independent cash inflows	The asset group containing goodwill in Arrow Fastener Co., LLC is its asset group of tools D&R, production and marketing business	Yes

(5) Specific method for determining recoverable amount of main goodwill

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

Unit: ten thousand RMB

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	164,138.73	170,523.40	
Geelong Orchid Holdings Ltd	134,868.83	214,654.60	
Arrow Fastener Co., LLC	93,687.18	99,921.42	

(continued)

Item	Years of the	Revenue growth rate, profit margin and other parameters over the forecast	Growth rate and other parameters over the	Discount rate and its determination basis

	forecast period	period, as well as the basis for their determination	stabilization period, as well as the basis for their determination	
Lista Holding AG	5-year period for detailed forecasts	Based on historical experience and market development forecasts, the Company has determined the following: during the forecast period (2026-2030), the revenue growth rate is -2.51%-11.86%, the EBITDA Margin is 12.64%-21.16%	The parameters are expected to stabilize in the fifth year of the forecast period, with zero revenue growth in the sixth year and the perpetual period.	The pre-tax interest rate for the time value of market currency and specific risks of related asset groups, with a discount rate of 11.15%
Geelong Orchid Holdings Ltd		Based on historical experience and market development forecasts, the Company has determined the following: during the forecast period (2026-2030), the revenue growth rate is -20.60%-3.08%, the EBIT Margin is 13.05%-14.79%		The pre-tax interest rate for the time value of market currency and specific risks of related asset groups, with a discount rate of 10.75%
Arrow Fastener Co., LLC		Based on historical experience and market development forecasts, the Company has determined the following: during the forecast period (2026-2030), the revenue growth rate is 4%-7%, the EBIT Margin is 9.08%-17.23%		The pre-tax interest rate for the time value of market currency and specific risks of related asset groups, with a discount rate of 13.55%

21. 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 improvements of fixed assets acquired	3,509,227.89		1,009,173.30		2,500,054.59
Renovation expense	7,404,941.51	8,095,473.20	8,691,216.03	79,318.02	6,729,880.66
Mold costs	10,716,882.33	10,126,117.04	8,697,918.06	480,775.38	11,664,305.93

Others	5,881,410.14	9,161,547.27	8,826,848.81	155,116.57	6,060,992.03
Total Amount	27,512,461.87	27,383,137.51	27,225,156.20	715,209.97	26,955,233.21

Other notes:

22. Deferred tax assets/Deferred tax liabilities

(1) Deferred tax assets without offsetting

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Tax-deductible losses	35,623,361.16	9,054,092.39		
Provision for bad debts	176,408,877.36	29,757,392.13	177,504,282.04	35,824,522.68
Provision for decline in value of inventories	33,870,748.04	11,426,841.94	56,332,185.60	11,927,785.25
Lease liabilities	108,994,212.95	23,778,148.19	118,705,122.25	22,691,594.75
Accrued expenses	156,611,680.45	34,815,768.84	153,653,955.57	37,409,440.65
Distribution of partnership profits	7,560,993.85	1,134,149.08	7,827,989.08	1,174,198.36
Long-term equity investment impairment provision			25,249,436.47	3,787,415.47
Total Amount	519,069,873.81	109,966,392.57	539,272,971.01	112,814,957.16

(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	358,215,022.66	56,532,030.97	171,508,444.39	38,009,919.29
Interest receivable	20,805,352.85	3,532,469.60	18,054,561.65	2,708,184.25
Depreciation of long-term assets	199,427,860.88	36,940,796.61	102,200,205.25	24,062,416.98
Right-of-use assets	104,411,716.06	22,836,596.35	135,262,753.54	25,232,331.77
Others	71,884,385.81	10,941,240.30	26,883,255.53	5,522,567.94
Changes in fair value of held-for-trading financial assets	315,891.95	41,218.81		
Total Amount	755,060,230.21	130,824,352.64	453,909,220.36	95,535,420.23

(3) Breakdown of unrecognized deferred tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible losses	289,545,774.96	281,673,732.40
Total Amount	289,545,774.96	281,673,732.40

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

Unit: RMB

Years	Closing amount	Opening amount	Remarks
2025		7,717,417.88	
2026	22,498,626.40	20,350,304.34	
2027	33,750,708.11	32,324,862.72	
2028	44,743,585.07	46,155,828.43	
2029	43,548,138.57	24,853,578.01	
2030	31,867,179.73	31,867,179.73	

2031	38,267,903.81	38,267,903.81	
2032	27,435,043.19	27,578,778.95	
2033	28,816,353.48	45,037,724.97	
2034	7,194,027.17	7,520,153.56	
2035	11,424,209.43		
Total Amount	289,545,774.96	281,673,732.40	

Other notes:

23. 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
Hold-to-maturity certificates with a maturity of one year or more	490,092,697.97		490,092,697.97			
Prepayments for equipment	19,273,851.90		19,273,851.90	24,009,847.07		24,009,847.07
Prepayments for acquisition of intangible assets	5,769,007.58		5,769,007.58	1,222,643.62		1,222,643.62
Total Amount	515,135,557.45		515,135,557.45	25,232,490.69		25,232,490.69

Other notes:

24. Assets subject to ownership or use restrictions

Unit: RMB

Item	Closing				Opening			
	Book balance	Book value	Types of restrictions	Restricted Situation	Book balance	Book value	Types of restrictions	Restricted Situation
Cash and bank balances					200,784,460.05	200,784,460.05	Frozen	Proceeds from the disposal of Donghai Bank equity transfer held in the joint account, restricted for use under agreement as preconditions for the agreement to take effect have not yet been fulfilled
Cash and bank balances	201,200,000.00	201,200,000.00	Pledge	Guarantee deposit for bank acceptance	62,506,684.57	62,506,684.57	Pledge	Guarantee deposit for bank acceptance
Cash and bank balances	17,499,793.14	17,499,793.14	Pledge	Deposits for letter of credit	17,255,624.81	17,255,624.81	Pledge	Deposits for letter of credit
Cash and bank balances	3,514,400.00	3,514,400.00	Pledge	Deposits for credit card	3,594,200.00	3,594,200.00	Pledge	Deposits for credit card
Cash and bank balances	1,483,076.80	1,483,076.80	Pledge	Deposits for lease	1,516,752.40	1,516,752.40	Pledge	Deposits for lease
Cash and bank	4,920,762.65	4,920,762.65	Pledge	Deposits for customs	1,438,150.55	1,438,150.55	Pledge	Deposits for customs

balances				duty guarantee				duty guarantee
Cash and bank balances	3,452,000.00	3,452,000.00	Pledge	Deposit for engineering guarantee				
Cash and bank balances	200,000.00	200,000.00	Frozen	Litigation guarantee deposits	200,000.00	200,000.00	Frozen	Litigation guarantee deposits
Cash and bank balances	56,000.00	56,000.00	Pledge	Deposits for ETC	56,000.00	56,000.00	Pledge	Deposits for ETC
Fixed assets	40,901,325.49	22,278,766.05	Mortgaged	Bank acceptance bill mortgage	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	1,854,723.26	Mortgaged	Bank acceptance bill mortgage	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 Amount	276,425,863.59	256,459,521.90			354,693,435.50	322,739,833.16		

Other notes:

25. Short-term loans

(1) Classification of short-term loans

Unit: RMB

Item	Closing balance	Opening balance
Secured Loan	200,000,000.00	
Mortgage		10,000,000.00

Guaranteed borrowing	32,000,000.00	222,370,769.05
Credit borrowing	1,047,757,029.00	3,011,746,723.66
Interest payable not yet due for accrual	308,427.36	833,716.12
Total Amount	1,280,065,456.36	3,244,951,208.83

Notes on classification of short-term borrowings:

26. Trading Financial liabilities

Item	Closing balance	Opening balance
Trading Financial liabilities	255,687.69	
Including:		
Foreign Exchange Derivatives	255,687.69	
Including:		
Total Amount	255,687.69	

27. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Bank acceptance bill	26,272,095.73	18,164,045.86
Total Amount	26,272,095.73	18,164,045.86

The total amount of notes payable overdue but unpaid at the end of the period was RMB 0.00. The reason for the overdue and unpaid notes was /.

28. Accounts payable

(1) Details on accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Payables for materials procurement	1,554,958,625.69	1,582,762,971.52
Payable expenses	242,623,726.03	181,783,133.70

Payables for project equipment	148,051,713.04	86,591,424.35
Total Amount	1,945,634,064.76	1,851,137,529.57

(2) Overdue payments to SMEs

Whether it is a large enterprise

Yes ☑ No

Whether there are any overdue payments to SMEs

Yes □ No ☑

29. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Interest payable	0.00	0.00
Dividend payable	8,664,536.00	8,400,000.00
Other payables	22,483,716.22	231,569,518.47
Total Amount	31,148,252.22	239,969,518.47

(1) Dividends payable

Unit: RMB

Item	Closing balance	Opening balance
Common Stock Dividends	8,664,536.00	8,400,000.00
Total Amount	8,664,536.00	8,400,000.00

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

(2) Other payables

1) Details on other payables by nature of payment

Unit: RMB

Item	Closing balance	Opening balance
Proceeds from the Disposal of Donghai Bank Equity Transfer		200,769,960.00

Payables for share acquisition	11,684,525.88	14,534,895.43
Temporary receipts payable	1,050,439.32	6,182,126.28
Deposits	6,325,779.26	5,705,008.12
Accrued expenses	79,036.62	879,106.22
Others	3,343,935.14	3,498,422.42
Total Amount	22,483,716.22	231,569,518.47

Other notes:

30. Payments received in advance

(1) Details on payments received in advance

Unit: RMB

Item	Closing balance	Opening balance
Rents received in advance	3,300,249.16	
Total Amount	3,300,249.16	0.00

31. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Payments for goods	141,176,439.00	106,017,720.45
Total Amount	141,176,439.00	106,017,720.45

Significant contract liabilities aged over 1 year

Unit: RMB

Item	Closing balance	Reasons for overdue or carrying forward

Amount of significant changes in book value during the reporting period and the reasons:

Unit: RMB

Item	Amount of change	Reason for change

32. Employee benefits payable

(1) Details on employee benefits payable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term employee benefits	298,850,707.55	2,305,644,453.20	2,304,609,867.59	299,885,293.16
II. Post-employment benefits - defined contribution plans	17,816,278.23	180,424,055.25	174,030,737.54	24,209,595.94
III. Benefits upon severance		39,122,594.51	3,672,103.68	35,450,490.83
Total Amount	316,666,985.78	2,525,191,102.96	2,482,312,708.81	359,545,379.93

