Ad hoc announcement pursuant to Art. 53 LR

Hangzhou GreatStar Industrial Co., Ltd.

2026 Semi-Annual Report

2026-027

August 2026

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 semi-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 semi-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 Semi-Annual Report do not constitute the Company's substantive commitments to investors. The investors and those who are interested are advised to pay attention to relevant risks and understand the difference between plans, projections and commitments.

The Report has described the Company's risk factors that may exist in its operations in detail in "Section III Discussion and Analysis of the Management, (X) Risks Faced by the Company and Countermeasures". 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 3 (including tax) and the issuance of 0 bonus shares (including tax) for every 10 shares based on a total of 1,194,478,182 shares. No capital reserve is to be transferred into share capital.

Table of Contents

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. 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:Qiu Jianping

August 27, 2026

Definitions

Term to be defined	Refers to	Definition
reporting period	Refers to	January 1, 2026 - June 30, 2026
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	Hangzhou GreatStar Industrial Co., Ltd.		
Short name of the Company 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		

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. Other Information

1. Contact information of the Company

Whether the registered address, office address and postal codes as well as website address and email address of the Company changed during the reporting period or not.

□ Applicable ☑ Not Applicable

There are no changes in the registered address, office address and postal codes, website address or email address of the Company during the reporting period. For the details, please refer to the 2025 Annual Report.

2. Information disclosure and place for inspection

Whether there are changes in information disclosure and place for inspection during the reporting period

□ Applicable ☑Not Applicable

There are no changes in the website designated by CSRC for publicizing the semi-annual report, the name and website of the newspaper selected by the Company for information disclosure, or the place for inspection of the semi-annual report during the reporting period. For the detail, please refer to the 2025 Annual Report.

3. Other relevant information

Whether there are changes in other relevant information during the reporting period

□ Applicable ☑ Not Applicable

IV. Major Accounting Data and Financial Index

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

□ Yes ☑No

	Current reporting period	Same period of previous year	Increase/Decrease over the same period of the previous year
Operating revenue (RMB)	7,674,605,023.56	7,027,498,063.33	9.21%
Net profit attributable to the shareholders of the listed company (RMB)	1,304,695,812.00	1,272,861,836.46	2.50%
Net profit after deduction of non-recurring profits and losses attributable to the shareholders of the listed company (RMB)	1,275,914,147.31	1,254,313,310.98	1.72%

Net cash flow from operating activities (RMB)	900,730,603.05	1,033,757,623.71	-12.87%
Basic earnings per share (RMB/share)	1.0923	1.0656	2.51%
Diluted earnings per share (RMB/share)	1.0923	1.0656	2.51%
Weighted average ROE	6.85%	7.37%	-0.52%
	End of the current reporting period	End of the previous year	Increase/decrease at the end of the current reporting period compared to the end of the previous year
Total assets (RMB)	25,985,402,275.02	23,624,976,541.85	9.99%
Net assets attributable to shareholders of the listed company (RMB)	19,253,577,225.38	18,814,504,768.32	2.33%

V. Difference in Accounting Data 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.

VI. Items and Amount of Non-recurring Gains and Losses

☑ Applicable □ Not Applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets (including write-off of provision for assets impairment)	-682,195.03	
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)	19,485,921.14	
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	450,715.84	
Gain or loss on assets under entrusted investment or management	8,386,717.26	
Reversal of impairment provision for receivables individually assessed for impairment	7,302,709.25	
Other non-operating revenue or expenditures	-268,794.42	
Less: Effect of income tax	4,912,872.88	
Non-controlling shareholders' equity affected (after tax)	980,536.47	

Total	28,781,664.69	

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

During the Reporting Period, the Company prioritized the development of hand tools & power tools for European and American markets, with equal stress on professional-grade industrial tools. Aligning with the tool demand driven by the current AI infrastructure construction, the Company actively boosted sales and production capacity expansion of relevant products, with focused promotion of hand-tool offerings for the North American market, including AIDC construction tools and electric maintenance tools. While expanding into new product categories, the Company regarded power tools as its core product line and made great investment in the development of proprietary brands, of which cross-border e-commerce brands maintained rapid growth.

During the reporting period, the Company generated operating revenue of RMB 7,674.605 million, marking a 9.21% year-on-year increase. In the first half of 2026, the net profit attributable to the shareholders of the listed company reached RMB 1,304.70 million, up 2.50% 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 1,275.91 million, up 1.72% year on year.

II. Core Competencies

1. Internationalization advantages

Through nearly a decade of dedicated efforts, the Company has established the most comprehensive global production and supply chain management system within the industry while fostering collaborative partnerships with over 1,000 global suppliers in order to enhance the operational resilience against reliance on any single country or internal production capacity in agile responses to market demands for timely fulfillment of large-scale orders. Amid volatile global trading trends, the Company leverages its well-managed warehousing, logistics, and distribution networks across China, the U.S., and Europe, coupled with 23 global manufacturing facilities, to execute global procurement, manufacturing, and distribution. Furthermore, our integrated global distribution and manufacturing system significantly reduces total landed costs (TLC) for production and purchase, enhancing end-market competitiveness while maintaining adaptability to various customer requirements and complex external environments. During the Reporting Period, the Company steadily advanced the construction of new productivity project in Vietnam. 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 209.00 million in R&D, with over

1,000 new products developed. The Company focused on supporting technological innovation of electric power tools and proprietary brand products, in particular e-commerce brand offerings, with favorable market responses in a number of new varieties. 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. During the Reporting Period, the Company strategically prioritized proprietary brand development to strengthen the influence and market penetration of brands, such as WORKPRO, DURATECH, EVERBRITE, SK, and Shopvac, with revenue growing by 9.76% year on year. The brand advantage not only further enhances the international competitiveness of the Company's products, but also effectively improves the Company's gross profit margin and business stability, thus ensuring the long-term healthy development of the Company.

4. Channel advantages

The sales channels and the trust of clients are the basis for the continuous development of the Company. The Company's diversified product mix and sustained innovation capability can not only satisfy the one-stop shopping demand of channel clients to the greatest extent possible, but also constantly reduce its procurement and management costs and improve the loyalty of its channel clients. The Company has been one of the largest suppliers of tools and storage to many large supermarket chains such as The Home Depot, Walmart and Lowe's in the US, Kingfisher in Europe and CTC in Canada. It has also expanded its product categories based on these clients. There are now more than 20,000 large supermarket chains worldwide that sell a wide range of the Company's products, including those for hardware, building materials and automotive parts. These channels effectively contribute to the rapid development of various innovative products of the Company. Through three parallel measures – direct cross-border e-commerce operations, acquisition of European and American distribution channels, and establishment of Asia-Pacific distribution channels, 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.

III. Analysis of Principal Business

Overview

During the Reporting Period, AI-driven infrastructure development emerged as a new engine to fuel growth in tool demand, outpacing the traditional real-estate-driven business cycle. Regardless of the sluggish demand for real-estate-related traditional tools, AI infrastructure investments in the United States boosted the demand for the tool market (including power tools and construction tools), driving the tool industry to register an overall growth of over 5% in the first half of 2026. The Company took proactive actions against the industry shifts by stepping up the development of relevant products and expanding production capacity, which underpinned steady revenue growth and delivered an effective improvement in gross profit margin. Meanwhile, the Company optimized product portfolios to mitigate the impact of foreign-exchange rate fluctuations on gross profit margin. During the Reporting Period, the Company also received partial US tariff refunds plus corresponding interest, which effectively offset adverse effects brought by RMB appreciation.

During the reporting period, the Company generated operating revenue of RMB 7,674.605 million, marking a 9.21% year-on-year increase. In the first half of 2026, the net profit attributable to the shareholders of the listed company reached RMB 1,304.70 million up 2.50% 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 1,275.91 million up 1.72% year on year.

The performance of each business segment is as follows:

1. Hand Tools

During the Reporting Period, in response to the fast-growing market demand for AIDC construction tools and power tools in North America, the Company accelerated new product development and iteration, broadened product portfolios and strengthened competitive edges for proprietary brands, and supported the existing century-old European and American brands to enhance their brand value and market position. The Company also reinforced innovation for e-commerce products to underpin the rapid growth of e-commerce brands, contributing to robust growth for e-commerce businesses. Our unremitting efforts into brand-new product development towards trading communities also advanced the development of hand tool business. The revenue from its hand tool business grew by 11.88% year on year.

2. Power Tools

During the Reporting Period, the Company continued to expand our product lines to secure new orders and further expanded brand-based product portfolios based on existing brands, achieving rapid growth from new products under e-commerce brands. The year-on-year growth of power tools reached 9.87%.

3. Industrial tools

During the Reporting Period, the industrial tool in the European market remained sluggish with continuous decline in overall market volume. Revenue from the industry tool business decreased by 2.63% year-on-year.

YoY changes in major financial data

Unit: RMB

	Current reporting period	Same period of previous year	YoY increase or decrease	Reason for change

Operating revenue	7,674,605,023.56	7,027,498,063.33	9.21%	
Operating cost	5,117,495,560.96	4,782,192,936.27	7.01%	
Selling expenses	539,415,692.99	504,397,681.41	6.94%	
Administrative expenses	485,084,851.95	462,376,585.22	4.91%	
Financial expenses	88,784,729.86	-88,763,892.14	200.02%	Mainly attributable to the changes in exchange gains and losses caused by RMB appreciation.
Income tax expenses	218,197,131.21	205,715,188.28	6.07%	
R&D investment	208,878,946.45	175,033,091.54	19.34%	
Net cash flows from operating activities	900,730,603.05	1,033,757,623.71	-12.87%	
Net cash flows from investing activities	-1,456,991,759.72	-368,931,195.16	-294.92%	During the reporting period, the scale of wealth management activities increased compared with the same period last year, and the net cash outflow from investing activities increased.
Net cash flows from financing activities	1,207,841,871.14	-2,029,276,376.12	159.52%	During the reporting period, the scale of bank borrowings increased

				compared with the same period last year, and the net cash inflow from financing activities increased.
Net increase in cash and cash equivalents	468,982,862.30	-1,263,303,474.23	137.12%	

Significant changes in the composition or sources of the Company's profits during the reporting period

□ Applicable ☑Not Applicable

There were no significant changes in the composition or sources of the Company's profits during the reporting period.

Composition of operating revenue

Unit: RMB

	Current reporting period		Same period of previous year		YoY increase or decrease
	Amount	% in operating revenue	Amount	% in operating revenue	
Total operating revenue	7,674,605,023.56	100%	7,027,498,063.33	100%	9.21%
By industry					
Tools and hardware	7,628,748,536.17	99.40%	6,994,251,558.64	99.53%	9.07%
Other income	45,856,487.39	0.60%	33,246,504.69	0.47%	37.93%
By product					
Hand tools	5,168,819,821.40	67.35%	4,620,163,722.17	65.74%	11.88%
Power tools	815,105,732.26	10.62%	741,864,862.01	10.56%	9.87%

Industrial tools	1,589,313,922.21	20.71%	1,632,222,974.46	23.23%	-2.63%
Chip	55,509,060.30	0.72%			100.00%
Other income	45,856,487.39	0.60%	33,246,504.69	0.47%	37.93%
By region					
America	5,017,206,791.36	65.37%	4,567,732,937.62	65.00%	9.84%
Europe	1,892,543,521.48	24.66%	1,803,416,940.77	25.66%	4.94%
Others	344,326,855.75	4.49%	348,306,757.66	4.96%	-1.14%
Domestic (China)	374,671,367.58	4.88%	274,794,922.59	3.91%	36.35%
Other income	45,856,487.39	0.60%	33,246,504.69	0.47%	37.93%
By sales model					
OBM	3,578,439,673.41	46.63%	3,260,210,893.65	46.39%	9.76%
ODM	4,050,308,862.76	52.78%	3,734,040,664.99	53.13%	8.47%
Other income	45,856,487.39	0.60%	33,246,504.69	0.47%	37.93%

Industries, products and regions that account for more than 10% of the total operating revenue or profit

☑ Applicable □ Not Applicable

Unit: RMB

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

By industry						
Tools and hardware	7,628,748,536.17	5,074,312,840.07	33.48%	9.07%	6.65%	1.51%
By product						
Hand tools	5,168,819,821.40	3,445,683,950.30	33.34%	11.88%	8.82%	1.88%
Power tools	815,105,732.26	572,686,540.50	29.74%	9.87%	8.71%	0.75%
Industrial tools	1,589,313,922.21	1,024,659,973.05	35.53%	-2.63%	-3.75%	0.75%
Chip	55,509,060.30	31,282,376.22	43.64%	100.00%	100.00%	43.64%
By region						
America	5,017,206,791.36	3,385,665,328.37	32.52%	9.84%	6.82%	1.91%
Europe	1,892,543,521.48	1,207,196,270.96	36.21%	4.94%	3.87%	0.65%
By sales model						
OBM	3,578,439,673.41	2,310,702,517.10	35.43%	9.76%	8.48%	0.77%
ODM	4,050,308,862.76	2,763,610,322.97	31.77%	8.47%	5.17%	2.15%

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

IV. Analysis of Non-principal Business

□ Applicable ☑Not Applicable

V. Analysis of Assets and Liabilities

1. Significant changes in the composition of assets

Unit: RMB

	End of the current reporting period		End of previous year		Proportion change	Explanation of significant change
	Amount	% in total assets	Amount	% in total assets		
Cash and bank balances	5,548,844,310.36	21.35%	5,285,542,062.99	22.37%	-1.02%	
Accounts receivable	3,319,983,142.77	12.78%	3,031,728,191.68	12.83%	-0.05%	
Contract assets	0.00	0.00%	0.00	0.00%	0.00%	
Inventories	3,592,674,674.30	13.83%	3,223,583,403.95	13.64%	0.19%	
Investment property	230,318,399.52	0.89%	107,454,651.08	0.45%	0.44%	
Long-term equity investments	4,264,382,733.13	16.41%	4,018,678,654.50	17.01%	-0.60%	
Fixed assets	2,107,617,884.93	8.11%	2,359,033,146.84	9.99%	-1.88%	
Construction in progress	390,315,401.04	1.50%	233,077,109.12	0.99%	0.51%	
Right-of-use assets	308,274,991.95	1.19%	308,505,567.58	1.31%	-0.12%	
Short-term borrowings	2,827,785,318.09	10.88%	1,280,065,456.36	5.42%	5.46%	
Contract liabilities	151,063,041.28	0.58%	141,176,439.00	0.60%	-0.02%	

Long-term borrowings	0.00	0.00%	0.00	0.00%	0.00%	
Lease liabilities	249,247,655.70	0.96%	246,547,442.58	1.04%	-0.08%	

2. Major 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 223.0931 million	Germany	Power Tools Manufacturing and Sales	Financial supervision, entrusted external audit	Profitable	1.14%	No
100% equity in Geelong (Thailand) Co., Ltd	Established	RMB 548.6691 million	Thailand	Cabinet Manufacturing	Financial supervision, entrusted external audit	Profitable	2.80%	No
100% equity in Arrow Fastener Co., LLC	Equity acquisition	RMB 374.03 million	The US	Power Tools Manufacturing and Sales	Financial supervision, entrusted external audit	Profitable	1.91%	No
100% equity in	Establ	RMB 802.755	Vietnam	Hand tool	Financial	Profitabl	4.10%	No

GreatStar Industrial Vietnam Company Limited	ished	4 million		manufacturing and sales	supervision, entrusted external audit	e		

3. 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 (excluding derivative financial assets)	55,079,204.15	363,440.11			6,269,290,000.00	6,065,267,839.91	169,099.34	259,633,903.69
2. Derivative financial assets		382,623.88			187,779,164.16	187,779,164.16	-13,789.47	368,834.41
4. Investment in other	12,600,000.00							12,600,000.00

equity instruments								
5. Other Non-current Financial Assets	78,336,000.00							78,336,000.00
Financial assets subtotal	146,015,204.15	746,063.99			6,457,069,164.16	6,253,047,004.07	155,309.87	350,938,738.10
Above total	146,015,204.15	746,063.99			6,457,069,164.16	6,253,047,004.07	155,309.87	350,938,738.10
Financial liabilities	255,687.69	-188,533.36			56,137,200.00	56,137,200.00	-5,575.24	61,579.09

Other changes

Other variances attributable to exchange rate fluctuations

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

□ Yes ☑No

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

Unit: RMB

Item	Closing book balance	Book value at the end of the period	Types of restrictions	Reason for restriction
Cash and bank balances	16,958,567.66	16,958,567.66	Pledge	Deposits for letter of credit
Cash and bank balances	3,408,450.00	3,408,450.00	Pledge	Deposits for credit card
Cash and bank balances	1,437,099.90	1,437,099.90	Pledge	Deposits for lease
Cash and	4,768,282.83	4,768,282.83	Pledge	Deposits for customs

bank balances				duty guarantee
Cash and bank balances	63,017.27	63,017.27	Pledge	Deposits for ETC
Cash and bank balances	10,000.00	10,000.00	Pledge	Guarantee deposit for bank acceptance
Fixed assets	40,901,325.49	21,529,369.77	Mortgaged	Mortgage for bank acceptance
Intangible assets	3,198,505.51	1,822,738.22	Mortgaged	Mortgage for bank acceptance
Total	70,745,248.66	49,997,525.65		

VI. Analysis of Investment Status

1. Overview

☑ Applicable □ Not Applicable

Investment amount in the reporting period (RMB)	Investment amount in the same period of the previous year (RMB)	Changes
1,498,925,839.97	577,295,735.50	159.65%

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 Name	Investment method	Fixed asset investment or not	Industry involved in investment project	Investment during the reporting period	The cumulative actual investment amount as of the end of the	Source of funds	Project progress	Expected returns	Accumulated earnings realized as of the end of the report	Reasons for not meeting planned progress and expec	Disclosure date (if any)	Disclosure index (if any)

					reporting period				ing period	ted returns		
Phase IV Land Investment and Plant Construction Project of GreatStar Vietnam Co., Ltd.	Self-built	Yes	Hand Tool Manufacturing	94,864,313.27	257,470,716.38	Self-owned funds	89.39%	0.00	0.00	/		/
Total	--	--	--	94,864,313.27	257,470,716.38	--	--	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	Cumulative fair value changes recogniz	Purchase amount in the reportin	Sales amount in the reporting period	Closing amount	Proportion of the closing amount in the

			value changes in the current period	ed in equity	g period			Company's net assets at the end of the reporting period
Forward foreign exchange	85,389.74	4,785.31	57.12	0	86,192.59	82,984.68	8,050.33	0.41%
Total	85,389.74	4,785.31	57.12	0	86,192.59	82,984.68	8,050.33	0.41%
Significant changes in the accounting policies and specific accounting principles of hedging business during the reporting period compared to the same period in the previous year	Unchanged							
Actual gains or losses during the	During the Reporting Period, the Company recognized investment income of RMB 26,981.02 related to derivative investments, and gains from fair value change totaling RMB 571,157.24.							

reporting period	
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 forecast foreign currency receipts and target cost exchange rates. The contracted settlement amounts matched forecast 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)	Wednesday, April 29, 2026
Date of announcement of the Shareholders' Meeting to approve investment in derivatives (if any)	Saturday June 6, 2026

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

□ Applicable ☑Not Applicable

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

5. Use of raised funds

□ Applicable ☑Not Applicable

No raised funds were used during the reporting period.

