

TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

2024 ANNUAL REPORT

March 2025

Section I. Important Statements, Contents & Terms

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Tsann Kuen (China) Enterprise Co., Ltd. (hereinafter referred to as “the Company”) warrant that this Report is factual, accurate and complete without any false information, misleading statements or material omissions. And they shall be jointly and severally liable for that.

Cai Yuansong, company principal, and Wu Jianhua, head of the accounting work & the accounting division (head of accounting) jointly declare that the financial statements carried in this Report are factual, accurate and complete.

Except for the directors listed below, all other directors attended the board meeting in person to review this year's annual report:

Name of Director Who Did Not Attend in Person	Position of Director Who Did Not Attend in Person	Reason for Not Attending in Person	Name of Delegate
Lin Jidian	Director	Conflict with Group Business Schedule	Cai Yuansong

Any forward-looking statement such as those involving the future operational plans in this Report shall not be considered as virtual promises of the Company to investors. And investors are kindly reminded to pay attention to possible risks.

The Company’s profit distribution preplan upon review and approval of this board meeting: Based on the total 185,391,680 shares, a cash dividend of RMB1.8 (tax included) will be distributed for every 10 shares held by shareholders. No bonus shares will be granted and no capital reserve will be turned into share capital.

This Report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

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Documents Available for Reference

1. The financial statements signed and sealed by the company principal and the head of the accounting work & the accounting division (head of accounting) of the Company;
2. The original Auditor's Report sealed by the CPA firm, as well as signed and sealed by the CPAs; and
3. The originals of all the Company's documents and announcements which were disclosed on the website designated by the CSRC in the reporting period.

Terms

Term	Refers to	Content
Xiamen Tsann Kuen, MCKB, Company, the Company, TKC	Refers to	Tsann Kuen (China) Enterprise Co., Ltd.
Tsann Kuen Zhangzhou, TKL	Refers to	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.
Tsann Kuen Shanghai, TKS	Refers to	Tsann Kuen China (Shanghai) Enterprise Co., Ltd.
East Sino Development	Refers to	East Sino Development Limited
SCI	Refers to	Pt.Star Comgistic Indonesia
Orient Star Investments	Refers to	Orient Star Investments Limited
SCPDI	Refers to	Pt.Star Comgistic Property Development Indonesia
TKW	Refers to	Xiamen Tsannkuen Property Services Co., Ltd.
Yuan	Refers to	RMB Yuan

Section II. Company Profile & Financial Highlights

I. Basic information of the Company

Stock name	TKC-B	Stock code	200512
Stock exchange	Shenzhen Stock Exchange		
Company name in Chinese	厦门灿坤实业股份有限公司		
Abbr.	闽灿坤		
Company name in English	TSANN KUEN (CHINA) ENTERPRISE CO., LTD.		
Abbr.	TKC		
Legal representative	Cai Yuansong		
Registered address	No.88 Xinglong Road, Huli Industrial Park, Xiamen, Fujian Province, P.R. China		
Zip code	361006		
Office address	TSANN KUEN Industrial Park, Taiwanese Investment Zone, Zhangzhou, Fujian Province		
Zip code	363107		
Internet website	www.eupa.cn		
Email address	mm_sun@tk-eupa.com		

II. Contact us

	Board Secretary	Securities Representative
Name	Sun Meimei	Dong Yuanyuan
Contact address	TSANN KUEN Industrial Park, Taiwanese Investment Zone, Zhangzhou, Fujian Province	TSANN KUEN Industrial Park, Taiwanese Investment Zone, Zhangzhou, Fujian Province
Tel.	0596-6268161	0596-6268103
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E-mail address	mm_sun@tk-eupa.com	yy_dong@tk-eupa.com

III. About information disclosure and where this Report is placed

Stock exchange website where this Report is disclosed	Shenzhen Stock Exchange http://www.szse.cn
Media and website where this Report is disclosed	Securities Times (domestic) www.cninfo.com.cn
Where this Report is placed	TSANN KUEN Industrial Park, Taiwanese Investment Zone, Zhangzhou, Fujian Province

IV. Changes in the registered information

Unified Social Credit Code	91350200612002170L
Changes of the main business since listing	No changes
Changes of the controlling shareholder	No changes

V. Other information

The CPAs firm hired by the Company:

Name	BDO China Shu Lun Pan Certified Public Accountants LLP
Office address	3rd Floor, No. 843 Qianpu Middle 2nd Road, Lianqian Street, Siming District, Xiamen, Fujian Province
Signing CPAs	Hu Jingdong, Li Puqi

Sponsor engaged by the Company to conduct sustained supervision during the reporting period

Applicable Inapplicable

Financial consultant engaged by the Company to conduct sustained supervision during the reporting period

Applicable Inapplicable

VI. Accounting and financial highlights

Does the Company adjust retrospectively or restate accounting data of previous years?

Yes No

Unit: RMB Yuan

	2024	2023	Increase/decrease of current year over last year (%)	2022
Operating revenue (RMB Yuan)	1,701,115,450.56	1,495,632,805.41	13.74	1,584,267,529.08
Net profit attributable to shareholders of the Company (RMB Yuan)	72,782,642.48	87,937,274.85	-17.23	94,283,302.93
Net profit attributable to shareholders of the Company before extraordinary gains and losses (RMB Yuan)	62,933,014.15	64,205,388.70	-1.98	73,172,417.28
Net cash flows from operating activities (RMB Yuan)	136,383,412.09	123,045,935.61	10.84	164,775,609.26
Basic EPS (RMB Yuan/share)	0.39	0.47	-17.02	0.51
Diluted EPS (RMB Yuan/share)	0.39	0.47	-17.02	0.51
Weighted average ROE (%)	6.71	8.35	-1.64	9.46
	As at 31 Dec. 2024	As at 31 Dec. 2023	Increase/decrease of current year-end than last year-end (%)	As at 31 Dec. 2022
Total assets (RMB Yuan)	2,635,048,828.74	2,590,275,267.50	1.73	2,607,540,908.00

	2024	2023	Increase/decrease of current year over last year (%)	2022
Net assets attributable to shareholders of the Company (RMB Yuan)	1,102,399,642.68	1,074,939,227.19	2.55	1,040,523,297.91

The lower of the company's net profit before and after extraordinary gains and losses in the last three fiscal years was negative, and the audit report of the last year shows that the company's ability to continue as a going concern is uncertain

Yes No

Whether the lower of the net profit attributable to shareholders of the Company before and after extraordinary gains and losses was negative

Yes No

Total shares of the Company as at closure of the last trading day before the disclosure of this Report:

Total shares of the Company as at closure of the last trading day before the disclosure of this Report (share)	185,391,680
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Fully diluted EPS based on the latest total shares:

Dividends paid to preference shareholders	0
Interest paid for perpetual bonds (RMB Yuan)	0
Fully diluted EPS based on the latest total shares (RMB Yuan/share)	0.39

VII. Differences between accounting data under domestic and overseas accounting standards

1. Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

Applicable Inapplicable

2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Applicable Inapplicable

VIII. Financial highlights by quarter

Unit: RMB Yuan

	Q1	Q2	Q3	Q4
Operating revenue	372,852,200.16	415,233,797.87	543,844,527.60	369,184,924.93
Net profit attributable to shareholders of the Company	15,205,297.84	18,784,281.79	22,945,841.12	15,847,221.73
Net profit attributable to shareholders of the Company before extraordinary gains and losses	12,931,018.26	16,214,999.10	20,396,520.18	13,390,476.61
Net cash flows from operating activities	21,430,298.05	-47,727,290.66	64,297,943.36	98,382,461.34

Any material difference between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports?

Yes No

IX. Extraordinary gains and losses

Applicable Inapplicable

Unit: RMB Yuan

Item	2024	2023	2022	Note
Gain/loss on the disposal of non-current assets (including the offset part of the asset impairment provisions)	756,104.15	12,195,899.75	730,715.85	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or continually granted at certain quotas or amounts according to the government's policies and standards	2,474,270.98	3,727,263.16	7,993,459.91	
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	13,046,390.84	18,116,561.09	24,698,675.41	Mainly gains on sale of investments in forward exchange contracts, gains on changes in fair value and gains on wealth management products
Capital occupation charges on non-financial enterprises that are recorded into current gains and losses				
Gain/loss on entrusting others with investments or asset management				
Gain/loss on entrustment loans				
Asset losses due to acts of God such as natural disasters				
Impairment provision reversal of accounts receivable on which the impairment test is carried out separately				
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments				
Current net gains and losses of subsidiaries acquired in business combination under the same control from period-begin to combination date				
Gain/loss on non-monetary asset swap				

Item	2024	2023	2022	Note
Gain/loss on debt restructuring				
One-off costs incurred by the enterprise as a result of the relevant business activities no longer continuing, such as expenses for relocating employees				
One-time effect on profit or loss for the period due to adjustments in tax, accounting and other laws and regulations				
One-time recognition of share-based payment expense due to cancellation and modification of equity incentive plans				
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date on which the right is exercisable				
Gain/loss on change of the fair value of investing real estate of which the subsequent measurement is carried out adopting the fair value method				
Gains arising from transactions at significantly unfair prices				
Gains and losses arising from contingencies unrelated to the Company's normal business operations				
Custody fee income when entrusted with operation				
Non-operating income and expense other than the above	401,350.74	5,515,235.74	3,068,167.50	
Other gain and loss items that meet the definition of an extraordinary gain/loss	0.00	128,459.45	5,901.34	
Less: Income tax effects	2,829,059.30	6,566,012.29	6,436,822.09	
Minority interests effects (after tax)	3,999,429.08	9,385,520.75	8,949,212.27	
Total	9,849,628.33	23,731,886.15	21,110,885.65	

Details of other gain and loss items that meet the definition of an extraordinary gain/loss:

Applicable Inapplicable

Explanation of Circumstances Where Items Listed as Non-Recurring Gains and Losses in the 'Explanatory Announcement No. 1 on Information Disclosure by Companies Issuing Public Securities – Non-Recurring Gains and Losses' are Classified as Recurring Gains and Losses

Applicable Inapplicable

Section III. Management Discussion & Analysis

I. Overview of the industry in which the Company operates in the reporting period

In 2024, the small appliance industry demonstrated strong resilience amidst complex and volatile global economic conditions. Although the overseas market faced adverse factors such as inventory cycles and weakening price-pull effects, it found new growth points through flexibility and innovation. Domestic market growth was robust, with smart and personalized products gaining popularity, and online sales channels becoming an important increment. Policy support further boosted industry development.

The international market size continued to grow, with the Asia-Pacific region standing out, strong demand for household cleaning products in the North American market, and intense competition in the European market. Demand for healthy, intelligent, and eco-friendly small appliances increased, bringing new opportunities due to factors like housing conditions, economic cycles, and changes in work scenarios. Technological innovation and channel updates drove industry development, with growing personalized demand, online shopping dominance, and continuous growth in e-commerce revenue and user base.

The company adheres to the development strategy of 'innovative design, specialized manufacturing, smart home appliances, and international branding.' During the reporting period, it remained focused on investment in professional design and specialized manufacturing while intensifying efforts to expand the domestic Chinese market based on its global small appliance market expansion. Through close strategic cooperation and innovative R&D with customers, the company enhanced product value by meeting customer needs, thereby creating new market demands and effectively responding to industry competition.

II. Main business during the reporting period

Develop, produce and manufacture small home appliances of gourmet cooking, home helper, tea and coffee; design and manufacture molds related to the above products, sell the products at home and abroad, and provide after-sales service.

III. Core competitiveness analysis

No material change occurred to the core competitiveness of the Company during the reporting period.

The company has long adhered to a culture of research and development, establishing a professional R&D technical service system. Leveraging forty-six years of experience in designing and manufacturing small appliances, the company has deepened its focus on professional design platforms and collaborates with global brands and customers to create value together. Through close interaction and strategic cooperation with customers, the company enhances product value through innovation, meets customer needs, creates new market demands, and effectively responds to industry competition. Additionally, the company is upgrading the EUPA Industrial Park to improve the ecosystem of supply chain strategic cooperation.

The company adheres to two major development paths: innovation R&D and technology application, implementing a dual-circulation strategy for both the global market and domestic sales. While expanding the international market, it also increases efforts to develop the domestic market. In terms of products, the company focuses on R&D directions such as product functionality, smart home appliances, and scenario-based IoT applications, providing robust, smart, green, energy-efficient, and high-value-added products. By focusing on aesthetics, quality, and value, the company creates new market demands to address industry competition.

During this reporting period, the company obtained 32 research and development patents, including 5 invention patents, 17 utility model patents, and 10 design patents. These patents help strengthen the company's intellectual property protection, leverage the advantages of independent intellectual property rights, maintain technological leadership, and continuously enhance the company's core competitiveness.

IV. Main business analysis

1. Overview

During this reporting period, the company's operating revenue was 1.701 billion yuan (RMB), an increase of 13.74% compared to the same period last year. The total profit reached 111 million yuan (RMB), a decrease of 14.70% compared to the same period last year; net profit attributable to shareholders of the listed company was 72.7826 million yuan (RMB), a decrease of 17.23% compared to the same period last year; basic earnings per share were 0.39 yuan (RMB), a decrease of 0.08 yuan (RMB) compared to the same period last year.

The changes in these indicators are mainly due to an increase in main business revenue compared to the same period last year, while profits decreased. The primary reason is that the company increased its market

share by raising the proportion of low-margin products, which lowered the overall gross margin. The company will continue to focus on innovation and specialized manufacturing in small appliances, working with customers to expand the global product sales market. Additionally, it will further intensify efforts to develop the Chinese market and fully explore the potential of new regions and markets to achieve sustained and stable development of the enterprise.

2. Revenues and costs

(1) Breakdown of operating revenues

Unit: RMB Yuan

Item	2024		2023		+/-%
	Amount	In total operating revenues (%)	Amount	In total operating revenues (%)	
By segments					
Small home appliance manufacturing	1,648,161,362.22	96.89	1,416,916,663.23	94.74	16.32
Other services	52,954,088.34	3.11	78,716,142.18	5.26	-32.73
Total	1,701,115,450.56	100.00	1,495,632,805.41	100.00	13.74
By products					
Cooking utensils	1,046,951,475.35	61.55	876,649,556.62	58.61	19.43
Everyday home appliances	450,085,933.70	26.46	423,317,994.57	28.30	6.32
Tea and coffee makers	136,456,159.10	8.02	107,759,750.66	7.21	26.63
Other products	14,667,794.07	0.86	9,189,361.38	0.62	59.62
Other services	52,954,088.34	3.11	78,716,142.18	5.26	-32.73
Total	1,701,115,450.56	100.00	1,495,632,805.41	100.00	13.74
By areas					
America	847,408,182.11	49.81	644,953,338.13	43.12	31.39
Europe	483,962,735.10	28.45	433,422,726.13	28.98	11.66
Asia	333,233,943.33	19.59	377,290,956.01	25.22	-11.68
Africa	15,758,618.31	0.93	20,888,061.42	1.40	-24.56
Australia	20,751,971.71	1.22	19,077,723.72	1.28	8.78
Total	1,701,115,450.56	100.00	1,495,632,805.41	100.00	13.74

(2) Segments, products or areas contributing over 10% of operating revenues or profit Applicable Inapplicable

Unit: RMB Yuan

Item	Operating revenue	Cost of sales	Gross profit margin (%)	Operating revenue: +/-% from last year	Cost of sales: +/-% from last year	Gross profit margin: +/-% from last year
By segments						
Small home appliance manufacturing	1,648,161,362.22	1,428,347,528.54	13.34	16.32	18.97	-1.93
Other services	52,954,088.34	13,956,531.45	73.64	-32.73	-35.76	1.24
Total	1,701,115,450.56	1,442,304,059.99	15.21	13.74	18.00	-3.06
By products						
Cooking utensils	1,046,951,475.35	904,917,723.90	13.57	19.43	22.28	-2.01
Everyday home appliances	450,085,933.70	397,179,916.97	11.75	6.32	8.04	-1.41
Tea and Coffee makers	136,456,159.10	118,649,027.25	13.05	26.63	35.41	-5.64
Other products	14,667,794.07	7,600,860.42	48.18	59.62	42.07	6.40
Other services	52,954,088.34	13,956,531.45	73.64	-32.73	-35.76	1.24
Total	1,701,115,450.56	1,442,304,059.99	15.21	13.74	18.00	-3.06
By areas						
America	847,408,182.11	744,335,500.91	12.16	31.39	35.07	-2.40
Europe	483,962,735.10	414,623,825.78	14.33	11.66	14.37	-2.02
Asia	333,233,943.33	253,641,690.97	23.88	-11.68	-8.45	-2.69
Africa	15,758,618.31	12,986,861.43	17.59	-24.56	-19.70	-4.99
Australia	20,751,971.71	16,716,180.90	19.45	8.78	7.90	0.65
Total	1,701,115,450.56	1,442,304,059.99	15.21	13.74	18.00	-3.06

In the event that the statistical caliber of the Company's main business data is adjusted during the reporting period, the Company's main business data for the latest 1 year is adjusted to the caliber at the end of the reporting period

 Applicable Inapplicable**(3) Are the Company's goods selling revenue higher than the service revenue?** Yes No

Segment	Item	Unit	2024	2023	YoY +/-%
Small home appliance	Sales volume	Unit	15,441,544	14,185,499	8.85

Segment	Item	Unit	2024	2023	YoY +/-%
manufacturing	Output	Unit	15,235,690	14,076,108	8.24
	Stockholding	Unit	615,000	820,854	-25.08

Reasons for any over-30% YoY movement of the data above:

Applicable Inapplicable

(4) Execution of signed significant sales contracts of the Company up to the reporting period

Applicable Inapplicable

(5) Breakdown of cost of sales

By segments and products

Unit: RMB Yuan

By segments	Item	2024		2023		YoY +/-%
		Amount	In total cost of sales (%)	Amount	In total cost of sales (%)	
Small home appliance manufacturing	Operating cost	1,428,347,528.54	99.03	1,200,616,079.86	98.22	18.97
Other business	Other	13,956,531.45	0.97	21,724,636.16	1.78	-35.76
Total		1,442,304,059.99	100.00	1,222,340,716.02	100.00	18.00
By products	Item	2024		2023		YoY +/-%
		Amount	In total cost of sales (%)	Amount	In total cost of sales (%)	
Cooking utensils	Operating cost	904,917,723.90	62.74	740,036,637.13	60.54	22.28
Everyday home appliances	Operating cost	397,179,916.97	27.54	367,608,077.02	30.07	8.04
Tea and Coffee makers	Operating cost	118,649,027.25	8.22	87,621,207.90	7.17	35.41
Other products	Operating cost	7,600,860.42	0.53	5,350,157.81	0.44	42.07
Other business	Other	13,956,531.45	0.97	21,724,636.16	1.78	-35.76
Total		1,442,304,059.99	100.00	1,222,340,716.02	100.00	18.00