(2) Details on 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	289,378,252.96	2,092,068,505.49	2,097,797,015.46	283,649,742.99
2. Employee welfare expenses	1,535,300.03	69,170,168.20	64,391,945.94	6,313,522.29
3. Social insurance premiums	5,318,424.24	97,581,238.15	95,611,669.01	7,287,993.38
Including: Medical insurance premiums	4,903,594.47	89,971,076.71	89,250,452.04	5,624,219.14
Work injury compensation insurance premiums	412,320.57	6,645,685.27	5,394,409.20	1,663,596.64
Maternity insurance premiums	2,509.20	964,476.17	966,807.77	177.60
4. Housing provident funds	820,644.81	33,679,837.93	33,755,490.99	744,991.75
5. Labor union funds and employee education funds	1,798,085.51	13,144,703.43	13,053,746.19	1,889,042.75
Total Amount	298,850,707.55	2,305,644,453.20	2,304,609,867.59	299,885,293.16

(3) Details on defined contribution plans

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	14,858,878.41	171,410,264.45	166,236,424.52	20,032,718.34
2. Unemployment insurance premiums	2,957,399.82	9,013,790.80	7,794,313.02	4,176,877.60
Total Amount	17,816,278.23	180,424,055.25	174,030,737.54	24,209,595.94

Other notes:

33. Taxes and rates payable

Unit: RMB

Item	Closing balance	Opening balance
Value-added tax	26,414,829.58	12,969,579.69
Enterprise income tax	134,200,801.35	203,604,129.97
Individual income tax	5,516,396.26	7,732,896.26
Urban maintenance and construction tax	1,041,684.32	632,907.78
Property tax	8,970,379.46	9,704,616.75
Stamp duty	2,275,838.72	2,409,504.43
Land use tax	3,466,924.70	3,445,004.11
Education surcharge	546,790.91	307,857.52
Local education surcharge	364,527.26	205,238.35
Environmental protection tax	12,222.73	2,603.20
Disability Employment Security Fund	281,181.53	64,058.91
Withheld consumption tax	6,023,984.49	4,281,778.22
Withheld VAT	451,731.81	483,211.81

Withheld enterprise income tax	126,569.18	
Resource tax	9,279.00	1,405.00
Total Amount	189,703,141.30	245,844,792.00

Other notes:

34. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities due within one year	71,554,757.51	74,278,507.40
Total Amount	71,554,757.51	74,278,507.40

Other notes:

35. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output tax amount to be forwarded	3,057,428.89	1,885,603.77
After-Sales Service and Warranty Obligations	7,346,922.31	3,462,297.36
Total Amount	10,404,351.20	5,347,901.13

Increase/decrease in short-term bonds payable:

Unit: RMB

Bond name	Par value	Coupon rate	Issuance date	Term	Issuance amount	Opening balance	Current issuance	Interest accrued at par value	Amortization of premium/discount	Repayment in current period		Closing balance	Default

Total Amount													

Other notes:

36. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Outstanding lease payments	252,813,205.49	282,590,015.71
Less: unrecognized financing costs	-6,265,762.91	-8,239,428.03
Total Amount	246,547,442.58	274,350,587.68

Other notes:

37. Long-term employee benefits payable

(1) List of long-term employee benefits payable

Unit: RMB

Item	Closing balance	Opening balance
II. Defined benefit plans	17,946,145.36	19,644,424.28
Total Amount	17,946,145.36	19,644,424.28

38. Provisions

Unit: RMB

Item	Closing balance	Opening balance	Reason for formation
Soil remediation costs	24,590,397.94	23,641,123.22	Policy Requirements
Total Amount	24,590,397.94	23,641,123.22	

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

39. Deferred income

Unit: RMB

Item	Opening	Increase for the	Decrease for the	Closing balance	Reason for

	balance	period	period		formation
Government grants	3,550,653.49	159,300.00	880,181.15	2,829,772.34	Special grants
Total Amount	3,550,653.49	159,300.00	880,181.15	2,829,772.34	--

Other notes:

40. Share capital

Unit: RMB

	Opening balance	Increase/decrease (+, -) in current change					Closing balance
		New shares issued	Bonus shares	Conversion of capital reserve into share capital	Others	Subtotal	
Total number of shares	1,194,478,182.00						1,194,478,182.00

Other notes:

41. Capital reserve

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share premium)	3,498,754,831.51	1,503,095.38	2,259,870.81	3,497,998,056.08
Other capital reserves	267,658,075.45	195,737,997.10	95,958,720.75	367,437,351.80
Total Amount	3,766,412,906.96	197,241,092.48	98,218,591.56	3,865,435,407.88

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

1) Notes on changes in Capital reserve - Share capital premium

In January 2025, the Company transferred the 100.00% equity interest in Prim' Tools Limited to its non-wholly owned subsidiary, Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.. Consequently, the minority shareholders of Changzhou Huadakejie Photoelectric Instrument Co., Ltd. indirectly acquired a 35% equity interest in Prim' Tools Limited through this transfer.. When preparing the consolidated financial statements, the differences of RMB 1,503,095.38 between the amount received from the disposal of minority equity and the share of net assets of the above companies that should be held by the Company from the consolidation date based on the new shareholding percentage wrote down the Capital reserve - Share capital premium.

In June 2025, the Company acquired 10.00% equity interest in Suzhou Xindadi Hardware Co., Ltd. with a value of RMB 18,854,363.04. When preparing the consolidated financial statements, the differences of RMB 2,259,870.81 between the long-term equity investment acquired by acquiring minority interests and the share of net assets of the above companies that should be held by the Company from the consolidation date based on the new shareholding percentage wrote down the Capital reserve - Share capital premium.

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

① Increase in the current period

The share of changes in owners' equity, other than net profit or loss, other comprehensive income and profit distribution, of Zhejiang Hangcha Holding Co., Ltd. and Hangzhou Zhongce Haichao Enterprise Management Co., Ltd. that should be held by the Company based on shareholding percentage was adjusted to increase the Long-term equity investments and Capital reserve - Other capital reserve by RMB 195,737,997.10.

② Decrease in the current period

The Company disposed of its long-term equity investments in Zhejiang Guozi Robotics Co., Ltd., Ningbo Donghai Bank Co., Ltd., and Hangzhou Nano IC Technologies Co., Ltd., accounted for under the equity method. Upon disposal, the Company transferred the accumulated Capital reserve - Other capital reserve recognized due to its share of changes in owners' equity, other than net profit or loss, other comprehensive income and profit distribution, to investment income of RMB 95,958,720.75.

42. Other comprehensive income

Unit: RMB

Item	Opening balance	Current period cumulative						Closing balance
		Accrued amount before income tax in the period	Less: Amounts of transfers from other comprehensive income recognized in previous periods to gains and losses in the period	Less: Amounts of transferring from other comprehensive income recognized in previous periods to retained earnings in the period	Less: Income tax expenses	After-tax amount attributable to the parent company	After-tax amount attributable to non-controlling shareholders	
I. Not to be reclassified subsequently to profit or loss	-101,201,687.88	-1,590,201.60			-43,212.00	-1,546,989.60		-102,748,677.48
Including: Remeasur	-101,201,6	-1,590,201			-43,212.00	-1,546,989		-102,748,6

ements of the net defined benefit plan	87.88	.60				.60		77.48
II. To be reclassified subsequently to profit or loss	305,264,497.78	106,798,960.80	3,523,191.81			103,275,768.99	-5,565,916.93	408,540,266.77
Including: Items under equity method that may be reclassified to profit or loss	-11,841,601.39	38,215,794.00	3,523,191.81			34,692,602.19		22,851,000.80
Translation reserve	317,106,099.17	68,583,166.80				68,583,166.80	-5,565,916.93	385,689,265.97
Total of other comprehensive income	204,062,809.90	105,208,759.20	3,523,191.81		-43,212.00	101,728,779.39	-5,565,916.93	305,791,589.29

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	930,940,581.24			930,940,581.24
Total Amount	930,940,581.24			930,940,581.24

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

On April 28, 2026, the 21st Meeting of the 6th Session of the Board of Directors reviewed and approved that, given the Company's accumulated statutory surplus reserve has exceeded 50% of its total share capital, the Company will not appropriate any statutory surplus reserve for the year 2025, in accordance with the relevant provisions of the Company Law and the Articles of Association. The aforementioned matter is subject to the approval of the 2025 Annual General Meeting of Shareholders.

44. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	10,306,761,375.27	8,861,804,110.41
Undistributed profits at the end of the period after adjustment	10,306,761,375.27	8,861,804,110.41
Add: Net profits attributable to owners of the parent company	2,509,717,178.14	2,303,624,287.24
Less: Statutory surplus reserve withdrawn		141,980,113.18
Dividends payable for common shares	298,619,545.50	716,686,909.20
Undistributed profits at the end of the period	12,517,859,007.91	10,306,761,375.27

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.

Description of capital reserve to cover losses:

Upon the resolution of the 17th meeting of the 6th Board of Directors, the Company implemented its equity distribution plan for the first half of 2025. In October 2025, with a base of the Company's total share capital of 1,194,478,182 shares, a cash dividend of RMB 2.50 (including tax) was paid to all shareholders for every 10 shares. The total amount of cash dividends was RMB 298,619,545.50.

45. Operating revenue and cost

Unit: RMB

Item	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost

Principal business	14,580,175,712.50	9,826,583,836.51	14,735,499,758.36	10,013,591,820.11
Other business	86,119,877.43	41,022,473.57	59,953,534.89	45,246,763.47
Total Amount	14,666,295,589.93	9,867,606,310.08	14,795,453,293.25	10,058,838,583.58
Including: Revenue from contracts with customers	14,633,903,131.70	9,848,435,605.93	14,780,979,780.81	10,052,877,238.75

(2) Breakdown information of revenue

1) Information regarding the breakdown of revenue by type of goods or services is provided in Note 8(17) of this financial report.

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	14,633,903,131.70	14,780,979,780.81
Subtotal	14,633,903,131.70	14,780,979,780.81

(3) The revenue recognized in the period and included in the opening book value of contract liabilities is RMB 106,017,720.45.