VII. Sale of Major Assets and Equity

1. Sale of major assets

□ Applicable ☑ Not Applicable

No major assets were sold during the reporting period.

2. Sale of major equity

□ Applicable ☑ Not Applicable

VIII. Analysis of Major Holding and Equity Participation Companies

☑ Applicable □ Not Applicable

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

Unit: RMB

Company name	Type	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Equity Participation	Service	3,500,000,000.00	58,061,441,960.90	26,688,647,986.46	23,474,496,452.47	2,510,321,633.68	2,384,830,382.18

Acquisition and disposal information of subsidiaries during the reporting period

☑ Applicable □ Not Applicable

Company name	Acquisition and disposal method of subsidiaries during the reporting period	Impact on overall production, operation and performance
Yiyang Tools Manufacturing Co., Ltd.	Canceled	No material impact on the Company's overall production, operations, and performance for the period
Hangzhou Chongte Robot Technology Co., Ltd.	Canceled	No material impact on the Company's overall production, operations, and performance for the period
GSMA International Sdn. Bhd.	Canceled	No material impact on the Company's overall production, operations, and performance for the period
GreatStar International Holdings Limited	Canceled	No material impact on the Company's overall production, operations, and performance

		for the period
MEGAMET（CAMBODIA）INDUSTRIAL CO.，LTD	Established	No material impact on the Company's overall production, operations, and performance for the period
TOOLLINK BRASIL LTDA	Established	No material impact on the Company's overall production, operations, and performance for the period
AMGS TOOLS PTE. LTD.	Established	No material impact on the Company's overall production, operations, and performance for the period
Hangzhou Hanji International Trade Co., Ltd.	Established	No material impact on the Company's overall production, operations, and performance for the period
Oakridge Trading LLC	Established	No material impact on the Company's overall production, operations, and performance for the period

Description of major holding and equity participation companies

None

IX. Structural Subjects Under Control of the Company

□ Applicable ☑ Not Applicable

X. Risks Faced by the Company and Countermeasures

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 United States is now the largest single market for the Company. The U.S. tariff policies against China were adjusted several times this year, featuring sudden and unpredictable shifts. Tariffs exerted adverse impacts and brought uncertainties to the development of the industry as well as the long-term development strategy of the Company. For this purpose, the Company will maintain acute insight to the international situations, continue to expand production capacity worldwide featuring coordinated operation of multiple production bases in China and overseas, push forward the construction of overseas manufacturing bases, foster overseas supply chains, and optimize in real time the capacity ratio between domestic and overseas production bases to ensure sustained and sound business development.

2. Exchange rate fluctuation risk

At present, the Company's operating revenue basically comes from the overseas market. For example, the wide fluctuation of RMB exchange rate will have a certain impact on the Company's operating revenue. Most of the Company's principal business orders are denominated in USD, and the fluctuations of the exchange rate between RMB and USD directly affect the price competitiveness of products, thus affecting the Company's operating performance. In this regard, the Company will continue to strengthen business development in overseas market and foreign exchange settlement regulation and optimize product portfolios 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.

XI. Development and Implementation of the Market Capitalization Management System and the Value Enhancement Plan

Whether the Company maintains a market capitalization management system.

□Yes ☑ No

Whether the company disclosed a value enhancement plan.

□ Yes ☑No

On 21 April 2025, the Company held the 12th Meeting of the 6th Board of Directors, during which the Market Capitalization Management System of Hangzhou GreatStar Industrial Co., Ltd. was reviewed and approved.

XII. Implementation of the "Quality and 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 April 29, 2026.

Section IV Environmental, Social and Governance

I. changes in the Company's directors and senior executives

□ Applicable ☑ Not Applicable

No change was detected to the Company's directors and senior executives during the Reporting Period. Please refer to the 2025 Annual Report for further details.

II. 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)	3
Base number of shares for the distribution plan (shares)	1,194,478,182
Cash dividend amount (RMB) (including tax)	358,343,454.60
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)	358,343,454.60
Distributable profits (RMB)	7,975,834,152.45
Percentage of total cash dividends (including those distributed by other means) to total profit distribution	100%
Information on the current cash dividend distribution	
When distributing profits, the proportion of the cash dividend in the current profit distribution distributed to companies in the development stage with major capital expenditure arrangements shall be no less than 20%.	
Notes on profit distribution and the plan for the transfer of capital reserves into share capital	
In accordance with the relevant provisions of the Articles of Association, the Company plans to distribute the profits for the first half of 2026 as follows: The Company proposed that, with a base of 1,194,478,182 shares, a cash dividend of RMB 3 (including tax) will be paid to all shareholders for every 10 shares. The total amount of cash dividends is estimated to be RMB	

358,343,454.60. No bonus shares will be issued, nor will the capital reserve be transferred into share capital.

III. 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.

IV. 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

V. Social Responsibility

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

Section V Significant Matters

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

□ Applicable ☑ Not Applicable

There were no commitments fulfilled and unfulfilled by the actual controller, shareholders, related parties, acquirers, the Company and other relevant parties as of the end of the reporting period.

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. Employment and dismissal of accounting firm

Whether the semi-annual financial report has been audited

□ Yes ☑No

The Company's semi-annual report is unaudited.

V. Explanation of the Board of Directors on the "Non-standard Audit Report" of the accounting firm in the reporting period

□ Applicable ☑ Not Applicable

VI. The Board of Directors' explanation of the latest issue of "Non-standard Audit Report"

□ Applicable ☑ Not Applicable

VII. Matters related to bankruptcy reorganization

□ Applicable ☑ Not Applicable

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

VIII. Matters related to litigation

Major litigation and arbitration matters

□ Applicable ☑ Not Applicable

There was no significant litigation or arbitration for the Company during the reporting period.

Other litigation matters

☑ Applicable □ Not Applicable

Basic information of litigation (arbitration)	Amount involved (ten thousand RMB)	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 subject to disclosure threshold under material litigation standards (the Company as the plaintiff)	197.34	No	As of 30 June 2026, the amount involved in the cases filed but not heard stood at RMB 7,001,100, and that involved in cases with favorable judgments reached RMB 1,270,230.	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	In execution		

				funds; and 3) Make provision for bad debt in 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)	51.52	No	As of 30 June 2026, the amount involved in cases to be heard was RMB 128,100, and that involved in the cases heard but to be judged amounted to RMB 387,100.	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	In execution		

				legal person to naturally provide a guarantee for the execution of the debt, so as to guarantee the recovery of the involved funds; 3. Make provision for bad debt in accordance with accounting standards and company management systems. In summary, this litigation has no material impact on the Company.			

IX. Punishment and rectification

□ Applicable ☑ Not Applicable

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

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

☑ 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.

XI. 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

The Company did not enter into any related-party transactions arising from acquisition and sale of assets or equity during the reporting period.

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 credits or liabilities 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.

XII. 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	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

	quota									
Prime Line Products, LLC	September 24, 2025	4,086.54	10/20/2025	204.33	General guarantee	N/A	N/A	1 years	No	Yes
Suzhou Xindadi Hardware Co., Ltd.	May 9, 2023	10,000	June 22, 2023	0	Joint and several liability guarantee	N/A	N/A	3 years	Yes	Yes
Total guarantee quota for subsidiaries approved in the reporting period (B1)		0		Total guarantee amount actually incurred for subsidiaries in the reporting period (B2)		204.33				
Total guarantee quota approved for subsidiaries as of the end of the reporting period (B3)		4,086.54		Total outstanding guarantees to subsidiaries by the end of the Reporting Period (B4)		204.33				
Subsidiaries' guarantee to subsidiaries										
Guaranteed party	Disclosure date of announcement relating to guarantee quota	Guarantee quota	Occurrence date of actual guarantee	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Guarantee for related parties or not

The Company's total guarantee amount (i.e., the sum of the first three items)			
Total guarantee quota approved in the reporting period (A1+B1+C1)	0	Total guarantee amount actually incurred in the reporting period (A2+B2+C2)	204.33
Total guarantee quota approved as of the end of the reporting period (A3+B3+C3)	4,086.54	Total outstanding guarantees at the end of the Reporting Period (A4+B4+C4)	204.33
Proportion of the actual guarantee amount (A4+B4+C4) to the Company's net assets		0.01%	
Including:			
Balance of debt guarantee provided directly or indirectly to the guaranteed party with an asset-liability ratio of higher than 70% (E)		204.33	
Total of the above three items (D+E+F)		204.33	

Description on the specific situation of the composite guarantee

3. Entrusted wealth management

☑ Applicable □ Not Applicable

Unit: ten thousand RMB

Type	Risk features	Balance of entrusted wealth management in the reporting period	Overdue amount not recovered
Bank financial	R1-R2	7,936.01	0

products			
Others	R1	18,027.38	0

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

□ Applicable ☑ Not Applicable

4. Other material contracts

□ Applicable ☑ Not Applicable

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

XIII. Registration Form for Reception of Research Visits, Communications, Interviews and Other Activities during the Reporting Period

☑ Applicable □ Not Applicable

Reception date	Reception venue	Reception method	Type of reception object	Reception object	Main topics discussed and information provided	Index of basic research situation
Wednesday, April 29, 2026	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Institutions, individuals	Institutional and individual investors who participated in telephone consultations	Business performance of the Company for 2025 and Q1 2026 as well as future development strategies	N/A
April 30, 2026	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Institutions, individuals	Institutional and individual investors who participated in telephone consultations	Business performance of the Company for 2025 and Q1 2026 as well as future development strategies	N/A

May 6, 2026	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Institutions, individuals	Institutional and individual investors who participated in telephone consultations	Business performance of the Company for 2025 and Q1 2026 as well as future development strategies	N/A
May 7, 2026	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Telephone communication	Individual, institution	Institutional and individual investors who participated in telephone consultations	Business performance of the Company for 2025 and Q1 2026 as well as future development strategies	N/A
May 9, 2023	No. 35, Jiuhuan Road, Shangcheng District, Hangzhou	Online communication via network platforms	Institutions, individuals	Investors participating in the 2025 Annual Online Performance Briefing for the Company	Business performance of the Company for 2025 and Q1 2026 as well as future development strategies	Investor Relations Activities Record (No.: 2026-001)

XIV. Description of Other Material Matters

☑ Applicable □ Not Applicable

1. The Company convened the 22nd meeting of the 6th Board of Directors on 18 June 2026, where *Proposal Regarding Equity Acquisition and Connected Transaction* was deliberated and approved. The Company intends to acquire a 0.86% equity (56,735,361 shares) in Zhejiang E-Commerce Bank Co., Ltd. (hereinafter referred to as “MYBank”) held by Dr. Herbs E-Commerce Co., Ltd. (hereinafter referred to as “Dr. Herbs”), and 0.68% equity (44,678,207 shares) in MYBank held by Wanxiang Sannong Group Co., Ltd. (hereinafter referred to as “Wanxiang Sannong”), at a price of RMB 3.20 per share. The Company shall pay equity transfer consideration of RMB 181,553,155.20 and RMB 142,970,262.40 to Dr. Herbs and Wanxiang Sannong

respectively. The funds for such transaction shall be sourced from the funds owned by the Company. Upon completion of the transaction, the Company shall hold an equity of 1.54% in MYBank.

XV. Material Matters of the Subsidiaries to 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	47,188,679	3.95%				131,025	131,025	47,319,704	3.96%
1. State-owned shares									
2. Shares held by the state-owned legal persons									
3. Shares held by other domestic capital	47,188,679	3.95%				131,025	131,025	47,319,704	3.96%
Of which: Domestic legal person shares									
Domesti	47,18	3.95%				131,02	131,02	47,319,	3.96%

c natural person shares	8,679					5	5	704	
4. Shares held by overseas capital									
Of which: Overseas legal person shares									
Overseas natural person shares									
II. Unconditional shares	1,147,289,503	96.05%				-131,025	-131,025	1,147,158,478	96.04%
1. RMB-denominated ordinary shares	1,147,289,503	96.05%				-131,025	-131,025	1,147,158,478	96.04%
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

Implementation progress of share repurchase

□ Applicable ☑ Not Applicable

Implementation progress of share repurchase reduction through call auction

□ 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 shares discharged from restriction for sale in the current period	Number of additional shares restricted for sale in the current period	Number of shares restricted for sale at the end of the period	Cause for restriction	Date of discharge
Zhou Siyuan	281,250	0	131,025	412,275	Restricted-sale shares for senior	25% of the total number of

					executives	shares discharged from restriction for sale at the beginning of each year within the tenure
Total	281,250	0	131,025	412,275	--	--

II. Issue and Listing of Securities

□ Applicable ☑ Not Applicable

III. Number of Shareholders and Shareholding

Unit: share

<table>
<tr><td colspan="2">Total number of ordinary shareholders at the end of the reporting period</td><td colspan="2">38,390</td><td colspan="3">Total number of preferred shareholders whose voting rights were restored at the end of the reporting period (if any) (Note 8)</td><td colspan="2">0</td></tr>
<tr><td colspan="9">Shareholding of shareholders holding more than 5% of the shares or the top 10 shareholders (excluding shares lent through refinancing)</td></tr>
<tr><td rowspan="2">Name of shareholder</td><td rowspan="2">Nature of shareholder</td><td rowspan="2">Holding proportion</td><td rowspan="2">Number of shares at the end of the reporting period</td><td rowspan="2">Changes during the reporting period</td><td rowspan="2">Number of restricted shares</td><td rowspan="2">Number of unrestricted shares</td><td colspan="2">Pledged, marked or frozen</td></tr>
<tr><td>Share status</td><td>Quantity</td></tr>
<tr><td>GreatStar Holding Group Co., Ltd.</td><td>Domestic non-state-owned legal person</td><td>38.82%</td><td>463,739,864</td><td>0</td><td>0</td><td>463,739,864</td><td>N/A</td><td>0</td></tr>
<tr><td>Qiu Jianping</td><td>Domestic natural person</td><td>3.89%</td><td>46,415,258</td><td>0</td><td>34,811,443</td><td>11,603,815</td><td>N/A</td><td>0</td></tr>
</table>

National Social Security Fund 406 Portfolio	Others	2.51%	29,925,619	5,710,364	0	29,925,619	N/A	0
Hong Kong Securities Clearing Company Limited	Offshore legal entity	2.28%	27,259,666	-15,795,827	0	27,259,666	N/A	0
China Merchants Bank Corporation - Foresight Growth Value Hybrid Securities Investment Fund	Others	1.83%	21,833,088	-717,000	0	21,833,088	N/A	0
Monetary Authority of Macao - Own funds	Others	1.40%	16,696,979	3,155,012	0	16,696,979	N/A	0
National Social Security Fund 106 Portfolio	Others	1.38%	16,472,184	16,472,184	0	16,472,184	N/A	0
Wang	Domestic natural	1.08%	12,950,9	0	9,713,22	3,237,74	N/A	0

Lingling	person		60		0	0		
Kuwait Investment Authority	Offshore legal entity	1.03%	12,279,764	1,461,864	0	12,279,764	N/A	0
National Social Security Fund Portfolio 604	Others	0.65%	7,777,000	1,134,000	0	7,777,000	N/A	0
Strategic investors or general legal persons becoming the top 10 shareholders owing to the placement of new shares (if any) (Note 3)	None							
Description of the relationship or concerted action among the above shareholders	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 11)	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
National Social Security Fund 406 Portfolio	29,925,619	RMB Ordinary Shares	29,925,619
Hong Kong Securities Clearing Company Limited	27,259,666	RMB Ordinary Shares	27,259,666
China Merchants Bank Corporation - Foresight Growth Value Hybrid Securities Investment Fund	21,833,088	RMB Ordinary Shares	21,833,088
Monetary Authority of Macao - Own funds	16,696,979	RMB Ordinary Shares	16,696,979
National Social Security Fund 106 Portfolio	16,472,184	RMB Ordinary Shares	16,472,184
Kuwait Investment Authority	12,279,764	RMB Ordinary Shares	12,279,764
Qiu Jianping	11,603,815	RMB Ordinary Shares	11,603,815
National Social Security Fund Portfolio 604	7,777,000	RMB Ordinary Shares	7,777,000
Basic Pension Insurance Fund	7,118,189	RMB Ordinar	7,118,189

Portfolio 808		y Shares	
Description on affiliation or concerted action among the top 10 shareholders with unrestricted shares and between the top 10 shareholders with unrestricted shares and the top 10 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.		
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.

IV. Changes in Shareholdings of Director and Senior Management Personnel

☑ Applicable □ Not Applicable

Name	Title	Status	Number of shares held at the	Number of additional	Number of reduced	Number of shares held at	Number of restricted	Number of restricted	Number of restricted

			beginning of the period	shares held during the period	shares held during the period	the end of the period	shares granted at the beginning of the current period	shares granted during the current period	shares granted at the end of the current period
Zhou Siyuan	Vice President, Secretary of the Board of Directors	Incumbent	375,000	174,700	0	549,700	0	0	0
Total	--	--	375,000	174,700	0	549,700	0	0	0

V. Changes in Controlling Shareholders or Actual Controllers

If the Company previously disclosed that the actual controller is planning a change of control which has not yet been completed, please specify the progress of such change of control.

□ Applicable ☑Not Applicable

Changes in the controlling shareholder during the reporting period

□ Applicable ☑ Not Applicable

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

Change in actual controllers during the reporting period

□ Applicable ☑Not Applicable

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

VI. 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

Whether the semi-annual report is audited

□ Yes ☑No

The Company's semi-annual financial report was not audited.

II. Financial Statements

Unit in notes to financial statements: RMB

1. Consolidated balance sheet

Prepared by: Hangzhou GreatStar Industrial Co., Ltd.