(6) Whether there were changes of the consolidation scope during the reporting period

Yes No

(7) List of the significant changes or adjustment of the industries, products or services of the Company during the reporting period

Applicable Inapplicable

(8) List of the major trade debtors and major suppliers

List of the major trade debtors of the Company

Total sales of the top 5 customers (RMB Yuan)	1,197,346,931.10
Ratio of the total sales of the top 5 customers to the annual total sales (%)	72.65
Ratio of the total sales of related parties among the top 5 customers to the annual total sales (%)	0.00

Information of the top 5 customers of the Company

Serial No.	Name of customer	Sales amount (RMB Yuan)	Proportion in annual total sales (%)
1	1	331,652,984.76	20.12
2	2	259,752,077.92	15.76
3	3	241,052,931.67	14.63
4	4	191,137,657.70	11.60
5	5	173,751,279.05	10.54
Total		1,197,346,931.10	72.65

Notes of the other situation of the major customers

Applicable Inapplicable

List of the major suppliers of the Company

Total purchase from the top 5 suppliers (RMB Yuan)	214,563,194.42
Ratio of the total purchase from the top 5 suppliers to the annual total purchase (%)	18.97
Ratio of the total purchase from related parties among the top 5 suppliers to the annual total purchase (%)	2.75

Information of the top 5 suppliers of the Company

No.	Name of supplier	Purchase amount (RMB Yuan)	Ratio to the annual purchase amount (%)
1	1	80,080,632.81	7.08
2	2	44,639,182.81	3.95
3	3	31,443,750.00	2.78

No.	Name of supplier	Purchase amount (RMB Yuan)	Ratio to the annual purchase amount (%)
4	4	31,150,562.96	2.75
5	5	27,249,065.85	2.41
Total		214,563,194.43	18.97

Notes of the other situation of the major suppliers

Applicable Inapplicable

3. Expenses

Unit: RMB Yuan

Item	2024	2023	YoY +/- (%)	Notes of the significant changes
Selling expenses	32,229,714.35	27,727,538.87	16.24	
Administrative expenses	71,475,902.71	71,563,168.70	-0.12	
Finance expenses	1,387,692.47	20,028,975.20	-93.07	Mainly as a result of loss on foreign exchange in the period.
R&D expenses	64,932,266.81	61,202,300.78	6.09	

4. R&D investment

Applicable Inapplicable

Major R&D project name	Purpose of the project	Progress of the project	Objectives to be achieved	Expected impact on the company's future development
Innovative research and development	Developing products in line with the smart home and low-carbon environmental protection, as well as the development of automatic coffee machines and clothing care products	Ongoing	Expand market share, improve company revenue and profit	Expand market share, improve company revenue and profit

R&D personnel of the Company

	2024	2023	+/- (%)
Number of the R&D personnel (person)	386	378	2.12
Ratio to the R&D personnel (%)	10.65	10.13	0.52
Educational background of the R&D personnel			
Master or above	3	4	-25.00
Undergraduate	100	85	17.65
College graduates and below	283	289	-2.08
Age structure of the R&D personnel			
Below 30	133	141	-5.67

	2024	2023	+/- (%)
30~40	117	115	1.74
Above 40	136	122	11.48

R&D investment of the Company

	2024	2023	+/- (%)
Investment amount of the R&D (RMB Yuan)	64,932,266.81	61,202,300.78	6.09
Ratio of the R&D investment to the operating revenue (%)	3.82	4.09	-0.27
Amount of the capitalized R&D investment (RMB Yuan)	0.00	0.00	0.00
Ratio of the capitalized R&D investment to the R&D investment	0.00	0.00	0.00

Reason for any significant change in the R&D personnel structure, as well as the impact:

Applicable Inapplicable

Reason of remarkable changes over the last year of the ratio of the total R&D investment amount to the operating revenue

Applicable Inapplicable

Explanation of the reasons for the significant change in the capitalization rate of R&D investment and its reasonableness

Applicable Inapplicable

5. Cash flow

Unit: RMB Yuan

Item	2024	2023	+/- (%)
Subtotal of cash inflows from operating activities	1,921,209,060.80	1,555,144,708.80	23.54
Subtotal of Cash outflows for operating activities	1,784,825,648.71	1,432,098,773.19	24.63
Net cash flows from operating activities	136,383,412.09	123,045,935.61	10.84
Subtotal of cash inflows from investing activities	1,046,626,353.63	1,152,098,314.62	-9.15
Subtotal of cash outflows from investing activities	1,224,753,424.36	1,181,021,968.66	3.70
Net cash flows from investing activities	-178,127,070.73	-28,923,654.04	-515.85
Subtotal of cash inflows from financing activities	32,643,510.42	29,733,034.09	9.79
Subtotal of cash outflows from financing activities	111,030,342.32	136,761,356.83	-18.81
Net cash flows from financing activities	-78,386,831.90	-107,028,322.74	26.76
Net increase of cash and cash equivalents	-119,919,544.03	-13,701,382.29	-775.24

Notes of the major effects on the YoY significant changes occurred of the data above

Applicable Inapplicable

Net Cash Flow from Investing Activities: This is mainly due to an increase in net outflows of bank time deposits made for the purpose of earning interest income during this reporting period.

Net Cash Flow from Financing Activities: This is mainly due to a decrease in dividend distributions and a reduction in payments for factory rent in the industrial park during this reporting period.

Reason for any big difference between the net operating cash flow and the net profit for the reporting period

Applicable Inapplicable

V. Analysis of the non-core business

Applicable Inapplicable

Unit: RMB Yuan

	Amount	Ratio to the total profits amount (%)	Notes of the causes	Recurring or not
Investment income	37,678,574.75	34.09	Mainly due to gains from foreign exchange contracts, investment income from financial products, and interest on time deposits	Not
Gain from changes in fair value	-2,066,950.01	-1.87	Mainly due to losses from valuation of financial products and foreign exchange valuation losses	Not
Loss on credit impairment	1,247,974.06	1.13	Mainly due to the recovery of customer receivables in this period, resulting in a reversal of bad debt provisions according to accounting policies	Not
Loss on asset impairment	-9,171,148.75	-8.30	Mainly due to inventory write-downs and fixed asset impairment losses	Not
Gain on disposal of assets	756,104.15	0.68	Mainly due to gains from disposal of fixed assets	Not
Non-operating income	488,343.55	0.44	Mainly due to compensation income from order cancellations by customers	Not
Non-operating expenses	86,992.81	0.08	Mainly due to donations and payment of breach penalties	Not

VI. Assets and liabilities

1. Significant changes in asset composition

Unit: RMB Yuan

Item	31 December 2024		1 January 2024		Change in percentage (%)	Reason for any significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Cash and cash equivalents	444,377,943.52	16.86	567,162,576.77	21.90	-5.04	

Item	31 December 2024		1 January 2024		Change in percentage (%)	Reason for any significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Financial assets held for trading	50,942,083.33	1.93	470,009,033.34	18.15	-16.22	Mainly due to a reduction in financial products
Accounts receivable	203,955,899.80	7.74	196,956,220.12	7.60	0.14	
Contract assets						
Inventories	194,399,523.78	7.38	192,409,333.82	7.43	-0.05	
Current portion of non-current assets	51,260,694.44	1.95	0.00	0.00	1.95	Mainly due to an increase in transfers of short-term debt investments maturing within one year during this reporting period.
Debenture investment	540,534,660.69	20.51	100,076,779.20	3.86	16.65	Mainly due to an increase in time deposits maturing after more than one year during this reporting period
Investment properties	19,287,755.23	0.73	18,464,309.18	0.71	0.02	
Long-term equity investments						
Fixed assets	146,795,190.83	5.57	157,096,267.26	6.06	-0.49	
Construction in progress	3,462,300.89	0.13	1,773,322.12	0.07	0.06	Mainly due to the renovation of the component plant of SCI, a subsidiary, not having been accepted during this reporting period
Use rights assets	353,943,869.92	13.43	368,563,991.68	14.23	-0.80	
Deferred tax assets	11,872,802.85	0.45	8,384,808.67	0.32	0.13	Mainly due to the impact of lease modifications during this reporting period
Other non-current assets	10,099,186.11	0.38	136,429.00	0.01	0.37	Mainly due to the fact that the advance payment for equipment has not been accepted during this reporting period
Short-term borrowings	0.00	0.00	0.00	0.00	0.00	
Notes payable	19,418,627.35	0.74	9,137,361.03	0.35	0.39	Mainly due to an increase in procurement amounts in the fourth quarter of this period compared to the same period last year, resulting in

Item	31 December 2024		1 January 2024		Change in percentage (%)	Reason for any significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
						an
Contract liabilities	16,296,739.65	0.62	16,485,904.83	0.64	-0.02	
Taxes payable	18,310,394.76	0.69	58,404,241.58	2.25	-1.56	Mainly due to the payment of income tax on the demolition of Phase I and Phase II plants by the subsidiary Tsann Kuen China (Shanghai) Enterprise Co., Ltd.
Long-term borrowings						
Lease liabilities	396,004,620.97	15.03	392,170,104.23	15.14	-0.11	

Overseas assets account for a higher percentage:

Applicable Inapplicable

Unit: RMB Yuan

Asset	Nature	Value	Location	Operation status	Measures taken to protect asset safety	Earnings	In the Company's net assets (%)	Any major impairment risk or not
SCI	Investment	175,246,586.46	Indonesia	Small home appliance manufacturing	Periodic review	-14,277,253.71	15.90	Provision for impairment of long term equity investment has been made for a significant amount of loss in FY2024.
Other information	<p>1) East Sino established an impairment allowance of HKD45,443,385.00 for the long-term equity investment in SCI in 2024.</p> <p>2) TKL established impairment allowances of RMB42,082,392.25 in total for the long-term equity investments in East Sino in 2024.</p> <p>The impairment allowances above had no impact on the consolidated profit/loss of the Company.</p>							

2. Assets and liabilities measured at fair value

Applicable Inapplicable

Unit: RMB Yuan

Item	Opening balance	Profit/loss on fair value changes in this reporting period	Cumulative fair value changes charged to equity	Impairment provided in this reporting period	Purchased in this reporting period	Sold in this reporting period	Other changes	Closing balance
Financial assets								
1. Held-for-trading financial assets (excluding derivative financial assets)	469,576,233.34	-1,634,150.01			50,000,000.00	467,000,000.00		50,942,083.33
2. Derivative financial assets	432,800.00	-432,800.00						0.00
3. Other debt investments								
4. Other equity instrument investments	40,000.00							40,000.00
5. Other non-current financial assets								
Subtotal of financial assets	470,049,033.34	-2,066,950.01			50,000,000.00	467,000,000.00		50,982,083.33
Investment properties								
Productive biological assets								
Others								
Total of the above	470,049,033.34	-2,066,950.01			50,000,000.00	467,000,000.00		50,982,083.33
Financial liabilities								

Any significant changes in the major assets' measurement attributes of the Company in the Reporting Period?

Yes No

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

Among other monetary funds, RMB 2,487,216.02 is the letter of credit deposit. Other than the mentioned restricted funds, the Company does not have other funds with restrictions or potential recovery risks due to mortgage, pledge, or freezing in the currency funds at the end of the period.

VII. Investments made

1. Total investments made

Applicable Inapplicable

2. Significant equity investments made in this reporting period

Applicable Inapplicable

3. Significant non-equity investments ongoing in this reporting period

Applicable Inapplicable

4. Financial investments

(1) Securities investments

Applicable Inapplicable

(2) Investment in derivative financial instruments

☑ Applicable ☐ Inapplicable

1) Investments in derivatives for hedging purposes during the reporting period

☑ Applicable ☐ Inapplicable

Unit: RMB'0,000

Types of Derivatives Investments	Initial investment amount	Amount at begin of period	Gains or losses on changes in fair value during the period	Accumulated fair value changes included in equity	Amount acquired during the reporting period	Amount sold during the reporting period	Amount at end of period	Investment amount as a percentage of the company's net assets at the end of the reporting period (%)
Forward foreign exchange	34,107.50	7,122.59	-43.28	0.00	26,984.91	34,107.50	0.00	0.00
Total	34,107.50	7,122.59	-43.28	0.00	26,984.91	34,107.50	0.00	0.00
A description of the accounting policies and specific principles of accounting for hedging operations during the reporting period, and whether there have been any significant changes from the previous reporting period	N/A							
Actual profit or loss for the reporting period	The realized gains from the derivative investments that were settled during the reporting period amounted to RMB 321,300, while the unrealized losses from the unsettled portion were assessed at RMB 432,800 (mainly due to the reversal of previously assessed gains from unsettled forward foreign exchange transactions in the prior year).							
Illustration of hedging effectiveness	The Company uses hedging as a means to avoid and prevent the risk of exchange rate fluctuations for the purpose of carrying out derivatives trading business is conducive to avoiding the risk of exchange rate fluctuations and enhancing financial soundness.							
Sources of funding for derivative investments	Own funds							
Risk analysis of derivative positions and description of control measures for the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<p>1. Risk analysis of derivative positions: exchange gains or losses arising from the difference between the contracted exchange rate on the delivery date and the market rate on the delivery date.</p> <p>2. Control measures.</p> <p>(1) Principles: The Company's financial derivative operations are all for hedging purposes and it is not allowed to engage in non-hedging transactional operations; the Company shall not engage in complex derivative transactions beyond the actual needs of its operations and shall not engage in derivative speculation under the pretext of hedging; the total amount of the Company's overall hedging contracts shall not exceed the net exposure of existing assets and liabilities plus the net exposure of the Company's assets and liabilities arising from its operations in the coming year.</p> <p>(2) Job requirements: Personnel involved in investments should fully understand the risks of derivative investments and strictly implement the business operation and risk management system for derivative investments.</p> <p>(3) Operational norms: Before the company carries out derivative investments, it should be reasonably equipped with professional personnel in investment decision-making, business operation and risk control, and should compare and request quotations between multiple markets and multiple products. The company should strictly control the types and scale of derivative investments and use OTC-traded derivatives as far as possible.</p> <p>(4) Regular evaluation: Derivative investments shall be evaluated at least twice a month and the evaluation report shall be sent to the senior management authorized by the Board of Directors. A report on the status of the Company's financial derivative investment transactions must be submitted to the Board of Directors once a year. Each subsidiary of the Company is only required to report to the Board of Directors of that subsidiary.</p> <p>(5) Stop Loss Point: The maximum loss limit of a single derivative investment and the maximum loss limit of all investments</p>							

	shall not exceed 20% of the total amount of the investment. (6) Audit system: The audit department of the Company shall audit derivative transactions on a regular basis and prepare reports and hand in to the relevant units.
Changes in the market price of the invested derivative or the fair value of the product during the reporting period, and the analysis of the fair value of the derivative should disclose the specific methodology used and the setting of relevant assumptions and parameters	(1) The realized gains from the derivative investments that were settled during the reporting period amounted to RMB 321,300, while the unrealized losses from the unsettled portion were assessed at RMB 432,800 (mainly due to the reversal of previously assessed gains from the derivative investments in the prior year). (2) The original contracting bank provides a bank estimate table of current exchange rates for signed but not yet matured forward foreign exchange settlement transactions on the last trading day of each month. (3) Fair value changes in gains or losses are confirmed by multiplying the outstanding contract amount as of the end of the month by the estimated exchange rate and then comparing it with the difference in the purchase currency.
Litigation involved	N/A
Date of Disclosure of Board Announcement for Approval of Derivative Investments	2024-3-12
Date of disclosure of announcement of shareholders' meeting for approval of derivative investments	2024-5-18

(2) Derivative investments for speculative purposes during the reporting period

Applicable Inapplicable

5. Use of funds raised

Applicable Inapplicable

VIII. Sale of major assets and equity interests**1. Sale of major assets**

Applicable Inapplicable

2. Sale of major equity interests

Applicable Inapplicable

IX. Main controlled and joint stock companies

Applicable Inapplicable

Main subsidiaries and joint stock companies with over 10% effect on the Company's net profit

Unit: RMB Yuan

Company name	Relationship with the Company	Main business scope	Registered capital	Total assets	Net assets	Operating revenues	Operating profits	Net profits
TKL	Subsidiary	Small home appliance manufacturing	USD160 million	2,383,038,290.88	1,362,599,899.26	1,596,844,436.87	62,450,910.46	59,763,648.46

Subsidiaries obtained or disposed in this reporting period

Applicable Inapplicable

X. Structured bodies controlled by the Company

Applicable Inapplicable

XI. Outlook of the Company's future development**A. Future Development Strategy****(1) Strategic customer deep-dive and expansion of new clients**

Integrating the three core systems of product marketing, sales, and research and development (R&D), we have established a professional R&D technical service system. Leveraging 46 years of experience in designing and manufacturing small appliances, we are committed to deepening our expertise on specialized product platforms. We conduct in-depth studies of consumption habits and cultures across different global regions, providing optimized solutions from a product marketing perspective that not only meet but also lead market demands.

The core strategy of our enterprise is to collaborate closely with clients, creating a competitive edge in product value, and launching products that align with market needs. In terms of client market management, we focus our resources on strategic partnerships, directing effective resources towards clients who align with future growth, fostering a mutually beneficial and win-win relationship. Simultaneously, we actively seek opportunities to expand into new markets and acquire new clients, nurturing emerging clients with potential.

(2) Expansion of Tsann Kuen EÜPA brand management in the Chinese market

Enhance the application of smart operations, scene interconnection, 5G, and other technologies to meet people's demands for high-quality and convenient living. Launch a series of home appliances that are convenient, intelligent, personalized, and healthy. Establish an independent R&D system for domestic products, with a focus on brand strategy and the development of smart home appliances.

Market Development in China: Advance both online and offline marketing channels simultaneously, promoting the development of OBM (Original Brand Manufacturer) and ODM (Original Design Manufacturer) products concurrently. Focus on new consumer groups, specialized products, new channels, and new client expansion. Introduce external forces to create strong partnerships, separate production and sales, and center brand-building strategies around consumers.