46. Taxes and surcharges

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	10,624,364.28	10,179,427.55
Education surcharge	5,354,535.10	5,033,697.34
Resource tax	35,082.60	1,405.00
Property tax	19,215,117.40	22,042,320.26
Land use tax	3,622,043.96	3,588,334.26
Vehicle and vessel tax	42,383.90	47,399.98
Stamp duty	9,090,815.31	9,106,093.55

Local education surcharge	3,513,799.82	3,355,798.20
Environmental protection tax	58,455.83	9,916.36
Total Amount	51,556,598.20	53,364,392.50

Other notes:

47. Administrative expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Employee benefits expenses	613,687,114.01	546,469,954.20
Office expenses	151,016,705.55	141,586,032.74
Depreciation and amortization	92,609,618.47	88,049,494.27
Consulting fees	98,971,030.64	96,153,766.16
Travel expenses	24,877,532.20	24,149,997.62
Business entertainment expenses	8,672,936.28	4,447,283.78
Taxes and rates	1,771,739.24	1,307,108.86
Greening expenses	3,949,890.44	3,207,501.29
Others	17,844,386.84	12,531,969.63
Total Amount	1,013,400,953.67	917,903,108.55

Other notes:

48. Selling expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Employee benefits expenses	514,077,784.05	489,206,858.88
Advertising and promotional expenses	334,389,644.83	302,575,258.24
Office expenses	97,870,412.38	82,637,597.70

Depreciation and amortization	31,778,200.37	31,353,869.11
Consulting fees	14,476,607.22	15,196,688.18
Travel expenses	13,407,287.31	11,183,208.91
Housing rent	14,370,863.81	10,565,209.47
Commodity inspection fees	15,329,843.42	9,167,802.94
Insurance premiums	10,233,398.39	8,417,621.46
Others	7,774,422.59	14,595,121.68
Total Amount	1,053,708,464.37	974,899,236.57

Other notes:

49. R&D expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Employee benefits expenses	224,113,428.10	195,850,722.73
Direct investment	129,776,056.13	132,985,979.25
Depreciation and amortization	25,258,352.73	11,896,420.61
Others	23,916,710.65	25,425,769.64
Total Amount	403,064,547.61	366,158,892.23

Other notes:

50. Financial expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Interest expenses	32,496,491.85	77,039,863.73
Interest income	-95,093,328.68	-144,780,008.82
Gains or losses on foreign exchange	19,059,220.74	-78,429,942.76

Bank charges	16,077,787.58	14,924,166.97
Total Amount	-27,459,828.51	-131,245,920.88

Other notes:

51. Other income

Unit: RMB

Sources generating other income	Current period cumulative	Preceding period comparative
Government grants related to assets	880,181.15	1,091,339.00
Government grants related to income	55,605,148.19	26,472,259.49
Refund of handling fees for withholding personal income tax	481,276.36	499,975.68
Additional deduction of value-added tax	2,589,228.48	4,268,425.25
Total	59,555,834.18	32,331,999.42

52. Gains on changes in fair value

Unit: RMB

Sources generating gains on changes in fair value	Current period cumulative	Preceding period comparative
Held-for-trading financial assets	17,625.53	-10,060,907.46
Including: Gains on changes in fair value from derivative financial liabilities	0.00	-9,588,655.97
Trading financial liabilities	-249,661.65	
Total Amount	-232,036.12	-10,060,907.46

Other notes:

53. Investment Income

Unit: RMB

Item	Current period cumulative	Preceding period comparative

Income from long-term equity investments recognized under the equity method	615,943,718.32	530,889,040.50
Investment income from disposal of long-term equity investments	161,924,686.46	
Investment income from held-for-trading financial assets during the holding period	217,075.88	
Investment income from disposal of held-for-trading financial assets	9,932,154.56	-438,514.77
Dividend income from investments in other equity instruments during the holding period		4,050,000.00
Discounting loss on receivables financing	-8,369,942.33	-13,585,977.40
Total Amount	779,647,692.89	520,914,548.33

Other notes:

54. Credit impairment losses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Loss due to bad debt of accounts receivable	-10,291,139.67	-60,541,291.06
Loss due to bad debt of other receivables	-603,041.56	-2,137,304.53
Loss due to bad debt of prepayments	-2,066,728.68	71,939.41
Loss due to bad debt of receivable financing	2,482,381.22	11,017,198.70
Total Amount	-10,478,528.69	-51,589,457.48

Other notes:

55. Asset Impairment Loss

Unit: RMB

Item	Current period cumulative	Preceding period comparative
I. Loss from decline in value of inventories or impairment of contractual performance costs	-81,341,780.68	-32,020,243.99
II. Loss from long-term equity investment impairment	-10,863,596.31	-25,249,436.47
IV. Fixed assets impairment loss	-54,254,755.30	
X. Goodwill Impairment Loss		-213,536,270.00
Total Amount	-146,460,132.29	-270,805,950.46

Other notes:

56. Gains on asset disposal

Unit: RMB

Sources generating gains on asset disposal	Current period cumulative	Preceding period comparative
Gains on disposal of fixed assets	-462,412.27	-940,031.97
Gains on disposal of right-of-use assets	-246,038.81	1,032,184.87
Total	-708,451.08	92,152.90

57. Non-operating revenues

Unit: RMB

Item	Current period cumulative	Preceding period comparative	Amounts included in non-recurring gains and losses of the period
Income from compensation	497,816.23	738,434.16	497,816.23
Non-payable amounts	1,860,709.98	2,590,148.92	1,860,709.98
Gains from damage and scrapping of non-current assets	177,037.84	112,585.10	177,037.84
Others	971,527.53	891,748.18	971,527.53

Total Amount	3,507,091.58	4,332,916.36	3,507,091.58

Other notes:

58. Non-operating expenditures

Unit: RMB

Item	Current period cumulative	Preceding period comparative	Amounts included in non-recurring gains and losses of the period
Outward donations	4,322,121.95	3,882,166.25	4,322,121.95
Expenditure for compensation	80,571.80	761,546.15	80,571.80
Losses from damage and scrapping of non-current assets	598,409.40	6,637,421.87	598,409.40
Fines	2,421,535.17	1,243,475.15	2,421,535.17
Others	672,951.03	834,562.02	672,951.03
Total Amount	8,095,589.35	13,359,171.44	8,095,589.35

Other notes:

59. Income tax expenses

(1) List of income tax expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Current income tax expenses	407,985,863.27	460,609,659.27
Deferred tax expenses	6,385,086.40	-59,011,608.22
Total Amount	414,370,949.67	401,598,051.05

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

Unit: RMB

Item	Current period cumulative
Total profits	2,981,154,425.63

Income tax expenses calculated based on statutory/applicable tax rates	447,173,163.84
Impact of different tax rates applicable to subsidiaries	45,250,855.99
Impact of adjusting income tax in previous periods	14,329,350.08
Impact of non-taxable income	-14,905,701.70
Impact of non-deductible costs, expenses, and losses	23,908,982.00
Impact of applying deductible losses for which no deferred tax assets have been recognized in previous periods	-5,668,163.49
Impact of deductible temporary differences or deductible losses for which no deferred tax assets have been recognized in the current period	47,541,036.56
Impact of investment income from long-term equity investments recognized under the equity method	-92,391,557.75
Impact of investment income recognized on disposal of equity-accounted long-term equity investments	-24,051,886.29
Impact of additional deduction for technical development expenses and disabled person's wages	-26,815,129.57
Income tax expenses	414,370,949.67

Other notes:

60. Other comprehensive income

See notes to the Financial Statements.

61. Items of the cash flow statement

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Recovered deposits for bank acceptance bills and customs guarantee bonds	4,913,047.22	12,232,128.69
Interest income	94,520,877.22	144,968,496.84

Income from government grants	49,907,768.18	28,595,859.49
Income from operating leases	35,692,707.39	14,473,512.44
Others	2,606,789.90	8,723,316.83
Total Amount	187,641,189.91	208,993,314.29

Notes on other cash receipts related to operating activities:

Other cash payments related to operating activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Current operating costs	1,360,940,562.41	1,454,310,798.16
Payments for bank acceptance bills and other operational deposits	6,120,762.65	11,850,569.93
Others	15,231,276.07	7,153,910.27
Total Amount	1,382,292,601.13	1,473,315,278.36

Notes on other cash payments related to operating activities:

(2) Cash related to investing activities

Other cash received related to investing activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Recovered deposits for share acquisition		95,038,465.81
Recovered deposits for purchasing forward settlement and sale of foreign exchange		21,496,066.60
Total Amount	0.00	116,534,532.41

Significant cash receipts related to investing activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative

Recovery of principal from wealth management products and certificates of deposit	5,857,249,687.40	3,745,998,855.00
Recovered proceeds from the disposal of shares in Ningbo Donghai Bank	200,784,460.05	
Hangzhou Nano IC Technologies Co., Ltd. recovered equity transfer payments due prior to the acquisition date	1,200,000.00	
Recovered principal of other investments in equity instruments		3,950,000.00
Total Amount	6,059,234,147.45	3,749,948,855.00

Notes on other cash receipts related to investing activities:

Other cash payments related to investing activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Payments for deposits for share acquisition		95,038,465.81
Loss on investment in forward settlement and sale of foreign exchange		7,766,702.16
Payments for deposits for engineering guarantees	3,452,000.00	
Total Amount	3,452,000.00	102,805,167.97

Significant cash payments related to investing activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Purchase of wealth management products and certificates of deposit	6,341,864,658.14	3,642,462,717.82
Total Amount	6,341,864,658.14	3,642,462,717.82

Notes on other cash payments related to investing activities:

(3) Cash related to financing activities

Other cash received related to financing activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Received discount payments for bills issued within the scope of consolidation	1,000,000,000.00	1,760,830,124.66
Recovered deposits for bank loans	59,000,000.00	144,071,225.10
Total Amount	1,059,000,000.00	1,904,901,349.76

Notes on other cash receipts related to financing activities:

Other cash paid related to financing activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Repayment of lease liabilities and interests	87,075,513.68	114,283,133.55
Payments for deposits for bank loans		59,000,000.00
Funds paid for acquiring non-controlling interests	28,598,363.04	27,179,698.89
Handling fees for financing guarantees and receivables financing transfers	8,369,942.33	13,585,977.40
Payments for deposits for acceptance bill financing	200,000,000.00	
Total Amount	324,043,819.05	214,048,809.84

Notes on other cash payments related to financing activities:

Changes in Liabilities Arising from Financing Activities

☑ Applicable □ Not Applicable

Unit: RMB

Item	Opening	Increase for the period	Decrease for the period	Closing

	balance	Cash Change	Non-cash change	Cash Change	Non-cash change	balance
Short-term borrowings	3,244,951,208.83	1,350,941,469.60	54,356,487.55	3,370,183,709.62		1,280,065,456.36
Lease liabilities (including those due within one year)	348,629,095.08		47,499,389.93	85,441,627.13	-7,415,342.21	318,102,200.09
Total Amount	3,593,580,303.91	1,350,941,469.60	101,855,877.48	3,455,625,336.75	-7,415,342.21	1,598,167,656.45

(4) Significant activities and financial impact that do not involve current cash inflows or outflows but may affect the company's financial position or future cash flows

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

Item	Current period cumulative	Preceding period comparative
Current period cumulative Preceding period comparative	38,740,382.08	38,555,043.63
Including:Payment for goods	37,320,774.25	36,339,068.00
Payment for the purchase of long-term assets such as fixed assets	1,419,607.83	2,215,975.63

62. Supplementary information to cash flow statement

(1) Additional information on cash flow statement

Unit: RMB

Additional information	Current period cumulative	Preceding period comparative
1. Adjustment of net profits to cash flows from operating activities:		
Net profit	2,566,783,475.96	2,365,793,079.82
Add: Provision for impairment of assets	156,938,660.98	322,395,407.94
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive	266,343,596.48	235,770,859.34

biological assets		
Depreciation of right-of-use assets	83,808,464.29	110,820,766.66
Amortization of intangible assets	60,021,591.11	46,181,651.60
Amortization of long-term amortized expenses	27,225,156.20	30,702,380.22
Loss on disposal of fixed assets, intangible assets, and other long-term assets (“-” for gain)	708,451.08	-92,152.90
Loss on scrapping of fixed assets (“-” for gain)	421,371.56	6,524,836.77
Loss from changes in fair value (“-” for gain)	232,036.12	10,060,907.46
Financial expenses (“-” for gain)	51,555,712.59	-1,390,079.03
Investment losses (“-” for gain)	-779,647,692.89	-520,914,548.33
Decrease in deferred tax assets (“-” for increase)	3,329,917.25	-20,126,600.56
Increase in deferred tax liabilities (“-” for decrease)	3,055,169.15	-29,186,666.47
Decrease in inventory (“-” for increase)	-280,983,064.11	-475,831,098.28
Decrease in operating receivables (“-” for increase)	56,459,989.77	-836,103,954.08
Increase in operating payables (“-” for decrease)	93,708,383.75	495,609,319.72
Others		
Net cash flows from operating activities	2,309,961,219.29	1,740,214,109.88
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	5,053,216,030.40	6,564,759,115.02
Less: Opening balance of cash	6,564,759,115.02	4,983,979,749.60
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-1,511,543,084.62	1,580,779,365.42

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

Unit: RMB

	Amount
Cash and cash equivalents paid for business combinations occurring in the current period	58,883,000.00
Including:	
Equity of Hangzhou Nano IC Technologies Co., Ltd. and its related asset groups	48,883,000.00
Wireless audio chip business of Beijing Qingwei Intelligent Technology Co., Ltd. [Note]	10,000,000.00
Less: Cash and cash equivalents held by subsidiaries on the acquisition date	34,993,403.74
Including:	
Equity of Hangzhou Nano IC Technologies Co., Ltd. and its related asset groups	34,993,403.74
Including:	
Net cash paid for acquisition of subsidiaries	23,889,596.26

Other notes:

Represents the payment made by Hangzhou Nano IC Technologies Co., Ltd. for the business acquisition from Beijing Qingwei Intelligent Technology Co., Ltd. that was payable prior to the acquisition date.

(3) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	5,053,216,030.40	6,564,759,115.02
Including: cash on hand	833,144.88	640,344.57
Bank deposits readily available for payment	5,049,352,073.75	6,560,350,720.32
Other cash and bank balances readily available for payment	3,030,811.77	3,768,050.13
II. Closing balance of cash and cash equivalents	5,053,216,030.40	6,564,759,115.02

(4) Cash and bank balances that do not qualify as cash and cash equivalents

Unit: RMB

Item	Current period cumulative	Preceding period comparative	Reason for Exclusion from Cash and Cash Equivalents
Proceeds from the disposal of shares in Ningbo Donghai Bank and interest held in a co-managed account		200,784,460.05	Cannot be withdrawn on demand
Guarantee deposit for bank acceptance	201,200,000.00	62,506,684.57	Cannot be withdrawn on demand
Deposits for letter of credit	17,499,793.14	17,255,624.81	Cannot be withdrawn on demand
Deposits for credit card	3,514,400.00	3,594,200.00	Cannot be withdrawn on demand
Deposits for lease	1,483,076.80	1,516,752.40	Cannot be withdrawn on demand
Deposits for customs duty guarantee	4,920,762.65	1,438,150.55	Cannot be withdrawn on demand
Deposit for engineering guarantee	3,452,000.00		Cannot be withdrawn on demand

Litigation guarantee deposits	200,000.00	200,000.00	Cannot be withdrawn on demand
Deposits for ETC	56,000.00	56,000.00	Cannot be withdrawn on demand
Total Amount	232,326,032.59	287,351,872.38	

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
Cash and bank balances			3,073,447,143.23
Including: USD	372,706,457.64	7.0288	2,619,679,149.46
EUR	26,890,331.36	8.2355	221,455,323.92
HKD	5,094,089.26	0.9032	4,600,981.42
VND	93,295,422,517.84	0.00026761	24,966,788.02
GBP	16,763,742.35	9.4346	158,159,203.58
CHF	2,423,541.52	8.8510	21,450,765.99
JPY	61,970,740.85	0.0448	2,776,289.19
THB	51,144,300.45	0.2225	11,379,606.85
KHR	875,870.59	0.0017	1,488.98
CAD	6,411.25	5.1142	32,788.41
MXN	38,790.00	0.3899	15,124.22
AUD	144,776.70	4.6892	678,886.90
CZK	8,328,003.42	0.3397	2,829,022.76
SEK	2,300,938.26	0.7617	1,752,624.67

DKK	2,185,286.27	1.1018	2,407,748.41
NOK	1,782,566.29	0.6968	1,242,092.19
NZD	4,752.78	4.0520	19,258.26
Accounts receivable			2,995,501,404.51
Including: USD	345,083,745.02	7.0288	2,425,524,627.00
EUR	26,134,377.93	8.2355	215,229,669.44
HKD			
GBP	33,589,787.01	9.4346	316,906,204.52
CHF	2,207,041.22	8.8510	19,534,521.84
CZK	16,936,096.08	0.3397	5,753,191.84
JPY	115,295,336.83	0.0448	5,165,231.09
AUD	504,314.22	4.6892	2,364,830.24
SEK	1,811,949.07	0.7617	1,380,161.61
DKK	1,135,915.92	1.1018	1,251,552.16
NOK	1,219,275.22	0.6968	849,590.97
INR	7,308,424.23	0.0780	570,057.09
VND	2,127,234,557.75	0.00026761	569,269.24
KRW	48,734,378.26	0.0049	238,798.45
NZD	30,743.13	4.0520	124,571.16
THB	175,855.55	0.2225	39,127.86
Long-term borrowings			
Including: USD			
EUR			
HKD			
Receivables financing			3,033,157.18

Including: USD	431,532.72	7.0288	3,033,157.18
Non-current assets due within one year			115,596.54
Including: CHF	13,060.28	8.8510	115,596.54
Long-term receivables			135,312.41
Including: CHF	15,287.81	8.8510	135,312.41
Short-term borrowings			247,039,424.16
Including: EUR	29,996,894.44	8.2355	247,039,424.16
Accounts payable			931,154,660.30
Including: USD	67,700,983.95	7.0288	475,856,675.99
EUR	14,207,107.64	8.2355	117,002,634.97
HKD	1,318,099.42	0.9032	1,190,507.40
CHF	4,621,894.10	8.8510	40,908,384.68
GBP	822,486.49	9.4346	7,759,831.04
THB	113,397,538.61	0.2225	25,230,952.34
JPY	50,786,643.30	0.0448	2,275,241.62
VND	932,396,751,541.42	0.00026761	249,518,694.68
CZK	27,846,565.23	0.3397	9,459,478.21
SEK	1,134,248.08	0.7617	863,956.76
AUD	133,253.87	4.6892	624,854.05
NOK	594,482.43	0.6968	414,235.36

NZD	12,145.41	4.0520	49,213.20
Non-current liabilities due within one year			53,415,399.68
Including: CHF	4,494,767.78	8.8510	39,783,189.62
EUR	714,046.07	8.2355	5,880,526.41
USD	417,343.59	7.0288	2,933,424.63
CZK	3,213,227.83	0.3397	1,091,533.49
GBP	238,387.03	9.4346	2,249,086.27
AUD	259,045.08	4.6892	1,214,714.19
SEK	181,296.17	0.7617	138,093.29
HKD	138,210.56	0.9032	124,831.78
Lease liabilities			229,465,985.64
Including: CHF	18,404,516.45	8.8510	162,898,375.10
EUR	5,399,411.25	8.2355	44,466,851.35
USD	913,719.06	7.0288	6,422,348.53
CZK	28,999,943.87	0.3397	9,851,280.93
GBP	516,322.57	9.4346	4,871,296.92
AUD	193,046.83	4.6892	905,235.20
SEK	66,427.21	0.7617	50,597.61

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 in bookkeeping currencies, the reasons should also be disclosed.

☑ Applicable □ Not Applicable

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

64. Leases

(1) The Company as lessor

1) For details regarding right-of-use assets, please refer to Section VII, Note 18 of Part VIII of this report.

2) For the Company's accounting policies regarding short-term leases and leases of low-value assets, please refer to Section V of Part VIII of this report. The amounts of short-term lease expenses and low-value asset lease expenses recognized in the current profit or loss are as follows:

Item	Current period cumulative	Preceding period comparative
Expenses for short-term lease	15,255,907.03	10,441,399.13
Expenses for lease of low-value assets (excluding short-term leases)	3,123,985.50	2,406,629.66
Total	18,379,892.53	12,848,028.79

3) Current period profit or loss and cash flows related to leases:

Item	Current period cumulative	Preceding period comparative
Interest expense on lease liabilities	7,632,634.50	9, 638, 355. 22
Income from subletting right-of-use assets	5,703,721.80	1, 768, 067. 20
Total cash outflow related to leases	105,989,676.35	127, 456, 122. 02

4) For the maturity analysis of lease liabilities and the corresponding liquidity risk management, please refer to

Section XII of Part VIII of this report.