June 30, 2026

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balancess	5,548,844,310.36	5,285,542,062.99
Settlement funds	0.00	0.00
Loans to other banks	0.00	0.00
Held-for-trading financial assets	260,002,738.10	55,079,204.15
Derivative financial assets	0.00	0.00
Notes receivable	7,284,217.01	5,841,917.21
Accounts receivable	3,319,983,142.77	3,031,728,191.68
Receivables financing	21,546,703.31	23,264,245.34
Prepayments	157,712,435.80	137,394,951.14
Premiums receivable	0.00	0.00
Reinsurance accounts receivable	0.00	0.00
Reinsurance reserve receivable	0.00	0.00

Other receivables	113,619,193.36	113,456,013.34
Including: Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Financial assets under reverse repo	0.00	0.00
Inventories	3,592,674,674.30	3,223,583,403.95
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	10,966,467.25	10,828,251.42
Other current assets	632,701,041.52	212,560,955.57
Total current assets	13,665,334,923.78	12,099,279,196.79
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	73,867.20	135,312.41
Long-term equity investments	4,264,382,733.13	4,018,678,654.50
Other equity instrument investments	12,600,000.00	12,600,000.00
Other non-current financial assets	78,336,000.00	78,336,000.00
Investment property	230,318,399.52	107,454,651.08
Fixed assets	2,107,617,884.93	2,359,033,146.84

Construction in progress	390,315,401.04	233,077,109.12
Productive biological assets	0.00	0.00
Oil & gas assets	0.00	0.00
Right-of-use assets	308,274,991.95	308,505,567.58
Intangible assets	1,185,054,238.36	1,275,320,599.09
including: data source	0.00	0.00
Development expenditures	0.00	0.00
including: data source	0.00	0.00
Goodwill	2,403,794,712.48	2,480,499,121.21
Long-term prepayments	30,401,661.18	26,955,233.21
Deferred tax assets	118,119,354.34	109,966,392.57
Other non-current assets	1,190,778,107.11	515,135,557.45
Total non-current assets	12,320,067,351.24	11,525,697,345.06
Total assets	25,985,402,275.02	23,624,976,541.85
Current liabilities:		
Short-term borrowings	2,827,785,318.09	1,280,065,456.36
Central bank loans	0.00	0.00
Loans from other banks	0.00	0.00
Held-for-trading financial liabilities	61,579.09	255,687.69
Derivative financial liabilities	0.00	0.00
Notes payable	21,604,688.04	26,272,095.73
Accounts payable	2,243,435,970.16	1,945,634,064.76

Advances received	3,994,217.21	3,300,249.16
Contractual liabilities	151,063,041.28	141,176,439.00
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	304,945,715.80	359,545,379.93
Taxes and rates payable	285,141,557.43	189,703,141.30
Other payables	50,103,966.67	31,148,252.22
Including: Interest payable	0.00	0.00
Dividend payable	8,400,000.00	8,664,536.00
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	67,651,645.46	71,554,757.51
Other current liabilities	7,776,651.95	10,404,351.20
Total current liabilities	5,963,564,351.18	4,059,059,874.86
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	249,247,655.70	246,547,442.58
Long-term payables	0.00	0.00
Long-term employee benefits payable	19,977,764.59	17,946,145.36
Provisions	23,229,376.91	24,590,397.94
Deferred income	2,678,937.32	2,829,772.34
Deferred tax liabilities	135,728,051.65	130,824,352.64
Other non-current liabilities	0.00	0.00
Total non-current liabilities	430,861,786.17	422,738,110.86
Total liabilities	6,394,426,137.35	4,481,797,985.72
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	3,864,120,192.42	3,865,435,407.88
Less: Treasury shares	0.00	0.00
Other comprehensive income	-80,725,277.39	305,791,589.29
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	13,344,763,547.11	12,517,859,007.91
Total equity attributable to the parent company	19,253,577,225.38	18,814,504,768.32
Non-controlling interest	337,398,912.29	328,673,787.81
Total equity	19,590,976,137.67	19,143,178,556.13
Total liabilities & equity	25,985,402,275.02	23,624,976,541.85

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 balancess	2,870,319,057.42	2,616,786,603.20
Held-for-trading financial assets	0.00	0.00
Derivative financial assets	0.00	0.00
Notes receivable	3,390,390.39	2,499,410.03
Accounts receivable	2,231,725,464.57	2,170,720,054.08
Receivables financing	7,310,751.94	5,495,243.56
Prepayments	13,155,258.73	15,460,531.12
Other receivables	505,532,154.59	478,740,980.28
Including: Interest receivable	0.00	0.00
Dividend	29,479,800.00	535,464.00

receivable		
Inventories	43,688,116.08	111,632,905.27
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	343,354,751.20	32,076,147.62
Total current assets	6,018,475,944.92	5,433,411,875.16
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	10,560,882,588.75	10,314,842,446.77
Other equity instrument investments	12,600,000.00	12,600,000.00
Other non-current financial assets	78,336,000.00	78,336,000.00
Investment property	105,016,567.88	107,454,651.08
Fixed assets	214,931,410.15	216,041,423.01
Construction in progress	1,732,444.26	1,144,818.50
Productive biological assets	0.00	0.00
Oil & gas assets	0.00	0.00
Right-of-use assets	0.00	0.00
Intangible assets	20,137,498.69	22,233,771.13

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	20,810,975.25	20,618,871.39
Other non-current assets	1,040,551,111.77	387,133,180.34
Total non-current assets	12,054,998,596.75	11,160,405,162.22
Total assets	18,073,474,541.67	16,593,817,037.38
Current liabilities:		
Short-term borrowings	0.00	1,000,404.44
Held-for-trading financial liabilities	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable	2,610,000,000.00	1,000,000,000.00
Accounts payable	1,407,876,766.73	1,677,823,308.30
Advances received	0.00	1,486,022.69
Contractual liabilities	57,593,192.31	55,310,249.00
Employee benefits payable	48,404,528.10	72,569,690.77
Taxes and rates payable	29,646,610.93	17,120,862.54
Other payables	8,261,161.45	7,883,982.65
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	1,380,055.36	782,425.24
Total current liabilities	4,163,162,314.88	2,833,976,945.63
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	8,735,671.73	3,211,208.52
Other non-current liabilities	0.00	0.00
Total non-current liabilities	8,735,671.73	3,211,208.52
Total liabilities	4,171,897,986.61	2,837,188,154.15
Equity:		
Share capital	1,194,478,182.00	1,194,478,182.00
Other equity instruments	0.00	0.00
Including: Preferred	0.00	0.00

shares		
Perpetual bonds	0.00	0.00
Capital reserve	3,878,348,261.72	3,879,581,679.57
Less: Treasury shares	0.00	0.00
Other comprehensive income	-74,276,325.44	23,026,416.60
Special reserve	0.00	0.00
Surplus reserve	927,192,284.33	927,192,284.33
Undistributed profit	7,975,834,152.45	7,732,350,320.73
Total equity	13,901,576,555.06	13,756,628,883.23
Total liabilities & equity	18,073,474,541.67	16,593,817,037.38

3. Consolidated income statement

Unit: RMB

Item	The Six Months Ended June 30, 2026	The Six Months Ended June 30, 2025
I. Total operating revenue	7,674,605,023.56	7,027,498,063.33
Including: Operating revenue	7,674,605,023.56	7,027,498,063.33
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	6,464,001,060.68	5,858,287,959.75
Including: Operating cost	5,117,495,560.96	4,782,192,936.27
Interest expenses	0.00	0.00
Handling charges and commission expenditures	0.00	0.00

Surrender value	0.00	0.00
Net payment of insurance claims	0.00	0.00
Net provision of insurance policy reserve	0.00	0.00
Premium bonus expenditures	0.00	0.00
Reinsurance expenses	0.00	0.00
Taxes and surcharges	24,341,278.47	23,051,557.45
Selling expenses	539,415,692.99	504,397,681.41
Administrative expenses	485,084,851.95	462,376,585.22
R&D expenses	208,878,946.45	175,033,091.54
Financial expenses	88,784,729.86	-88,763,892.14
Including: Interest expense	8,107,499.04	21,765,788.54
Interest income	69,181,215.60	63,236,372.43
Add: Other earnings	21,995,652.65	21,937,432.41
Investment income (“-” for loss)	340,182,145.84	352,716,809.81
Including: Earnings from the investment in associates and joint ventures	344,240,238.51	342,454,178.20
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)	934,597.35	-3,375,845.39
Credit impairment losses ("-" for loss)	-25,862,041.19	-1,193,303.83
Asset impairment losses ("-" for loss)	-10,533,192.56	-17,371,693.03
Proceeds from asset disposal ("-" for loss)	573,792.92	45,783.89
III. Operating profit ("-" for loss)	1,537,894,917.89	1,521,969,287.44
Add: Non-operating revenue	1,345,958.35	338,048.17
Less: Non-operating expenditure	2,870,740.72	3,424,647.58
IV. Total profit ("-" for total loss)	1,536,370,135.52	1,518,882,688.03
Less: Income tax expenses	218,197,131.21	205,715,188.28
V. Net profit ("-" for net loss)	1,318,173,004.31	1,313,167,499.75
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations ("-" for net loss)	1,318,173,004.31	1,313,167,499.75
2. Net profit from discontinued operations ("-" for net loss)	0.00	0.00
(II) Categorized by the portion of equity ownership		
1. Net income attributable to shareholders of the parent company ("-" for net loss)	1,304,695,812.00	1,272,861,836.46
2. Net profit attributable to non-controlling shareholders ("-" for net loss)	13,477,192.31	40,305,663.29

VI.Other comprehensive income after tax	-391,006,554.12	250,245,467.61
Items attributable to the owners of the parent company	-386,516,866.68	252,177,695.87
(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	-386,516,866.68	252,177,695.87
1. Other comprehensive income that can be reclassified to profit or loss in equity method	-97,302,742.04	38,304,551.98
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	-289,214,124.64	213,873,143.89
7. Others	0.00	0.00
Items attributable to non-controlling shareholders	-4,489,687.44	-1,932,228.26
VII. Total comprehensive income	927,166,450.19	1,563,412,967.36
Total comprehensive income attributable to owners of the parent company	918,178,945.32	1,525,039,532.33
Total comprehensive income attributable to non-controlling interests	8,987,504.87	38,373,435.03
VIII. Earnings per share (EPS):		
(I) Basic EPS (RMB per share)	1.0923	1.0656
(II) Diluted EPS (RMB per share)	1.0923	1.0656

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	The Six Months Ended June 30, 2026	The Six Months Ended June 30, 2025
I. Total operating revenue	2,919,294,430.30	2,856,542,938.04
Less: operating cost	2,358,356,177.89	2,267,033,364.67
Taxes and surcharges	2,519,821.29	2,690,008.35

Selling expenses	121,192,223.02	106,863,195.12
Administrative expenses	107,406,527.83	105,750,236.32
R&D expenses	100,912,627.31	96,415,661.63
Financial expenses	65,268,393.76	-103,313,062.98
Including: Interest expense	635.56	13,639,094.43
Interest income	56,389,104.81	64,524,931.44
Add: Other earnings	16,832,325.73	14,644,557.66
Investment income ("-" for loss)	592,410,922.49	379,209,266.74
Including: Earnings from the investment in associates and joint ventures	344,232,123.87	342,572,992.94
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	65,381.89
Credit impairment losses ("-" for loss)	-1,885,766.65	14,974,946.87
Asset impairment losses ("-" for loss)	0.00	-10,863,596.31
Proceeds from asset disposal ("-" for loss)	0.00	-1,443.96
II. Business profit ("-" for loss)	770,996,140.77	779,132,647.82
Add: Non-operating revenue	497,887.58	4,077.44

Less: Non-operating expenditure	872,153.66	1,643,680.74
III. Total profit ("-" for total loss)	770,621,874.69	777,493,044.52
Less: Income tax expenses	49,346,770.17	66,255,558.16
IV. Net profit ("-" for net loss)	721,275,104.52	711,237,486.36
(I) Net profit from continuing operations ("-" for net loss)	721,275,104.52	711,237,486.36
(II) Net profit from discontinued operations ("-" for net loss)	0.00	0.00
V. Other comprehensive income after tax	-97,302,742.04	38,304,551.98
(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	-97,302,742.04	38,304,551.98
1. Other comprehensive income that can be reclassified to profit or loss in equity	-97,302,742.04	38,304,551.98

method		
2. Changes in fair value of other debt investments	0.00	0.00
3. Amount of financial assets reclassified into other comprehensive income	0.00	0.00
4. Provision for credit impairment of other debt investments	0.00	0.00
5. Cash flow hedging reserves	0.00	0.00
6. Exchange differences on translation of foreign currency financial statements	0.00	0.00
7. Others	0.00	0.00
VI. Total comprehensive income	623,972,362.48	749,542,038.34
VII. Earnings per share (EPS):		
(I) Basic EPS (RMB per share)		
(II) Diluted EPS (RMB per share)		

5. Consolidated statement of cash flows

Unit: RMB

Item	The Six Months Ended June 30, 2026	The Six Months Ended June 30, 2025
I. Cash flows from operating activities:		
Cash receipts from sales of goods or rendering of services	7,656,886,639.06	7,286,883,274.72
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	340,564,031.84	402,639,524.54
Other cash receipts related to operating activities	76,204,978.55	136,604,614.66
Subtotal of cash inflows from operating activities	8,073,655,649.45	7,826,127,413.92
Cash payments for goods purchased and labor services received	4,770,549,131.50	4,397,920,538.53
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	0.00	0.00

indemnities of original insurance contracts		
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	1,360,761,497.73	1,388,166,377.87
Cash payments for taxes and rates	596,625,790.91	587,376,987.07
Other cash payments related to operating activities	444,988,626.26	418,905,886.74
Subtotal of cash outflows from operating activities	7,172,925,046.40	6,792,369,790.21
Net cash flows from operating activities	900,730,603.05	1,033,757,623.71
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	6,065,267,839.91	3,817,664,699.94
Cash receipts from investment income	13,187,460.78	1,631,410.29
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	18,869,342.94	20,850,090.18
Net cash receipts from the disposal of subsidiaries and other business units	0.00	0.00
Other cash receipts related to	0.00	0.00

investing activities		
Subtotal of cash inflows from investing activities	6,097,324,643.63	3,840,146,200.41
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	343,523,337.46	576,155,365.50
Cash payments for investments	7,205,508,440.86	3,631,781,660.07
Net increase of pledged borrowings	0.00	0.00
Net cash payments for the acquisition of subsidiaries and other business units	0.00	0.00
Other cash payments related to investing activities	5,284,625.03	1,140,370.00
Subtotal of cash outflows from investing activities	7,554,316,403.35	4,209,077,395.57
Net cash flows from investing activities	-1,456,991,759.72	-368,931,195.16
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	2,610,000,000.00	135,101,269.36
Other cash receipts related to financing activities	200,000,000.00	600,200,000.00
Subtotal of cash inflows from	2,810,000,000.00	735,301,269.36

financing activities		
Cash payments for repayment of borrowings	1,052,951,713.51	920,101,269.36
Cash payments for distribution of dividends or profits and for interest expenses	482,647,277.10	20,581,270.63
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit	264,536.00	1,950,953.00
Other cash payments related to financing activities	66,559,138.25	1,823,895,105.49
Subtotal of cash outflows from financing activities	1,602,158,128.86	2,764,577,645.48
Net cash flows from financing activities	1,207,841,871.14	-2,029,276,376.12
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-182,597,852.17	101,146,473.34
V. Net increase in cash and cash equivalents	468,982,862.30	-1,263,303,474.23
Add: Opening balance of cash and cash equivalents	5,053,216,030.40	6,564,759,115.02
VI. Closing balance of cash and cash equivalents	5,522,198,892.70	5,301,455,640.79

6. Cash flow of the parent company

Unit: RMB

Item	The Six Months Ended June 30, 2026	The Six Months Ended June 30, 2025
I. Cash flows from operating activities:		
Cash receipts from sales of	2,798,657,740.37	3,209,365,397.04

goods or rendering of services		
Receipts of tax refund	244,555,379.23	300,918,713.68
Other cash receipts related to operating activities	273,552,050.74	112,870,056.82
Subtotal of cash inflows from operating activities	3,316,765,170.34	3,623,154,167.54
Cash payments for goods purchased and labor services received	1,180,650,271.49	3,630,213,359.26
Cash paid to and on behalf of employees	243,814,993.64	232,863,205.77
Cash payments for taxes and rates	36,448,295.56	89,560,525.99
Other cash payments related to operating activities	120,972,564.73	206,491,585.66
Subtotal of cash outflows from operating activities	1,581,886,125.42	4,159,128,676.68
Net cash flows from operating activities	1,734,879,044.92	-535,974,509.14
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	3,585,126,110.39	2,532,189,923.87
Cash receipts from investment income	177,629,609.99	54,871,261.76
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	30,782.13	0.00
Net cash receipts from the disposal of subsidiaries and other business units	0.00	0.00

Other cash receipts related to investing activities	5,872,921.75	277,873,083.78
Subtotal of cash inflows from investing activities	3,768,659,424.26	2,864,934,269.41
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	15,642,403.96	14,021,215.79
Cash payments for investments	4,510,145,225.10	2,640,861,463.04
Net cash payments for the acquisition of subsidiaries and other business units	0.00	0.00
Other cash payments related to investing activities	0.00	100,000,000.00
Subtotal of cash outflows from investing activities	4,525,787,629.06	2,754,882,678.83
Net cash flows from investing activities	-757,128,204.80	110,051,590.58
III. Cash flows from financing activities:		
Cash receipts from absorbing investments	0.00	0.00
Cash receipts from borrowings	0.00	0.00
Other cash receipts related to financing activities	0.00	150,000,000.00
Subtotal of cash inflows from financing activities	0.00	150,000,000.00
Cash payments for repayment of borrowings	1,000,000.00	801,000,000.00
Cash payments for distribution of dividends or profits and for	481,467,538.90	10,903,655.55

interest expenses		
Other cash payments related to financing activities	1,499,909.95	0.00
Subtotal of cash outflows from financing activities	483,967,448.85	811,903,655.55
Net cash flows from financing activities	-483,967,448.85	-661,903,655.55
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-40,007,407.23	55,893,523.35
V. Net increase in cash and cash equivalents	453,775,984.04	-1,031,933,050.76
Add: Opening balance of cash and cash equivalents	2,415,127,240.55	3,737,629,135.79
VI. Closing balance of cash and cash equivalents	2,868,903,224.59	2,705,696,085.03