Tsann Kuen EÜPA: Professional, valuable, premium, and high-quality.

(3) Specialising in manufacturing upgrades and strategic supply chain placement

Adopt a specialized manufacturing model that integrates customer-specific zones with product lines, focusing on the intelligent automation upgrade and transformation of core component manufacturing. Deepen expertise in product technology and production process engineering to earn recognition and satisfaction from clients and consumers through professional manufacturing.

The company upgrades its management systems through digitalization, introducing new materials, technologies, processes, and equipment. By optimizing manufacturing equipment, it improves production yield and efficiency, achieving specialized and precise manufacturing. This also enhances the manufacturing and supporting capabilities within the industrial park.

Simultaneously, the company promotes the upgrade and construction of the EUPA Industrial Park, cultivating a strategic ecosystem of supply chain partnerships. This ensures precise alignment of supply and demand, efficient organizational collaboration, and IT system support, laying a solid foundation for future development.

(4) Expanding Tsann Kuen Group's domestic and international business development with innovative design and specialized manufacturing based on small home appliances as its core business

In the face of global supply chain fragmentation and reorganization, the company remains committed to its core business of innovative design and specialized manufacturing of small appliances, leveraging 46 years of experience. It vigorously develops the commercial frameworks in Huli, Xiamen, and Jiading, Shanghai, providing a robust support platform for the Chinese market. By utilizing the regional advantages of Huli and Jiading, the company forms a unique EUPA business development model.

Implementing a strategy of diversifying market regions, the company further develops its overseas manufacturing base in PT. EUPA Indonesia. It accelerates the integration of the supply chain and autonomous markets at the Indonesian manufacturing base, actively responding to international trade barriers. By fully utilizing the cooperative advantages of the "Belt and Road" initiative, the company aims to seize opportunities in overseas markets. This approach helps build a comprehensive model where domestic and international manufacturing and commercial development mutually reinforce each other within the EUPA Group.

B. Key risk factors for future development

(1) International Risk Factors

Complex International Environment: The global supply chain system is currently undergoing restructuring and reshaping. The situation surrounding the Russia-Ukraine conflict, along with the rise of international trade protectionism, has exacerbated trade barriers such as tariffs, technical standards, intellectual property protection, and anti-dumping measures. The environment for the small appliance industry has thus become increasingly complex and volatile.

Market Demand and Cost Pressures: Slow recovery of the international economy, increased exchange rate volatility, rising comprehensive manufacturing costs, and global inflationary pressures are factors that cannot be effectively mitigated in the short term. These conditions have led to a decline in international market demand and consumer purchasing power, posing a risk to the company's revenue growth expectations due to decreased international demand. Despite these challenges, the company will continue to advance the development of its overseas manufacturing base in PT. EUPA Indonesia. It aims to accelerate the integration of the supply chain and autonomous markets at the Indonesian manufacturing base, fully utilizing the cooperative advantages of the "Belt and Road" initiative to seize opportunities in overseas markets and address the aforementioned challenges.

(2) Domestic Risk Factors

Labor and Talent Challenges: Domestic labor costs are continuously rising, and the age structure of the manufacturing workforce is aging. Additionally, talent is shifting towards other sectors, which impacts the transmission and upgrading of manufacturing capabilities, exacerbates the fragmentation of the global supply chain, weakens China's manufacturing advantages, and reduces international market competitiveness. To address this issue, the company is committed to promoting specialized and automated manufacturing systems, driving upgrades in the supply chain, and continuously improving the production work environment. The company also strengthens policies for talent selection, training, and retention, reinforces corporate culture development, and builds a core organizational talent structure to enhance its overall competitiveness.

(3) Exchange rate fluctuation

Impact of Exchange Rate Fluctuations: Significant fluctuations and uncertainties in the exchange rates of major global currencies, coupled with the substantial liquidity of cross-border capital in China, have exacerbated the volatility of the RMB exchange rate. Given that the company's products are primarily export-oriented, exchange

rate fluctuations have a considerable impact on its business operations. To address this issue, the company has implemented several measures to mitigate the effects of exchange rate changes. These include using financial instruments for risk hedging, fully considering the impact of exchange rate risks when accepting orders, and employing a combination of RMB and foreign currency transactions when purchasing materials. This approach aims to transfer or offset exchange rate risks, thereby reducing the adverse effects of exchange rate volatility on the company's operational performance.

(4) Energy and Low-Carbon Environmental Protection Risk Factors

Green Development Requirements: In the global trend towards energy conservation, environmental protection, and low-carbon development, companies must actively adapt their production processes and product development directions to align with these changes. This is essential for safeguarding the environment and public health, and it represents a critical development trend that companies must address. Our company has clearly adopted "green, energy-efficient, and healthy" as its product development strategy. We continuously prioritize lean manufacturing processes as a core strategy, introduce environmentally friendly new materials, increase automation investments, and enhance eco-friendly process technologies. These efforts aim to drive our products towards green, energy-efficient, and healthy development, meeting market demands for environmentally friendly and low-carbon products, and enhancing the company's sustainable development capabilities.

(5) Market Risks and Opportunities Factors

Market and Consumer Changes: The transformation and relocation of the global supply chain system have led to the formation of new market segments, presenting profound opportunities and challenges for business development. Our company actively seizes this situation by having our business teams engage in commercial activities in the Americas and Europe, actively participating in domestic and international home appliance exhibitions, and inviting multiple strategic clients to conduct in-depth factory visits and research. We foster close business collaborations. The company will continue to focus on innovative design and specialized manufacturing in small appliances, working hand-in-hand with clients to expand global product sales markets. Additionally, we will further intensify our efforts to develop the Chinese market and fully tap into the potential of new regions and markets, ensuring the company's continuous and stable development.

C. Industry trends and market outlook

Entering the Wireless, Information, and Smart Era, smart home appliances have become a new engine for the development of the small appliance industry, driving products towards intelligent and multifunctional transformation. Below is a detailed analysis of industry trends and market outlook:

(1) International Market Demand and Trends

Dominance of European and American Markets with High Potential in Emerging Markets: European and American countries have always been the primary consumer markets for small appliances. On average, households in these regions own numerous small appliances with short usage cycles, leading to high replacement demand. Meanwhile, emerging markets such as Southeast Asia and the Middle East exhibit significant attractiveness and development potential.

Intelligence, Scale, Energy Efficiency, and Environmental Protection are Mainstream: With economic growth, improved living standards, and higher international environmental standards, intelligent, large-scale, energy-efficient, and environmentally friendly small appliances have become mainstream market trends.

(2) Domestic Production and Competitive Landscape

Significant Advantages of Chinese Production Bases: China has become the primary global production base for small appliances due to advantages in labor, costs, technology, and industrial support, handling most of the world's small appliance manufacturing.

Intensified Competition, Specialization, and Branding Trends: Large home appliance manufacturers and international brands are increasingly entering the small appliance market, intensifying competition. Companies will focus more on specialization, systematization, and branding to capture greater market share. Enterprises with weaker financial and R&D capabilities, lacking cost advantages and market management skills, will gradually be phased out.

(3) Domestic Market Prospects

Changing Consumption Concepts and Growing Demand: The domestic sales market in China continues to look promising. With changing consumption concepts, the launch of new products, and upgrades of existing ones, demand for small appliances in China will continue to grow.

Brand Dominance and Market Expansion: China's home appliance industry has entered an era where brand dominance prevails. Small appliances in China are still in their growth phase. Policies like "trade-in" and "home appliances to rural areas" stimulate demand for product upgrades, potentially releasing pent-up demand in the existing appliance market. From a demand perspective, trends like "single-person economy," "aesthetic economy," and "silver economy" drive the segmentation of small appliance demand scenarios, meeting consumers' pursuit of personalized and high-quality lifestyles, thus expanding and upgrading consumption.

(4) Technological Innovation and Product Upgrades

Expansion of Intelligent and Humanized Functions: With continuous advancements in IoT and AI technologies, small appliances will achieve more intelligent and humanized functions, such as smart ingredient recognition and monitoring, recipe recommendations, and intelligent adjustments based on fabric material and dryness levels for clothing care.

Growing Popularity of Eco-Friendly and Energy-Efficient Products: Supported by national energy-saving and environmental policies, health-conscious and energy-efficient home appliances are gaining popularity among consumers. The small appliance industry will continue to expand in multifunctionality, aesthetic appeal, intelligence, and health benefits.

(5) Changes in Sales Channels

Dominance of Online Channels and Rise of Social E-commerce: There is a clear trend towards shifting small appliance sales channels online, with social e-commerce platforms becoming important incremental channels through content marketing and social sharing to boost sales.

Omni-channel Retail Becomes Mainstream: The integration of online and offline channels into omni-channel retail models will become the mainstream trend, enhancing consumer experiences.

In Summary, the small appliance industry, driven by trends towards intelligence, healthiness, environmental protection, diversification, and omni-channel retail, has a promising future. Companies need to continuously strengthen technological innovation, improve product quality and design to meet consumers' increasingly diverse needs, while actively expanding both domestic and international markets to enhance brand influence and market competitiveness.

XII. Visits paid to the Company for purposes of research, communication, interview, etc. in this reporting period

Applicable Inapplicable

Date of visit	Place of visit	Way of visit	Type of visitor	Visitor	Contents and materials provided	Index to main inquiry information
February 27, 2024	The Company	By phone	Individual	Mr. Zhou	Inquired about the issue of low stock prices. No materials provided.	None
February 29, 2024	The Company	By phone	Individual	Mr. Luo	Inquired about the company's dividend distribution issues. No materials provided.	None
March 18, 2024	The Company	By phone	Individual	Mr. He	Inquired about the company's dividend distribution and production and operation situation. No materials provided for domestic sales situation.	None
March 18, 2024	The Company	By phone	Individual	Mr. Zhang	Inquired about the company's dividend distribution and production and operation situation with GEM transfer board issues. No materials provided.	None
April 11, 2024	The Company	By phone	Individual	Mr. Jin	Inquired about the company's dividend distribution and production and operation situation with GEM transfer board issues. No materials provided.	None
May 23, 2024	The Company	By phone	Individual	Mr. Zhang	Inquired about the company's dividend distribution and repurchase issues. No materials provided.	None

Date of visit	Place of visit	Way of visit	Type of visitor	Visitor	Contents and materials provided	Index to main inquiry information
June 7, 2024	The Company	By phone	Individual	Ms. Zhao	Inquired about the company's dividend distribution situation and whether there is a delisting risk. No materials provided.	None
June 12, 2024	The Company	By phone	Individual	Ms. Chen	Inquired about the company's production and operation situation. No materials provided.	None
July 5, 2024	The Company	By phone	Individual	Mr. Cai	Inquired about the company's production and operation situation. No materials provided.	None
July 10, 2024	The Company	By phone	Individual	Mr. Gu	Inquired about the company's production and operation situation and GEM transfer board issues. No materials provided.	None
August 19, 2024	The Company	By phone	Individual	Mr. Ding	Inquired about the company's production and operation situation and GEM transfer board issues. No materials provided.	None
September 5, 2024	The Company	By phone	Individual	Mr. Guo	Inquired about the company's production and operation situation and Yenzi Company's production and operation situation. No materials provided.	None
October 11, 2024	The Company	By phone	Individual	Yi Fangda Fund, Tang Bolun, Bai Dashu (Shanghai) Private Equity Fund, Jin Xuanyang, Huatai Securities Wu Ming	Inquired about the company's production capacity situation, especially the impact of overseas production layout, European and American tariffs, cash flow, and exchange rate expectations. No materials provided.	www.cninfo.com.cn
October 18, 2024	The Company	By phone	Individual	Mr. Deng	Inquired about the company's production and operation situation and GEM transfer board issues. No materials provided.	None
October 24, 2024	The Company	By phone	Individual	Ms. Ying	Inquired about the company's third-quarter report situation and	None

Date of visit	Place of visit	Way of visit	Type of visitor	Visitor	Contents and materials provided	Index to main inquiry information
					stock price issues. No materials provided.	
October 28, 2024	The Company	By phone	Individual	Mr. Ding	Inquired about the company's production and operation situation and GEM transfer board issues. No materials provided.	None
November 6, 2024	The Company	By phone	Individual	Mr. He	Inquired about the impact of future Trump's additional tariffs on the company and the company's response measures. No materials provided for GEM transfer board situation.	None
November 7, 2024	The Company	By phone	Individual	Mr. Zhang	Inquired about the impact of future Trump's additional tariffs on the company and GEM transfer board situation. No materials provided.	None
December 2, 2024	The Company	By phone	Individual	Mr. Chen	Inquired about the impact of the listed company's regulatory guidance No. 10 - Market Value Management on the company and GEM transfer board situation. No materials provided.	None
December 4, 2024	The Company	By phone	Individual	Mr. Chen	Inquired about the impact of the listed company's regulatory guidance No. 10 - Market Value Management on the company. No materials provided.	None
December 13, 2024	The Company	By phone	Individual	Mr. Chen	Inquired about the impact of the listed company's regulatory guidance No. 10 - Market Value Management on the company. No materials provided.	None
December 19, 2024	The Company	By phone	Individual	Mr. Chen	Inquired about the impact of tariff changes and response methods. No materials provided for market value management requirements' impact on the company.	None
December 23, 2024	The Company	By phone	Individual	Mr. Jin	Inquired about GEM transfer board issues. No materials provided.	None

XIII. Implementation Status of Market Value Management System and Valuation Enhancement Plan

Has the company established a market value management system?

Yes No

Has the company disclosed a valuation enhancement plan?

Yes No

In 2025, to enhance the investment value of the company and improve shareholder return capabilities, the company will implement the following specific measures:

- 1.Focus on core business operations to enhance operational quality and company performance.
- 2.Implement a stable cash dividend policy to effectively reward investors.
- 3.Strengthen investor relations management and improve the quality of information disclosure.

XIV. Implementation Status of the "Dual Enhancement of Quality and Return" Action Plan

Has the company disclosed an announcement regarding the "Dual Enhancement of Quality and Return" action plan?

Yes No

Section IV. Corporate Governance

I. Basic details of corporate governance

During the reporting period, the company strictly adhered to the requirements of the "Company Law", "Securities Law", "Guidelines for Corporate Governance of Listed Companies", "Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange", and other laws and regulations. The company continuously improved and perfected its governance structure and systems, establishing a relatively complete corporate governance framework. In accordance with relevant regulations by the China Securities Regulatory Commission (CSRC), the company has established a system for holding accountable any significant errors in annual report information disclosure, which is strictly enforced during the preparation and disclosure of annual reports. Currently, the status of the company's corporate governance structure basically meets the requirements set forth in the CSRC's issued guidelines on listed company governance, with no unresolved governance issues. The company's governance situation is as follows:

1.Shareholders and Shareholders' Meetings

The company convenes shareholders' meetings according to the "Articles of Association" and the "Rules of Procedure for Shareholders' Meetings", treating all shareholders equally and ensuring that minority shareholders enjoy equal status, allowing all shareholders to fully exercise their rights.

2.Controlling Shareholder and Company

The controlling shareholder strictly exercises the rights and obligations of an investor in accordance with the "Company Law". Independence has been achieved between the controlling shareholder and the listed company in terms of business, assets, institutions, and finance. The board of directors, board of supervisors, and internal bodies of the company can operate independently, bearing responsibility and risks independently, thereby safeguarding the legitimate rights and interests of investors.

3.Directors and Board of Directors

The company rigorously elects directors following the procedures stipulated in the "Articles of Association", with the number and composition of the board meeting legal and regulatory requirements. The board of directors earnestly implements the "Rules of Procedure for Board Meetings" to ensure efficient operation and scientific decision-making. All directors faithfully, honestly, and diligently perform their duties, attending board meetings and shareholders' meetings with a responsible attitude, and actively participating in relevant training.

4.Supervisors and Board of Supervisors:

The company's board of supervisors strictly enforces the provisions of the "Company Law" and the "Articles of Association", with the number and composition meeting legal and regulatory requirements. Supervisors implement the "Rules of Procedure for Board of Supervisors", conscientiously fulfilling their duties, and can independently and effectively inspect and supervise the legality and compliance of major decisions concerning

company finances; they also oversee the lawful performance of duties by company directors and senior management and the implementation of board and shareholders' meeting resolutions.

5. Information Disclosure and Transparency

The company strictly fulfills its obligation to disclose information in accordance with the "Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange", "Self-Regulatory Guidelines No. 5 - Information Disclosure Management" and other relevant rules and normative documents, ensuring that all shareholders have equal opportunities to obtain company-related information.

6. The Company Does Not Engage in Competitive Business:

Going forward, the company will continue to strictly comply with the "Company Law", "Securities Law", "Basic Standards for Enterprise Internal Control", "Supporting Guidelines for Enterprise Internal Control", and other governance norms issued by the CSRC for listed companies. It aims to further improve the corporate governance structure, strengthen governance efforts, refine governance and internal control systems, intensify oversight of internal controls, enhance operational efficiency, standardize operations, and elevate the level of corporate governance. The goal is to maximize profits and genuinely protect the legitimate interests of minority shareholders.

Whether there are material differences between the actual state of corporate governance and the provisions on governance of listed companies issued by laws, administrative regulations and the CSRC

Yes No

II. Independence from the controlling shareholder and actual controller in asset, personnel, finance, organization and business

The Company is independent from its controlling shareholder in aspects such as business, personnel, assets, organization and finance.