(2) The Company as lessee

1) Operating leases

① Lease income

Item	Current period cumulative	Preceding period comparative
Lease income	32,392,458.23	14,473,512.44

② Operating lease assets

Item	Closing balance	Opening balance
Fixed assets	20,755,330.18	29,288,973.52
Investment property	107,454,651.08	112,388,354.73
Right-of-use assets	3,453,480.48	
Subtotal	131,663,461.74	141,677,328.25

Fixed assets under operating leases are detailed in Note V (I)-21 to the Financial Statements.

③ The amount of undiscounted lease receipts in the future from an irrevocable lease under the lease contract with the lessee

Remaining period	Closing balance	Opening balance
Within 1 year	15,347,948.78	11,889,497.86
More than 1 years	14,631,686.21	10,553,896.82
Total	29,979,634.99	22,443,394.68

2) Financial lease

① Current profits and losses related to financial lease

Item	Current period cumulative	Preceding period comparative
Income related to variable lease payments not included in net leasing investment	109,700.32	103,732.26

② Reconciliation table of undiscounted lease receipts and net leasing investment

Item	Closing balance	Opening balance
Undiscounted lease receipts	240,858.50	325,763.92
less: unrealized financing gains related to lease receipts	4,137.03	4,627.63
Net leasing investment	236,721.47	321,136.29

③ The amount of undiscounted lease receipts in the future from an irrevocable lease under the lease contract with the lessee

Remaining period	Closing balance	Opening balance
Within 1 year	111,165.46	102,872.82
1-2 years	111,165.46	102,872.82
2-3 years	18,527.58	102,872.82
More than 3 years		17,145.47
Total	240,858.50	325,763.93

VIII. R&D Expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Employee benefits expenses	224,113,428.10	195,850,722.73
Direct investment	129,776,056.13	132,985,979.25
Depreciation and amortization	25,258,352.73	11,896,420.61
Others	23,916,710.65	25,425,769.64
Total Amount	403,064,547.61	366,158,892.23
Including: Expenditures on research and development that are expended	403,064,547.61	366,158,892.23

IX. Changes in the scope of consolidation

1. Business combinations involving enterprises not under common control

1. Business combinations involving enterprises not under common control in the period

Unit: ten thousand RMB

Target entity	Acquisition date	Acquisition Cost	Acquisition Percentage (%)	Acquisition method	Date of purchase
Hangzhou Nano IC Technologies Co., Ltd. and its Subsidiaries	07/14/2025	13,834.47	50.3062	Agreement transfer	07/14/2025

(continued)

Target entity	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		
				Cash inflows from operating activities	Cash inflows from investing activities	Cash inflows from financing activities
Hangzhou Nano IC Technologies Co., Ltd. and its Subsidiaries	Transfer of control	7,376.47	460.09	730.01	-279.62	-15.56

2. Merger costs and goodwill

Unit: ten thousand RMB

Item	Hangzhou Nano IC Technologies Co., Ltd. and its Subsidiaries
Merger costs	
Cash	4,888.30
Fair value of equity held before the acquisition date on the acquisition date	8,946.17
Total merger costs	13,834.47
Less: Share in fair value of identifiable net assets obtained	10,791.71
Goodwill	3,042.76

3. Identifiable assets and liabilities of target entities on dates of purchase

(1) Detailed information

Unit: ten thousand RMB

Item	Hangzhou Nano IC Technologies Co., Ltd. and its Subsidiaries

	Date of purchase Fair value	Date of purchase Book value
Assets		
Cash and bank balances	3,499.34	3,499.34
Held-for-trading financial assets	4,493.86	4,493.86
Accounts receivable	629.38	629.38
Inventories	1,803.48	1,426.28
Fixed assets	363.89	305.52
Intangible assets	13,634.75	1,205.87
Others	1,718.50	1,718.50
Liabilities		
Accounts payable	647.40	647.40
Employee benefits payable	323.71	323.71
Other payables	1,712.72	1,712.72
Deferred tax liabilities	1,952.38	22.71
Others	213.87	213.87
Net assets	21,293.12	10,358.34
Less: Non-controlling shareholders' equity	-158.91	-158.91
Net assets acquired	21,452.03	10,517.25

(2) 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.

(4) Gains or losses arising from remeasuring equity held before the acquisition date at fair value

Unit: ten thousand RMB

Target entity	Book value of equity held before the	Fair value of equity held before the	Gains or losses arising from	Method for determining the fair value of	Amount of other comprehensive income and changes

	acquisition date on the acquisition date	acquisition date on the acquisition date	remeasuring equity held before the acquisition date at fair value	equity held before the acquisition date on the acquisition date, as well as the main assumptions	in other owners' equity related to the equity held before the acquisition date transferred to investment income/retained income
Hangzhou Nano IC Technologies Co., Ltd. and its Subsidiaries	8,946.17	8,946.17	-	Fair value of equity held before the acquisition date shall be determined in accordance with the equity transfer agreements	157.88

2. Changes in the scope of consolidation due to other reasons

Notes on changes in the scope of consolidation due to other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related information:

1. Increase in the scope of consolidation

Company name	Method of equity acquisition	Date of equity acquisition	Contribution	Proportion of contribution
Hangzhou BeA Machinery Equipment Manufacturing Co., Ltd.	Newly established	04/01/2025	USD 10,000,000	100.00
GSSG Industrial Pte. Ltd.	Newly established	04/25/2025	No contributions made as of December 31, 2025	100.00
GSMA International Sdn. Bhd.	Newly established	05/08/2025	MYR 5,000,000	100.00
GSTH Co., Ltd.	Newly established	05/13/2025	USD 1.60 million	100.00
GSME S.de R.L. de C.V.	Newly established	07/02/2025	No contributions made as of December 31, 2025	100.00

Yuanhaoxin Microelectronics (Chengdu) Co., Ltd.	Newly established	08/28/2025	RMB 1,000,000	100.00

2. Decrease in the scope of consolidation

Company name	Method of equity disposal	Point of time of equity disposal	Net assets at the date of disposal	Net profit from the beginning of the period to the date of disposal
Hangzhou Lianhe Tools Manufacturing Co., Ltd.	Cancelled	02/10/2025	——	——
Hangzhou Lianhe Electric Manufacturing Co., Ltd.	Cancelled	02/10/2025	——	——

X. Equity in other entities

1. Equity in subsidiaries

(1) Composition of the business group

1. The company incorporated 104 subsidiaries, including Zhejiang GreatStar Tools Co., Ltd., into the consolidated financial statements.

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 GreatStar Tools Co., Ltd.	RMB 464.80 million	Jiaxing, Zhejiang Province	Manufacturing	100.00		Established
Hong Kong Greatstar International Co., Ltd.	USD 181.43 million	Hong Kong, China	Trading	100.00		Established

2. Transactions where the controlling interests in subsidiaries are maintained 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
Prim' Tools Limited	January, 2025	100.00%	65.00%
Suzhou Xindadi Hardware Co., Ltd.	June, 2025	60.00%	70.00%

(2) Impact of transactions on non-controlling shareholders' equity and owner's equity attributable to the parent company

Item	Prim' Tools Limited	Suzhou Xindadi Hardware Co., Ltd.
Cost of purchase/consideration of disposal		
Cash	79,453,500.00	18,854,363.04
Total cost of purchase/consideration of disposal	79,453,500.00	18,854,363.04
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired/disposed of	77,950,404.62	16,594,492.23
Difference	1,503,095.38	2,259,870.81
Including: Adjustment to the capital reserve	1,503,095.38	-2,259,870.81

3. Equity in joint ventures and associates

(1) Significant joint ventures and associates

Name of joint ventures or associates	Principal operating locations	Place of registration	Nature of business	Holding proportion		Accounting treatment method applied to investment in joint ventures or associates
				Direct	Indirect	
Hangzhou Zhongce Haichao Enterprise Management	Hangzhou, Zhejiang Province	Hangzhou, Zhejiang Province	Service	27.86%		Equity method accounting

Co., Ltd.						
Zhejiang Hangcha Holding Co., Ltd.	Hangzhou, Zhejiang Province	Hangzhou, Zhejiang Province	Manufacturing	20.00%		Equity method accounting
Changzhou Stabila Laser Instrument Co., Ltd.	Changzhou, Jiangsu Province	Changzhou, Jiangsu Province	Manufacturing		31.85%	Equity method accounting

Notes on inconsistency between the shareholding proportion and the vote proportion in joint ventures or associates:

[Note] The Company holds a 31.85% equity interest in Changzhou Stabila Laser Instrument Co., Ltd. through Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.

Basis for imposing significant influence despite holding a voting right of less than 20% or imposing no significant influence despite holding a voting right of 20% or more:

(2) Summary of financial information on insignificant joint ventures and associates

Item	Closing balance/current period (RMB ten thousand)	Opening balance/balance in the same period of the previous year (RMB ten thousand)
Associates:		
Total book value of investment	401,867.87	348,576.96
Total of the following items calculated based on the holding proportion		
Net profit	61,594.37	53,088.90
Other comprehensive income	3,821.58	2,112.41
Total comprehensive income	65,415.95	55,201.32

XI. Government grants

1. Government grants recognized based on receivable amount at the end of the reporting period

□ Applicable ☑ Not Applicable

Reasons for not receiving the expected amount of government grants at the anticipated time

□ Applicable ☑Not Applicable

2. Liabilities related to 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	Amount Transferred to Other Income for the Current Period	Other Changes for the Current Period	Closing balance	Related to assets/income
Deferred income	3,550,653.49	159,300.00		880,181.15		2,829,772.34	Related to assets
Total	3,550,653.49	159,300.00		880,181.15		2,829,772.34	

3. Government grants included in the current profit or loss

☑ Applicable □ Not Applicable

Unit: RMB

Accounting Subjects	Current period cumulative	Preceding period comparative
Other income	56,485,329.34	27,563,598.49
Total	56,485,329.34	27,563,598.49

Other notes:

XII. Risks related to financial instruments

1. Various risks arising from 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 to 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, has 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.