7. Consolidated statement of changes in owners' equity

Current period cumulative

Unit: RMB

Item	The Six Months Ended June 30, 2026														
	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	1,194,47	0.00	0.00	0.00	3,865,43	0.00	305,791,	0.00	930,940,	0.00	12,517,8	0.00	18,814,5	328,673,	19,143,1

previous year	8,182.00				5,407.88		589.29		581.24		59,007.91		04,768.32	787.81	78,556.13
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	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	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	0.00
II. Opening balance for the current year	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	0.00	18,814,504,768.32	328,673,787.81	19,143,178,556.13
III. Amount of increase/decrease within the current period ("-" for loss)	0.00	0.00	0.00	0.00	-1,315,215.46	0.00	-386,516,866.68	0.00	0.00	0.00	826,904,539.20	0.00	439,072,457.06	8,725,124.48	447,797,581.54
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	-386,516,866.68	0.00	0.00	0.00	1,304,695,812.00	0.00	918,178,945.32	8,987,504.87	927,166,450.19
(II) Owners' investme	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	0.00

nt and reductions in capital															
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	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	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	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	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	-477,791,272.80	0.00	-477,791,272.80	0.00	-477,791,272.80
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	0.00	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	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	-477,791,272.80	0.00	-477,791,272.80	0.00	-477,791,272.80
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	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	0.00
1. 1. Capital reserves converted into capital (or stock)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	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	0.00
4. Changes from	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

re-measurement of defined benefit plan carried over to retained earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	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	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	0.00
1. 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	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	0.00
(VI) Others	0.00	0.00	0.00	0.00	-1,315,215.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,315,215.46	-262,380.39	-1,577,595.85
IV. Ending balance of the current	1,194,478,182.	0.00	0.00	0.00	3,864,120,192.	0.00	-80,725,277.	0.00	930,940,581.2	0.00	13,344,763,54	0.00	19,253,577,22	337,398,912.2	19,590,976,13

period	00				42		39		4		7.11		5.38	9	7.67

Amount of previous year

Unit: RMB

Item	The Six Months Ended June 30, 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	0.00	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	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	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	0.00
II. Opening balance for the	1,194,478,1	0.00	0.00	0.00	3,766,412,9	0.00	204,062,80	0.00	930,940,58	0.00	10,306,761,	0.00	16,402,655,	182,883,10	16,585,538,

current year	82.00				06.96		9.90		1.24		375.27		855.37	1.39	956.76
III. Amount of increase/decrease within the current period (“-” for loss)	0.00	0.00	0.00	0.00	188,112,760.94	0.00	252,177,695.87	0.00	0.00	0.00	1,272,861,836.46	0.00	1,713,152,293.27	18,324,894.42	1,731,477,187.69
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	252,177,695.87	0.00	0.00	0.00	1,272,861,836.46	0.00	1,525,039,532.33	38,373,435.03	1,563,412,967.36
(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	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	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	0.00
3. Amo	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

unt of share-based payments recognized in owners' equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	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	0.00	0.00	0.00	-1,950,953.00	-1,950,953.00
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	0.00	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	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	0.00	0.00	0.00	-1,950,953.00	-1,950,953.00
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	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	0.00
1. Capi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

tal reserves converted into capital (or stock)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	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	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	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	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	0.00
(V) Special	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	0.00

reserve															
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	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	0.00
(VI) Others	0.00	0.00	0.00	0.00	188,112,760.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	188,112,760.94	-18,097,587.61	170,015,173.33
IV. Ending balance of the current period	1,194,478,182.00	0.00	0.00	0.00	3,954,525,667.90	0.00	456,240,505.77	0.00	930,940,581.24	0.00	11,579,623,211.73	0.00	18,115,808,148.64	201,207,995.81	18,317,016,144.45

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

Current period cumulative

Unit: RMB

Item	The Six Months Ended June 30, 2026											
	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	1,194,478,18	0.00	0.00	0.00	3,879,581,67	0.00	23,026,416.6	0.00	927,192,284.	7,732,350,32	0.00	13,756,628,8

previous year	2.00				9.57		0		33	0.73		83.23
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
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
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
II. Opening balance for the current year	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	0.00	13,756,628,883.23
Amount of increase/decrease within the current period ("-" for loss)	0.00	0.00	0.00	0.00	-1,233,417.85	0.00	-97,302,742.04	0.00	0.00	243,483,831.72	0.00	144,947,671.83
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	-97,302,742.04	0.00	0.00	721,275,104.52	0.00	623,972,362.48
(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
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

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
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
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
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-477,791,272.80	0.00	-477,791,272.80
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	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	-477,791,272.80	0.00	-477,791,272.80
3. 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

(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
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
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
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
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
5. Other comprehensive income carried over to	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

retained earnings												
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
(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
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	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
(VI) Others	0.00	0.00	0.00	0.00	-1,233,417.85	0.00	0.00	0.00	0.00	0.00	0.00	-1,233,417.85
IV. Ending balance of the current period	1,194,478,182.00	0.00	0.00	0.00	3,878,348,261.72	0.00	-74,276,325.44	0.00	927,192,284.33	7,975,834,152.45	0.00	13,901,576,555.06

Amount of previous year

Unit: RMB

Item	The Six Months Ended June 30, 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
Correction for previous errors												0.00
Others												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
Amount of increase/decrease within the current period ("-" for loss)	0.00	0.00	0.00	0.00	188,869,536.37	0.00	34,847,034.60	0.00	0.00	711,237,486.36		934,954,057.33
(I) Total comprehensive income							38,304,551.98			711,237,486.36		749,542,038.34
(II) Owners' investment and reductions in	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

capital												
1. Common shares invested by owners												0.00
2. Capital contribution from holders of other equity instruments												0.00
3. Amount of share-based payments recognized in owners' equity												0.00
4. Others												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		0.00
1. Withdrawal of surplus reserves												0.00
2. Distribution to owners (or sharehold												0.00

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

comprehensive income carried over to retained earnings												
6. Others												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
2. Used for the current period												0.00
(VI) Others					188,869,536.37		-3,457,517.38					185,412,018.99
IV. Ending balance of the current period	1,194,478,182.00	0.00	0.00	0.00	3,968,321,195.83	0.00	23,005,433.21	0.00	927,192,284.33	6,873,299,585.90		12,986,296,681.27

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 47,319,704 outstanding A-shares restricted for sale and 1,147,158,478 outstanding A-shares unrestricted for sale. The Company's shares have been listed for trading on July 13, 2010 on the Shenzhen Stock Exchange.

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

These financial statements have been approved for issuance by the Company at the 24th Meeting of the 6th Board of Directors held on 26 August 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., Great Star 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	Revenue exceeding 15% of the Group's total

subsidiary	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 common control

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

7. Criteria for 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, enjoying variable returns through participating in related activities of the invested entity, and has the ability to use the power over the invested entity to influence its variable return amount.

(2) Method of preparing consolidated financial statements

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

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

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 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 in the balance sheet adopt the exchange rate of the balance sheet date for translation; the owners' equity items adopt the exchange rate of date when the transactions occurred, except for the items of “undistributed profit”; and the revenue and expense items in the income statements are translated by the rate similar to the spot 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.Recognition Criteria and Provision Methods for Expected Credit Losses of Receivables

1. Receivables for which expected credit losses are provided based on credit risk characteristic portfolios

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 of payment	The Company calculates expected credit losses by reference to historical credit loss, taking into current conditions and projections of future economic conditions through default exposures and expected credit loss rate within the next 12 months or over the entire duration.
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. Recognition criteria for receivables for which expected credit losses are provided on an individual basis

For receivables whose credit risks are significantly different from portfolio credit risks, the Company provides for expected credit losses on an individual basis.

13. Inventory

1. Classification of inventories

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

2. Method for appraising outgoing inventories

The monthly-end weighted-average method is adopted for issued inventories.

3. Stocktaking system of inventories

Stocktaking is based on perpetual inventory system.

4. Amortization of low-value consumables and packages

(1) Low-value consumables

Low-value consumables are amortized by the one-off write-off method.

(2) Packaging materials

Low-value consumables are amortized by the one-off write-off method.

5. Inventory impairment provision

Inventories are measured on the balance sheet date by the lower of cost and net realizable value, and provision for inventory depreciation is withdrawn as per the difference by which the cost is higher than the net realizable value. 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.

14. 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.

15. 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.

16. 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.

17. 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%

18. 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

19. 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.

20. 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) Description 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.

(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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

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

For performance obligations performed over a period of time, the Company recognizes revenue based on the progress of the performance over that period of time. When the performance progress cannot be reasonably determined, if the costs incurred are expected to be compensated, revenue is recognized based on the number of costs incurred until the performance progress can be reasonably determined. For performance obligations performed at a certain point in time, revenue is recognized at the point in time when the client obtains control of the related goods or services. In determining whether the client has obtained control of the commodity, the Company considers the following indicators: (1) the Company has a present collection right in respect of the commodity, i.e., the client has a present payment obligation in respect of the commodity; (2) the Company has transferred the legal ownership of the commodity to the client, i.e., the client has owned the legal ownership of the commodity; (3) The Company has physically transferred the commodity to the client, i.e., the client has physically occupied the commodity; (4) the Company has transferred the principal risks and rewards of ownership of the commodity to the client, i.e., the client has obtained the principal risks and rewards of ownership of the commodity; (5) the client has accepted the commodity; (6) Other indicators that the client has obtained control of the commodity.

2. Revenue measurement principles

(1) The company measures revenue 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

27. 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. The cost is directly related to an existing or anticipated contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs explicitly borne by the client, and any other costs incurred solely from the contract;

2. The cost drives the increase of the Company's resources for fulfilling its performance obligations in the future; and

3. The cost is expected to be recovered.

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

If the book value of an asset related to contract costs is greater than the remaining consideration expected to be received for the transfer of commodities or services related to the asset, less estimated costs 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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 2026 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 enterprise 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,	1.2%,12%

	calculated and paid at 12% of the rental income	
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 Great Star 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 Hanji International Trade Co., Ltd.	20%
VeriSilicon Microelectronics (Shanghai) Co., Ltd.	20%
Hong Kong GreatStar International Co., Ltd.	16.5%
Hong Kong International Huada Kejie Opto-Electro Instruments Co., Ltd.	16.5%
Prim' Tools Limited	16.5%
HongKong Goldblatt Industrial Co., Ltd.	16.5%
Hongkong Shop-Vac International Co., Limited	16.5%
Geelong Sales Company International (HK) Limited	16.5%
HongKong Nano IC Technologies Co., Limited	16.5%
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 2026.

2. In accordance with the *Administrative Measures for the Recognition of High-tech Enterprises* (G.K.F.H (2016) No.32) and the *Guidelines for the Administration of High-tech Enterprise Recognition* (G.K.F.H. (2016) No.195), the subsidiary Changzhou Huada Kejie Optoelectronics Instrument Co., Ltd. was recognized as a high-tech enterprise and obtained the *High-tech Enterprise Certificate* (No. GR202332000640) valid for three years (2023-2025). Pursuant to the Announcement of the State Taxation Administration on Issues With Respect to the Implementation of the Enterprise Income Tax Incentives for High-Tech Enterprises (State Taxation Administration Announcement No. 24 of 2017), in the year when the high-tech enterprise qualification expires, prior to the completion of re-recognition, corporate income tax shall be provisionally prepaid at the rate of 15%, in which case the corporate income tax for the first half of 2026 was calculated and paid at the tax rate of 15%.

3. In accordance with the relevant provisions of the Administrative Measures for the Recognition of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Administrative Work Guide for the Recognition 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 was valid for 3 years (2024-2026) and was subject to enterprise income tax at the rate of 15% in 2026.

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 2026.

5. In accordance with the relevant provisions of the Administrative Measures for the Recognition of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Administrative Work Guide for the Recognition 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 3 years (2024-2026), and was subject to enterprise income tax at the rate of 15% in 2026.

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 2026.

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 2026.

8. In accordance with the relevant provisions of the Administrative Measures for the Recognition of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Administrative Work Guide for the Recognition 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 3 years (2024-2026), and was subject to enterprise income tax at the rate of 15% for the first half of 2026.

9. In accordance with the relevant provisions of the Administrative Measures for the Recognition of High-Tech Enterprises (Guokefahuo [2016] No. 32) and the Administrative Work Guide for the Recognition of High-Tech Enterprises (Guokefahuo [2016] No. 195), the 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 3 years (2024-2026), and was subject to enterprise income tax at the rate of 15% in 2026.

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 2026.

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 2026.

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. Pursuant to the *Notice on Value-added Tax Policies for Software Products* (Cai Shui (2011) No.100) issued by the Ministry of Finance and the State Taxation Administration, for the self-developed software sold by the subsidiary Hangzhou Nano IC Technologies Co., Ltd., upon filing with the competent tax authority, the policy of refund upon collection applied to the portion of actual VAT burden in excess of 3%.

14. 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 1 January 2026 to 30 June 2026, Zhejiang Guoxin Tools Co., Ltd., Hangzhou GreatStar Intelligent Technology Co., Ltd., Hangzhou Huada Kejie Construction Machinery Co., Ltd , Suzhou TESA Precision Metrology Technology Co., Ltd., Hangzhou Youchuangjia Trading Co., Ltd., Hangzhou GreatStar Sheffield Trading Co., Ltd., Prexiso Laser Measuring Tools (Hangzhou) Co., Ltd., Shanghai Leader Tools Co., Ltd., Changzhou Huadakejie Construction Machinery Co., Ltd., Hangzhou Youdebao Trading Co., Ltd., Hangzhou Oulei Laser Technology Co., Ltd., Yuanhao Xin Microelectronics (Chengdu) Co., Ltd., and Hangzhou Hanji International Trade Co., Ltd. are eligible for such preferential income tax policy and paid corporate income tax at a 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	653,199.72	833,144.88
Bank deposits	5,465,458,596.00	5,049,352,073.75
Other cash and bank balances	82,732,514.64	235,356,844.36
Total	5,548,844,310.36	5,285,542,062.99
Of which: Total of funds deposited beyond China	1,159,124,109.50	1,122,319,384.67

Other notes

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	260,002,738.10	55,079,204.15

Including:		
Bank financial products	79,360,088.62	34,924,005.52
Structured deposit	180,273,815.07	20,155,198.63
Forward foreign exchange contract	368,834.41	
Including:		
Total	260,002,738.10	55,079,204.15

Other notes

3. Notes receivable

(1) Details on notes receivable by type

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	7,284,217.01	5,809,223.21
Commercial acceptance bill		32,694.00
Total	7,284,217.01	5,841,917.21

(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	7,284,217.01	100.00%			7,284,217.01	5,841,917.21	100.00%			5,841,917.21
Including:										
Bank acceptance bill	7,284,217.01	100.00%			7,284,217.01	5,809,223.21	99.44%			5,809,223.21
Commercial acceptance bill						32,694.00	0.56%			32,694.00
Total	7,284,217.01	100.00%			7,284,217.01	5,841,917.21	100.00%			5,841,917.21

Name of category for bad debt provision by portfolio:

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Bank acceptance bill as a combination	7,284,217.01		
Commercial acceptance bill as a combination			
Total	7,284,217.01		

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)	3,355,400,849.40	3,131,897,804.30
1-2 years	134,343,165.75	59,880,929.75
2-3 years	15,313,013.03	10,237,372.52
More than 3 years	15,806,008.53	17,147,494.05
3-4 years	3,381,601.88	3,762,737.41
4-5 years	3,495,220.30	9,918,127.75
More than 5 years	8,929,186.35	3,466,628.89
Total	3,520,863,036.71	3,219,163,600.62

(2) Classified disclosure by bad debt provision method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Percentage of Provision		Amount	Proportion	Amount	Percentage of Provision	
Accounts receivable	6,460,872.88	0.18%	6,460,872.88	100.00%	0.00	14,248,133.63	0.44%	14,248,133.63	100.00%	0.00

with provision for bad debts on an individual basis										
Including:										
Accounts receivable with bad debt provision by combination	3,514,402,163.83	99.82%	194,419,021.06	5.53%	3,319,983,142.77	3,204,915,466.99	99.56%	173,187,275.31	5.40%	3,031,728,191.68
Including:										
Total	3,520,863,036.71	100.00%	200,879,893.94	5.71%	3,319,983,142.77	3,219,163,600.62	100.00%	187,435,408.94	5.82%	3,031,728,191.68

Name of category for bad debt provision on an individual basis:

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	14,248,133.63	14,248,133.63	6,460,872.88	6,460,872.88	100.00%	Customer filed for bankruptcy, and recovery is

						expected to be impossible.
Total	14,248,133.63	14,248,133.63	6,460,872.88	6,460,872.88		

Name of category for bad debt provision by portfolio:

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Within 1 year	3,373,263,456.45	168,663,172.81	5.00%
1-2 years	110,019,685.83	11,001,968.58	10.00%
2-3 years	15,313,013.03	3,062,602.61	20.00%
3-4 years	3,381,601.88	1,014,480.56	30.00%
4-5 years	3,495,220.30	1,747,610.15	50.00%
More than 5 years	8,929,186.35	8,929,186.35	100.00%
Total	3,514,402,163.83	194,419,021.06	

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	14,248,133.63	28,475.48	7,302,709.25		-513,026.98	6,460,872.88
Bad debt provision by combination	173,187,275.31	25,798,065.31		936,448.18	-3,629,871.38	194,419,021.06
Total	187,435,408.94	25,826,540.79	7,302,709.25	936,448.18	-4,142,898.36	200,879,893.94

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	936,448.18

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) Information on Top-five Accounts Receivable by Closing Balance

The aggregate amount of top five accounts receivable and contract assets (including contract assets presented under the "Other Non-current Assets") at the end of the current period was RMB 2,172,623,264.43, accounting for 61.71% of the total closing balance of accounts receivable and contract assets (including contract assets presented under the "Other Non-current Assets"). The total allowance for bad debts on accounts receivable and impairment allowance for contract assets recognized accordingly stood at RMB 118,057,190.23.

5. Receivables financing

(1) Classification and Listing of Receivables Financing

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	14,235,951.37	17,769,001.78
Accounts receivable	7,310,751.94	5,495,243.56
Total	21,546,703.31	23,264,245.34

(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	21,931,479.73	100.00%	384,776.42	1.75%	21,546,703.31	23,554,851.72	100.00%	290,606.38	1.23%	23,264,245.34
Including:										

Bank acceptance bill	14,235,951.37	64.91%			14,235,951.37	17,769,001.78	75.44%			17,769,001.78
Accounts receivable	7,695,528.36	35.09%	384,776.42	5.00%	7,310,751.94	5,785,849.94	24.56%	290,606.38	5.02%	5,495,243.56
Total	21,931,479.73	100.00%	384,776.42	1.75%	21,546,703.31	23,554,851.72	100.00%	290,606.38	1.23%	23,264,245.34

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	14,235,951.37		
Total	14,235,951.37		

A description of the basis for determining the combination:

Bad debt provision by combination: Ageing combination

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Ageing combination	7,695,528.36	384,776.42	5.00%
Total	7,695,528.36	384,776.42	

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
	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, 2026 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	290,606.38	94,170.04				384,776.42
Total	290,606.38	94,170.04				384,776.42

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 or discounted by the Company at the end of the period and not yet due at the balance sheet date

Unit: RMB

Item	Amounts derecognized at the end of the period	Amount not derecognized at the end of the current period
Endorsed but Not Yet Due Bank Acceptance Bills	11,977,312.70	
Total	11,977,312.70	

(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	14,473,897.13 [Note]	-648,587.12	Assignment in receivables financing without recourse
Subtotal	14,473,897.13	-648,587.12	

[Note]: Of which, the US dollar amount of assignment in receivables financing without recourse was USD 2,094,886.13. The US dollar amount of assignment in receivables financing without recourse translated into RMB at the closing exchange rate was RMB 14,268,059.94.

6. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Other receivables	113,619,193.36	113,456,013.34
Total	113,619,193.36	113,456,013.34

(1) Other receivables

1) Other receivables by nature of payment

Unit: RMB

Nature of payment	Closing book balance	Opening book balance
Export tax rebates	72,838,887.98	85,093,731.52
Deposits	17,248,241.96	18,561,343.73
Temporary advance payment receivable	23,290,929.94	13,658,260.50
Employee petty cash	1,905,248.43	1,446,439.81
Others	9,834,112.21	6,803,876.05
Total	125,117,420.52	125,563,651.61

2) Aging Disclosure

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	114,884,615.52	113,844,062.99
1-2 years	1,216,697.93	1,606,256.80
2-3 years	931,807.27	1,353,334.36
More than 3 years	8,084,299.80	8,759,997.46
3-4 years	2,894,662.54	3,220,813.02
4-5 years	1,225,258.03	1,042,571.56
More than 5 years	3,964,379.23	4,496,612.88
Total	125,117,420.52	125,563,651.61

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	125,117,420.52	100.00%	11,498,227.16	9.19%	113,619,193.36	125,563,651.61	100.00%	12,107,638.27	9.64%	113,456,013.34
Including:										
Total	125,117,420.52	100.00%	11,498,227.16	9.19%	113,619,193.36	125,563,651.61	100.00%	12,107,638.27	9.64%	113,456,013.34

Bad debt provision by combination: Ageing combination

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Within 1 year	114,884,615.52	5,744,788.91	5.00%
1-2 years	1,216,697.93	121,669.79	10.00%
2-3 years	931,807.27	186,361.45	20.00%
3-4 years	2,894,662.54	868,398.76	30.00%
4-5 years	1,225,258.03	612,629.02	50.00%
More than 5 years	3,964,379.23	3,964,379.23	100.00%

Total	125,117,420.52	11,498,227.16	

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
	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, 2026	5,692,203.15	160,625.68	6,254,809.44	12,107,638.27
Balance as of January 1, 2026 during the period				
-- Transferred to Phase II	-60,840.27	60,840.27		
-- Transferred to Phase III		-93,180.72	93,180.72	
Provision during the period	113,426.57	-6,615.44	-716,221.70	-609,411.11
Balance as of June 30, 2026	5,744,788.91	121,669.79	5,631,768.46	11,498,227.16

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	72,838,887.99	Within 1 year	58.22%	3,641,944.39
Công ty cổ phần Tường Viên Grand Park	Deposits	2,728,264.70	More than 5 years	2.18%	2,728,264.70
Contribution to employee's social insurance premium and housing provident funds	Temporary advance payment receivable	2,503,980.48	Within 1 year	2.00%	125,199.02
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	3-4 years	0.84%	316,888.50
Total		80,656,990.17		64.47%	7,271,165.21

7. Prepayments

(1) Prepayments by aging

Agei	Closing balance	Opening balance

ng								
	Book balance	Proportion (%)	Provision for impairment	Book value	Book balance	Proportion (%)	Provision for impairment	Book value
Within 1 year	163,217,542.96	98.00	8,160,748.63	155,056,794.33	140,949,710.14	96.85	7,047,486.36	133,902,223.78
1-2 years	1,710,046.69	1.03	171,004.67	1,539,042.02	1,982,448.48	1.36	198,244.87	1,784,203.61
2-3 years	1,068,217.48	0.64	213,643.50	854,573.98	1,371,206.99	0.94	274,241.37	1,096,965.62
3-4 years	361,925.53	0.22	108,577.66	253,347.87	732,569.65	0.50	219,770.90	512,798.75
4-5 years	17,355.20	0.01	8,677.60	8,677.60	197,518.79	0.14	98,759.41	98,759.38
More than 5 years	167,666.87	0.10	167,666.87		306,380.10	0.21	306,380.10	
Total	166,542,754.73	100.00	8,830,318.93	157,712,435.80	145,539,834.15	100.00	8,144,883.01	137,394,951.14

(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 58,492,469.26, accounting for 35.12% 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	1,303,741,086.09	30,555,044.91	1,273,186,041.18	1,043,317,523.95	31,244,358.02	1,012,073,165.93
Work in progress	429,290,544.88		429,290,544.88	372,231,052.62		372,231,052.62
Inventory	1,781,719,386.43	75,846,745.23	1,705,872,641.20	1,729,750,561.02	76,037,735.81	1,653,712,825.21
Issued commodities	132,739,898.47		132,739,898.47	113,351,548.07		113,351,548.07
Commissioned processing materials	32,278,612.03		32,278,612.03	60,482,112.10		60,482,112.10
Low-value consumables	19,306,936.54		19,306,936.54	11,732,700.02		11,732,700.02
Total	3,699,076,464.44	106,401,790.14	3,592,674,674.30	3,330,865,497.78	107,282,093.83	3,223,583,403.95

(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	31,244,358.02	2,875,332.46		2,792,729.47	771,916.10	30,555,044.91
Inventory	76,037,735.81	7,657,860.10		5,847,815.98	2,001,034.70	75,846,745.23
Total	107,282,093.83	10,533,192.56		8,640,545.45	2,772,950.80	106,401,790.14

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	110,004.13	115,596.54
Certificates of deposit matured within one year	10,856,463.12	10,712,654.88
Total	10,966,467.25	10,828,251.42

(1) Debt investments due within one year

□ Applicable ☑ Not Applicable

(2) Other debt investments due within one year

□ Applicable ☑ Not Applicable

10. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Large-amount certificates of deposit and interest	314,653,390.16	
Input VAT to be credited	310,421,127.63	206,011,178.79
Prepaid enterprise income tax	5,426,013.86	4,876,387.46
Others	2,200,509.87	1,673,389.32

Total	632,701,041.52	212,560,955.57

Information on indemnifying assets

Other notes:

11. Other investments in equity instruments

Unit: RMB

Project Name	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 Period	Cumulative Losses Recognized in Other Comprehensive Income as of the End of the Current Period	Dividend income recognized for current period	Closing balance	Reasons for designation as at fair value measurement and its changes incorporated in other comprehensive income
Hangzhou Haibang Xinhu Talent Venture Capital Partnership (limited partnership)	12,600,000.00						12,600,000.00	
Total	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 rate range
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Financial lease payments	73,867.20		73,867.20	135,312.41		135,312.41	0.75%
Of which: unrealized financing gains	-4,785.58		-4,785.58	-4,236.89		-4,236.89	
Total	73,867.20		73,867.20	135,312.41		135,312.41	

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.	2,691,920,101.39				244,522,148.47	-89,172,223.62	2,370,114.42				2,849,640,140.66	
GreatStar Holding Group Co.,	1,322,828,679.42				99,709,975.39	-8,130,518.41	-3,603,532.27				1,410,804,604.13	

Ltd. Co., Ltd.												
Changzhou Huada STABILA Messgeräte Gustav Ullrich GmbH	3,929,873.69				8,114.65	0.00	0.00				3,937,988.34	
Subtotal	4,018,678,654.50		0.00	0.00	344,240,238.51	-97,302,742.03	-1,233,417.85	0.00	0.00	0.00	4,264,382,733.13	
Total	4,018,678,654.50		0.00	0.00	344,240,238.51	-97,302,742.03	-1,233,417.85	0.00	0.00	0.00	4,264,382,733.13	

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

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	78,336,000.00
Total	78,336,000.00	78,336,000.00

Other notes:

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
I. Original book value				
1. Opening balance	118,071,047.78	16,928,850.24		134,999,898.02
2. Increase amounts during the period	117,882,066.45	12,880,284.03		130,762,350.48
(1) Outsourcing				
(2) Transfer from inventories\fixed assets\construction in progress	117,882,066.45	12,880,284.03		130,762,350.48

(3) Increase in business combination				
3. Decrease amounts during the period				
(1) Disposals				
(2) Other transfers out				
4. Closing balance	235,953,114.23	29,809,134.27		265,762,248.50
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	24,215,906.48	3,329,340.46		27,545,246.94
2. Increase amounts during the period	6,934,959.80	963,642.24		7,898,602.04
(1) Accrual or amortization	2,268,794.70	169,288.50		2,438,083.20
(2) Transfer-in from fixes assets/intangible assets	4,666,165.10	794,353.74		5,460,518.84
3. Decrease amounts during the period				
(1) Disposals				

(2) Other transfers out				
4. Closing balance	31,150,866.28	4,292,982.70		35,443,848.98
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	204,802,247.95	25,516,151.57		230,318,399.52
2. Book value at the beginning of the period	93,855,141.30	13,599,509.78		107,454,651.08

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	2,107,617,884.93	2,359,033,146.84
Total	2,107,617,884.93	2,359,033,146.84

(1) Fixed assets

Unit: RMB

Item	Buildings	General equipment	Special equipment	Transportation facilities	Total
I. Original book value:					
1. Opening balance	2,250,986,352.03	403,108,694.73	2,014,051,782.51	61,279,800.38	4,729,426,629.65
2. Increase amounts during the period	-31,775,353.56	5,154,152.62	-37,835,201.86	5,600,961.78	-58,855,441.02
(1)	10,412,151.98	15,730,647.69	10,017,384.92	1,970,359.62	38,130,544.21

Acquisitions					
(2) Transfer from construction in progress	6,092,432.81	3,123,736.52	1,052,732.32	5,303,741.17	15,572,642.82
(3) Increase in business combination					
(4) Effect of exchange rate changes	-48,279,938.35	-13,700,231.59	-48,905,319.10	-1,673,139.01	-112,558,628.05
3. Decrease amounts during the period	118,936,347.11	15,567,101.72	53,102,846.46	6,385,432.60	193,991,727.89
(1) Disposal or retirement	1,054,280.66	15,567,101.72	53,102,846.46	6,385,432.60	76,109,661.44
(3) Transfer-out to investment properties	117,882,066.45				117,882,066.45
4. Closing balance	2,100,274,651.36	392,695,745.63	1,923,113,734.19	60,495,329.56	4,476,579,460.74
II. Accumulated depreciation					
1. Opening balance	704,203,734.88	262,787,720.66	1,304,113,994.66	41,405,799.70	2,312,511,249.90
2. Increase amounts during the period	49,242,298.08	11,768,576.48	-1,174,908.33	2,964,175.83	62,800,142.06
1) Accrual	60,124,800.14	20,468,620.31	27,007,331.43	3,836,793.54	111,437,545.42
(2) Effect of	-10,882,502.0	-8,700,043.83	-28,182,239.7	-872,617.71	-48,637,403.3

exchange rate changes	6		6		6
3. Decrease amounts during the period	5,197,992.91	7,390,676.83	45,529,465.55	3,815,463.22	61,933,598.51
(1) Disposal or retirement	531,827.81	7,390,676.83	45,529,465.55	3,815,463.22	57,267,433.41
(3) Transfer-out to investment properties	4,666,165.10				4,666,165.10
4. Closing balance	748,248,040.05	267,165,620.31	1,257,409,620.78	40,554,512.31	2,313,377,793.45
III. Provision for impairment					
1. Opening balance			57,882,232.91		57,882,232.91
2. Increase amounts during the period			-2,298,450.55		-2,298,450.55
1) Accrual					
(2) Effect of exchange rate changes			-2,298,450.55		-2,298,450.55
3. Decrease amounts during the period					
(1) Disposal or retirement					

4. Closing balance			55,583,782.36		55,583,782.36
IV. Book value					
1. Book value at the end of the period	1,352,026,611.31	125,530,125.32	610,120,331.05	19,940,817.25	2,107,617,884.93
2. Book value at the beginning 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) Fixed assets leased out under operating leases

Unit: RMB

Item	Book value at the end of the period
Buildings	23,481,405.15

(3) Fixed assets without certificate of ownership

Unit: RMB

Item	Book value	Reasons for failure to obtain title certificates
Plant buildings of Vietnam Manufacturing Base	324,616,103.80	Being handled

Other notes

(4) Impairment testing of fixed assets

□ Applicable ☑ Not Applicable

17. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	390,315,401.04	233,077,109.12

Total	390,315,401.04	233,077,109.12

(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
Phase III Plant Construction Project of Vietnam Intelligent Co., Ltd.				11,524,128.09		11,524,128.09
Geelong Industrial Hardware Products R&D and Production Project	128,433,544.25		128,433,544.25	74,440,565.10		74,440,565.10
Phase IV Plant Construction Project of GreatStar Vietnam Co., Ltd.	177,993,757.59		177,993,757.59	83,129,444.32		83,129,444.32
Sporadic project	83,888,099.20		83,888,099.20	59,310,182.28		59,310,182.28

Total	390,315,401.04		390,315,401.04	233,077,109.12		233,077,109.12

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

Unit: RMB

Project Name	Budgeted number	Opening balance	Amount of increase during the period	Amounts transferred to fixed assets during the period	Other decreases in amounts during the period	Closing balance	The proportion of cumulative investment in the project of the budget	Progress of works	Accumulated interest capitalization amounts	Of which: Amount of interest capitalization during the period	Interest capitalization rate for the period	Source of funds
Geelong Industrial Hardware Products R&D and Production Project	369,400,000.00	74,440,565.10	53,992,979.15			128,433,544.25	49.54%	61.68%				Other
Phase IV Plant Construction Project of	288,026,227.33	83,129,444.32	94,864,313.27			177,993,757.59	89.39%	90%				Other

GreatStar Vietnam Co., Ltd.												
	657,426,227.33	157,570,009.42	148,857,292.42			306,427,301.84						

(3) 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
I. Original book value					
1. Opening balance	573,162,078.74	5,021,808.32	640,140.96	24,218,425.02	603,042,453.04
2. Increase amounts during the period	35,270,330.59	1,072,250.37	276,084.72	214,031.22	36,832,696.90
(1) Leased-in	59,258,846.00	1,366,642.41		1,661,590.22	62,287,078.63
(2) Changes in exchange rate	-23,988,515.41	-294,392.04	276,084.72	-1,447,559.00	-25,454,381.73
3. Decrease amounts during the period	34,305,039.04			221,025.15	34,526,064.19
(1) Lease expiration	34,305,039.04			221,025.15	34,526,064.19

4. Closing balance	574,127,370.29	6,094,058.69	916,225.68	24,211,431.09	605,349,085.75
II. Accumulated depreciation					
1. Opening balance	278,549,780.43	3,380,382.68	75,416.80	12,531,305.55	294,536,885.46
2. Increase amounts during the period	26,139,979.95	351,125.44	100,123.78	146,705.97	26,737,935.14
1) Accrual	39,021,650.84	534,020.94	89,538.36	871,240.19	40,516,450.33
(2) Effect of exchange rate changes	-12,881,670.89	-182,895.50	10,585.42	-724,534.22	-13,778,515.19
3. Decrease amounts during the period	23,979,701.65			221,025.15	24,200,726.80
(1) Disposals					
(2) Lease expiration	23,979,701.65			221,025.15	24,200,726.80
4. Closing balance	280,710,058.73	3,731,508.12	175,540.58	12,456,986.37	297,074,093.80
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	293,417,311.56	2,362,550.57	740,685.10	11,754,444.72	308,274,991.95
2. Book value at the beginning of the period	294,612,298.31	1,641,425.64	564,724.16	11,687,119.47	308,505,567.58

(2) Impairment test of right-of-use assets

□ Applicable ☑ Not Applicable

Other notes:

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
I.									

Original book value									
1. Opening 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
2. Increase amounts during the period	-26,821,293.86	2,268,732.66		-13,152,867.75	-8,412,697.91	-3,338,564.05	1,033,265.85		-48,423,425.06
(1) Acquisitions	238,035.39						13,422,017.09		13,660,052.48
(2) Internal R&D									
(3) Increase in business combination									
(4) Effect of exchange rate changes	-27,059,329.25	2,268,732.66		-13,152,867.75	-8,412,697.91	-3,338,564.05	-12,388,751.24		-62,083,477.54
3. Decrease amounts during	1,125.37					5,668,522.62	13,753,404.14		19,423,052.13

the period									
(1) Disposals	1,125.37					5,668,522.62	13,753,404.14		19,423,052.13
4. Closing balance	501,849,345.57	30,664,837.84		183,773,832.72	464,238,995.40	162,889,244.76	259,249,828.71	2,648,543.69	1,605,314,628.69
II. Accumulated amortization									
1. Opening 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
2. Increase amounts during the period	11,596,222.66	1,289,714.04			5,603,733.92	9,235,919.47	8,608,317.97	132,427.20	36,466,335.26
1) Accrual	11,545,935.87	1,314,497.34			6,590,222.02	10,041,518.27	10,499,773.95	132,427.20	40,124,374.65
(2) Effect of exchange rate changes	50,286.79	-24,783.30			-986,488.10	-805,598.80	-1,891,455.98		-3,658,039.39
3. Decrease		9,621.45				283,426.13	13,753,404.14		14,046,451.72

amounts during the period									
(1) Disposals		9,621.45				283,426.13	13,753,404.14		14,046,451.72
4. Closing balance	90,945,992.07	12,481,404.51			49,359,754.02	40,829,702.32	224,767,485.41	1,876,052.00	420,260,390.33
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	410,903,353.50	18,183,433.33		183,773,832.72	414,879,241.38	122,059,542.44	34,482,343.30	772,491.69	1,185,054,238.36
2. Book value at the beginning 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

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 combinatio	Impact of exchange rate	Disposals	Others	

		ns	changes			
Lista Holding AG	1,250,496,420.62		-60,497,409.03			1,189,999,011.59
Geelong Orchid Holdings Ltd.	568,037,859.11					568,037,859.11
Arrow Fastener Co., LLC	648,955,046.40		-20,118,271.20			628,836,775.20
Changzhou Huada Kejie Opto-Electro Instrument Co., Ltd.	118,076,677.01					118,076,677.01
Prim' Tools Limited	69,425,566.24		-2,152,263.67			67,273,302.57
Suzhou Xindadi Hardware Co., Ltd.	42,288,608.30					42,288,608.30
Prexiso AG	40,036,560.29		-1,936,917.31			38,099,642.98
PrimeLine Products, LLC	30,223,840.00		-936,970.00			29,286,870.00
Hangzhou Nano IC Technologies Co., Ltd.	30,427,616.92					30,427,616.92
Asset group related to the	26,059,973.80		-1,160,387.83			24,899,585.97

workwear and labor protection equipment procured by Scruffs Workwear Ltd						
Corgrap S.A.	14,065,286.75		-799,973.32			13,265,313.43
TESA Group's equity in high-precision measuring tool business and corresponding asset groups	5,629,662.22		-25,223.36			5,604,438.86
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	2,858,836,334.44		-87,627,415.72			2,771,208,918.72

(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	84,195,951.00		-4,073,291.86			80,122,659.14
Geelong Orchid Holdings Ltd.	2,455,041.61					2,455,041.61
Arrow Fastener Co., LLC	127,035,818.09		-3,938,240.50			123,097,577.59
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	40,036,560.29		-1,936,917.31			38,099,642.98
PrimeLineProducts, LLC	30,223,840.00		-936,970.00			29,286,870.00
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	844,135.64		-37,587.32			806,548.32
Zhejiang Guoxin Tools Co., Ltd.	308,667.41					308,667.41
Yiyang Tools Manufacturing Co., Ltd.	170,033.92					170,033.92

Total	378,337,213.23		-10,923,006.98			367,414,206.25

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	2,500,054.59		626,444.50		1,873,610.09
Renovation expense	6,729,880.66	1,338,187.55	2,126,813.34	591,576.53	5,349,678.34
Mold costs	11,664,305.93	6,792,043.08	4,476,931.21	136,736.36	13,842,681.44
Others	6,060,992.03	13,091,459.83	9,623,696.00	193,064.55	9,335,691.31
Total	26,955,233.21	21,221,690.46	16,853,885.05	921,377.44	30,401,661.18

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
Deductible losses	69,348,614.83	9,306,584.11	35,623,361.16	9,054,092.39
Provision for bad debts	237,322,576.41	44,397,930.60	176,408,877.36	29,757,392.13