III. Horizontal competition

Applicable Inapplicable

IV. Annual and special meetings of shareholders convened during this reporting period

1. Meetings of shareholders convened during this reporting period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to meeting resolution
2023 Annual Meeting of Shareholders	Annual	45.87%	17 May 2024	18 May 2024	www.cninfo.com.cn
2024 First Interim General Meeting	Interim	45.88%	30 July 2024	31 August 2024	www.cninfo.com.cn

2. Special meetings of shareholders convened at the request of preference shareholders with resumed voting rights

Applicable Inapplicable

V. Directors, supervisors and executive officers

1. Basic information

Name	Office title	Incumbent/former	Gender	Age	Starting date of tenure	Ending date of tenure	Opening shareholding (share)	Stock options	Restricted shares granted (share)	Increase in this reporting period (share)	Decrease in this reporting period (share)	Other changes (share)	Closing shareholding (share)	Reasons for the share changes
Cai Yuansong	Chairman of the Board & GM	Incumbent	Male	68	2021-05-19	2026-5-18	0	0	0	0	0	0	0	
Lin Jidian	Director	Incumbent	Male	56	2020-04-24	2026-5-18	0	0	0	0	0	0	0	
Wang Youliang	Director	Incumbent	Male	56	2020-04-24	2026-5-18	0	0	0	0	0	0	0	
Cai Bingfeng	Director	Incumbent	Male	40	2022-05-13	2026-5-18	0	0	0	0	0	0	0	
Liu Luhua	Independent director	Incumbent	Male	55	2020-04-24	2026-5-18	0	0	0	0	0	0	0	
Wu Yibing	Independent director	Incumbent	Male	43	2020-04-24	2026-5-18	0	0	0	0	0	0	0	
Tang Jinmu	Independent director	Incumbent	Male	59	2023-05-19	2026-5-18	0	0	0	0	0	0	0	
Yang Yongquan	Supervisory Board chairman	Incumbent	Male	60	2020-04-24	2026-5-18	0	0	0	0	0	0	0	
Ding Hongming	Supervisor	Incumbent	Male	59	2019-10-22	2026-5-18	0	0	0	0	0	0	0	
Zheng Caiyun	Supervisor	Incumbent	Female	49	2016-06-01	2026-5-18	0	0	0	0	0	0	0	
Wu Jianhua	Financial Chief	Incumbent	Male	45	2019-03-29		0	0	0	0	0	0	0	
Sun Meimei	Board Secretary	Incumbent	Female	51	2011-04-23		0	0	0	0	0	0	0	
Total	--	--	--	--	--	--								--

Indicate by tick mark whether the directors or supervisors left and executive officers were disengaged during the tenure in this reporting period

Yes No

Changes in directors, supervisors and executive officers

Applicable Inapplicable

2. Brief biographies

Main working experience of current directors, supervisors and senior management staff

Name	Position	Educational background	Main working experience and chief responsibilities in the Company		
Cai Yuansong	Chairman of the Board & GM	Graduated from Manchester State University, Minnesota with a degree in Business Administration	1978.11.2-1987.12	Tsann Kuen (Taiwan) Enterprise Co., Ltd.	Manager, General Manager, Home Appliances/R&D Department
			1988.1.1-1993.2.16	Tsann Kuen (Xiamen) Electric Appliance Co., Ltd.	GM
			1993.2.16-2002.05.21	Tsann Kuen (China) Enterprise Co., Ltd.	Managing director
			1997.9.2-now	Thermaster Electronic (Xiamen) Ltd.	Director
			2002.5.22-2008.5.24	Tsann Kuen (China) Enterprise Co., Ltd.	Chairman of the Board
			2002.7.24-2008.7.25	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Chairman of the Board
			2011.6-now	Sekond Creative Design Co., Ltd. (Taiwan)	Chairman of the Board
			2017.4.6-2021.5.19	Tsann Kuen (China) Enterprise Co., Ltd.	Director
			2017.4.21-2021.7.5	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Director
			2018.8.14-now	EUPA Industry Corporation Limited (HK)	Director
			2018.8.14-now	Fillman Investments Limited (HK)	Director
			2018.8.14-now	FORDCHEE Development Limited (HK)	Director
			2020.2.25-now	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	Director
			2018.8.22-now	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Director
			2020.4.1-now	Tsann Kuen China (Shanghai) Enterprise Co., Ltd.	Director
			2020.4.9-2022.5.30	Tsann Kuen Japan Co., Ltd.	Chairman of the Board
			2020.4.24-2021.10.25	Gold Mine Chain Enterprise Co., Ltd	Director
			2020.4.29-2023.9.15	WISE LAND PROPERTIES LIMITED (HK)	Director
			2020.4.29-2024.07.12	WORLD KINGDOM PROPERTIES LIMITED (HK)	Director
			2020.4.29-now	East Sino Development Limited (HK)	Director
2021.5.19-now	Orient Star Investments Limited (HK)	Director			
2021.5.19-now	Tsann Kuen (China) Enterprise Co., Ltd.	Chairman of the Board & GM			
2021.7.5-now	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Chairman of the Board			

			2021.7.5-2022.7.27	Tsann Kuen (Zhangzhou) South Port Electronics Enterprise Co., Ltd.	Chairman of the Board	
			2021.07.19-2022.3.17	Shanghai Canxing Trading Co., Ltd.	Chairman of the Board	
			2021.8.04-now	PT.STAR COMGISTIC INDONESIA	Chairman of the Board	
			2018.6.23-now	Tsann Kuen Investment Co., Ltd. (Taiwan)	Director	
Lin Jidian	Director	Graduated from Department of Business Management Tatung University	1996.06-1999.08	Changjia Construction Co., Ltd.	Special assistant to GM, Audit specialist	
			1999.08-2000.10	ADDA CORPORATION	Manager of Auditing Department, assistant to Chairman of the Board	
			2000.10-2002.10	Royal DSM	Manager of Auditing Department, Special assistant to GM	
			2002.10-2004.02	GO-IN Technology Co., Ltd.	Special assistant to GM, manager of Administrative Department, speaker	
			2004.04-2013.04	General auditor of Yuen Foong Yu Paper Mfg. Co., Ltd, Chief Administration Officer of YFY Packaging Inc. in East China, Director of SinoPac Financial Holdings Company Limited, SinoPac Paper Corporation, Union Paper Corporation, China Color Printing Co., Ltd., Mitsukoshi Enterprise Co., Ltd., Yeon Technologies Co., Ltd., Huaci Bills Co., Ltd., FOONGTONE TECHNOLOGY CO., LTD., Belton Co., Ltd. (Taiwan, Japan), YFY Capital Co., Ltd., YFY Paper Co., Ltd. (Shanghai, Nanjing, Suzhou, Jiaxing, Kunshan), YFY Paper Mfg. Co., Ltd. (Yangzhou), YUENFOONGYUFAMILYCARE(KUNSHAN)COLTD, Mitsukoshi Environmental Protection Engineering Co., Ltd. (Kunshan), Ningbo Beautone Co., Ltd., Beijing Yingge Digital Co., Ltd., Senior manager of BOARDTEK ELECTRONICS CORPORATION, supervisor of Applied Wireless IDentifications Group,Inc.(US) , HOPAX		
			2013.04-2019.01	Planning Research Department and Auditing Department of TaiPei 101	Vice GM	
			2019.04-2019.12	Planning Department of HSIN TUNG YANG Co., LTD. (Taiwan)	Vice GM of E-commerce of Business	
			2019.12-2020.05	Canxing International Travel Service Co., Ltd (Taiwan)	Chairman of the Board	
			2019.12.07-now	Wing Yi International Investment Corporation (Taiwan)	Chairman of the Board	
			2019.12-2020.03.30	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Vice GM	
			2020.03.31-now	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Chairman of the Board	
			2020.04.28-2022.12.31	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	CEO	
			2020.03.31-now	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	Chairman of the Board	
			2020.01.08-2021.04.01	Tsannkuen Edge Intelligence Co., Ltd. (Taiwan)	Supervisor	
			2020.04.01-2022.05.31	Tsann Kuen Japan Co., Ltd.	Director	
			2020.04.01-2022.07.27	Tsann Kuen (Zhangzhou) South Port Electronics Enterprise Co., Ltd.	Supervisor	
2020.04.01-now	Tsann Kuen China (Shanghai) Enterprise Co., Ltd.	Director				
2020.04.01-now	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Vice Chairman of the Board				

			2020.04.21-2022.06.01	STARCOMGISTIC SINGAPORE PTE.LTD.	Director
			2020.04.01-now	Ka Wang Enterprises Limited (Hong Kong)	Director
			2020.04.01-now	Lung Tai Development Limited (Hong Kong)	Director
			2020.04.01-now	PROWORLDINTERNATIONALLIMITED (BVI)	Director
			2020.04.01-now	PT. TSANNKUEN PROPERTY DEVELOPMENT INDONESIA	Director
			2020.04.21-2021.06.17	STARCOMGISTIC AUSTRALIA PTY LTD	Director
			2020.04.20-now	Wu Wha Ma International Co., Ltd. (Taiwan)	Director
			2020.04.21-now	China Global Limited (Hong Kong)	Director
			2020.04.24-now	Gold mine chain enterprise Co., Ltd	Chairman of the Board
			2020.04.24-now	Tsann Kuen (China) Enterprise Co., Ltd.	Director
			2021.03.11-now	Dali Investment Co., Ltd. (Taiwan)	Chairman of the Board
			2022.06.01-now	Tsann Kuen Japan Co., Ltd.	Chairman of the Board
Wang Youliang	Director	Graduated from Griffith University with a degree in Accounting, Finance and Economics	2001.12-2007.06	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Accountant specialist, section head
			2007.06-2020.10	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Assistant accounting manager & Acting speaker
			2010.10-2016.10	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Financial manager
			2011.06-2021.03.10	Dali Investment Co., Ltd. (Taiwan)	Director
			2016.10-2018.12	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Senior manager of Finance Department
			2018.06-now	AXA Insurance Agent Co., Ltd. (Taiwan)	Director
			2018.12-now	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Assistant manager of Finance Department
			2019.09.25-now	Wu Wha Ma International Co., Ltd. (Taiwan)	Supervisor
			2019.01.31-2023.6.25	Wing Yi International Investment Corporation (Taiwan)	Supervisor
			2020.04.24-now	Gold mine chain enterprise Co., Ltd	Supervisor
			2021.03.11-2023.6.25	Dali Investment Co., Ltd. (Taiwan)	Supervisor
			2020.04.24-now	Tsann Kuen (China) Enterprise Co., Ltd.	Director
			2022.11.18-2024.3.7	Tsann Kuen Japan Co., Ltd.	Director
Cai Bingfeng	Director	Graduated with an MSc in International Business and Management from Bradford University, Bradford, UK	2013.04.22-2013.12.31	Thermaster Electronic (Xiamen) Ltd.	Project staff
			2014.01.02-2016.12.31	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Deputy Director of Ministry of Commerce in European Region
			2017.01.01-2022.03.21	Tsannkuen Edge Intelligence Co., Ltd.	Deputy Director of Ministry of Commerce in European Region
			2020.04.30-now	Xiamen Tsannkuen Property Services Co., Ltd.	Chairman and GM

			2020.05.09-2022.03.17	Shanghai Canxing Trading Co., Ltd.	Director
			2020.05.12-now	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Director
			2020.05.13-2022.07.27	Tsann Kuen (Zhangzhou) South Port Electronics Enterprise Co., Ltd.	Director
			2021.08.19- 2023.6.7	Tsannkuen Edge Intelligence Co., Ltd.	Chairman of the Board
			2022.05.13-now	Tsann Kuen (China) Enterprise Co., Ltd.	Director
Liu Luhua	Independent director	Graduated from Xiamen University with a master degree in Civil and Commerce Law	1991.09-1992.12	Xiamen Intermediate People's Court	Clerk
			1992.12-1993.06	Orient (Xiamen) Golf Co., Ltd.	Legal manager
			1993.06.now	Fujian Tianyi Law Firm	Partner, vice director
			2002.03-now	Xiamen Arbitration Commission	Arbitrator
			2009.08-2016.03	Xiamen XGMA Machinery Co., Ltd.	Independent director
			2012.05-now	Xiamen University Tan Kah Kee College	Part-time associate professor
			2013.04-2016.12	DAZHOU XINGYE HOLDINGS CO., LTD	Independent director
			2014.04-2020.01	Xiamen Port Development Co.,Ltd	Independent director
			2020.07.31-now	Xiamen Chengtun Mining Co., Ltd.	Independent director
			2020.04.24-now	Tsann Kuen (China) Enterprise Co., Ltd.	Independent director
			2023.05.18-now	Yuanxiang (Xiamen) International Airport Co., Ltd.	Independent Director
			Wu Yibing	Independent director	Graduated from Fudan University with a doctor degree in Accounting
2014.08.01-now	Accounting Department of School of Management, Xiamen University	Associate professor			
2019.12.30-2022.4.1	Shanghai Kinlita Chemical Co., Ltd.	Independent director			
2019.07.18-now	Leedarson IoT Technology Inc.	Independent director			
2020.04.24-now	Tsann Kuen (China) Enterprise Co., Ltd.	Independent director			
2022.01.13-now	G-bits Network Technology (Xiamen) Co., Ltd.	Independent director			
Tang Jinmu	Independent director	Graduated from Xiamen University, PhD in Finance, Senior Accountant	1988.7-1994.6	Xiamen Municipal Finance Bureau	Section
			1994.6-1998.12	Xiamen Accounting Firm	Deputy director
			1996.7-1998.12	Xiamen Asset Appraisal Institute	Head of Office
			1999.1-2001.12	Xiamen Tianjian Huatian Accounting Firm	Director, Partner
			2002.1-now	Xiamen Asset Appraisal Association	Secretary-general
			2002.1-2024.3	Xiamen Association of Certified Public Accountants	Secretary-general
			2023.5.-now	Tsann Kuen (China) Enterprise Co., Ltd.	Independent director
			2015.1.-2019.11	Xingye Leather Technology Co.	Independent director
			2016.2-2021.3	Xiamen Guangpu Electronics Co.	Independent director
			2015.11 -2021.5	Xiamen Redphase Power Equipment Co.	Independent director
2023.9.27-2025.1.22	Fujian Jinlin Forest Industry Co.	Independent director			
Yang	Supervisor	Graduated	1996.07-2003.06	Deloitte Taiwan	Audit manager

Yongquan r		from School of Accounting Department, National Taiwan University	2003.06-2003.10	Deloitte Taiwan	Audit manager
			2003.10-2005.02	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	GM of Accounting Department
			2005.03-2006.07	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Senior manager of Accounting Department
			2006.08-2007.10	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Assistant manager of Accounting Department
			2007.11-2009.12	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Senior assistant manager of Accounting Department
			2009.12- 2018.12	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Vice GM of Accounting Department
			2012.07.24-2019.10.22	Tsann Kuen (China) Enterprise Co., Ltd.	Supervisor
			2014.06.11-2019.09.13	PT.STAR COMGISTIC INDONESIA	Supervisor
			2014.07.08-2019.09.09	Shanghai Canxing Trading Co., Ltd.	Director
			2015.01.21-2019.09.09	Tsann Kuen China (Shanghai) Enterprise Co., Ltd.	Director
			2016.04.07-2020.01.07	Tsannkuen Edge Intelligence Co., Ltd. (Taiwan)	Supervisor
			2016.08.04-2019.09.13	PT.STAR COMGISTIC PRORERTY DEVELOPMENT INDONESIA	Supervisor
			2017.05.28-2019.09.09	Tsann Kuen (Zhangzhou) South Port Electronics Enterprise Co., Ltd.	Director
			2018.06.15-2019.09.09	Tsann Kuen (Zhangzhou) Investment Co., Ltd.	Supervisor
			2018.08.15-2019.04.08	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Supervisor
			2018.12.14-2019.09.30	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Vice GM of Business Management Department
			2019.04.08-2019.09.09	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Vice Chairman of the Board
			2019.06.21-2019.09.05	Xiamen Tsannkuen Property Services Co., Ltd.	Chairman of the Board
			2020.01.16-now	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Vice GM of Accounting Department
			2019.12.23-now	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	Vice GM of Business Management Department
2020.04.24-now	Tsann Kuen (China) Enterprise Co., Ltd.	Supervisory Board chairman			
Ding Hongming r	Supervisor	Graduated from Department of Industrial Engineering and Management of STUST	1991.08.13-2002.10.09	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	QRA section manager
			2002.10.10-2003.08.31	Tsann Kuen (China) Enterprise Co., Ltd.	Vice manager of glass factory
			2003.09.01-2005.05.26	Tsann Kuen China (Shanghai) Enterprise Co., Ltd.	Vice manager of Motor business department
			2005.05.27-2007.01.12	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Vice manager of Cuisinart factory
			2008.01.13-2009.08.31	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Vice manager of Iron business department
			2009.09.01-2014.08.31	Tsann Kuen (Zhangzhou) Enterprise Co.,	Manager of Central Lab

				Ltd.	
			2014.09.01-2015.08.31	PT.STAR COMGISTIC INDONESIA	Operations manager
			2015.09.01-2016.12.31	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Assistant manager of QRA
			2017.01.01-2017.12.31	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Operations assistant manager of PSO
			2018.01.01-now	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Assistant manager of QRA/Purchasing Department/laboratory
			2019.10.22—now	Tsann Kuen (China) Enterprise Co., Ltd.	Supervisor
Zheng Caiyun	Supervisor	Graduated from School of Economics and Management, Fujian Forestry College	2021.07.01-now	Tsann Kuen (China) Enterprise Co., Ltd.	Associate in Finance
			2011.06- 2021.07.01	Tsann Kuen (China) Enterprise Co., Ltd.	Financial manager
			2008.07-2011.05.31	Tsann Kuen (China) Enterprise Co., Ltd.	Vice Financial Manager
			1998.08-2008.06.30	Tsann Kuen (China) Enterprise Co., Ltd.	Account Specialist
			2014.03.05-2020.4.28	East Sino Development Limited (HK)	Director
			2017.04.28-now	Orient Star Investments Limited (HK)	Director
			2016.03.02-2018.10.30	Xiamen Tsann Kuen Home Appliance Design Co., Ltd.	Supervisor
			2018.06.15-2020.4.20	Tsann Kuen (Zhangzhou) Investment Co., Ltd.	Director
			2016.06.01-now	Tsann Kuen (China) Enterprise Co., Ltd.	Staff-representative Supervisor
			2019.9.10-2022.07.27	Tsann Kuen (Zhangzhou) South Port Electronics Enterprise Co., Ltd.	Director
			2019.9.10-2020.4.1	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Vice chairman of the Board
			2020.4.1-now	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Director
			2019.09.10-2020.4.1	Shanghai Canxing Trading Co., Ltd.	Director
			2020.4.1-2022.3.17	Shanghai Canxing Trading Co., Ltd.	Supervisor
			2019.10.14-now	PT.STAR COMGISTIC INDONESIA	Supervisor
2019.10.14-now	PT.STAR COMGISTIC PRORERTY DEVELOPMENT INDONESIA	Supervisor			
Sun Meimei	Board Secretary	China Institute of Information Management with a degree in Business Administration	2005.07-2011.04	Tsann Kuen (China) Enterprise Co., Ltd.	Securities Representative
			2011.04.23-now	Tsann Kuen (China) Enterprise Co., Ltd.	Board Secretary
			2021.7.1-now	Tsann Kuen (China) Enterprise Co., Ltd.	Secretary Office Assistant
Wu Jianhua	Financial Chief	Graduated from Department of Accounting of Fuzhou University	2003.9.1-2006.6.30	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Accounting Department clerk
			2006.7.1-2006.12.31	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Head of Cost Section of Accounting Department
			2007.1.1-2008.6.30	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Head of General Account Section of Accounting Department