The reconciliation table of opening balance and closing balance of the provision for losses in financial instruments is detailed in notes VIII(VII)-4, VIII(VII)-5, VIII(VII)-6 and VIII(VII)-7 to the Financial Statements.

4. Exposure to credit risk and concentration of credit risk

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

(1) Cash and cash equivalents

The Company deposits its bank balances and other cash and bank balances in financial institutions with a relatively high credit rating, and therefore its credit risk is relatively low.

(2) Receivables

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 results, and conducts ongoing monitoring on the 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, 2025, the Company has certain concentration of credit risk, and 61.27% (versus 63.73% on December 31, 2024) of the total accounts receivable were due from the five largest clients of the Company. The Company has 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 a 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 adopted long-term and short-term financing methods to optimize financing structures, and finally maintained a balance between financing sustainability and flexibility. The Company has obtained a 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	1,280,065,456.36	1,287,838,076.76	1,287,838,076.76		
Trading Financial liabilities	255,687.69	255,687.69	255,687.69		
Notes payable	26,272,095.73	26,272,095.73	26,272,095.73		
Accounts payable	1,945,634,064.76	1,945,634,064.76	1,945,634,064.76		
Other payables	31,148,252.22	31,148,252.22	31,148,252.22		
Lease liabilities	318,102,200.09	325,672,435.17	72,859,229.68	126,242,641.07	126,570,564.42
Subtotal	3,601,477,756.85	3,616,820,612.33	3,364,007,406.84	126,242,641.07	126,570,564.42

(continued)

Item	Opening 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		

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

(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 prices. 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 rates. 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 a floating interest rate.

As of December 31, 2025, the balance of borrowings with interest accrued at a floating interest rate totaled RMB 247,039,424.14 (versus RMB 294,287,368.05 on December 31, 2024). If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's gross profit and equity would not be significantly affected.

2. Foreign currency risk

Foreign currency risk is the risk arising from changes in the fair value or future cash flows of a financial instrument resulting from changes in the exchange rate. The Company's foreign currency risk relates mainly to foreign currency monetary funds and liabilities. When a short-term imbalance occurs in foreign currency assets and liabilities, the Company may trade foreign currency at the market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

The monetary assets and liabilities denominated in foreign currencies at the end of the period are detailed in notes to Section VIII (VII)-62 of the Financial Report.

2. Financial Assets

(1) Classification of transfer methods

☑ Applicable □ Not Applicable

Unit: RMB

Transfer Method	Nature of Transferred Financial Assets	Amount of Transferred Financial Assets	Derecognition Status	Basis for Derecognition Judgement

Bill Endorsement	Receivables financing	12,987,059.77	Derecognized	Almost all risks and rewards have been transferred
Accounts receivable factoring	Receivables financing	35,132,014.75	Derecognized	Almost all risks and rewards have been transferred
Total Amount		48,119,074.52		

(2) Financial assets derecognized due to transfer

☑ Applicable □ Not Applicable

Unit: RMB

Item	Method of Transferring Financial Assets	Amount of Derecognized Financial Assets	Gain or loss related to derecognition
Receivables financing	Bill Endorsement	12,987,059.77	
Receivables financing	Accounts receivable factoring	35,132,014.75	-1,616,993.19
Total Amount		48,119,074.52	-1,616,993.19

(3) Continued involvement in transferred financial assets

□ Applicable ☑ Not Applicable

Other notes

XIII. Fair value disclosure

1. Fair value of assets and liabilities measured at fair value at the balance sheet date

Unit: RMB

Item	Fair value as of the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total Amount
I. Continuing fair value measurement				
(I) Transactional financial assets and other non-current financial assets		55,079,204.15	78,336,000.00	133,415,204.15
1. Financial assets measured at fair value and the		55,079,204.15	78,336,000.00	133,415,204.15

changes thereof included in current profits and losses				
Bank wealth management products		55,079,204.15		55,079,204.15
Equity investments			78,336,000.00	78,336,000.00
(II)Receivables financing			23,264,245.34	23,264,245.34
(III)Other equity instrument investments			12,600,000.00	12,600,000.00
Total assets measured at fair value on a recurring basis		55,079,204.15	114,200,245.34	169,279,449.49
(IV)Transactional financial liabilities		255,687.69		255,687.69
Forward foreign exchange contracts		255,687.69		255,687.69
Total liabilities measured at fair value on a recurring basis		255,687.69		255,687.69

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

Bank wealth management products and forward foreign exchange contracts are measured using the valuation notices provided by banks as a reasonable estimate of fair value.

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. Equity investments (Hangcha Intelligent Company): Measured using the investment cost as a reasonable estimate of fair value, taking into comprehensive consideration the business environment and operating conditions.

2. Receivables financing: As the term does not exceed one year, the time value of money has no material impact on fair value. Therefore, the fair value of the aforementioned receivables financing is considered to approximate its carrying amount.

3. Other equity instrument investments (Hangzhou Haibang Xinhu Talent Venture Capital Partnership (Limited Partnership)): Measured using the investment cost as a reasonable estimate of fair value, taking into comprehensive consideration the business environment and operating conditions.

XIV. Related parties 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
GreatStar Holding Group Co., Ltd.	Hangzhou, Zhejiang province	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

For details of the Company's subsidiaries, please refer to Note X.

3. Associates and joint ventures of the Company

For details of the Company's significant joint ventures or associates, please refer to Note X.

The information of other associates or joint ventures with related party transactions to the Company in the current period or with existing balances with the Company in previous periods is as follows:

Name of associates/joint ventures	Relationship with the Company

Other notes:

4. Other related parties of the Company

Other related parties	Relationships with the Company
Hangcha Group Co., Ltd. and its affiliated companies	Companies controlled by the Company's associate, Zhejiang Hangcha Holding Co., Ltd., also controlled by the ultimate controlling party of the Company
Hangzhou Okamura Transmission Co., Ltd.	Associate of Hangcha Group Co., Ltd.
Hangzhou GreatStar Precision Machinery Co., Ltd.	Controlled by the ultimate controlling party of the Company
Hangzhou Nbond Nonwovens Co., Ltd.	The company where independent director Wang Gang serves as a director
Hangzhou Xihu Tiandi Property Co., Ltd.	Controlled by the ultimate controlling party of the Company

Nanchang Hangcha Forklift Co., Ltd.	Associate of Hangcha Group Co., Ltd.
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Associate of Hangcha Group Co., Ltd.
Zhang Ou	Former senior manager of the Company, resigned in September 2023
Changsha Hangcha Forklift Co., Ltd.	Associate of Hangcha Group Co., Ltd.
Zhejiang Hangcha Guozi Intelligent Technology Robot Co., Ltd. and its affiliated companies	A company in which the Company holds a stake, also controlled by the ultimate controlling party of the Company
Zhejiang Xinchai Co., Ltd.	Controlled by the ultimate controlling party of the Company
Zhongce Rubber Group Co., Ltd. and its affiliated companies	Companies controlled by the Company's associate, Hangzhou Zhongce Haichao Enterprise Management Co., Ltd., also controlled by the ultimate controlling party of the Company
Chongqing Hangcha Forklift Sales Co., Ltd.	Associate of Hangcha Group Co., Ltd.

Other notes:

Zhejiang Guozi Robotics Technology Co., Ltd. and its subsidiaries were consolidated into Hangcha Group Co., Ltd. starting from August 2025. Consequently, the current period and prior year figures for related party transactions between the Company and Zhejiang Guozi Robotics Technology Co., Ltd. have been included in the data of Hangcha Group Co., Ltd. and its subsidiaries.

5. Related party transactions

(1) Related party transactions for purchase and sale of goods, rendering and acceptance of labor services

Purchase of goods and acceptance of labor services

Unit: RMB

<table>
<tr><th>Related parties</th><th>Content of transaction</th><th>Current period cumulative</th><th>Transaction limit granted</th><th>Whether the transaction limit is exceeded</th><th>Preceding period comparative</th></tr>
<tr><td>Hangcha Group Co., Ltd. and its affiliated companies</td><td>Automated warehouses, forklifts, spare parts and maintenance, and materials</td><td>41,714,236.90</td><td rowspan="2">114,280,000.00</td><td>No</td><td>24,209,379.01</td></tr>
<tr><td>Hangcha Group Co., Ltd. and its affiliated companies</td><td>Intelligent logistics robots and other services</td><td>13,703,740.47</td><td>No</td><td>861,001.04</td></tr>
</table>

Zhongce Rubber Group Co., Ltd. and its affiliated companies	Tier products and maintenance costs	63,924,794.98	60,000,000.00	No	61,645,821.85
Hangzhou Nbond Nonwovens Co., Ltd.	Material	154,551.71	1,000,000.00	No	367,952.09
Changzhou Stabila Laser Instrument Co., Ltd.	Materials, service fee and labor fee	259,552.81		No	279,058.22
Shijiazhuang Hangcha Forklift Sales Co., Ltd.	Forklift, spare parts and maintenance			No	131,858.41
Nanchang Hangcha Forklift Co., Ltd.	Forklift, spare parts and maintenance			No	79,699.12
Chongqing Hangcha Forklift Sales Co., Ltd.	Forklift, spare parts and maintenance	68,141.59			
Changsha Hangcha Forklift Co., Ltd.	Forklift, spare parts and maintenance	38,495.58			
Hangzhou GreatStar Precision Machinery Co., Ltd.	Service Fee	234,038.61	2,500,000.00		

Sale of goods and rendering of services

Unit: RMB

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Hangcha Group Co., Ltd. and its affiliated companies	Hand tools and spare parts	15,397,035.99	15,252,457.37

Hangcha Group Co., Ltd. and its affiliated companies	Lidar sensors	2,928,075.09	2,764,076.91
Hangcha Group Co., Ltd. and its affiliated companies	Operating service		212,759.52
Changzhou Stabila Laser Instrument Co., Ltd.	Laser measurement product	4,534,770.72	3,237,593.02
Changzhou Stabila Laser Instrument Co., Ltd.	Consulting service fee	1,046,230.91	381,618.74
Changzhou Stabila Laser Instrument Co., Ltd.	Utilities	145,002.00	148,176.00
Hangzhou Okamura Transmission Co., Ltd.	Hand tools and spare parts		329,566.37
Zhongce Rubber Group Co., Ltd. and its affiliated companies	Spare parts	16,212.39	179,460.23
GreatStar Holding Group Co., Ltd.	Hand tools and spare parts	5,632.35	57,034.25
Zhejiang Xinchai Co., Ltd.	Hand tools and spare parts	9,451.33	

Note on purchase and sale of goods, rendering and acceptance of labor services

(2) Related party lease

The Company as the lessor:

Unit: RMB

Lessees	Types of assets leased	Lease income recognized for the current period	Lease income recognized for the previous period
Changzhou Stabila Laser Instrument Co., Ltd.	Buildings	217,503.00	222,264.00

The Company as the lessee:

Unit: RMB

Lessor	Types of assets leased	Simplified rental expenses for short-term lease and low-value asset lease	Variable lease payment not adopted in the measurement of lease liabilities	Rental payment	Interest expenditure incurred from lease liabilities	Incremental right-of-use assets

		(if applicable)		(if applicable)							
		Current period cumulative	Preceding period comparative	Current period cumulative	Preceding period comparative	Current period cumulative	Preceding period comparative	Current period cumulative	Preceding period comparative	Current period cumulative	Preceding period comparative
Hangzhou GreatStar Precision Machinery Co., Ltd.	Buildings	1,188,990.81	1,270,330.26			700,000.00	973,000.00				
Hangzhou Xihu Tiandi Property Co., Ltd.	Transport equipment		238,938.06				270,000.00				
Guangzhou Hangcha Leasing Co., Ltd., a subsidiary of Hangcha Group Co., Ltd.	Transport equipment	54,203.55	47,566.38			57,500.00	57,500.00				
Shanghai Hangcha Forklift Sales Co., Ltd., a subsidiary of Hangcha Group Co.,	Transport equipment	6,990.51				7,899.00					

Ltd.											