Provision for decline in value of inventories	87,711,443.45	18,365,522.25	33,870,748.04	11,426,841.94
Lease liabilities	152,441,870.55	21,506,560.38	108,994,212.95	23,778,148.19
Accrued expenses	124,634,775.45	23,408,607.92	156,611,680.45	34,815,768.84
Distribution of partnership profits	7,560,993.85	1,134,149.08	7,560,993.85	1,134,149.08
Total	679,020,274.54	118,119,354.34	519,069,873.81	109,966,392.57

(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	337,014,634.73	60,669,034.24	358,215,022.66	56,532,030.97
Interest receivable	59,277,732.09	9,477,076.49	20,805,352.85	3,532,469.60
Depreciation of Long-term assets	212,509,860.65	35,312,562.60	199,427,860.88	36,940,796.61
Right-of-use assets	149,488,015.12	21,013,111.68	104,411,716.06	22,836,596.35
Others	68,373,575.26	9,175,733.80	71,884,385.81	10,941,240.30
Changes in fair value of held-for-trading	577,985.57	80,532.84	315,891.95	41,218.81

financial assets				
Total	827,241,803.42	135,728,051.65	755,060,230.21	130,824,352.64

(3) Breakdown of unrecognized deferred tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible losses	282,077,535.53	289,545,774.96
Total	282,077,535.53	289,545,774.96

(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
2026 years	20,321,279.55	22,498,626.40	
2027 years	23,855,779.02	33,750,708.11	
2028 years	42,714,620.52	44,743,585.07	
2029 years	43,548,138.57	43,548,138.57	
2030 years	31,867,179.73	31,867,179.73	
2031 years	42,418,596.91	38,267,903.81	
2032 years	27,230,167.47	27,435,043.19	
2033 years	28,790,708.52	28,816,353.48	
2034 years	7,079,853.03	7,194,027.17	
2035 years	4,315,517.94	11,424,209.43	
2036 years	9,935,694.27		
Total	282,077,535.53	289,545,774.96	

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
Held-to-maturity certificates of deposit matured over one year	1,143,330,378.83		1,143,330,378.83	490,092,697.97		490,092,697.97
Prepayments for equipment	39,445,379.30		39,445,379.30	19,273,851.90		19,273,851.90
Prepayments for acquisition of intangible assets	8,002,348.98		8,002,348.98	5,769,007.58		5,769,007.58
Total	1,190,778,107.11		1,190,778,107.11	515,135,557.45		515,135,557.45

Information on indemnifying assets

Other notes:

24. Assets subject to ownership or use restrictions

Unit: RMB

Item	Closing				Opening			
	Book balance	Book value	Types of restrictio	Restricted Situatio	Book balance	Book value	Types of restrictio	Restricted Situatio

			ns	n			ns	n
Fixed assets	40,901,325.49	21,529,369.77	Mortgaged	Bank acceptance bill mortgage	40,901,325.49	22,278,766.05	Mortgaged	Bank acceptance bill mortgage
Intangible assets	3,198,505.51	1,822,738.22	Mortgaged	Bank acceptance bill mortgage	3,198,505.51	1,854,723.26	Mortgaged	Bank acceptance bill mortgage
Cash and bank balances	10,000.00	10,000.00	Pledge	Guarantee deposit for bank acceptance	201,200,000.00	201,200,000.00	Pledge	Guarantee deposit for bank acceptance
Cash and bank balances	16,958,567.66	16,958,567.66	Pledge	Deposits for letter of credit	17,499,793.14	17,499,793.14	Pledge	Deposits for letter of credit
Cash and bank balances	3,408,450.00	3,408,450.00	Pledge	Deposits for credit card	3,514,400.00	3,514,400.00	Pledge	Deposits for credit card
Cash and bank balances	1,437,099.90	1,437,099.90	Pledge	Deposits for lease	1,483,076.80	1,483,076.80	Pledge	Deposits for lease
Cash and bank balances	4,768,282.83	4,768,282.83	Pledge	Deposits for customs duty guarantee	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	Margin for engineering guarante

								es
Cash and bank balances					200,000.00	200,000.00	Frozen	Litigation guarantee deposits
Cash and bank balances	63,017.27	63,017.27	Pledge	Deposits for ETC	56,000.00	56,000.00	Pledge	Deposits for ETC
Total	70,745,248.66	49,997,525.65			276,425,863.59	256,459,521.90		

Other notes:

25. Short-term loans

(1) Classification of short-term loans

Unit: RMB

Item	Closing balance	Opening balance
Pledged loans		200,000,000.00
Guaranteed borrowing		32,000,000.00
Credit borrowing	2,827,490,172.48	1,047,757,029.00
Interest payable not yet due for accrual	295,145.61	308,427.36
Total	2,827,785,318.09	1,280,065,456.36

Notes on classification of short-term borrowings:

26. Held-for-trading financial liabilities

Unit: RMB

Item	Closing balance	Opening balance
Held-for-trading financial	61,579.09	255,687.69

liabilities		
Including:		
Foreign exchange derivatives	61,579.09	255,687.69
Including:		
Total	61,579.09	255,687.69

Other notes:

27. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Bank acceptance bill	21,604,688.04	26,272,095.73
Total	21,604,688.04	26,272,095.73

The Total 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	1,879,642,513.91	1,554,958,625.69
Payable expenses	246,716,525.65	242,623,726.03
Payables for project equipment	117,076,930.60	148,051,713.04
Total	2,243,435,970.16	1,945,634,064.76

29. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Interest payable	0.00	0.00
Dividend payable	8,400,000.00	8,664,536.00
Other payables	41,703,966.67	22,483,716.22
Total	50,103,966.67	31,148,252.22

(1) Dividends payable

Unit: RMB

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

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
Payables for share acquisition	11,539,300.78	11,684,525.88
Temporary receipts payable	9,093,642.79	1,050,439.32
Deposits	11,153,169.85	6,325,779.26
Accrued expenses	1,296,799.71	79,036.62
Others	8,621,053.54	3,343,935.14
Total	41,703,966.67	22,483,716.22

30. Payments received in advance

(1) Details on payments received in advance

Unit: RMB

Item	Closing balance	Opening balance
Rents received in advance	3,994,217.21	3,300,249.16
Total	3,994,217.21	3,300,249.16

31. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Payments for goods	151,063,041.28	141,176,439.00
Total	151,063,041.28	141,176,439.00

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	299,885,293.16	1,190,939,601.68	1,241,501,480.84	249,323,414.00

benefits				
II. Post-employment benefits - defined contribution plans	24,209,595.94	114,052,463.49	116,991,246.63	21,270,812.80
III. Benefits upon severance	35,450,490.83	596,052.86	1,695,054.69	34,351,489.00
IV. Other Benefits due within One Year				0.00
				0.00
Total	359,545,379.93	1,305,588,118.03	1,360,187,782.16	304,945,715.80

(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	283,649,742.99	1,089,859,682.82	1,133,099,904.51	240,409,521.30
2. Employee welfare expenses	6,313,522.29	34,791,402.82	39,871,108.22	1,233,816.89
3. Social insurance premiums	7,287,993.38	42,553,914.85	44,012,104.88	5,829,803.35
Including: Medical insurance premiums	5,624,219.14	38,522,756.24	38,841,627.36	5,305,348.02
Work injury compensation insurance premiums	1,663,596.64	3,785,259.77	4,924,578.68	524,277.73

Maternity insurance premiums	177.60	245,898.84	245,898.84	177.60
				0.00
4. Housing provident funds	744,991.75	18,053,887.53	18,384,706.28	414,173.00
5. Labor union funds and employee education funds	1,889,042.75	5,680,713.66	6,133,656.95	1,436,099.46
6. Short-term compensated absences				0.00
7. Short-term profit sharing plans				0.00
				0.00
Total	299,885,293.16	1,190,939,601.68	1,241,501,480.84	249,323,414.00

(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	20,032,718.34	108,483,996.37	109,099,464.57	19,417,250.14
2. Unemployment insurance premiums	4,176,877.60	5,568,467.12	7,891,782.06	1,853,562.66
3. Enterprise annuity contributions				0.00
				0.00

Total	24,209,595.94	114,052,463.49	116,991,246.63	21,270,812.80

Other notes

33. Taxes and rates payable

Unit: RMB

Item	Closing balance	Opening balance
Value-added tax	22,424,167.31	26,414,829.58
Enterprise income tax	245,788,087.49	134,200,801.35
Individual income tax	4,030,257.37	5,516,396.26
Urban maintenance and construction tax	840,682.16	1,041,684.32
Property tax	3,212,194.90	8,970,379.46
Stamp duty	2,291,025.26	2,275,838.72
Land use tax	1,205,786.94	3,466,924.70
Education surcharge	490,687.49	546,790.91
Local education surcharge	327,124.99	364,527.26
Environmental protection tax	11,654.47	12,222.73
Security fund for employment of the disabled	438,738.85	281,181.53
Withheld consumption tax	66,385.20	6,023,984.49
Withheld VAT	456,238.19	451,731.81
Withheld enterprise income tax	3,550,689.61	126,569.18
Resource tax	7,837.20	9,279.00
Total	285,141,557.43	189,703,141.30

Other notes

34. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities due within one year	67,651,645.46	71,554,757.51
Total	67,651,645.46	71,554,757.51

Other notes:

35. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output tax amount to be forwarded	4,258,000.64	3,057,428.89
After-sales and warranty obligations	3,518,651.31	7,346,922.31
Total	7,776,651.95	10,404,351.20

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
Tota													

1													

Other notes:

36. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Outstanding lease payments	255,553,928.08	252,813,205.49
Less: unrecognized financing costs	-6,306,272.38	-6,265,762.91
Total	249,247,655.70	246,547,442.58

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	19,977,764.59	17,946,145.36
Total	19,977,764.59	17,946,145.36

38. Provisions

Unit: RMB

Item	Closing balance	Opening balance	Reason for formation
Soil remediation costs	23,229,376.91	24,590,397.94	Policy Requirements
Total	23,229,376.91	24,590,397.94	

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

39. Deferred income

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason for formation
Government grants	2,829,772.34	106,200.00	257,035.02	2,678,937.32	Special grants
Total	2,829,772.34	106,200.00	257,035.02	2,678,937.32	

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)	3,497,998,056.08		81,797.61	3,497,916,258.47
Other capital reserves	367,437,351.80	-1,233,417.85		366,203,933.95

Total	3,865,435,407.88	-1,233,417.85	81,797.61	3,864,120,192.42

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

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

In June 2026, the Company acquired a 1.93% equity in Hangzhou GreatStar Hardware Tools Co., Ltd. at a consideration of RMB 344,178.00. When preparing the consolidated financial statements, the differences of RMB 81,797.61 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

Based on the shareholding ratio, the Company adjusted and increased long-term equity investment and capital surplus-other capital surplus by RMB -3,603,532.27 and RMB 2,370,114.42 respectively, to reflect its share of changes in owner's equity of GreatStar Holding Group Co., Ltd. and Hangzhou Zhongce Haichao Enterprise Management Co., Ltd., other than net profit or loss, other comprehensive income and profit distribution.

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 reclassif	-102,748,677.48							-102,748,677.48

ied subsequently to profit or loss								
Including: Remeasurements of the net defined benefit plan	-102,748,677.48							-102,748,677.48
II. To be reclassified subsequently to profit or loss	408,540,266.77	-386,516,866.68	0.00	0.00	0.00	-386,516,866.68	-4,489,687.44	22,023,400.09
Including: Items under equity method that may be reclassified to profit or loss	22,851,000.80	-97,302,742.04				-97,302,742.04		-74,451,741.24
Translation reserve	385,689,265.97	-289,214,124.64				-289,214,124.64	-4,489,687.44	96,475,141.33
Total of other comprehensive income	305,791,589.29	-386,516,866.68	0.00	0.00	0.00	-386,516,866.68	-4,489,687.44	-80,725,277.39

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	930,940,581.24			930,940,581.24

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

44. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	12,517,859,007.91	10,306,761,375.27
Undistributed profits at the end of the period after adjustment	12,517,859,007.91	10,306,761,375.27
Add: Net profits attributable to owners of the parent company	1,303,184,912.01	1,272,861,836.46
Dividends payable for common shares	477,791,272.80	
Undistributed profits at the end of the period	13,344,763,547.11	11,579,623,211.73

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:

45. Operating revenue and cost

(1) Detailed information

Item	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Principal business income	7,628,748,536.17	5,074,312,840.07	6,994,251,558.64	4,757,930,990.24
Other income	45,856,487.39	43,182,720.89	33,246,504.69	24,261,946.03
Total	7,674,605,023.56	5,117,495,560.96	7,027,498,063.33	4,782,192,936.27
including: revenue generated from the contracts with the clients	7,661,946,527.27	5,110,039,144.05	7,015,324,432.16	4,779,751,874.99

(2) Breakdown information of revenue

1) Revenue information by type of goods or services is set out in Note VIII (XVII)-1 to these Financial Statements.

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	7,661,946,527.27	7,015,324,432.16
Subtotal	7,661,946,527.27	7,015,324,432.16

(3) The revenue recognized in the period and included in the opening book value of contract liabilities is RMB 141,176,439.00.

46. Taxes and surcharges

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	5,643,619.66	5,869,020.97
Education surcharge	2,772,985.76	2,813,170.95
Resource tax	15,955.20	84,947.09
Property tax	8,473,247.36	7,043,147.10
Land use tax	1,163,986.72	1,163,748.36
Vehicle and vessel tax	20,015.34	9,248.40
Stamp duty	4,378,158.60	4,194,633.48
Local education surcharge	1,848,657.21	1,744,074.77
Environmental protection tax	23,811.82	33,589.12
Others	840.80	95,977.21
Total	24,341,278.47	23,051,557.45

Other notes:

47. Administrative expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Employee benefits expenses	327,007,378.93	283,332,201.51
Office expenses	47,978,804.14	63,763,110.24
Depreciation and amortization	42,398,210.90	47,774,232.94

Consulting fees	32,451,273.37	43,085,481.21
Travel expenses	10,160,504.92	7,623,603.61
Business entertainment expenses	1,942,708.07	2,774,591.95
Taxes and rates	891,471.29	1,351,309.27
Greening expenses	1,577,276.46	1,827,048.09
Others	20,677,223.87	10,845,006.40
Total	485,084,851.95	462,376,585.22

Other notes

48. Selling expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Employee benefits expenses	286,212,059.96	267,159,566.26
Advertising and promotional expenses	144,452,062.85	156,757,328.28
Office expenses	36,751,150.80	24,258,425.58
Depreciation and amortization	15,834,003.89	15,342,831.42
Consulting fees	8,639,466.82	6,587,245.71
Travel expenses	5,432,240.09	5,815,669.68
Housing rent	7,239,754.80	4,301,565.60
Commodity inspection fees	8,472,357.94	4,975,303.50
Insurance premiums	6,830,258.91	7,026,046.82
Others	19,552,336.93	12,173,698.56

Total	539,415,692.99	504,397,681.41

Other notes:

49. R&D expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Employee benefits expenses	117,250,227.90	102,129,541.30
Direct investment	56,546,834.87	56,868,054.92
Depreciation and amortization	19,557,160.97	6,401,302.06
Others	15,524,722.71	9,634,193.26
Total	208,878,946.45	175,033,091.54

Other notes

50. Financial expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Interest expenses	8,107,499.04	21,765,788.54
Interest income	-69,181,215.60	-63,236,372.43
Gains or losses on foreign exchange	138,690,037.90	-58,531,062.88
Bank charges	11,168,408.52	11,237,754.63
Total	88,784,729.86	-88,763,892.14

Other notes

51. Other income

Unit: RMB

Sources generating other income	Current period cumulative	Preceding period comparative
Government grants related to assets	257,035.02	1,456,295.62
Government grants related to income	20,436,363.73	18,263,020.70
Refund of handling fees for withholding personal income tax	898,246.77	505,754.58
Additional deduction of value-added tax	404,007.13	1,712,361.51
Total	21,995,652.65	21,937,432.41

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	746,063.99	-1,150,190.18
Including: Gains on changes in fair value from derivative financial liabilities	382,623.88	-1,165,606.85
Held-for-trading financial liabilities	188,533.36	-2,225,655.21
Total	934,597.35	-3,375,845.39

Other notes:

53. Investment Income

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Income from long-term equity	344,240,238.51	342,454,178.20

investments recognized under the equity method		
Investment income from disposal of long-term equity investments		7,026,642.54
Investment income from held-for-trading financial assets during the holding period	10,371.22	37,325.34
Investment income from disposal of held-for-trading financial assets	7,892,464.53	4,083,337.06
Discounting loss on receivables financing	-11,960,928.42	-884,673.33
Total	340,182,145.84	352,716,809.81

Other notes

54. Credit impairment losses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Loss due to bad debt	-25,862,041.19	-1,193,303.83
Total	-25,862,041.19	-1,193,303.83

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	-10,533,192.56	-6,508,096.72

II. Loss from long-term equity investment impairment		-10,863,596.31
Total	-10,533,192.56	-17,371,693.03

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	290,366.81	45,783.89
Gains from disposal of intangible assets	283,426.11	
Total	573,792.92	45,783.89

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	496,214.30	193,830.21	496,214.30
Payables not required to be Settled	232,169.91	3,420.05	232,169.91
Gains from damage and scrapping of non-current assets	232,085.28	37,168.55	232,085.28
Others	385,488.86	103,629.36	385,488.86
Total	1,345,958.35	338,048.17	1,345,958.35

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	756,106.64	485,361.55	756,106.64
Tax late fee	90,001.38	2,096,091.59	90,001.38
Losses from damage and scrapping of non-current assets	1,488,073.23	294,187.06	1,488,073.23
Fines	64,226.31	136,916.04	64,226.31
Others	472,333.16	412,091.34	472,333.16
Total	2,870,740.72	3,424,647.58	2,870,740.72

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	217,755,810.39	206,639,545.13
Deferred tax expenses	441,320.82	-924,356.85
Total	218,197,131.21	205,715,188.28

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

Unit: RMB

Item	Current period cumulative
Total profits	1,536,370,135.52

Income tax expenses calculated based on statutory/applicable tax rates	230,455,520.33
Impact of different tax rates applicable to subsidiaries	34,459,612.62
Impact of adjusting income tax in previous periods	10,963,274.46
Impact of non-taxable income	-8,795,177.01
Impact of non-deductible costs, expenses, and losses	752,358.03
Impact of applying deductible losses for which no deferred tax assets have been recognized in previous periods	-3,741,268.28
Impact of deductible temporary differences or deductible losses for which no deferred tax assets have been recognized in the current period	20,357,652.01
Impact of investment income from long-term equity investments recognized under the equity method	-51,636,035.78
Impact of additional deduction for technical development expenses and disabled person's wages	-14,618,805.17
Income tax expenses	218,197,131.21

Other notes

60. Other comprehensive income

See Note VIII (VII)-42 for details.