		2008.7.1-2010.5.31	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Head of Sales Section of Accounting Department
		2010.06.01-2014.04.30	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Vice manager of Cost /Accounts Payable in Accounting Department
		2014.05.01-2019.03.21	Tsann Kuen (China) Enterprise Co., Ltd.	Vice manager of Cost /Accounts Payable in Accounting Department
		2019.03.22-now	Tsann Kuen (China) Enterprise Co., Ltd.	Accounting Department manager
		2019.03.29-now	Tsann Kuen (China) Enterprise Co., Ltd.	Financial Chief
		2019.05.14-now	Xiamen Tsann Kuen Property Service Co.,Ltd.	Supervisor
		2019.09.10-2020.04.20	Tsann Kuen (Zhangzhou) Investment Co., Ltd.	Supervisor
		2019.09.10-2024. 11. 13	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Supervisor
		2024.11.14-now	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Financial Chief

Posts concurrently held in shareholding entities

 Applicable Inapplicable

Name	Shareholding entity	Post	Starting date of tenure	Ending date of tenure	Allowance from the shareholding entity
Cai Yuansong	EUPA Industry Corporation Limited (HK)	Director	2018-08-14		No
Cai Yuansong	Fillman Investments Limited (HK)	Director	2018-08-14		No
Cai Yuansong	Fordchee Development Limited (HK)	Director	2018-08-14		No
Cai Yuansong	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	Director	2020-02-25		Yes
Cai Yuansong	Tsann Kuen (Taiwan) Investment Co., Ltd.	Director	2018-06-23		No
Lin Jidian	China Global Limited (HK)	Chairman of the Board	2020-03-31		Yes
Lin Jidian	Sino Global Development Ltd. (HK)	Directort	2020-04-21		No
Yang Yongquan	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	Deputy General Manager, Operations and Management	2019-12-23		Yes

Posts held concurrently in other entities

 Applicable Inapplicable

Name	Other entity	Post	Starting date of tenure	Ending date of tenure	Allowance from other entity
Cai Yuansong	Thermaster Electronic (Xiamen) Ltd.	Director	1997-09-02		No
Cai Yuansong	Sekond Creative Design Co., Ltd. (Taiwan)	Chairman of the Board	2011-06-01		Yes
Cai Yuansong	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Chairman of the Board	2021-07-05		Yes

Cai Yuansong	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	Director	2020-2-25		Yes
Cai Yuansong	Tsann Kuen China (Shanghai) Enterprise Co., Ltd.	Director	2020-04-01		No
Cai Yuansong	Wui Lung Properties Limited (Hong Kong)	Director	2020-04-29	2024-07-12	No
Cai Yuansong	East Sino Development Limited (HK)	Director	2020-04-29		No
Lin Jidian	Wing Yi International Investment Corporation (Taiwan)	Chairman of the Board	2019-12-27		No
Lin Jidian	Tsann Kuen Japan Co., Ltd.	Chairman of the Board	2022-06-01		No
Lin Jidian	Tsann Kuen China (Shanghai) Enterprise Co., Ltd.	Director	2020-04-01		No
Lin Jidian	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Vice chairman of the Board	2020-04-01		No
Lin Jidian	Wu Wha Ma International Co., Ltd. (Taiwan)	Director	2020-04-20		No
Lin Jidian	Gold mine chain enterprise Co., Ltd (Taiwan)	Vice chairman of the Board	2020-04-24		No
Lin Jidian	Dali Investment Co., Ltd. (Taiwan)	Chairman of the Board	2021-03-11		No
Lin Jidian	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	Chairman of the Board	2020-03-31		Yes
Lin Jidian	Ka Wang Enterprises Limited (Hong Kong)	Director	2020-04-01		No
Lin Jidian	Lung Tai Development Limited (Hong Kong)	Director	2020-04-01		No
Lin Jidian	PROWORLDINTERNATIONALLIMITED(BVI)	Director	2020-04-01		No
Lin Jidian	PT. TSANNKUEN PROPERTY DEVELOPMENT INDONESIA	Director	2020-04-01		No
Wang Youliang	AXA Insurance Agents Limited (Taiwan)	Director	2018-06-01		No
Wang Youliang	Tsann Kuen (Taiwan) Enterprise Co., Ltd.	Associate in Finance	2018-12-01		Yes
Wang Youliang	Wu Wha Ma International Co., Ltd. (Taiwan)	Supervisor	2019-09-25		No
Wang Youliang	Gold mine chain enterprise Co., Ltd (Taiwan)	Supervisor	2020-04-24		No
Cai Bingfeng	Xiamen Tsannkuen Property Services Co., Ltd.	Chairman and Managing Director	2020-04-30		No
Cai Bingfeng	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Director	2020-05-12		No
Liu Luhua	Fujian Tianyi Law Firm	Partner, vice director	1993-06-01		Yes
Liu Luhua	Xiamen Arbitration Commission	Arbitrator	2002-03-01		Yes
Liu Luhua	Xiamen University Tan Kah Kee College	Part-time associate professor	2012-05-01		Yes
Liu Luhua	Xiamen Chengtun Mining Co., Ltd.	Independent director	2020-07-31		Yes
Liu Luhua	Yuanxiang (Xiamen) International Airport Co.	Independent director	2023-05-18		Yes
Wu Yibing	Accounting Department of School of Management, Xiamen University	Associate professor	2014-08-01		Yes
Wu Yibing	Leedarson IoT Technology Inc.	Independent director	2019-07-18		Yes

Wu Yibing	G-bits Network Technology (Xiamen) Co., Ltd.	Independent director	2022-01-13		Yes
Tang Jinmu	Xiamen Asset Appraisal Association	Secretary-general	2022-01-01	2024-3-1	Yes
Tang Jinmu	Xiamen Association of Certified Public Accountants	Secretary-general	2022-01-01		Yes
Yang Yongquan	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Vice GM of Accounting Department	2020-01-16		Yes
Ding Hongming	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Assistant manager of Quality Assurance Department/Purchasing Department/Laboratory	2018-01-01		Yes
Zheng Caiyun	Orient Star Investments Limited (HK)	Director	2017-04-28		No
Zheng Caiyun	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Director	2020-04-01		No
Zheng Caiyun	PT.STAR COMGISTIC INDONESIA	Supervisor	2019-10-14		No
Zheng Caiyun	PT.STAR COMGISTIC PRORERTY DEVELOPMENT INDONESIA	Supervisor	2019-10-14		No
Wu Jianhua	Xiamen Tsannkuen Property Services Co., Ltd.	Supervisor	2019-05-14		No
Wu Jianhua	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Supervisor	2019-09-10	2024-11-13	No
Wu Jianhua	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Financial Chief	2024.11.14		NO

Punishments imposed in the recent three years by the securities regulators on the incumbent directors, supervisors and executive officers as well as those who left in this reporting period

Applicable Inapplicable

3. Remuneration of directors, supervisors and executive officers

Decision-making procedure, determination basis and actual remuneration payment of directors, supervisors and executive officers

According to the Company Law, the Securities Law and other laws and regulations, the remuneration of the directors and supervisors shall be decided by the Shareholders' General Meeting, while the remuneration of the senior management staffs shall be decided by the Board of Directors. And the remuneration of the directors, supervisors and senior management staffs is decided by referring the market level and according to the Company's human resource management system.

Remuneration of directors, supervisors and executive officers in this reporting period

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/former	Total before-tax remuneration from the Company	Remuneration from related parties of the Company
Cai Yuansong	Chairman of the Board & GM	Male	68	Incumbent	229.85	Yes
Lin Jidian	Director	Male	56	Incumbent	3.6	Yes
Wang Youliang	Director	Male	56	Incumbent	3.6	Yes
Cai Bingfeng	Director	Male	40	Incumbent	3.6	No
Tang Jinmu	Independent director	Male	59	Incumbent	12	No
Liu Luhua	Independent director	Male	55	Incumbent	12	No

Wu Yibing	Independent director	Male	43	Incumbent	15	No
Yang Yongquan	Supervisor Board Chairman	Male	60	Incumbent	2.4	Yes
Ding Hongming	Supervisor	Male	59	Incumbent	57.68	No
Zheng Caiyun	Supervisor	Female	49	Incumbent	29.29	No
Wu Jianhua	Financial Chief	Male	45	Incumbent	29.41	No
Sun Meimei	Board Secretary	Female	51	Incumbent	24.42	No
Total	--	--	--	--	422.85	--

VI. Performance of directors in this reporting period

1. Board meetings convened during this reporting period

Meeting	Convened date	Disclosure date	Resolutions
The First Board Meeting in 2024	2024-03-09	2024-03-12	See www.cninfo.com.cn
The Second Board Meeting in 2024	2024-04-26	2024-04-27	See www.cninfo.com.cn
The Third Board Meeting in 2024	2024-08-09	2024-08-10	See www.cninfo.com.cn
The Fourth Board Meeting in 2024	2024-10-23	2024-10-24	See www.cninfo.com.cn
The Fifth Board Meeting in 2024	2024-12-06		Reported matters only, without deliberation or voting

2. Attendance of directors in board meetings and meetings of shareholders

Attendance of directors in board meetings and meetings of shareholders							
Director	Board meeting director should attend in this reporting period (times)	Attendance at board meeting on site (times)	Attendance at board meeting by telecommunication (times)	Attendance at board meeting through a proxy (times)	Absence from board meeting (times)	Absence from board meeting for two consecutive times	Shareholders' meeting attended (times)
Cai Yuansong	5	5	0	0	0	NO	2
Lin Jidian	5	0	4	1	0	NO	1
Wang Youliang	5	0	4	1	0	NO	1
Cai Bingfeng	5	0	5	0	0	NO	2
Liu Luhua	5	5	0	0	0	NO	2
Wu Yibing	5	5	0	0	0	NO	2
Tang Jinmu	5	5	0	0	0	NO	2

Explanation of failure to attend two consecutive Board meetings in person: None

3. Objections raised by directors on issues of the Company

Indicate by tick mark whether any directors raised any objections on issues of the Company.

Yes No

4. Other details about the performance of duties by directors

Indicate by tick mark whether any suggestions from directors were adopted by the Company.

Yes No

Statement of Directors' Recommendations to the Company Adopted or Not Adopted

The directors of the Company have diligently and conscientiously performed their duties and obligations in accordance with the provisions of the Company Law, the Securities Law, the Articles of Association, the Rules of Procedure of the Board of Directors, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and other laws, regulations and systems, and their relevant suggestions on the day-to-day operation and management of the Company, as well as on matters relating to the periodic reports, have been adopted. In respect of the motions of the Board of Directors of the Company, on the basis of detailed understanding and full communication with relevant personnel, they actively expressed their opinions and suggestions, exercised their powers and played a positive role in promoting the formulation of the Company's decisions. The Independent Directors issued independent and impartial opinions on the renewal of the appointment of the accounting firm, the profit distribution plan, the projected annual daily connected transactions and other matters of the Company during the reporting period, and supervised and verified the disclosure of information, thus safeguarding the legitimate rights and interests of the Company and the small and medium-sized shareholders.

VII. Performance of duties by specialized committees under the Board during this reporting period

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other details about the performance of duties	Details about issues with objections (if any)
Strategy Committee	Cai Yousong, Lin Jiadi, Liu Lihua, Wu Yibing, Tang Jinmu	2	2024-04-26	Proposal on Revising the "Implementation Rules of the Strategy Committee"	None	None	
			2024-12-06	Company Development Strategy and 2025 Business Focus	None	None	
Nomination, Remuneration and Appraisal Committee	Liu Luhua, Lin Jidian, Cai Yuansong, Wu Yibing	2	2024-03-09	Nomination, Remuneration, and Evaluation Committee's 2023 Annual Performance Report	None	None	
			2024-04-26	Proposal on Revising the "Implementation Rules of the Nomination, Remuneration, and Evaluation Committee"	None	None	
Audit Committee	Wu Yibing, Liu Luhua, Tang Jinmu	5	2024-03-09	1. 2023 Internal Control Self-Assessment Report; 2. Full Text and Summary of the 2023 Annual Report; 3. 2023 Financial Settlement Plan; 4. 2023 Profit Distribution	None	None	

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other details about the performance of duties	Details about issues with objections (if any)
				Proposal; 5. 2024 Estimated Daily Related Transactions; 6. Feasibility Analysis Report on the Controlled Subsidiary Zhangzhou Chankun's Conduct of Financial Derivatives Transactions; 7. Proposal on the Controlled Subsidiary Zhangzhou Chankun's Conduct of Financial Derivatives Transactions; 8. Proposal on the Controlled Subsidiary Zhangzhou Chankun's Entrusted Financial Management Quota; 9. Proposal on the Controlled Subsidiary Tsann Kuen China (Shanghai) Enterprise Co., Ltd.'s Entrusted Financial Management Quota.			
			2024-04-26	1. First Quarter Report for 2024; 2. Proposal on Revising the "Implementation Rules of the Audit Committee".	None	None	
			2024-08-9	1. Full Text and Summary of the 2024 Semi-Annual Report; 2. Proposal on Changing the Accounting Firm; 3. Proposal on Formulating the "Crisis Management System".	None	None	
			2024-10-23	Third Quarter Report for 2024	None	None	
			2024-12-06	2025 Audit Plan	None	None	

VIII. Performance of duties by the Supervisory Board

Did the Supervisory Board find any risks to the Company during its supervision in this reporting period?

Yes No

IX. Employees

1. Number, functions and educational backgrounds of employees

Number of in-service employees of the Company	180
Number of in-service employees of main subsidiaries	3,445
Total number of in-service employees	3,625
Total number of employees with remuneration in this reporting period	3,787

Number of retirees to whom the Company or its main subsidiaries need to pay retirement pension	0
Function	
Category	Number of employees
Production	2,329
Sales	97
Technical	454
Financial	45
Administrative	700
Total	3,625
Educational background	
Category	Number of employees
Doctor	1
Master	11
Bachelor	262
College graduates	307
Below college	3,044
Total	3,625

2. Employee remuneration policy

The Company has established its remuneration system and formulated Remuneration Management Measures and Performance Appraisal Management Rules based position division according to the Labor Law, the internal HR Administrative Rules and relevant laws and regulations in line with the Company's strategic planning, the HR allocation on the market, the talent demand, job responsibilities and job qualifications. The staff's remuneration level has comprehensively taken the Company's operating conditions, profitability and internal fairness into consideration based on the position's value, job performance and personal ability.

3. Employee training plans

1. New staff training (on-site staff/cadres/managers/recruits boot camp).
2. Management cadre training and construction.
3. Job skills upgrading training for employees in various positions.
4. General studies courses to improve the overall quality of staff.
5. Internal instructor training team building and management.

4. Labor outsourcing

Applicable Inapplicable

X. List of the profits distribution and turning capital reserve into share capital of the Company

List of the formulation, execution or adjustment of the profits distribution policies, especially the cash dividend policies

Applicable Inapplicable

The first Board of Directors in 2024 considered and approved the Company's 2023 profit distribution proposal,

and the Company's 2023 annual general meeting held on 17 May 2024 considered and approved the annual profit distribution proposal: based on the total share capital of 185,391,680 shares as at the end of 2023, a cash dividend of RMB2.5 (inclusive of tax) per 10 shares was paid to all shareholders of the Company. The formulation of the cash dividend policy is in line with the Shareholder Return Plan for the next three years (2021-2023) formulated by the Company. The profit distribution plan was implemented on 7 June 2024 by the Company. There was no share placement or issuance of new shares during the reporting period.

Special explanation of cash dividend policy	
Whether conformed to the regulations of the Articles of association or the requirements of the resolutions of the shareholders' meeting:	Yes.
Whether the dividend standard and the proportion were definite and clear:	Yes
Whether the relevant decision-making process and the system were complete:	Yes
Whether the independent director acted dutifully and exerted the proper function:	Yes
If the company has not made cash dividends, it should disclose the specific reasons and the next steps it intends to take to enhance the level of investor returns:	N/A
Whether the medium and small shareholders had the chances to fully express their suggestions and appeals, of which their legal interest had gained fully protection:	Yes
Whether the conditions and the process met the regulations and was transparent of the adjustment or altered of the cash dividend policy:	N/A

The Company (including its subsidiaries) made profit in the reporting period and the profits distribution of the common shares held by the shareholders of the Company (without subsidiaries) was positive, but it did not put forward a preplan for cash dividend distribution of the common shares:

Applicable Inapplicable

Pre-plan for profit allocation and turning capital reserve into share capital for the reporting period

Applicable Inapplicable

Bonus shares for every 10 shares (share)	-
Dividend for every 10 shares (RMB Yuan) (tax included)	1.80
Turning capital reserve into share capital for every 10 shares (share)	-
Total shares as the basis for the allocation preplan (share)	185,391,680.00
Amount of cash dividend (RMB Yuan) (tax included)	33,370,502.40
Amount of cash dividend by other methods (like share repurchase) (RMB Yuan)	-
Total cash dividends (including those by other methods) (RMB Yuan)	33,370,502.40
Distributable profit (RMB Yuan)	394,352,682.71
Percentage of total cash bonus (including those by other methods) of the total profits dividends	100%

Cash dividend situation

If the development stage of the Company belongs to the mature period without any significant assets expenditure arrangement, when executing the profits distribution, the ratio of the cash dividend to the profits distribution of the reporting period should at least reach 80%.

Details about the profit allocation or turning capital reserve into share capital

For 2024, the Company intended to distribute a cash dividend of RMB 1.80 (tax included) for every 10 shares held by its shareholders, and the estimated distributable profits of the Company was RMB33,370,502.40 with the retained profits of RMB360,982,180.31 for carry-forward to the next year. There was no turn from capital reserve to share capital for the year.

XI. Implementation of any equity incentive plan, employee stock ownership plan or other incentive measures for employees

Applicable Inapplicable

No such cases in this reporting period.