Notes on related party leases

(3) Assets transfer and debt restructuring of related parties

Unit: RMB

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Zhang Ou	A 48% equity interest in Ole-Systems		9,744,000.00
Zhejiang Hangcha Intelligent Technology Co., Ltd.	19.5285% equity interest in Zhejiang Guozi Robotics Co., Ltd.	78,336,000.00	

(4) Key management's emoluments

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Key management's emoluments	20,568,583.99	19,415,618.16

6. Balance due to or from related parties

(1) Receivables

Unit: RMB

Project 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 Co., Ltd.	3,097,888.75	154,894.44	2,611,712.94	130,585.65
Accounts receivable	Hangcha Group Co., Ltd. and its affiliated companies	4,557,436.37	306,569.08	3,807,569.14	190,378.46
Accounts receivable	GreatStar Holding Group Co., Ltd.	1,231.20	61.56		
Accounts receivable	Zhongce Rubber Group	18,320.00	916.00		

	Co., Ltd. and its affiliated companies				
Subtotal		7,674,876.32	462,441.08	6,419,282.08	320,964.11
Notes receivable	Hangcha Group Co., Ltd. and its affiliated companies			226,128.00	
Subtotal				226,128.00	
Receivables financing	Hangcha Group Co., Ltd. and its affiliated companies			281,700.00	
Subtotal				281,700.00	
Advances paid	Hangcha Group Co., Ltd. and its affiliated companies	1,254,840.83	62,742.04	9,369.43	468.47
Advances paid	Hangzhou Nbond Nonwovens Co., Ltd.	1,068.56	53.43	8,925.33	446.27
Subtotal		1,255,909.39	62,795.47	18,294.76	914.74
Other receivables	Changzhou Stabila Laser Instrument Co., Ltd.	65,371.72	3,268.59	66,802.68	3,340.13
Other receivables		65,371.72	3,268.59	66,802.68	3,340.13
Other non-current assets	Hangcha Group Co., Ltd. and its affiliated companies	4,350,000.00			
Subtotal		4,350,000.00			

(2) Payables

Unit: RMB

Project Name	Related parties	Closing book balance	Opening book balance

Accounts payable	Hangcha Group Co., Ltd. and its affiliated companies	28,405,737.13	10,661,641.37
Accounts payable	Zhongce Rubber Group Co., Ltd. and its affiliated companies	13,565,032.02	17,086,602.78
Accounts payable	Hangzhou GreatStar Precision Machinery Co., Ltd.	796,000.00	
Accounts payable	Changzhou Stabila Laser Instrument Co., Ltd.	301,064.24	
Subtotal		43,067,833.39	27,748,244.15
Contract liabilities	Hangcha Group Co., Ltd. and its affiliated companies	8.85	5,420.00
Subtotal		8.85	5,420.00
Other payables	Zhang Ou		9,744,000.00
Subtotal			9,744,000.00

XV. Commitments and contingencies

1. Important commitments

Significant commitments on balance sheet date

As of the balance sheet date, the Company has no significant commitments to be disclosed.

2. Contingencies

(1) Important contingencies as at the balance sheet date

As of the balance sheet date， the Company has no significant contingencies to be disclosed.

(2) If the Company has no important contingencies to disclose, a statement thereof shall be made

No significant contingencies to be disclosed.

XVI. Events after the balance sheet date

1. Other events after the balance sheet date

At the 21st meeting of the 6th Board of Directors held on April 28, 2026, the Company reviewed and approved the Proposal on the 2025 Profit Distribution Plan. Based on the total share capital of 1,194,478,182 shares as of December 31, 2025, the Company plans to distribute a cash dividend of RMB 4.00 (tax inclusive) for every 10 shares to all shareholders. The estimated total cash dividend is RMB 477,791,272.80. No bonus shares will be issued, nor will the capital reserve be used to increase the share capital in this distribution. The remaining undistributed profits will be carried forward to the next year. The aforementioned distribution plan is subject to the approval of the shareholders' meeting.

XVII. Other Significant Matters

1. Segment information

(1) Determination basis and accounting policy of the reporting segments

Reporting 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	Hand tools	Power tools	Industrial tools	Chip	Other income	Total
Operating revenue	951,889.01	176,220.07	322,532.02	7,376.47	8,611.99	1,466,629.56
Operating cost	645,059.72	123,498.35	209,175.20	4,925.11	4,102.25	986,760.63
Total assets	1,801,218.26	210,503.87	324,303.57	15,726.48	10,745.47	2,362,497.65
Total liabilities	300,366.57	37,320.93	103,949.42	3,911.19	2,631.69	448,179.80

XVIII. Notes to the Principal Items in the Financial Statements of the Parent Company

1. Accounts receivable

(1) Disclosure by aging analysis

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	2,224,975,096.80	2,342,607,524.87
1-2 years	51,524,199.82	6,955,191.86
2-3 years	4,787,439.76	3,913,910.07
More than 3 years	14,700,994.90	11,801,549.35
3-4 years	3,089,055.61	9,363,233.92
4-5 years	9,259,283.09	2,342,288.44
More than 5 years	2,352,656.20	96,026.99

Total Amount	2,295,987,731.28	2,365,278,176.15

(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	
Including:										
Accounts receivable with bad debt provision by combination	2,295,987,731.28	100.00%	125,267,677.20	5.46%	2,170,720,054.08	2,365,278,176.15	100.00%	122,684,818.83	5.19%	2,242,593,357.32
Including:										
Total Amount	2,295,987,731.28	100.00%	125,267,677.20	5.46%	2,170,720,054.08	2,365,278,176.15	100.00%	122,684,818.83	5.19%	2,242,593,357.32

Bad debt provision by combination: Aging combination

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Within 1 year	2,224,975,096.80	111,248,754.84	5.00%
1-2 years	51,524,199.82	5,152,419.98	10.00%
2-3 years	4,787,439.76	957,487.95	20.00%
3-4 years	3,089,055.61	926,716.68	30.00%
4-5 years	9,259,283.09	4,629,641.55	50.00%

More than 5 years	2,352,656.20	2,352,656.20	100.00%
Total Amount	2,295,987,731.28	125,267,677.20	

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	Others	
Provision for bad debts by combination	122,684,818.83	2,582,858.37				125,267,677.20
Total Amount	122,684,818.83	2,582,858.37				125,267,677.20

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

(4) Accounts receivable actually written off during the period

Unit: RMB

Item	Amount written off

Of which significant accounts receivable written off during the period:

Unit: RMB

Unit name	Nature of accounts receivable	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the amount arose from an affiliate

					transaction

Description of accounts receivable write-offs:

(5) Accounts receivable and contract assets situation of the top 5 in ending balance of the debtor

The aggregate amount of the top five accounts receivable at the end of the period was RMB 1,383,677,032.05, accounting for 60.27% of the aggregate amount of accounts receivable at the end of the period, and the aggregate amount of corresponding provision for bad debts was RMB 69,207,464.03.

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	0.00	0.00
Dividend receivable	535,464.00	26,000,000.00
Other receivables	478,205,516.28	903,166,370.23
Total Amount	478,740,980.28	929,166,370.23

(1) Dividends receivable

1) Classification of dividends receivable

Unit: RMB

Item (or the invested unit)	Closing balance	Opening balance
Dividend receivable	535,464.00	26,000,000.00
Total Amount	535,464.00	26,000,000.00

(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	518,362,195.96	915,634,027.30
Export tax rebates	6,338,658.46	49,825,532.56
Deposits	2,060,385.48	7,573,377.68
Temporary advance payment	1,448,052.28	1,491,778.66

receivable		
Employee petty cash	43,800.00	285,839.13
Total Amount	528,253,092.18	974,810,555.33

2) Aging Disclosure

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	138,791,730.05	947,407,933.43
1-2 years	362,853,200.61	1,048,208.13
2-3 years	875,524.98	1,397,577.23
More than 3 years	25,732,636.54	24,956,836.54
3-4 years	797,800.00	869,531.25
4-5 years	867,531.25	917,425.00
More than 5 years	24,067,305.29	23,169,880.29
Total Amount	528,253,092.18	974,810,555.33

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:										
Bad debt provision by combination	528,253,092.18	100.00%	50,047,575.90	9.47%	478,205,516.28	974,810,555.33	100.00%	71,644,185.10	7.35%	903,166,370.23

Including:										
Total Amount	528,253,092.18	100.00%	50,047,575.90	9.47%	478,205,516.28	974,810,555.33	100.00%	71,644,185.10	7.35%	903,166,370.23

Bad debt provision by combination: Aging combination

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Within 1 year	8,836,420.65	441,821.03	5.00%
1-2 years	391,177.24	39,117.72	10.00%
2-3 years	181,000.00	36,200.00	20.00%
3-4 years	56,800.00	17,040.00	30.00%
4-5 years	7,500.00	3,750.00	50.00%
More than 5 years	417,998.33	417,998.33	100.00%
Total Amount	9,890,896.22	955,927.08	