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	5,641,655.40	59,013,277.98
Interest income	37,508,585.44	42,606,519.84
Income from government grants	21,844,817.63	21,304,993.78
Others	11,209,920.08	13,679,823.06
Total	76,204,978.55	136,604,614.66

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	442,237,920.47	411,018,435.20
Payment for letter of guarantee deposits, letter of credit deposits and ETC deposit	7,017.27	7,591,376.24
Others	2,743,688.52	296,075.30
Total	444,988,626.26	418,905,886.74

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 purchasing forward settlement and sale of foreign exchange		0.00

Recovered transaction deposit		0.00
Total	0.00	0.00

Significant cash receipts related to investing activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative

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
Loss on investment in forward settlement and sale of foreign exchange	5,284,625.03	1,140,370.00
Transaction deposit		
Total	5,284,625.03	1,140,370.00

Significant cash payments related to investing activities

Unit: RMB

Item	Current period cumulative	Preceding period comparative

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
Receipt of financing acceptance bill deposit	200,000,000.00	
Received discount payments for bills issued within the		600,200,000.00

scope of consolidation		
Total	200,000,000.00	600,200,000.00

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 discount payments for bills issued within the scope of consolidation		1,760,830,124.66
Funds paid for acquiring non-controlling interests	344,178.00	18,854,363.04
Repayment of lease liabilities and interests	54,254,031.82	43,332,232.26
Handling fees for financing guarantees and receivables financing transfers	11,960,928.43	878,385.53
Total	66,559,138.25	1,823,895,105.49

Notes on other cash payments related to financing activities:

Changes in Liabilities Arising from Financing Activities

☑ Applicable □ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Cash Change	Non-cash change	Cash Change	Non-cash change	
Short-term borrowings	1,280,065,456.36	2,610,000,000.00		1,052,951,713.51	9,328,424.76	2,827,785,318.09
Lease liabilities (including	318,102,200.09		62,287,078.63	54,254,031.82	9,235,945.74	316,899,301.16

those due within one year)						
Total	1,598,167,656.45	2,610,000,000.00	62,287,078.63	1,107,205,745.33	18,564,370.50	3,144,684,619.25

(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

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Amount of commercial bills transferred through endorsement	25,045,383.27	15,030,558.02
Including: payment for goods	24,988,755.23	14,093,526.22
Payment for acquisition of fixed assets and other long-term assets	56,628.04	937,031.80

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	1,318,173,004.31	1,313,167,499.75
Add: Provision for impairment of assets	36,395,233.75	18,564,996.86
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	150,852,630.94	124,414,709.43

Depreciation of right-of-use assets	39,601,052.71	38,750,095.74
Amortization of intangible assets	28,208,933.44	26,456,926.79
Amortization of long-term amortized expenses	16,088,782.31	14,866,854.44
Loss on disposal of fixed assets, intangible assets, and other long-term assets ("-" for gain)	-573,792.92	-45,783.89
Loss on scrapping of fixed assets ("-" for gain)	1,255,987.95	257,018.51
Loss from changes in fair value ("-" for gain)	-934,597.35	3,375,845.39
Financial expenses ("-" for gain)	146,797,536.94	-36,765,274.34
Investment losses ("-" for gain)	-340,182,145.84	-352,716,809.81
Decrease in deferred tax assets ("-" for increase)	-8,152,961.77	15,618,629.54
Increase in deferred tax liabilities ("-" for decrease)	4,903,699.01	-12,170,115.88
Decrease in inventory ("-" for increase)	-368,210,966.66	-46,617,424.77
Decrease in operating receivables ("-" for increase)	-535,337,817.35	86,313,050.58
Increase in operating payables ("-" for decrease)	411,846,023.58	-159,712,594.63
Others		
Net cash flows from operating activities	900,730,603.05	1,033,757,623.71

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	5,522,198,892.70	5,301,455,640.79
Less: Opening balance of cash	5,053,216,030.40	6,564,759,115.02
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	468,982,862.30	-1,263,303,474.23

(2) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	5,522,198,892.70	5,053,216,030.40
Including: cash on hand	653,199.72	833,144.88
Bank deposits readily available for payment	6,395,458,596.00	5,049,352,073.75
Other cash and bank balances readily available for payment	56,087,096.98	3,030,811.77
II. Closing balance of cash and cash equivalents	5,522,198,892.70	5,053,216,030.40

(3) 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
Guarantee deposit for bank acceptance	10,000.00	201,200,000.00	Cannot be withdrawn on demand
Deposits for letter of credit	16,958,565.56	17,499,793.14	Cannot be withdrawn on demand
Deposits for credit card	3,408,452.00	3,514,400.00	Cannot be withdrawn on demand
Deposits for lease	1,437,100.00	1,483,076.80	Cannot be withdrawn on demand
Deposits for letter of guarantee	4,768,282.83	8,372,762.65	Cannot be withdrawn on demand
Litigation guarantee deposits		200,000.00	Cannot be withdrawn on demand
Deposits for ETC	63,017.27	56,000.00	Cannot be withdrawn on demand
Total	26,645,417.66	232,326,032.59	

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			2,744,006,793.16
Including: USD	326,489,953.21	6.8109	2,223,690,422.30

EUR	35,368,019.89	7.7671	274,706,947.27
HKD	5,549,515.07	0.8686	4,820,308.79
GBP	19,455,863.91	9.0145	175,384,885.22
CHF	3,007,024.46	8.4228	25,327,565.61
VND	63,985,190,172.00	0.00025907	16,576,643.22
CAD	2,114,729.63	4.7847	10,118,346.86
THB	21,741,177.32	0.2042	4,439,548.41
JPY	76,320,182.00	0.042	3,205,447.64
DKK	1,587,493.95	1.0392	1,649,723.71
SEK	1,970,628.58	0.7003	1,380,031.19
AUD	255,389.43	4.6804	1,195,324.70
CZK	3,437,146.83	0.3188	1,095,762.41
NOK	562,695.16	0.6849	385,389.92
NZD	3,990.59	3.8414	15,329.45
Mexican peso	38,790.00	0.3897	15,116.46
Accounts receivable			3,343,779,260.22
Including: USD	439,456,757.59	6.8109	2,993,096,030.29
EUR	31,210,586.81	7.7671	242,415,748.78
HKD			
GBP	6,400,417.44	9.0145	57,696,563.01
CHF	3,508,155.37	8.4228	29,548,491.04
CZK	20,178,532.50	0.3188	6,432,916.16

VND	13,996,934,766.67	0.00025907	3,626,185.89
AUD	668,802.85	4.6804	3,130,264.86
DKK	2,040,838.43	1.0392	2,120,839.30
JPY	49,585,340.00	0.0420	2,082,584.28
SEK	2,729,944.52	0.7003	1,911,780.15
INR	18,577,436.81	0.072	1,337,575.45
NOK	319,356.88	0.6849	218,727.53
THB	428,788.59	0.2042	87,558.63
NZD	19,262.47	3.8414	73,994.85
Long-term borrowings			
Including: USD			
EUR			
HKD			
Receivables financing			2,507,131.52
Including: USD	368,105.76	6.8109	2,507,131.52
Non-current assets due within one year			110,004.13
Including: CHF	13,060.28	8.4228	110,004.13
Long-term receivables			73,867.20

Including: CHF	8,769.91	8.4228	73,867.20
Short-term borrowings			217,773,930.23
Including: EUR	28,037,997.48	7.7671	217,773,930.23
Accounts payable			867,487,952.13
Including: USD	66,268,598.82	6.8109	451,348,799.69
VND	855,102,302,041.92	0.00025907	221,531,353.39
EUR	11,406,046.26	7.7671	88,591,901.93
CHF	6,666,845.56	8.4228	56,153,506.78
THB	167,117,095.05	0.2042	34,125,310.81
CZK	21,303,987.17	0.3188	6,791,711.11
GBP	698,106.24	9.0145	6,293,078.72
AUD	205,312.19	4.6804	960,943.17
HKD	922,322.36	0.8686	801,129.20
SEK	924,492.06	0.7003	647,421.79
NOK	157,395.30	0.6849	107,800.04
DKK	50,841.86	1.0392	52,834.86
NZD	13,036.96	3.8414	50,080.18
JPY	763,820.38	0.042	32,080.46
Non-current liabilities due within one year			52,498,284.45

Including: CHF	4,242,720.21	8.4228	35,735,583.78
EUR	777,143.72	7.7671	6,036,152.99
USD	838,459.56	6.8109	5,710,664.22
GBP	190,929.55	9.0145	1,721,134.43
AUD	315,858.19	4.6804	1,478,342.67
CZK	3,325,374.90	0.3188	1,060,129.52
HKD	778,344.35	0.8686	676,069.90
SEK	114,532.26	0.7003	80,206.94
Lease liabilities			235,288,882.53
Including: CHF	19,265,158.98	8.4228	162,266,581.06
EUR	5,702,080.58	7.7671	44,288,630.07
USD	2,142,273.49	6.8109	14,590,810.51
CZK	28,023,417.14	0.3188	8,933,865.38
GBP	432,586.02	9.0145	3,899,546.68
AUD	175,999.66	4.6804	823,748.81
HKD	540,895.71	0.8686	469,822.01
SEK	22,673.15	0.7003	15,878.01

Other notes:

(2) Nature and financial effects of non-convertibility of currency, spot exchange rates adopted and valuation process, as well as risks to which the entity is exposed due to such non-convertibility

□ Applicable ☑ Not Applicable

(3) 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
Great Star 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

(4) Non-convertibility between the functional currency of foreign operations and the currency presented by the Company

□ Applicable ☑ Not Applicable

64. Leases

(1) The Company as lessor

1) Information on right-of-use assets is set out in Note VIII (VII)-18 of this Report.

Item	Current period cumulative	Preceding period comparative
Expenses for short-term lease	12,563,574.28	8,080,726.00
Expenses for lease of low-value assets (excluding short-term leases)	1,035,620.18	1,474,384.22

Total	13,599,194.46	9,555,110.22

2) The Company's accounting policies for short-term leases and low-value asset leases are set out in Note VIII (V)-31 of this Report. The expenses for short-term leases and leases of low-value assets recognized in current profits and losses are as follows:

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

Item	Current period cumulative	Preceding period comparative
Interest expense for lease liabilities	2,924,945.73	3,351,656.91
Income obtained from subleasing right-of-use assets	53,222.64	912,896.80
Total cash outflow related to leasing	63,143,310.18	55,180,724.16

4) Maturity analysis of lease liabilities and corresponding liquidity risk management are set out in Note VIII (XII)-1 of this report.

(2) The Company as lessee

1) Operating leases

① Lease income

Item	Current period cumulative	Preceding period comparative
Lease income	12,658,496.29	12,173,631.17

② Operating lease assets

Item	Closing balance	Opening balance
Fixed assets	23,481,405.15	20,755,330.18
Investment property	230,318,399.52	107,454,651.08
Right-of-use assets		3,453,480.48
Subtotal	253,799,804.67	131,663,461.74

Fixed assets leased out under operation leases is set out in Note VIII (VII)-16 of this Report.

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	10,647,182.40	15,347,948.78
More than 1 years	15,569,592.85	14,631,686.21
Total	26,216,775.25	29,979,634.99

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	55,113.74	53,222.64

② Reconciliation table of undiscounted lease receipts and net leasing investment

Item	Closing balance	Opening balance
Undiscounted lease receipts	187,318.81	240,858.50
less: unrealized financing gains related to lease receipts	4,964.50	4,137.03
Net leasing investment	182,354.31	236,721.47

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	112,391.29	111,165.46
1-2 years	74,927.53	111,165.46
2-3 years		18,527.58
More than 3 years		

Total	187,318.81	240,858.50

VIII. R&D Expenses

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Employee benefits expenses	117,250,227.90	102,129,541.30
Direct investment	56,546,834.87	56,868,054.92
Depreciation and amortization	19,557,160.97	6,401,302.06
Others	15,524,722.71	9,634,193.26
Total	208,878,946.45	175,033,091.54
Including: Expenditures on research and development that are expensed	208,878,946.45	175,033,091.54

IX. Changes in the scope of consolidation

1. 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
AMGS TOOLS PTE. LTD.	Established	02/04/2026	No contributions made as of the end of June 30, 2026	100%
TOOLLINK BRASIL LTDA	Established	02/07/2026	No contributions made as of the end of June 30, 2026	100%

Hangzhou Hanji International Trade Co., Ltd.	Established	06/12/2026	No contributions made as of the end of June 30, 2026	100%
MEGAMET （CAMBODIA）INDUSTRIAL CO.，LTD	Established	02/13/2026	USD500,000	100%
Oakridge Trading LLC	Established	06/23/2026	No contributions made as of the end of June 30, 2026	100%

(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
Yiyang Tools Manufacturing Co., Ltd.	Canceled	02/09/2026	-	-
Hangzhou Chongte Robot Technology Co., Ltd.	Canceled	03/23/2026	-1,260,402.72	-
GreatStar International Holdings Limited	Canceled	05/13/2026	-	-
GSMA International Sdn. Bhd.	Canceled	04/20/2026	-	423,313.05

X. Equity in other entities

1. Equity in subsidiaries

(1) Composition of the business group

1) The company incorporated 105 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	Nature of business	Holding proportion (%)	Method of acquisition

		registration place		Direct	Indirect	
Zhejiang GreatStar Tools Co., Ltd.	RMB 464.80 million	Jiaxing, Zhejiang Province	Manufacturing	100		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
Hangzhou Great Star Hardware Tools Co., Ltd.	June, 2026	70.07%	72.00%

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

Unit: RMB

	Hangzhou Great Star Hardware Tools Co., Ltd.
Cost of purchase/consideration of disposal	344,178.00
--Cash	344,178.00
--Fair value of non-cash assets	
Total cost of purchase/consideration of disposal	344,178.00
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired/disposed of	262,380.39
Difference	81,797.61
Including: Adjustment to the capital reserve	81,797.61

Adjust surplus reserve	
Adjust undistributed profits	

Other notes

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 Co., Ltd.	Hangzhou, Zhejiang Province	Hangzhou, Zhejiang Province	Service	27.86%		Equity method accounting

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

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) Key financial information of significant associates

Unit: ten thousand RMB

Item	Closing balance/Current period cumulative	Opening balance/Preceding period comparative
	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.

Current assets	2,840,055.58	2,682,327.55
Non-current assets	2,966,088.62	2,690,660.06
Total assets	5,806,144.20	5,372,987.61
Current liabilities	2,593,662.67	2,490,979.66
Non-current liabilities	543,616.72	471,563.59
Total liabilities	3,137,279.40	2,962,543.25
Non-controlling shareholders' equity	1,645,915.48	1,511,211.63
Owners' equity attributable to the parent company	1,022,949.32	899,232.73
Share of net assets calculated based on the holding proportion	284,964.01	250,500.16
Adjustments	-	-
--Goodwill	-	-
-- Unrealized profits of internal transactions	-	-
Book value of equity investment in associates	284,964.01	250,500.16
Fair value of equity investments in associates with publicly quoted prices	-	-
Operating revenue	2,347,449.65	1,857,783.49
Net profit	238,483.04	201,149.97
Net profits of discontinued operations	-	
Other comprehensive income	-86,580.00	-16,353.13

Total comprehensive income	151,903.04	184,796.84
Dividends from joint ventures received in the period	-	-

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

Unit: ten thousand RMB

Item	Closing balance/Current period cumulative	Opening balance/Preceding period comparative
Associates:		
Total book value of investment	141,474.26	401,867.87
Total of the following items calculated based on the holding proportion		
-- Net profit	9,971.81	9,192.14
-- Other comprehensive income	-813.05	371.01
-- Total comprehensive income	9,158.76	9,563.15

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

Accounti	Opening	Increase	Non-oper	Amount	Other	Closing	Related to

ng Subjects	balance	amounts in grants during the period	ating revenues recorded in the period	Transferred to Other Income for the Current Period	Changes for the Current Period	balance	assets/income
Deferred income	2,829,772.34	106,200.00		257,035.02		2,678,937.32	Related to assets
Subtotal	2,829,772.34	106,200.00		257,035.02		2,678,937.32	

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	19,485,921.14	19,719,316.32

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 risk

Credit risk is the risk that one party to a financial instrument may fail to discharge an obligation, resulting in financial losses to the other party.

1. Credit risk management practices

(1) Credit risk evaluation methods

The Company, at each balance-sheet date, assesses whether the credit risk of relevant financial instruments has increased significantly since 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 defaulted and credit-impaired financial assets

A financial asset is regarded as in default by the Company if one or more of the following conditions are met, consistent with the definition of credit impairment:

1) The debtor experiences significant financial difficulty;

2) The debtor breaches contractual covenants;

3) The debtor is highly possible to enter bankruptcy or undergo other financial restructuring;

4) The creditor grants the debtor a concession that it would not otherwise consider for economic or contractual reasons relating to the debtor's financial difficulty.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk. The Company develops a model of the probability of default, loss rate of default, and exposure to default risk on the basis of quantitative analysis of historical data (e.g., counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. For details on the reconciliation table of opening balance and closing balance of provision for losses of financial instrument, please refer to Section X (V) of this report.

4. Credit risk exposure and credit risk concentration

The Company's credit risk mainly arises from monetary funds and receivables. In order to control such risks, the Company has taken the following measures.

(1) Monetary funds

The Company places bank deposits and other monetary funds with financial institutions of high credit ratings, resulting in low credit risk.

(2) Receivables

The Company applies ongoing credit assessments for customers trading on credit terms. 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.

As the risks for the accounts receivable of the Company are dispersed across multiple counterparties and customers, the Company faces credit concentration risks by 30 June 2026. 61.71% of the Company's accounts receivable (61.27% on 31 December 2025) is attributable to the top five accounts by balance. The Company held no collateral or other credit enhancement on the 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 difficulty in meeting obligations associated with settlement by delivering cash or other financial assets. 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	2,827,785,318.09	2,830,509,939.63	2,830,509,939.63		

Held-for-trading financial liabilities	61,579.09	61,579.09	61,579.09		
Notes payable	21,604,688.04	21,604,688.04	21,604,688.04		
Accounts payable	2,243,435,970.16	2,243,435,970.16	2,243,435,970.16		
Other payables	50,103,966.67	50,103,966.67	50,103,966.67		
Lease liabilities	316,899,301.16	324,411,109.59	68,857,181.51	109,418,514.15	146,135,413.93
Subtotal	5,459,890,823.21	5,470,127,253.18	5,214,573,325.10	109,418,514.15	146,135,413.93

(continued)

Item	Opening 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		
Held-for-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	318,102,200.	325,672,435.	72,859,229.6	126,242,641	126,570,564

liabilities	09	17	8	.07	.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

(III) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate due to changes in market prices. Market risk mainly includes interest risk and foreign currency risk.