XII. Establishment and implementation of internal control system in this reporting period**1. Establishment and implementation of internal control**

The Company has established a relatively perfect, sound and effective internal control system which can be effectively implemented.

2. Serious internal control defects found in this reporting period

Yes No

XIII. Management and control over subsidiaries in this reporting period

None

XIV. Internal control self-evaluation report and auditor's report on internal control**1. Internal control self-evaluation report**

Disclosure date of the internal control self-evaluation report	2025-03-11	
Index to the disclosed internal control self-evaluation report	www.cninfo.com.cn	
Total assets of the evaluated entities as a percentage in the consolidated total assets		100.00%
Operating revenues of the evaluated entities as a percentage in the consolidated operating revenues		100.00%
Defect identification standards		
Type	Financial-report related	Non-financial-report related
Nature standard	<p>Serious defect: Refer to one or several controlling defects groups in the enterprise which lead to the enterprise's serious deviation from controlling target.</p> <p>Important defect: Refer to one or several controlling defects groups, its severity and economic results lower than great defect which may lead to the enterprise's deviation from controlling target.</p> <p>Common defect: Refer to any financial-report related internal control defect that does not constitute serious defect or important defect.</p>	<p>Serious defect: Safety-a number of employee fatalities Company reputation- negative news spread around, the government or regulators investigated which lead to public attention, and cause huge loss of customers, or need be report.</p> <p>Important defect: Safety-lead to a employ or citizen disability or fatality Company reputation- negative</p>

		<p>news spread around the state, had complained the media or lead to the contract will be cancelled by the customers.</p> <p>Common defect: Has occurred or is about to cause harm to the health of workers or citizens</p> <p>Company reputation-negative news spread around certain region damaging the Company's reputation to some extent</p>
Quantitative standard	<p>Serious defect: >5% of total profits of consolidated statements in recent period >1% of total assets of consolidated statements in recent period >2% of total operation revenue of consolidated statements in recent period A serious violation of laws, regulations and rules and the government's policy, was restricted enter industry, suspended business licenses, forced to shut down.</p> <p>Important defect: Within 3%~5% of total profits of consolidated statements in recent period Within 0.5%~1% of total assets of consolidated statements in recent period Within 1%~2% of total operation revenue of consolidated statements in recent period</p> <p>Common defect: < 3% of total profits of consolidated statements in recent period < 0.5% of total assets of consolidated statements in recent period < 1% of total operation revenue of consolidated statements in recent period A serious violation of laws, regulations and rules and the government's policy, lead to fines and penalty</p>	<p>Serious defect: RMB5 million (including RMB5 million) or above.</p> <p>Important defect: Within RMB1 million (including RMB1 million) to RMB5 million (including RMB5 million)</p> <p>Common defect: less than RMB1 million</p>
Number of serious financial-report-related defects		0
Number of serious non-financial-report-related defects		0
Number of important financial-report-related defects		0
Number of important non-financial-report-related defects		0

2. Auditor's report on internal control

Applicable Inapplicable

Opinion paragraph in the auditor's report on internal control	
TSANN KUEN (CHINA) ENTERPRISE CO., LTD. has maintained effective internal control on financial report in all significant respects according to the Basic Rules for Enterprise Internal Control and relevant regulations on 31 Dec. 2024.	
Auditor's report on internal control disclosed or not	Disclosed
Disclosure date	2025-03-11
Index to the disclosed auditor's report on internal control	http://www.cninfo.com.cn
Type of the auditor's opinion	Standard unqualified opinion
Serious non-financial-report-related defects	None

Indicate by tick mark whether any modified opinions are expressed by the CPAs firm in its auditor's report on the Company's internal control.

Yes No

Indicate by tick mark whether the auditor's report on the Company's internal control issued by the CPAs firm is consistent with the self-evaluation report of the Board.

Yes No

XV. Self-inspection and rectification in the specific project on governance of listed companies

None

Section V. Environmental & Social Responsibility

I. Significant environmental issues

Whether the Company or any of its subsidiaries is identified as a key polluter by the environment authorities

Yes No

There were no administrative penalties for environmental issues.

II. Social responsibilities

None

II. Poverty alleviation or rural revitalization activities

None

Section VI. Significant Events

I. Performance of commitments

1. Commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers, fulfilled in this reporting period or ongoing at the period-end

Applicable Inapplicable

Commitment	Commitment maker	Commitment type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
Commitments made upon the assets replacement						
Commitments made upon first issuance or refinance						
Commitment on equity incentive						
Other commitments made to minority shareholders	FILLMAN INVESTMENTS LIMITED	Commitment on shareholding increase	Based on the confidence on the continuous and stable development of the Company, it committed to increase the shareholding if the Company's stock price lower than HKD2.40 per share after the implementation of the shares contraction and trading resumption, and it would increase no more than 2% shares (i.e. 3.7078 million shares) of the total shares issued by the Company within one year since the date of initial shareholding increase. If the plan on increasing holding 2% shares of the total	12/28/2012	Long-term effective	The Company's stocks resumed trading on 31 Dec. 2012, but the Company's stock price hasn't met the condition (closing price was lower than HKD2.40) for shareholding increase since the date of trading resumption, FILLMAN Investment Limited hasn't implemented

Commitment	Commitment maker	Commitment type	Contents	Time of making commitment	Period of commitment	Fulfillment
			shares is completed within 12 months, and the stock price has also reached the target price, it will perform relevant approval procedures, and propose to CSRC on continuous implementation of shareholding increase by exemption of offering.			the shareholding increase plan.
Executed on time or not	Yes					
Specific reasons for failing to fulfill commitments on time and plans for next step (if any)						

2. Where there had been an earnings forecast for an asset or project and this reporting period was still within the forecast period, explain why the forecast has been reached for this reporting period.

Applicable Inapplicable

II. Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes

Applicable Inapplicable

III. Illegal provision of guarantees for external parties

Applicable Inapplicable

IV. Notes for the related information of "non-standard audit reports" for the latest period by board of directors

Applicable Inapplicable

V. Explanations given by the Board of Directors, the Supervisory Board and the independent directors (if any) regarding the "auditor's non-standard report" issued by the CPAs firm for this reporting period

Applicable Inapplicable

VI. YoY changes in accounting policies, estimations or correction of material accounting errors

Applicable Inapplicable

VII. YoY changes in the scope of the consolidated financial statements

Applicable Inapplicable

VIII. Engagement and disengagement of CPAs firm

Current CPAs firm

Name of the domestic CPAs firm	BDO China Shu Lun Pan Certified Public Accountants LLP
The Company's payment for the domestic CPAs firm (RMB'0,000)	100
Consecutive years of the audit service provided by the domestic CPAs firm	1 year
Names of the certified public accountants from the domestic CPAs firm	Hu Jingdong ,Li Puqi
Consecutive years of the audit service provided by the certified public accountants from the domestic CPAs firm	1 year

Indicate by tick mark whether the CPAs firm was changed in this reporting period

Yes No

Was there a change in the accounting firm during the audit period

Yes No

Was the approval process followed when replacing the accounting firm

Yes No

Detailed Explanation of the Change in Accounting Firms

In accordance with relevant regulations such as the "Management Measures for the Selection of Accounting Firms by State-Owned Enterprises and Listed Companies," and considering that the Rongcheng Accounting Firm and its audit team have served the company for many years, the company has decided to change its accounting firm after careful consideration. This decision is based on the needs of the company's business development and audit services. The company has fully communicated with both the outgoing and incoming accounting firms regarding this change, and both parties have clearly acknowledged and expressed no objections to this change.

The decision to change the accounting firm was approved at the third board meeting of 2024 held on August 9, 2024, and subsequently ratified at the first extraordinary shareholders' meeting of 2024 held on August 30, 2024. The company appointed the BDO China Shu Lun Pan Certified Public Accountants LLP as the financial report and internal control audit institution for the year 2024.

Engagement of Internal Control Auditors, Financial Advisors, or Sponsors

Applicable Inapplicable

IX. Possibility of delisting after disclosure of this Report

Applicable Inapplicable

X. Bankruptcy and restructuring

Applicable Inapplicable

XI. Significant litigations and arbitrations

Applicable Inapplicable

XII. Punishments and rectifications

Applicable Inapplicable

XIII. Credit conditions of the Company as well as its controlling shareholder and actual controller

Applicable Inapplicable

XIV. Significant related-party transactions

1. Related-party transactions relevant to routine operation

Applicable Inapplicable

Unit: RMB'0,000

Related parties	Relationship	Types	Contents	Principles for pricing	Price	Amount	Proportion in the number of similar transactions (%)	Amount of transactions limit approved	Whether the approved limit is exceeded	Settlements	Market value of comparable transactions available	Date of Disclosure	Disclosure Index
Thermaster Electronic (Xiamen) Ltd.	Companies controlled by the actual controller and his close family members	Purchase of goods	Purchase of raw material parts and machine parts	Pricing is based on market prices, with both parties following the principle of fairness and reasonableness	None	3,115.06	2.75	3,200.00	NO	Settlement according to the contract signed by both parties	None	2024-5-12	http://www.cninfo.com.cn
STAR COMGISTIC CAPITAL CO., LTD.	Ultimate holding company	Sale of goods	Sale of parts and finished products			341.72	0.21	400.00	NO				
Total						3,456.78		3,600.00					
Details of significant sales returns				None									
Actual performance during the reporting period for related-party transactions relevant to routine operation expected to occur during the period and estimated by category				None									
Reasons for significant differences in transaction prices from market reference prices				None									

2. Related-party transactions regarding purchase or sales of assets or equity interests

Applicable Inapplicable

3. Related-party transitions regarding joint investments

Applicable Inapplicable

4. Credits and liabilities with related parties

Applicable Inapplicable

Whether was any contract related to the non-operating credits and liabilities with related parties?

Yes No

5. Transactions with related finance company

Applicable Inapplicable

6. Transactions with related finance company controlled by the Company

Applicable Inapplicable

7. Other significant related-party transactions

Applicable Inapplicable

XV. Significant contracts and execution

1. Entrustment, contracting and leasing

(1) Entrustment

Applicable Inapplicable

(2) Contracting

Applicable Inapplicable

(3) Leasing

Applicable Inapplicable

2. Significant guarantees

Applicable Inapplicable

Unit: RMB'0,000

Guarantees between subsidiaries								
Guaranteed party	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (date of agreement signing)	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for a related party or not
PT. STAR COMGISTIC INDONESIA	2023/5/20	3,750.00	2024/1/1-2024/12/31	315.64	Pledged (50% credit + 50% funding)	1 year	NO	NO
PT. STAR COMGISTIC INDONESIA	2024/10/24	2,250.00	None	0.00	Pledged (100% credit)	1 year	NO	NO
Total guarantee line for subsidiaries approved during this Reporting Period (C1)				2,250.00	Total actual guarantee amount for subsidiaries during this Reporting Period (C2)		2,025.37	
Total approved guarantee line for subsidiaries at the end of this Reporting Period (C3)				6,000.00	Total actual guarantee balance for subsidiaries at the end of this Reporting Period (C4)		315.64	
Total guarantee amount								
Total guarantee line approved during this Reporting Period (C1)				2,250.00	Total actual guarantee amounts during this Reporting Period (C2)		2,025.37	
Total approved guarantee line at the end of this Reporting Period (C3)				6,000.00	Total actual guarantee balance at the end of this Reporting Period (C4)		315.64	
Proportion of the total actual guarantee amount (C4) in net assets of the Company							0.29%	
Of which:								
Amount of guarantees provided for shareholders, the actual controller and their related parties (D)					0.00			
Amount of debt guarantees provided directly or indirectly for entities with a liability-to-asset ratio over 70% (E)					0.00			
Portion of the total guarantee amount in excess of 50% of net assets (F)					0.00			
Total amount of the three kinds of guarantees above (D+E+F)					0.00			
Explanation on undue guarantee or possible joint liquidated liability undertaken					None			
Explanation on providing external guarantee violating established procedures					None			

Specific notes on the use of composite guarantees

None

3. Entrusted cash management

(1) Entrusted asset management

Applicable Inapplicable

Overview of entrusted assets management in Reporting Period

Unit: RMB'0,000

Type	Resource of funds	Amount incurred	Undue balance	Amount overdue	Impaired amount for overdue financial management
Bank financial product	Self-owned fund	51,700.00	5,000.00	0.00	0.00
Total		51,700.00	5,000.00	0.00	0.00

Particular information of high-risk entrusted asset management with individual significant amount or low security and poor liquidity

Applicable Inapplicable

Unit: RMB'0,000

Name of the trustee	Type of the trustee	Type of the product	Amount	Resource of funds	Initial date	Ended Date	Use of fund	Break-even floating proceeds	Annual yield for reference	Estimate profit	Amount of actual profits or losses in reporting period	Actual recovery of profits or losses in reporting period	Amount withdrawn impairment provision	Whether go through stator procedures	Whether there is wealth management entrustment plan in future or not	Overview of the item and the related index for inquiring
Xiamen International Bank	Bank	Break-even floating proceeds	5,000	Self-owned fund	2023/4/7	2024/4/6	Structural deposit	Payment of interest and principal at maturity	3.40%	172.36	172.36	Recovered upon maturity	N/A	Yes	Subject to the future market yield and fund condition	http://www.cninfo.com.cn
Xiamen International Bank			5,000		2023/5/10	2024/5/9			3.40%	172.36	172.36					
Xiamen International Bank			6,000		2023/8/29	2024/8/28			3.26%	198.32	198.32					
Xiamen International Bank			5,700		2023/9/5	2024/9/4			3.26%	188.40	188.40					
Xiamen International Bank			5,000		2023/9/19	2024/9/18			3.26%	165.26	165.26					
Xiamen Bank (Zhangzhou)			5,000		2023/11/17	2024/11/15			3.29%	166.33	166.33					
Xiamen Bank (Zhangzhou)			5,000		2023/12/8	2024/12/6			3.23%	163.29	170.83					
Xiamen International Bank			5,000		2023/12/8	2024/12/7			3.11%	157.66	157.66					
Xiamen Bank			5,000		2023/12/2	2024/12/27			3.19%	161.27	176.44					

Name of the trustee	Type of the trustee	Type of the product	Amount	Resource of funds	Initial date	Ended Date	Use of fund	Break-even floating proceeds	Annual yield for reference	Estimate profit	Amount of actual profits or losses in reporting period	Actual recovery of profits or losses in reporting period	Amount withdrawn impairment provision	Whether go through stator procedures	Whether there is wealth management entrustment plan in future or not	Overview of the item and the related index for inquiring
(Zhangzhou)					9											
Xiamen International Bank			5,000		2024/1/10	2025/1/9			3.11%	157.66	94.21	Not Expired				
Total			51,700							1,702.91	1,662.17					

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment for entrusted asset management

Applicable Inapplicable

(2) Entrusted loans Applicable Inapplicable**4. Other significant contracts** Applicable Inapplicable**XVI. Other significant events** Applicable Inapplicable**XVII. Significant events of subsidiaries** Applicable Inapplicable**Section VII. Change in Shares & Shareholders****I. Changes in shares****1. Changes in shares**

Unit: share

	Before		Increase/decrease (+/-)					After	
	Number	Percentage (%)	New issues	Bonus shares	Increase from capital reserve	Other	Subtotal	Number	Percentage (%)
1. Restricted shares	0	0.00%	0	0	0	0	0	0	0.00%
1.1 Shares held by state									
1.2 Shares held by state-owned corporations									
1.3 Shares held by other domestic investors									
Among which: Shares held by domestic corporations									
Shares held by domestic individuals									
1.4 Shares held by foreign investors									
Among which: Shares held by foreign corporations									
Shares held by foreign individuals									
2. Unrestricted shares	185,391,680	100.00%	0	0	0	0	0	185,391,680	100.00%
2.1 RMB ordinary shares									
2.2 Domestically listed foreign shares	185,391,680	100.00%	0	0	0	0	0	185,391,680	100.00%
2.3 Foreign capital stocks listed abroad									

2.4 Other									
3. Total shares	185,391,680	100.00%	0	0	0	0	0	185,391,680	100.00%

Reasons for the share changes

Applicable Inapplicable

Approval of share changes

Applicable Inapplicable

Transfer of share ownership

Applicable Inapplicable

Change in share capital's impacts on basic EPS and diluted EPS in recent year and recent issue, and net assets per share attributed to equity shareholder and financial index etc.