A description of the basis for determining the combination:

Bad debt provision by combination: Related parties within the consolidation scope

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Related parties within the consolidation scope	518,362,195.96	49,091,648.82	9.47%
Total Amount	518,362,195.96	49,091,648.82	

Bad debt provision by combination: Portfolio of receivables from connected parties with consolidated scope

Unit: RMB

Item	Closing balance

	Book balance	Provision for bad debts	Percentage of Provision
Portfolio of receivables from connected parties with consolidated scope			

A description of the basis for determining the combination:

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 Amount
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as of January 1, 2025	47,370,396.67	104,820.81	24,168,967.62	71,644,185.10
Balance as of January 1, 2025 during the period				
-- Transferred to Phase II	-49,813.45	49,813.45		
-- Transferred to Phase III		-87,552.50	87,552.50	
Provision during the period	-22,288,150.13	32,545.13	658,995.80	-21,596,609.20
Balance as of December 31, 2025	25,032,433.09	99,626.89	24,915,515.92	50,047,575.90

Basis for Classification of Stages and Provision Rate for Bad Debts

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 but did not result in credit impairment (Phase II); 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

4) 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	Transfer to COGS or Write-off	Others	

Of which the amount of provisions for bad debt reversed or recovered 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

5) Other receivables actually written off during the period

Unit: RMB

Item	Amount written off

Of which significant write-offs of other receivables:

Unit: RMB

Unit name	Nature of other receivables	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the amount arose from an affiliate transaction

Description of write-offs of other receivables:

6) 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
GreatStar Tools USA, Inc.	Accounts receivable from related parties within the scope of the merger	302,960,609.62	[Note 1]	57.35%	15,148,030.48

Suzhou Newland Import and Export Co., Ltd.	Accounts receivable from related parties within the scope of the merger	100,000,000.00	Within 1 year	18.93%	5,000,000.00
Hangzhou Ole-Systems Co., Ltd.	Accounts receivable from related parties within the scope of the merger	51,470,297.23	[Note 2]	9.74%	2,573,514.86
Zhejiang Shiwanke Electrical Appliance Co., Ltd.	Accounts receivable from related parties within the scope of the merger	36,790,684.93	[Note 3]	6.96%	1,839,534.25
Hangzhou GreatStar Hardware Tools Co., Ltd.	Accounts receivable from related parties within the scope of the merger	27,051,325.68	[Note 4]	5.12%	24,526,105.29
Total Amount		518,272,917.46		98.10%	49,087,184.88

[Note 1] Within 1 year is 26,609,195.42; 1-2 years is 276,351,414.20

[Note 2] Within 1 year is 1,357,375.00; 1-2 years is 50,112,922.23

[Note 3] Within 1 year is 1,398,089.66; 1-2 years is 35,392,595.27

[Note 4] Within 1 year is 501,370.82; 1-2 years is 605,091.67; 2-3 years is 694,524.98; 3-4 years is 741,000.00; 4-5 years is 860,031.25; more than 5 years is 23,649,306.96

7) Presented under other receivables due to centralized fund management

Unit: RMB

Other notes:

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	6,300,093,665.96		6,300,093,665.96	5,191,630,105.83		5,191,630,105.83
Investment in	4,014,748,78		4,014,748,78	3,507,149,82	25,249,436.4	3,481,900,38

joint ventures and associates	0.81		0.81	0.40	7	3.93
Total Amount	10,314,842,446.77		10,314,842,446.77	8,698,779,926.23	25,249,436.47	8,673,530,489.76

(1) Investment in subsidiaries

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	Provision for accrual impairment	Others		
Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	200,864,082.56						200,864,082.56	
Hangzhou GreatStar Tools Co., Ltd.	63,772,246.86						63,772,246.86	
Hangzhou GreatStar Hardware Tools Co., Ltd.	3,406,500.00						3,406,500.00	
Hangzhou GreatStar Sheffield Trading Co., Ltd.	5,000,000.00						5,000,000.00	
Hangzhou GreatStar Intelligent Technology Co.,	2,000,000.00						2,000,000.00	

Ltd.								
Hangzhou Lianhe Electric Manufacturing Co., Ltd. (Formerly known as Hangzhou Juye Tools Co., Ltd.)	154,004,024.56					12,804,728.00	166,808,752.56	
Hangzhou Lianhe Tools Manufacturing Co., Ltd.	12,804,728.00					-12,804,728.00	0.00	
Longyou Hugong Forging Three Tools Co., Ltd.	131,612,153.88						131,612,153.88	
Yiyang Tools Manufacturing Co., Ltd.	45,132,846.12		23,514,000.00				68,646,846.12	
Ningbo Fenghua GreatStar Tools Co., Ltd.	22,558,141.65						22,558,141.65	
Suzhou Xindadi Hardware Co., Ltd.	60,000,000.00		18,854,363.04				78,854,363.04	
Zhejiang Guoxin Tools Co., Ltd.	25,750,000.00						25,750,000.00	
Zhejiang GreatStar Tools Co.,	464,800,000.00						464,800,000.00	

Ltd.								
Zhejiang Shiwanke Electrical Appliance Co., Ltd.	85,000,000.00		50,000,000.00				135,000,000.00	
GreatStar Tools USA, Inc.	1,194,733,870.00		237,887,100.00				1,432,620,970.00	
GreatStar Europe AG	952,168,104.04						952,168,104.04	
GreatStar Industrial Vietnam Co., Ltd.	414,754,062.90		431,474,000.00				846,228,062.90	
Hong Kong Greatstar International Co., Ltd.	1,064,802,401.66		144,184,000.00				1,208,986,401.66	
GREATSTAR UNITED KINGDOM LTD	193,405,041.38						193,405,041.38	
Jingjiang Measuring Tools Co., Ltd.	76,868,301.15						76,868,301.15	
TESA Precision Technology (Suzhou) Co., Ltd.	18,193,601.07						18,193,601.07	
Hangzhou Nano IC Technologies Co., Ltd.			48,883,000.00			89,461,715.37	138,344,715.37	

Zhejiang Yiyang Tool Manufacturing Co., Ltd.			64,205,381.72				64,205,381.72	
Total Amount	5,191,630,105.83		1,019,001,844.76			89,461,715.37	6,300,093,665.96	

(2) Investment in joint ventures and associates

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 recognized under the equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of issuing cash dividends or profits	Provision for accrual impairment	Others		
I. Joint ventures												
II. Associates												
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	2,047,807,325.14				431,318,130.83	35,606,065.98	177,188,579.44				2,691,920,101.39	
Zhejiang Hangcha Holding Co.,	1,117,196,562.17				184,489,703.48	2,592,996.11	18,549,417.66				1,322,828,679.42	

Ltd.												
Zhejiang Guozi Robotics Co., Ltd.	16,230,360.84			72,849,082.15	-373,224.00	36,089.25				56,955,856.06		
Ningbo Donghai Bank Co., Ltd.	200,769,960.00	25,249,436.47		187,453,249.27						-13,316,710.73		
Hangzhou Nano IC Technologies Co., Ltd.	99,896,175.78			75,865,204.95	448,493.24	-19,357.34			10,863,596.31	-13,596,510.42		
Subtotal	3,481,900,383.93	25,249,436.47		336,167,536.37	615,883,103.55	38,215,794.00	195,737,997.10		10,863,596.31	30,042,634.91	4,014,748,780.81	
Total Amount	3,481,900,383.93	25,249,436.47		336,167,536.37	615,883,103.55	38,215,794.00	195,737,997.10		10,863,596.31	30,042,634.91	4,014,748,780.81	

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

4. Operating revenue and cost

Unit: RMB

Item	Current period cumulative	Preceding period comparative

	Revenue	Cost	Revenue	Cost
Principal business	5,820,270,381.77	4,629,057,890.49	6,402,490,141.49	4,914,560,079.38
Other business	42,935,784.18	24,557,921.50	29,703,033.32	22,213,174.83
Total Amount	5,863,206,165.95	4,653,615,811.99	6,432,193,174.81	4,936,773,254.21
Revenue from contracts with customers	5,847,421,930.27	4,647,786,575.29	6,426,209,514.86	4,931,719,970.67

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	5,847,421,930.27	6,426,209,514.86
Subtotal	5,847,421,930.27	6,426,209,514.86

(3) The revenue recognized in the period and included in the opening book value of contract liabilities is RMB 72,479,603.86.

5. Investment Income

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Income from long-term equity investments accounted for under the cost method	535,712,511.00	71,250,000.00
Income from long-term equity investments recognized under the equity method	615,883,103.55	530,784,197.01
Investment income from disposal of long-term equity investments	160,345,908.63	-21,376,029.38
Investment income from disposal of held-for-trading financial assets	7,629,353.72	729,711.03
Dividend income from investments in other equity instruments during the holding period		4,050,000.00

Discounting loss on receivables financing	-5,941,132.05	-8,260,838.49
Total Amount	1,313,629,744.85	577,177,040.17

XIX. Additional 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	160,794,863.82	This is primarily due to the company's use of its equity in Zhejiang Guozi Robot Technology Co., Ltd. as a capital contribution to acquire equity in Zhejiang Hangcha Guozi Intelligent Technology Robot Co., Ltd., recognizing the disposal gains or losses in accordance with the provisions of Accounting Standards for Business Enterprises No. 7—Non-Monetary Asset Exchange.
Government grants included in the current profit or loss (excluding those closely related to operating activities of the Company and granted constantly affecting the Company's profits or losses in accordance with certain standards based on state policies)	51,451,487.79	
Gain or loss from changes in fair value of value and disposal of financial assets and liabilities held by non-financial enterprises, excluding those arising from hedging business related to the Company's normal operating activities	37,418.31	
Gain or loss on assets under entrusted investment or management	9,879,776.01	
Other non-operating revenue or expenditures	-4,167,126.21	
Less: Effect of income tax	32,924,528.45	

Non-controlling shareholders' equity affected (after tax)	1,043,972.91	
Total Amount	184,027,918.36	--

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	14.16%	2.1011	2.1011
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gains and losses	13.12%	1.9470	1.9470

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

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

□ Applicable ☑ Not Applicable

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

□ Applicable ☑ Not Applicable

(3) Explanation of the reasons for differences in accounting data under domestic and overseas accounting standards. The name of the overseas institution should be indicated if the data that has been audited by the overseas auditor has been reconciled for differences

4. Others