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate 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 June 30, 2026, the balance of borrowings with interest accrued at a floating interest rate totaled RMB 217,785,318.09 (versus RMB 247,039,424.14 on December 31, 2025). 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) 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	25,045,383.27	Derecognized	Almost all risks

	financing			and rewards have been transferred
Factoring of accounts receivable	Receivables financing	14,473,897.13	Derecognized	Almost all risks and rewards have been transferred
Total		39,519,280.40		

(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	25,045,383.27	
Receivables financing	Assignment in receivables financing without recourse	14,473,897.13	-648,587.12
Total		39,519,280.40	-648,587.12

(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
I. Continuing fair value measurement	--	--	--	--

(I) Held-for-trading financial assets		260,002,738.10	78,336,000.00	338,338,738.10
1. Financial assets measured at fair value and the changes thereof included in current profits and losses		260,002,738.10	78,336,000.00	338,338,738.10
Bank financial products		259,633,903.69		259,633,903.69
Forward foreign exchange contract		368,834.41		368,834.41
Equity investments			78,336,000.00	78,336,000.00
Total assets continuously measured at fair value		260,002,738.10	112,482,703.31	372,485,441.41
(VI) Held-for-trading financial liabilities		61,579.09		61,579.09
Forward foreign exchange contract		61,579.09		61,579.09
Total liabilities measured at fair value on a continuing basis		61,579.09		61,579.09
II. Non-continuing fair value measurements	--	--	--	--

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 based on valuation notices provided by banks as reasonable estimates 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. For equity investment (Hangcha Intelligent), the investment cost is used as a reasonable estimate of fair value with comprehensive consideration of business conditions and operating performance.

2. As receivables financing is within 1 year, whose time value has no significant impact on the fair value, it is recognized that the fair value of receivables financing mentioned above is approximately equal to its carrying amount.

3. Other equity instrument investments (Hangzhou Haibang Xinhu Talent Venture Capital Investment Partnership (LP)), are measured using the investment cost as a reasonable estimate of fair value, taking into account the operating environment and business operations.

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	Industrial investment	RMB100 million	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

Information on the Company's subsidiaries is detailed in Note X.

3. Associates and joint ventures of the Company

Information on the Company's significant joint ventures and associates is detailed in 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
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
Hangzhou GreatStar Precision Machinery Co., Ltd.	Controlled by the ultimate controlling party of the Company
Zhejiang Xinchai 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
Guangzhou Hangcha Leasing Co., Ltd.	Companies with related party relationships in the past twelve months

Other notes

5. Related party transactions

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

Purchase of goods and acceptance of labor services

Unit: RMB

Related parties	Content of transaction	Current period cumulative	Transaction limit granted	Whether the transaction limit is exceeded	Preceding period comparative
Hangcha Group Co., Ltd. and its affiliated companies	Automated warehouse, forklift, spare parts and maintenance	1,436,624.62	115,000,000.00	No	40,076,067.17
Hangcha Group Co., Ltd. and its affiliated companies	Intelligent logistics robots and other services	4,352,669.48		No	563,591.66
Zhongce Rubber Group Co., Ltd. and its affiliated companies	Tier products and maintenance costs	69,603,994.75	70,500,000.00	No	24,531,138.21
Hangzhou Nbond Nonwovens Co., Ltd.	Material	125,310.81	200,000.00	No	117,833.62
Hangzhou GreatStar Precision Machinery Co., Ltd.	Service Fee	57,850.54	2,500,000.00	No	36,018.81
Changzhou Stabila Laser Instrument Co., Ltd.	Material	9,007.19			

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	Hand tools and spare	8,390,378.64	8,241,166.72

companies	parts		
Hangcha Group Co., Ltd. and its affiliated companies	Lidar sensors	2,668,862.94	1,008,327.38
Changzhou Stabila Laser Instrument Co., Ltd.	Laser measuring instrument	1,787,675.81	1,636,921.48
Changzhou Stabila Laser Instrument Co., Ltd.	Consulting service fee	17,696.12	180,110.47
Changzhou Stabila Laser Instrument Co., Ltd.	Utility expenses	70,980.00	340,971.66
Zhejiang Xinchai Co., Ltd.	Hand tools and spare parts		9,451.33
GreatStar Holding Group Co., Ltd.	Hand tools and spare parts	2,647.07	737.20
Zhongce Rubber Group Co., Ltd. and its affiliated companies	Hand tools and spare parts	28,920.35	
Hangzhou GreatStar Precision Machinery Co., Ltd.	Hand tools and spare parts	26.55	

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.,	Buildings	106,470.00	108,751.50

Ltd.			

The Company as the lessee:

Unit: RMB

Lessor	Types of assets leased	Simplified rental expenses for short-term lease and low-value asset lease (if applicable)		Variable lease payment not adopted in the measurement of lease liabilities (if applicable)		Rental payment		Interest expenditure incurred from lease liabilities		Incremental right-of-use assets	
		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 Great Star Precision Machinery Co., Ltd.	Buildings	594,495.42	582,568.81			525,500.00	325,000.00				
Guangzhou Hangcha Leasing Co., Ltd.	Transport equipment	13,274.34	32,079.65			15,000.00	25,000.00				

Notes on related party leases

(3) Key management's emoluments

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Key management's emoluments	9,074,695.94	6,555,864.08

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.	2,875,206.52	143,760.33	3,097,888.75	154,894.44
Accounts receivable	Hangcha Group Co., Ltd. and its affiliated companies	3,752,669.08	204,464.01	4,557,436.37	306,569.08
Accounts receivable	GreatStar Holding Group Co., Ltd.			1,231.20	61.56
Accounts receivable	Zhongce Rubber Group Co., Ltd. and its affiliated companies	3,960.00	198.00	18,320.00	916.00
Accounts receivable	Hangzhou GreatStar Precision Machinery Co., Ltd.	30.00	1.50		
Subtotal		6,631,865.60	348,423.84	7,674,876.32	462,441.08
Advances	Hangcha Group Co.,	399,544.82	19,977.24	1,254,840.83	62,742.04

paid	Ltd. and its affiliated companies				
Advances paid	Hangzhou Nbond Nonwovens Co., Ltd.	58,930.95	2,946.55	1,068.56	53.43
Subtotal		458,475.77	22,923.79	1,255,909.39	62,795.47
Other receivables	Changzhou Stabila Laser Instrument Co., Ltd.			65,371.72	3,268.59
Subtotal				65,371.72	3,268.59
Other non-current assets	Hangcha Group Co., Ltd. and its affiliated companies	4,350,000.00		4,350,000.00	
Subtotal		4,350,000.00		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	19,360,453.54	28,405,737.13
Accounts payable	Zhongce Rubber Group Co., Ltd. and its affiliated companies	6,610,306.00	13,565,032.02
Accounts payable	Hangzhou GreatStar Precision Machinery Co., Ltd.	542,500.00	796,000.00
Accounts payable	Changzhou Stabila Laser Instrument Co.,	298,202.34	301,064.24

	Ltd.		
Subtotal		26,811,461.88	43,067,833.39
Contract liabilities	Hangcha Group Co., Ltd. and its affiliated companies	8.85	8.85
Subtotal		8.85	8.85

XV. Share-based Payment

XVI. Commitments and Contingencies

1. Important commitments

Significant commitments on balance sheet date

As of the approved issuing date of this report, the Company has no significant commitments to be disclosed.

2. Contingencies

(1) Important contingencies as at the balance sheet date

As of the approved issuing date of this report, the Company has no significant contingencies to be disclosed.

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

No significant contingencies to be disclosed.

XVII. Events after the Balance Sheet Date

1. Profit distribution

Pursuant to the Articles of Association and other relevant regulations, the Company has formulated the following profit distribution plan for the first half of 2026: based on the Company's total share capital of 1,194,478,182 shares as of June 30, 2026, a cash dividend of RMB 3.00 (tax inclusive) per 10 shares shall be distributed to all shareholders. The estimated total cash dividend amounts to RMB 358,343,454.60. No bonus shares shall be issued, nor shall the capital reserve be capitalized.

XVIII. Other Material Events

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	516,881.98	81,510.57	158,931.39	5,550.91	4,585.65	767,460.50
Operating cost	344,568.40	57,268.65	102,466.00	3,128.24	4,318.27	511,749.56
Total assets	2,047,302.10	187,169.86	326,349.57	14,535.77	23,031.84	2,598,389.14
Total liabilities	492,688.58	25,205.55	115,203.10	2,524.65	3,820.73	639,442.61

XIX. Notes to Major Items of 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)	2,323,655,578.92	2,224,975,096.80
1-2 years	18,922,190.87	51,524,199.82
2-3 years	4,690,998.62	4,787,439.76
More than 3 years	13,467,358.72	14,700,994.90
3-4 years	3,024,252.71	3,089,055.61
4-5 years	2,705,834.03	9,259,283.09
More than 5 years	7,737,271.98	2,352,656.20
Total	2,360,736,127.13	2,295,987,731.28

(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	2,360,736,127.13	100.00%	129,010,662.56	5.46%	2,231,725,464.57	2,295,987,731.28	100.00%	125,267,677.20	5.46%	2,170,720,054.08
Including:										
Total	2,360,736,127.13	100.00%	129,010,662.56	5.46%	2,231,725,464.57	2,295,987,731.28	100.00%	125,267,677.20	5.46%	2,170,720,054.08

Name of category for bad debt provision by portfolio:

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Within 1 year	2,323,655,578.92	116,182,778.94	5.00%
1-2 years	18,922,190.87	1,892,219.09	10.00%

2-3 years	4,690,998.62	938,199.72	20.00%
3-4 years	3,024,252.71	907,275.81	30.00%
4-5 years	2,705,834.03	1,352,917.02	50.00%
More than 5 years	7,737,271.98	7,737,271.98	100.00%
Total	2,360,736,127.13	129,010,662.56	

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	
Bad debt provision by combination	125,267,677.20	4,679,433.54		936,448.18		129,010,662.56
Total	125,267,677.20	4,679,433.54		936,448.18		129,010,662.56

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	936,448.18

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 and contract assets at the end of the period was RMB 1,535,678,688.75, accounting for 65.05% of the aggregate amount of accounts receivable and contract assets at the end of the period, and the aggregate amount of corresponding provision for bad debts and impairment of contract assets was RMB 76,783,934.44.

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	0.00	0.00
Dividend receivable	29,479,800.00	535,464.00
Other receivables	476,052,354.59	478,205,516.28
Total	505,532,154.59	478,740,980.28

(1) Dividends receivable

1) Classification of dividends receivable

Unit: RMB

Item (or the invested unit)	Closing balance	Opening balance
Dividend receivable	29,479,800.00	535,464.00
Total	29,479,800.00	535,464.00

2) Significant dividends receivable aged more than one year

Unit: RMB

Item (or the invested unit)	Closing balance	Ageing	Reasons for non-recovery	Whether Impairment occurs and judgement basis

3) Classification Disclosure by Bad Debt Provision Method

□ Applicable ☑ Not Applicable

(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	512,560,949.35	518,362,195.96
Export tax rebates	7,242,449.57	6,338,658.46
Deposits	1,875,363.51	2,060,385.48
Temporary advance payment receivable	1,579,344.91	1,448,052.28
Employee petty cash	94,968.35	43,800.00
Total	523,353,075.69	528,253,092.18

2) Aging Disclosure

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	125,371,957.27	138,791,730.05
1-2 years	374,048,761.08	362,853,200.61
2-3 years	835,524.98	875,524.98
More than 3 years	23,096,832.36	25,732,636.54
3-4 years	784,000.00	797,800.00
4-5 years	862,531.25	867,531.25
More than 5 years	21,450,301.11	24,067,305.29
Total	523,353,075.69	528,253,092.18

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	523,353,075.69	100.00%	47,300,721.10	9.04%	476,052,354.59	528,253,092.18	100.00%	50,047,575.90	9.47%	478,205,516.28
Including:										

Total	523,353,075.69	100.00%	47,300,721.10	9.04%	476,052,354.59	528,253,092.18	100.00%	50,047,575.90	9.47%	478,205,516.28

Bad debt provision by combination: Ageing combination

Unit: RMB

Item	Closing balance		
	Book balance	Provision for bad debts	Percentage of Provision
Accounts receivable from related parties within the scope of the merger	512,560,949.35	46,362,932.51	9.05%
Ageing combination	10,792,126.34	937,788.59	8.69%
Including: within 1 year	9,926,450.77	496,322.54	5.00%
One to two years	311,177.24	31,117.72	10.00%
Two to three years	141,000.00	28,200.00	20.00%
Three to four years	43,000.00	12,900.00	30.00%
Four to five years	2,500.00	1,250.00	50.00%
More than 5 years	367,998.33	367,998.33	100.00%
Total	523,353,075.69	47,300,721.10	

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
	Expected credit losses for the	Expected credit losses for the entire duration	Expected credit losses for the entire duration	

	next 12 months	(no credit impairment)	(credit impairment occurred)	
Balance as of January 1, 2026	25,032,433.09	99,626.89	24,915,515.92	50,047,575.90
Balance as of January 1, 2026 during the period				
-- Transferred to Phase II	-45,813.45	45,813.45		
-- Transferred to Phase III		-83,552.50	83,552.50	
Provision during the period	-61,397.17	29,739.05	-2,715,196.68	-2,746,854.80
Balance as of June 30, 2026	24,925,222.47	91,626.89	22,283,871.74	47,300,721.10

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) 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	
Bad debt provision by combination	50,047,575.90	-2,746,854.80				47,300,721.10

Total	50,047,575.90	-2,746,854.80				47,300,721.10

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

Unit: RMB

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

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

Unit: RMB

Unit name	Nature of payments	Closing balance	Ageing	Percentage of total closing balance of other receivables	Closing balance of provision for bad debts
Great Star Tools USA, Inc	Accounts receivable from related parties within the scope of the merger	300,088,706.79	[Note 1]	57.34%	15,004,435.34
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	19.11%	5,000,000.00
Hangzhou Ole-Systems Co., Ltd.	Accounts receivable from related parties within the scope of the merger	52,158,297.23	[Note 2]	9.97%	2,607,914.86

Zhejiang Shiwanke Electrical Appliance Co., Ltd.	Accounts receivable from related parties within the scope of the merger	36,165,994.65	[Note3]	6.91%	1,808,299.73
Hangzhou Great Star Hardware Tools Co., Ltd.	Accounts receivable from related parties within the scope of the merger	24,147,950.68	[Note4]	4.61%	21,942,282.57
Total		512,560,949.35		97.94%	46,362,932.50

5) Notes

[Note1]RMB 12,831,192.50 within 1 year, RMB 287,257,514.29 one to two years;

[Note2]RMB 1,372,500.00 within 1 year, RMB 50,785,797.23 one to two years;

[Note3]RMB 1,076,814.00 within 1 year, RMB 35,089,180.65 one to two years;

[Note4]RMB 165,000.00 元 within 1 year, RMB 605,091.67one to two years, RMB 694,524.98 two to three years, RMB 741,000.00 three to four years, RMB 860,031.25 four to five years, RMB 21,082,302.78 more than five years

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	6,300,437,843.96		6,300,437,843.96	6,300,093,665.96		6,300,093,665.96
Investment in joint ventures and associates	4,260,444,744.79		4,260,444,744.79	4,014,748,780.81		4,014,748,780.81

Total	10,560,882,588.75		10,560,882,588.75	10,314,842,446.77		10,314,842,446.77

(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 Great Star Hardware Tools Co., Ltd.	3,406,500.00		344,178.00				3,750,678.00	
Hangzhou GreatStar Sheffield Trading Co., Ltd.	5,000,000.00						5,000,000.00	

Hangzhou GreatStar Intelligent Technology Co., Ltd.	2,000,000.00							2,000,000.00	
Hangzhou Lianhe Electric Manufacturing Co., Ltd.	166,808,752.56							166,808,752.56	
Longyou Hugong Forging Three Tools Co., Ltd.	131,612,153.88							131,612,153.88	
Yiyang Tools Manufacturing Co., Ltd.	68,646,846.12						-68,646,846.12	0.00	
Ningbo Fenghua Great Star Tools Co., Ltd.	22,558,141.65							22,558,141.65	
Suzhou Xindadi Hardware Co., Ltd.	78,854,363.04							78,854,363.04	
Zhejiang Guoxin Tools	25,750,000.00							25,750,000.00	

Co., Ltd.								
Zhejiang GreatStar Tools Co., Ltd.	464,800,000.00						464,800,000.00	
Zhejiang Shiwanke Electrical Appliance Co., Ltd.	135,000,000.00						135,000,000.00	
Great Star Tools USA, Inc.	1,432,620,970.00						1,432,620,970.00	
GreatStarEurope AG	952,168,104.04						952,168,104.04	
GreatStarIndustrial Vietnam Co., Ltd	846,228,062.90						846,228,062.90	
Hong Kong GreatStar International Co., Ltd.	1,208,986,401.66						1,208,986,401.66	
GREAT STAR 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.	138,344,715.37						138,344,715.37	
Zhejiang Yiyang Tool Manufacturing Co., Ltd.	64,205,381.72					68,646,846.12	132,852,227.84	
Total	6,300,093,665.96		344,178.00			0.00	6,300,437,843.96	

(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	Adjustment to other comprehensive inco	Other changes in equity	Declaration of issuing cash dividends or profi	Provision for accrual impairment	Others		

					under the equity method	me		ts				
I. Joint ventures												
II. Associates												
Hangzhou Zhongce Haichao Enterprise Management Co., Ltd.	2,691,920,101.39				244,522,148.47	-89,172,223.63	2,370,114.42				2,849,640,140.65	
Zhejiang Hangcha Holding Co., Ltd.	1,322,828,679.42				99,709,975.40	-8,130,518.41	-3,603,532.27				1,410,804,604.14	
Subtotal	4,014,748,780.81				344,232,123.87	-97,302,742.04	-1,233,417.85				4,260,444,744.79	
Total	4,014,748,780.81				344,232,123.87	-97,302,742.04	-1,233,417.85				4,260,444,744.79	

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

Item	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Principal business	2,897,821,638.43	2,345,675,454.00	2,835,532,606.77	2,257,357,805.18
Other business	21,472,791.87	12,680,724.01	21,010,331.27	9,675,559.49
Total	2,919,294,430.30	2,358,356,178.01	2,856,542,938.04	2,267,033,364.67

5. Investment Income

Unit: RMB

Item	Current period cumulative	Preceding period comparative
Income from long-term equity investments accounted for under the cost method	248,874,000.00	28,449,047.00
Income from long-term equity investments recognized under the equity method	344,232,123.87	342,572,992.94
Investment income from disposal of long-term equity investments		7,026,642.54
Investment income from disposal of held-for-trading	5,126,110.39	2,045,257.59

financial assets		
Discounting loss on receivables financing	-5,821,311.77	-884,673.33
Total	592,410,922.49	379,209,266.74

XX. Supplementary Information

1. Current non-recurring profit and loss statement

☑ Applicable □ Not Applicable

Unit: RMB

Item	Amount	Note
Profit or loss from disposal of non-current assets	-682,195.03	
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)	19,485,921.14	
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	450,715.84	
Gain or loss on assets under entrusted investment or management	8,386,717.26	
Reversal of impairment provision for receivables individually assessed for	7,302,709.25	

impairment		
Other non-operating revenue or expenditures	-268,794.42	
Less: Effect of income tax	4,912,872.88	
Non-controlling shareholders' equity affected (after tax)	980,536.47	
Total	28,781,664.69	--

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	6.85%	1.0923	1.0923
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gains and losses	6.70%	1.0682	1.0682

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