Applicable Inapplicable

Other contents was necessary to the company or the securities regulators required to be disclosed

Applicable Inapplicable

2. Changes in restricted shares

Applicable Inapplicable

II. Issuance and listing of securities

1. Securities (excluding preference shares) issued in this reporting period

Applicable Inapplicable

2. Changes in total shares of the Company and the shareholder structure, as well as the asset and liability structures

Applicable Inapplicable

3. Existing staff-held shares

Applicable Inapplicable

III. Shareholders and actual controller

1. Total number of shareholders and their shareholdings

Unit: share

Total number of common shareholders at the period-end	13,757	Total number of common shareholders at the prior month-end before the disclosure of this Report	13,758	Total number of preference shareholders with resumed voting rights at the period-end	0	Total number of preference shareholders with resumed voting rights at the prior month-end before the disclosure of this Report	0	
5% or greater shareholders or the top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Increase/decrease during this reporting period	Number of restricted shares	Number of unrestricted shares	Pledged, marked or frozen shares	
							Status	Number
FORDCHEE DEVELOPMENT LIMITED	Foreign corporation	29.10%	53,940,530.00		0	53,940,530.00	N/A	0

EUPA INDUSTRY CORPORATION LIMITED	Foreign corporation	13.09%	24,268,840.00		0	24,268,840.00	N/A	0
FILLMAN INVESTMENTS LIMITED	Foreign corporation	2.49%	4,621,596.00		0	4,621,596.00	N/A	0
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Foreign corporation	1.43%	2,652,188.00	-6,494,761	0	2,652,188.00	N/A	0
CHEN YONGQUAN	Domestic individual	1.04%	1,929,476.00		0	1,929,476.00	N/A	0
CHEN YONGQING	Domestic individual	0.89%	1,658,078.00		0	1,658,078.00	N/A	0
CHEN LIJUAN	Domestic individual	0.88%	1,633,768.00	31,000	0	1,633,768.00	N/A	0
YANG WENLIANG	Domestic individual	0.80%	1,477,430.00	184,681	0	1,477,430.00	N/A	0
DING XIAOLUN	Domestic individual	0.63%	1,170,000.00	33,148	0	1,170,000.00	N/A	0
China Merchants Securities (HK) Co., Limited	Foreign corporation	0.49%	906,633.00	32,603	0	906,633.00	N/A	0
Strategic investor or general corporation becoming a top ten shareholder due to placing of new shares	None							
Related or acting-in-concert parties among the shareholders above	The first, the second and the fourth shareholders are the Company's corporate controlling shareholders. It is unknown whether the other public shareholders are related parties or acting-in-concert parties as prescribed in the Administrative Methods for Disclosure of the Shareholding Changes of the Listed Company's Shareholders.							
Above shareholders involved in entrusting/being entrusted with voting rights and giving up voting rights	None							
Special account for share repurchases	None							
Top ten unrestricted common shareholders								
Name of shareholder	Number of unrestricted common shares held at the period-end	Type of shares						
		Type	Number					
FORDCHEE DEVELOPMENT LIMITED	53,940,530	Domestically listed foreign shares	53,940,530.00					
EUPA INDUSTRY CORPORATION LIMITED	24,268,840	Domestically listed foreign shares	24,268,840.00					
FILLMAN INVESTMENTS LIMITED	4,621,596	Domestically listed foreign shares	4,621,596.00					
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	2,652,188	Domestically listed foreign shares	2,652,188.00					
CHEN YONGQUAN	1,929,476	Domestically listed foreign shares	1,929,476.00					
CHEN YONGQING	1,658,078	Domestically listed foreign shares	1,658,078.00					
CHEN LIJUAN	1,633,768	Domestically listed foreign shares	1,633,768.00					
YANG WENLIANG	1,477,430	Domestically listed foreign shares	1,477,430.00					
DING XIAOLUN	1,170,000	Domestically listed foreign shares	1,170,000.00					
China Merchants Securities (HK) Co., Limited	906,633	Domestically listed foreign shares	906,633.00					
Related or acting-in-concert parties among the top ten unrestricted public shareholders and between the top ten unrestricted public shareholders and the top ten shareholders	The first, second, and third largest shareholders are the corporate controlling shareholders of our company. Our company is not aware of any related party relationships among the other tradable shareholders, nor whether the other tradable shareholders are acting in concert as defined by the 'Measures for the Administration of Information Disclosure on Changes in Shareholdings of Listed Company Shareholders'.							

Top ten common shareholders conducting securities margin trading	None
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The participation of shareholders holding more than 5% of shares, the top 10 shareholders, and the top 10 unrestricted tradable shareholders in the securities lending business under the refinancing mechanism is as follows:

Applicable Not Applicable

Changes in the top 10 shareholders and the top 10 unrestricted tradable shareholders due to the lending/return of shares under the refinancing mechanism compared to the previous period:

Applicable Not Applicable

Did any of the top ten common shareholders or the top ten unrestricted common shareholders of the Company conduct any promissory repurchase during the Reporting Period?

Yes No

2. Information about the controlling shareholder

Nature of controlling shareholder: foreign investment holding

Type of controlling shareholder: corporation

Name of controlling shareholder	Legal representative / company principal	Date of establishment	Organization code	Business scope
Fordchee Development Limited	Cai Yuansong	1990-01-03	269100	Investment
EUPA Industry Corporation Limited	Cai Shuhui	1989-07-21	258847	Investment
Fillman Investments Limited	Cai Shuhui	1992-07-21	369423	Investment
Shareholdings of the controlling shareholder in other listed companies at home or abroad in this reporting period	None			

There are no notes to the controlling shareholder for the Company

Change of the controlling shareholder during this reporting period

Applicable Inapplicable

3. Information about the actual controller and its acting-in-concert party

Nature of actual controller: foreign individual

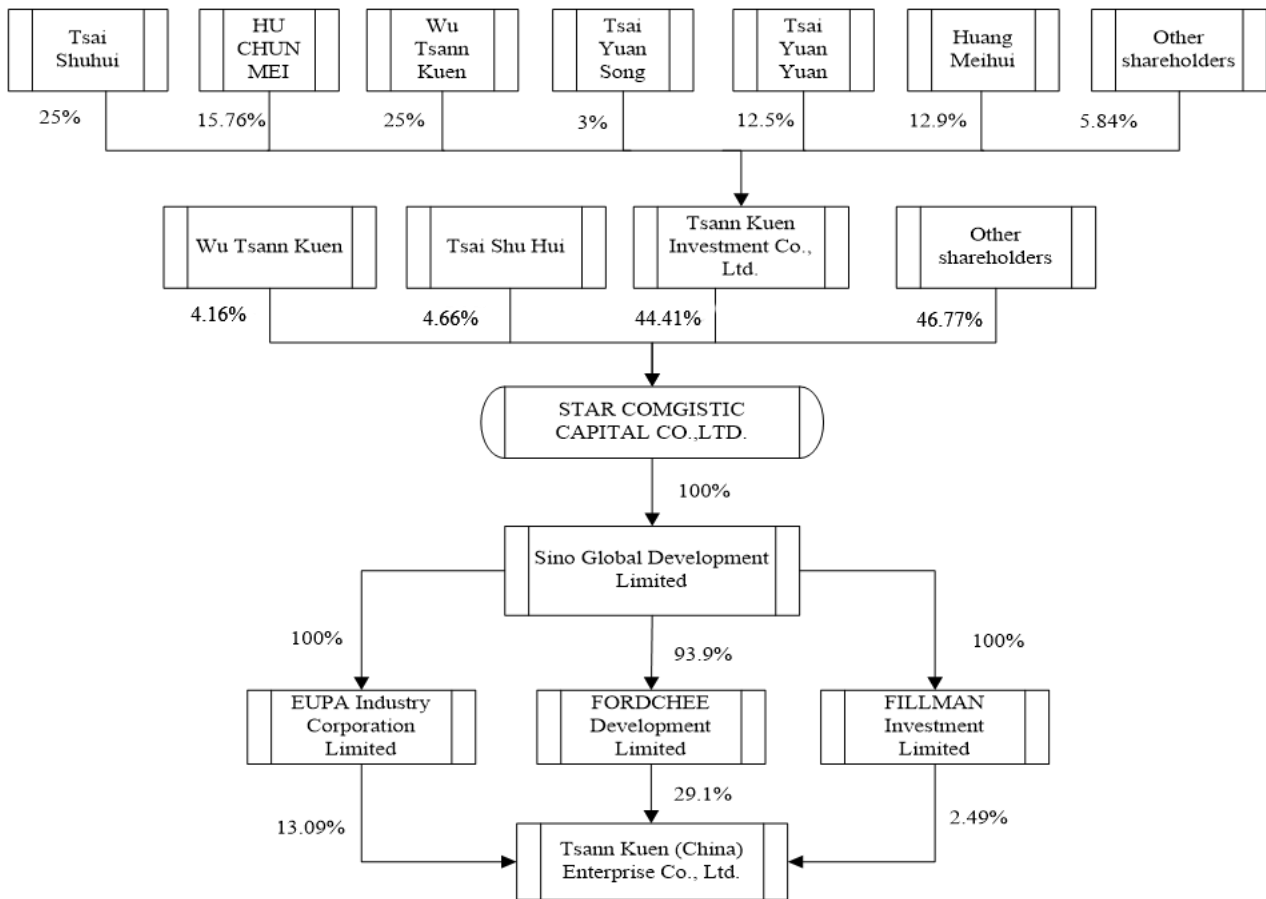
Type of actual controller: individual

Name of actual controller	Relationship with actual controller	Nationality	Right of residence in other countries or regions
Wu Tsann Kuen	Self	Taiwan, China	None
Main occupation and duty	Promoter of TSANN KUEN Group in China and Taiwan		
Used-to-be-holding listed companies at home and abroad in the last ten years	Actual controller of Tsann Kuen (Taiwan) Enterprise Co., Ltd. STAR COMGISTIC CAPITAL (Taiwan) CO., LTD. and Star International Travel Service (Taiwan) Co., Ltd.		

Change of the actual controller during this reporting period

Applicable Inapplicable

Ownership and control relations between the actual controller and the Company



Indicate by tick mark whether the actual controller controls the Company via trust or other ways of asset management.

Applicable Inapplicable

4. Accumulative pledged shares held by the Company’s controlling shareholder or the largest shareholder and its acting-in-concert party accounts for 80% of shares of the Company held by them

Applicable Inapplicable

5. 10% or greater corporate shareholders

Applicable Inapplicable

6. Limited shareholding decrease by the Company’s controlling shareholder, actual controller, reorganizer and other commitment makers

Applicable Inapplicable

IV. Specific implementation of share repurchases during this reporting period

Implementation progress of share repurchases

Applicable Inapplicable

Progress on reducing the repurchased shares by way of centralized bidding

Applicable Inapplicable

Section VIII. Preference Shares

Applicable Inapplicable

No preference shares in this reporting period.

Section IX. Bonds

Applicable Inapplicable

No bonds in this reporting period.

Section X. Financial Report

I. Auditor's Report

Type of audit opinions	Standard unqualified opinions
Signing date of audit report	2025-03-08
Name of audit institution	BDO China Shu Lun Pan Certified Public Accountants LLP
No. of audit report	Xin Kuai Shi Bao Zi [2025] No. ZA10088
Name of CPA	Hu Jingdong, Li Puqi

II. Financial statements (attached)

1. Balance sheet
2. Income statement
3. Cash flow statement
4. Statement of Change in Owners' Equity
5. Notes to the Financial Statements

Board Chairman: Cai Yuansong

The Board of Directors of Tsann Kuen (China) Enterprise Co., Ltd.

08 March 2025

Auditor's Report

(English Translation for Reference Only)

Xin Kuai Shi Bao Zi [2025] No. ZA10088

To the Shareholders of Tsann Kuen (China) Enterprise Co., Ltd.:

Opinion

We have audited the accompanying financial statements of Tsann Kuen (China) Enterprise Co., Ltd. (“TKC”), which comprise the consolidated and company's balance sheets as at 31 December 2024, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2024 and the consolidated and company's financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing (“CSAs”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of TKC in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants (“CICPA Code”), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters in our audit:

Key Audit Matters	How these matters were addressed in the audit
1. Recognition of revenues	Audit response
Refer to Note V (34) to the financial statements, TKC's operating income for the year ended 31 December 2024 amounted to CNY	Regarding revenue recognition of TKC,

Key Audit Matters	How these matters were addressed in the audit
<p data-bbox="225 271 831 349">1,701,115,450.56, representing an increase of 13.74% compared to the previous period.</p> <p data-bbox="225 383 831 555">Since operating income is one of TKC's key performance indicators and since changes in gross margin have a significant impact on TKC's operating results for the current period, revenue recognition is determined as a key audit matter.</p>	<p data-bbox="831 271 1388 349">audit procedures we performed primarily included:</p> <p data-bbox="831 383 1388 521">(1) Understanding and evaluating the design and operating effectiveness of key internal controls related to revenue recognition by management.</p> <p data-bbox="831 562 1388 869">(2) Reviewing sales contracts, on sample basis, and collaborating with interviews with management, to identify contract terms and conditions related to the transfer of control over goods and to evaluate whether the timing of revenue recognition for product sales is in compliance with the requirements of Accounting Standards for Business Enterprises.</p> <p data-bbox="831 909 1388 1256">(3) For domestic sales, examining supporting documents, on sample basis, related to revenue recognition, including sales contracts, orders, sales invoices, goods delivery notes, customer receipts, etc. For export sales, agreeing electronic port information with accounting records, and examining, on sample basis, supporting documents such as sales contracts, export customs declarations, sales invoices, etc.</p> <p data-bbox="831 1256 1388 1491">(4) Sending confirmations to major customers to verify sales amounts. For non-replied confirmations, we performed alternative procedures by examining sales contracts, delivery notes, shipping documents, export customs declarations, bills of lading, sales invoices, etc.</p> <p data-bbox="831 1491 1388 1765">(5) Examining cash receipt records, sales invoices, export customs declarations, bills of lading, customer receipts, and sales remittance documents in relation to the sales transactions, on sample basis, recorded in current year. We also confirmed accounts receivable balances at period-end to verify existence of revenue.</p> <p data-bbox="831 1765 1388 2031">(6) Performing analytical procedures, including revenue, cost, and gross margin fluctuations analysis between the current and previous periods; flux analysis by month in relation to revenue, cost, and gross margin fluctuations; using factor analysis to evaluate the impact of various factors on gross profit and assessing the reasonableness of these</p>

Key Audit Matters	How these matters were addressed in the audit
	<p>impacts.</p> <p>(7) Cut-off test on revenue recognized before and after the balance sheet date, including examining delivery notes, customs declarations, bills of lading, and other supporting documents to ensure that revenue was recorded in the correct accounting period.</p>
<p>2. Inventory provision</p>	
<p>Refer to Note V (6) to the financial statements, as at 31 December 2024, TKC's inventory balance was CNY 216,974,681.75, with an inventory provision of CNY 22,575,157.97.</p> <p>On the balance sheet date, management performs impairment tests on inventory. Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price of the inventory, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes. Significant judgments and assumptions are involved by management in these forecasts, particularly regarding future selling prices, production costs, operating expenses, and related taxes. Given the complexity involved in the inventory impairment testing process on yearly basis, which requires critical judgments and estimates, inventory provision is determined as a key audit matter.</p>	<p>Audit response</p> <p>Regarding inventory provisions for TKC, the audit procedures we performed primarily included:</p> <p>(1) Understanding and evaluating the design and operating effectiveness of internal controls related to inventory provisions made by management.</p> <p>(2) Reviewing costing data and performing analysis on material, labor, and overhead costs for major products by year and by month.</p> <p>Obtaining an inventory aging analysis prepared by management and evaluating inventory aging and inventory turnover, collaborating discussing with management on TKC's inventory provision policies to assess the reasonableness of inventory provisions.</p> <p>(3) Physical inventory count observation to examine the quantity and condition of inventory items. Special attention was given to high-value or slow-moving inventory items.</p> <p>(4) For products where public market sales prices are available, independently querying public market price information and comparing it with the estimated selling prices used by management in determining inventory provision.</p> <p>(5) For products where public market sales prices are not available, comparing the estimated selling prices with actual selling</p>

Key Audit Matters	How these matters were addressed in the audit
	<p>prices from recent transactions or post-period sales, on sample basis.</p> <p>(6) Comparing the costs incurred to complete similar raw materials and work-in-progress during the year, on sample basis, to evaluate the reasonableness of TKC's estimates of costs to complete production.</p>

Other Information

Management of TKC (“management”) is responsible for the other information. The other information comprises all of the information included in the 2024 annual report of TKC, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing TKC 's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate TKC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing TKC 's financial reporting

process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on TKC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause TKC to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of

the entities or business activities within TKC to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO CHINA Shu Lun Pan

Certified Public Accountants LLP

Certified Public Accountant of China:

Hu Jingdong

(Engagement Partner)

Certified Public Accountant of China:

Li Puqi

Shanghai, China

March 8, 2025

Tsann Kuen (China) Enterprise Co., Ltd.
Consolidated Balance Sheet
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	Notes	31/12/2024	31/12/2023
Current Assets:			
Cash at bank and on hand	V.1	444,377,943.52	567,162,576.77
Settlements Provision			
Loans to banks and other financial institutions			
Financial assets held for trading	V.2	50,942,083.33	470,009,033.34
Derivative Financial instrument			
Notes receivable			
Accounts receivable	V.3	203,955,899.80	196,956,220.12
Financing receivable			
Prepayments	V.4	4,318,758.91	4,551,467.78
Insurance premium receivable			
Due from reinsurers			
Provision of reinsurance contract reserve receivable			
Other receivables	V.5	27,902,480.51	23,318,410.66
Financial assets purchased under agreements to resell			
Inventories	V.6	194,399,523.78	192,409,333.82
including: Data Resources			
Contractual asset			
Held for sale assets			
Current portion of non-current assets	V.7	51,260,694.44	
Other current assets	V.8	554,336,979.01	460,078,523.03
Total Current Assets		1,531,494,363.30	1,914,485,565.52
Non-Current Assets:			
Loans and advances			
Debt investment	V.9	540,534,660.69	100,076,779.20
Other debt investment			
Long-term receivables			
Long-term equity investment			
Other equity instrument investment	V.10	40,000.00	40,000.00
Other non-current financial instrument			
Investments properties	V.11	19,287,755.23	18,464,309.18
Fixed assets	V.12	146,795,190.83	157,096,267.26
Construction in process	V.13	3,462,300.89	1,773,322.12
Productive biological assets			
Oil and gas assets			
Right-of-use assets	V.14	353,943,869.92	368,563,991.68
Intangible assets	V.15	11,947,318.66	13,482,991.81
including: Data Resources			
Development expenditures			
including: Data Resources			
Goodwill			
Long-term prepaid expenses	V.16	5,571,380.26	7,770,803.06
Deferred tax assets	V.17	11,872,802.85	8,384,808.67
Other non-current assets	V.18	10,099,186.11	136,429.00
Total Non-current Assets		1,103,554,465.44	675,789,701.98
Total Assets		2,635,048,828.74	2,590,275,267.50

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Consolidated Balance Sheet (continued)
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	Notes	31/12/2024	31/12/2023
Current Liabilities:			
Short- term borrowings			
Borrowing from the central bank			
Deposits and balances from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	V.20	19,418,627.35	9,137,361.03
Accounts payable	V.21	517,321,517.29	491,874,918.44
Received in advance	V.22	2,924,333.25	2,624,268.27
Contractual liability	V.23	16,296,739.65	16,485,904.83
Financial assets sold under agreements to buy			
Customer deposits and balances from banks and other financial institutions			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Employee Benefits Payable	V.24	53,957,022.40	49,108,630.97
Taxes payable	V.25	18,310,394.76	58,404,241.58
Other payables	V.26	40,877,557.33	35,202,629.21
Fees and commission payable			
Payable reinsurance			
Liabilities classified as held for sale			
Current portion of non-current liabilities	V.27	922,678.70	883,368.79
Other current liabilities			
Total Current Liabilities		670,028,870.73	663,721,323.12
Non- current Liabilities:			
Insurance reserves			
Long-term borrowings			
Bonds payable			
including: Preference share			
Perpetual debt			
Lease liabilities	V.28	396,004,620.97	392,170,104.23
Long-term payables			
Long- term employee payables			
Provisions			
Deferred income			
Deferred Tax liabilities			
Other non- current liabilities			
Total Non -current Liabilities		396,004,620.97	392,170,104.23
Total Liabilities		1,066,033,491.70	1,055,891,427.35
Owners Equity(or Shareholders Equity) :			
Share Capital	V.29	185,391,680.00	185,391,680.00
Other equity instrument			
Including: preference share			
perpetual capital securities			
Capital reserves	V.30	296,808,965.79	296,808,965.79
Less: Treasury stock			
Other comprehensive income	V.31	11,252,746.52	10,227,053.51
Special reserves			
Surplus reserves	V.32	81,427,732.56	75,501,488.36
General reserve			
Retained earnings	V.33	527,518,517.81	507,010,039.53
Equity attributable to owners of the company		1,102,399,642.68	1,074,939,227.19
Non-controlling interests		466,615,694.36	459,444,612.96
Total Equity		1,569,015,337.04	1,534,383,840.15
Total Liabilities and Equity		2,635,048,828.74	2,590,275,267.50

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Company's Balance Sheet
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	Notes	31/12/2024	31/12/2023
Current Assets:			
Cash at bank and on hand		9,893,016.08	7,989,557.11
Financial assets held for trading			
Derivative Financial instrument			
Notes receivable			
Accounts receivable	XV.1	201,780.44	1,572,953.88
Financing receivable			
Prepayments		21,287.13	30,581.02
Other receivables	XV.2	6,555,310.24	3,673,370.28
Inventories		2,264,166.58	1,819,766.41
including: Data Resources			
Contractual asset			
Held for sale assets			
Current portion of non-current assets			
Other current assets			
Total Current Assets		18,935,560.47	15,086,228.70
Non-Current Assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment	XV.3	923,414,701.56	923,414,701.56
Other equity instrument investment		40,000.00	40,000.00
Other non-current financial instrument			
Investments properties		19,301,965.49	20,385,084.83
Fixed assets		294,240.38	413,885.43
Construction in process		97,676.45	166,338.56
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
including: Data Resources			
Development expenditures			
including: Data Resources			
Goodwill			
Long-term prepaid expenses		1,016,860.33	1,432,877.67
Deferred tax assets		824,852.10	849,924.71
Other non-current assets			
Total Non-current Assets		944,990,296.31	946,702,812.76
Total Assets		963,925,856.78	961,789,041.46

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Company's Balance Sheet (continued)
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	Notes	31/12/2024	31/12/2023
Current Liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		1,815,877.06	2,667,658.77
Received in advance		2,403,680.33	2,235,364.98
Contractual liability		153,646.35	128,525.68
Employee Benefits Payable		8,589,134.60	6,860,001.30
Taxes payable		5,127,289.98	3,162,838.05
Other payables		13,173,843.37	26,986,789.58
Liabilities classified as held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total Current Liabilities		31,263,471.69	42,041,178.36
Non-current Liabilities:			
Long-term borrowings			
Bonds payable			
including: Preference share			
Perpetual debt			
Lease liabilities			
Long-term payables			
Long-term employee payables			
Provisions			
Deferred income			
Deferred Tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities			
Total Liabilities		31,263,471.69	42,041,178.36
Owners Equity(or Shareholders Equity) :			
Share Capital		185,391,680.00	185,391,680.00
Other equity instrument			
Including: preference share			
perpetual capital securities			
Capital reserves		271,490,289.82	271,490,289.82
Less: Treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserves		81,427,732.56	75,501,488.36
Retained earnings		394,352,682.71	387,364,404.92
Total Equity		932,662,385.09	919,747,863.10
Total Liabilities and Equity		963,925,856.78	961,789,041.46

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Consolidated Income Statement
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	Notes	2024	2023
I. Total revenue		1,701,115,450.56	1,495,632,805.41
Including: Operating income	V.34	1,701,115,450.56	1,495,632,805.41
Interest income			
Net earned premiums			
Net fee and commission revenue			
II. Total cost of sales		1,621,904,892.41	1,411,245,459.13
Including: Cost of sales	V.34	1,442,304,059.99	1,222,340,716.02
Interest expenses			
Fees and commission expenses			
Surrenders			
Net payments for insurance claims			
Net provision of insurance reserve			
Policyholder dividends			
Reinsurance expenses			
Taxes and surcharges	V.35	9,575,256.08	8,382,759.56
Selling and distribution expenses	V.36	32,229,714.35	27,727,538.87
General and Administrative Expenses	V.37	71,475,902.71	71,563,168.70
Research and Development Expenses	V.38	64,932,266.81	61,202,300.78
Financial expenses	V.39	1,387,692.47	20,028,975.20
Including: Interest expenses	V.39	21,700,670.25	26,125,546.52
Interest income	V.39	9,148,448.06	5,259,411.72
add: other income	V.40	2,474,270.98	3,727,263.16
investment income (Loss listed with "-")	V.41	37,678,574.75	34,242,870.37
Including: income from investments in associates and joint ventures			
Gain arising from derecognition of financial asset measured at amortized cost			
Exchange gain (Loss listed with "-")			
Net exposure hedging gains(Loss listed with "-")			
Gain on the changes in fair value (Loss listed with "-")	V.42	-2,066,950.01	-1,484,755.55
Credit impairment losses(Loss listed with "-")	V.43	1,247,974.06	-2,010,093.67
Assets impairment losses(Loss listed with "-")	V.44	-9,171,148.75	-7,001,664.06
Gain on asset disposal(Loss listed with "-")	V.45	756,104.15	12,237,257.34
III. Operating profit (Loss listed with "-")		110,129,383.33	124,098,223.87
Add: Non-operating income	V.46	488,343.55	6,015,235.74
Less: Non-operating expenses	V.47	86,992.81	541,357.59
IV. Total profit (Loss listed with "-")		110,530,734.07	129,572,102.02
Less: Income tax expenses	V.48	14,439,043.79	12,769,135.07
V. Net profit (Net loss listed with "-")		96,091,690.28	116,802,966.95
1.Classification by continuity			
(1)Net profit from continuing operation		96,091,690.28	116,802,966.95
(2)Net profit from discontinuing operation			
2.Classification by ownership			
(1)Net profit attributable to equity holders(shareholders) of the Company		72,782,642.48	87,937,274.85
(2)Net profit attributable to non-controlling interests		23,309,047.80	28,865,692.10
VI. Other comprehensive income net off tax		1,367,590.68	2,794,877.91
Other comprehensive income, net of tax, attributable to owners of the company		1,025,693.01	2,096,158.43
1.Other comprehensive income that will not be reclassified to profit or loss			
(1)Remeasurement gains or losses of a defined benefit plan			
(2)Other comprehensive income using the equity method that will not be reclassified to profit or loss			
(3)Changes in fair value of other equity instrument investments			
(4)Changes in fair value of enterprise's own credit risk			
2.Other comprehensive income to be reclassified to profit or loss		1,025,693.01	2,096,158.43
(1)Under equity method, proportionate share of other comprehensive income invested company			
(2)FV change of other debt investment			
(3)Financial instrument reclassified into other comprehensive income			
(4)Credit impairment provision of other debt investment			
(5)Cash flow hedges effective portion			
(6)Foreign currency translation difference		1,025,693.01	2,096,158.43
(7)Others			
Total comprehensive income attributable to non-controlling interests		341,897.67	698,719.48
VII. Total comprehensive income		97,459,280.96	119,597,844.86
Total comprehensive income attributable to the Company		73,808,335.49	90,033,433.28
Total comprehensive income attributable to minority interest		23,650,945.47	29,564,411.58
VIII. Earnings per share			
1.Basic earnings per share (yuan / share)		0.39	0.47
2.Diluted earnings per share (yuan / share)		0.39	0.47

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Company's Income Statement
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	Notes	2024	2023
I. Including: Operating income	XV.4	62,577,021.03	59,664,440.91
Less: Including: Cost of sales	XV.4	38,198,806.71	36,908,203.57
Taxes and surcharges		3,493,800.18	3,208,345.72
Selling and distribution expenses		4,969,111.32	4,693,773.74
General and Administrative Expenses		3,756,259.59	3,704,127.55
Research and Development Expenses			
Financial expenses		669,696.35	445,969.38
Including: Interest expenses			6,979.81
Interest income		238,136.71	330,226.47
add: other income		253,036.51	90,476.54
investment income (Loss listed with "-")	XV.5	50,748,305.69	58,215,670.49
Including: income from investments in associates and joint ventures			
Gain arising from derecognition of financial asset measured at amortized cost			
Net exposure hedging gains(Loss listed with "-")			
Gain on the changes in fair value (Loss listed with "-")			
Credit impairment losses(Loss listed with "-")		-90,756.57	135,589.71
Assets impairment losses(Loss listed with "-")		-465,206.38	-1,432,556.20
Gain on asset disposal(Loss listed with "-")			369,026.55
II. Operating profit (Loss listed with "-")		61,934,726.13	68,082,228.04
Add: Non-operating income		145,283.80	202,445.81
Less: Non-operating expenses			
III. Total profit (Loss listed with "-")		62,080,009.93	68,284,673.85
Less: Income tax expenses		2,817,567.94	2,528,286.70
IV. Net profit (Net loss listed with "-")		59,262,441.99	65,756,387.15
(1)Net profit from continuing operation		59,262,441.99	65,756,387.15
(2)Net profit from discontinuing operation			
V. Other comprehensive income net off tax			
1.Other comprehensive income that will not be reclassified to profit or loss			
(1)Remeasurement gains or losses of a defined benefit plan			
(2)Other comprehensive income using the equity method that will not be reclassified to profit or loss			
(3)Changes in fair value of other equity instrument investments			
(4)Changes in fair value of enterprise's own credit risk			
2.Other comprehensive income to be reclassified to profit or loss			
(1)Under equity method, proportionate share of other comprehensive income invested company			
(2)FV change of other debt investment			
(3)Financial instrument reclassified into other comprehensive income			
(4)Credit impairment provision of other debt investment			
(5)Cash flow hedges effective portion			
(6)Foreign currency translation difference			
(7)Others			
VI. Total comprehensive income		59,262,441.99	65,756,387.15

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Consolidated Statement of Cash Flows
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	Notes	2024	2023
I.Cash flow from operating activities			
Cash receipts from the sale of goods and the rendering of services		1,684,727,339.30	1,348,233,019.71
Net increase in customer bank deposits and due to banks and other financial institutions			
Net increase in loans from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash premiums received on original insurance contracts			
Net cash received from re-insurance business			
Net increase in deposits and investments from insurers			
Cash received from interest, fees and commission			
Net increase in funds deposit			
Net increase in repurchase business funds			
Net income from securities trading brokerage business			
Refunds of taxes		130,736,109.49	84,358,087.88
Cash received relating to other operating activities	V.50	105,745,612.01	122,553,601.21
Sub-total of cash inflows from operating activities		1,921,209,060.80	1,555,144,708.80
Cash payments for goods and services acquired		1,282,912,066.78	1,022,514,505.63
Net increase in loans and payments on behalf of customers			
Net increase in deposits with central bank and other financial institutions			
Payments for claims for original insurance contracts			
Net increase in funds lent			
Cash paid for interest, fees and commission			
Commissions on insurance policies paid			
Cash payments to and on behalf of employees		333,654,754.29	283,588,913.05
Tax and duties payments		72,142,459.95	25,694,772.64
Cash paid relating to other operating activities	V.50	96,116,367.69	100,300,581.87
Sub-total of cash outflows from operating activities		1,784,825,648.71	1,432,098,773.19
Net cash flows from operating activities		136,383,412.09	123,045,935.61
II.Cash flows from investing activities			
Cash receipts from return of investments		467,496,463.16	631,790,258.36
Cash receipts from investments income		29,616,139.06	17,421,906.57
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		3,436,879.76	4,950,458.99
Net cash receipts from disposal of subsidiaries and other businesses			
Cash received relating to other investing activities	V.50	546,076,871.65	497,935,690.70
Sub-total of cash inflows from investing activities		1,046,626,353.63	1,152,098,314.62
Cash payments for acquired fixed assets, intangible assets and other long-term assets		43,665,792.26	45,247,768.66
Cash payments for investment		481,500,000.00	617,000,000.00
Net increase of pledged loan			
Net cash payments for acquisition of subsidiaries and other businesses			
Other cash payments in investing activities	V.50	699,587,632.10	518,774,200.00
Sub-total of cash outflows from investing activities		1,224,753,424.36	1,181,021,968.66
Net cash flows from investment activities		-178,127,070.73	-28,923,654.04
III.Cash flows from financing activities			
Cash received from capital injection			
Including: Cash received by subsidiaries from investment absorption of minority interest			
Cash receipts from borrowings		21,282,600.00	21,539,400.00
Other cash receipts in financing activities	V.50	11,360,910.42	8,193,634.09
Sub-total of cash inflows from financing activities		32,643,510.42	29,733,034.09
Cash paid for settlement of borrowings		21,309,000.00	21,539,400.00
Cash paid for dividends, profits appropriation or payments of interest		68,274,838.64	82,526,968.50
Including: Dividends and profits paid to minority interest		16,479,864.07	19,405,223.49
Other cash payments in financing activities	V.50	21,446,503.68	32,694,988.33
Sub-total of cash outflows from financing activities		111,030,342.32	136,761,356.83
Net cash flows from financing activities		-78,386,831.90	-107,028,322.74
IV.Effect of changes in foreign exchange rate on cash and cash equivalents		210,946.51	-795,341.12
V.Net increases in cash and cash equivalents		-119,919,544.03	-13,701,382.29
Add: the beginning balance of cash and cash equivalent		561,810,271.53	575,511,653.82
VI.The ending balance of cash and cash equivalent		441,890,727.50	561,810,271.53

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Company's Statement of Cash Flows
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	Notes	2024	2023
I. Cash flow from operating activities			
Cash receipts from the sale of goods and the rendering of services		3,439,524.96	8,337,627.54
Refunds of taxes			
Cash received relating to other operating activities		64,957,580.15	57,329,814.51
Sub-total of cash inflows from operating activities		68,397,105.11	65,667,442.05
Cash payments for goods and services acquired		1,759,781.26	7,199,248.32
Cash payments to and on behalf of employees		2,951,729.61	3,888,597.12
Tax and duties payments		8,283,951.05	8,800,697.11
Cash paid relating to other operating activities		57,599,761.90	47,169,628.00
Sub-total of cash outflows from operating activities		70,595,223.82	67,058,170.55
Net cash flows from operating activities		-2,198,118.71	-1,390,728.50
II. Cash flows from investing activities			
Cash receipts from return of investments			
Cash receipts from investments income		50,748,305.69	58,215,670.49
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets			369,026.55
Net cash receipts from disposal of subsidiaries and other businesses			
Cash received relating to other investing activities			
Sub-total of cash inflows from investing activities		50,748,305.69	58,584,697.04
Cash payments for acquired fixed assets, intangible assets and other long-term assets		297,569.26	614,493.26
Cash payments for investment			
Net cash payments for acquisition of subsidiaries and other businesses			
Other cash payments in investing activities			
Sub-total of cash outflows from investing activities		297,569.26	614,493.26
Net cash flows from investment activities		50,450,736.43	57,970,203.78
III. Cash flows from financing activities			
Cash received from capital injection			
Cash receipts from borrowings			
Other cash receipts in financing activities			
Sub-total of cash inflows from financing activities			
Cash paid for settlement of borrowings			
Cash paid for dividends, profits appropriation or payments of interest		46,347,920.00	56,270,985.18
Other cash payments in financing activities			288,000.00
Sub-total of cash outflows from financing activities		46,347,920.00	56,558,985.18
Net cash flows from financing activities		-46,347,920.00	-56,558,985.18
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		-1,238.75	37,490.85
V. Net increases in cash and cash equivalents		1,903,458.97	57,980.95
Add: the beginning balance of cash and cash equivalent		7,989,557.11	7,931,576.16
VI. The ending balance of cash and cash equivalent		9,893,016.08	7,989,557.11

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Consolidated Statement of Changes in Shareholder's Equity
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	2024													Non-controlling interests	Total shareholders' equity
	Other equity instruments Preference shares Perpetual capital securities Others														
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General reserve	Retained earnings	Subtotal			
Preference shares		Perpetual capital securities	Others												
I.Balance at the end of previous year	185,391,680.00				296,808,965.79		10,227,053.51		75,501,488.36		507,010,039.53	1,074,939,227.19	459,444,612.96	1,534,383,840.15	
Add: Changes in accounting policies															
Correction of prior period errors															
Business combination under common control															
Others															
II.Balance at the beginning of the year	185,391,680.00				296,808,965.79		10,227,053.51		75,501,488.36		507,010,039.53	1,074,939,227.19	459,444,612.96	1,534,383,840.15	
III.Increase/ Decrease for current year (Decrease listed with "-")							1,025,693.01		5,926,244.20		20,508,478.28	27,460,415.49	7,171,081.40	34,631,496.89	
1.Total of comprehensive income							1,025,693.01				72,782,642.48	73,808,335.49	23,650,945.47	97,459,280.96	
2.Capital contribution and reduction															
(1)Ordinary shares contributed by shareholders															
(2)Capital contributed by holders of other equity instruments															
(3)Share-based payments recognised in owners' equity															
(4)Others															
3.Profit appropriations									5,926,244.20		-52,274,164.20	-46,347,920.00	-16,479,864.07	-62,827,784.07	
(1)Transfer to surplus reserve									5,926,244.20		-5,926,244.20				
(2)Transfer to general Reserve															
(3)Distribution to shareholders											-46,347,920.00	-46,347,920.00	-16,479,864.07	-62,827,784.07	
(4)Others															
4.Transfer within equity															
(1)Capital reserves converted to share capital															
(2)Surplus reserves converted to share capital															
(3)Loss made up by surplus reserves															
(4)Changes in the defined benefit plan transferred to retained earnings															
(5)Other comprehensive income transferred to retained earnings															
(6)Others															
5.Special reserves															
(1)Additions															
(2)Utilisation															
6.Others															
IV.Balance at end of current year	185,391,680.00				296,808,965.79		11,252,746.52		81,427,732.56		527,518,517.81	1,102,399,642.68	466,615,694.36	1,569,015,337.04	

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Consolidated Statement of Changes in Shareholder's Equity (continued)
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	2023													
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General reserve	Retained earnings	Subtotal	Non-controlling interests	Total shareholders' equity
		Preference shares	Perpetual capital securities	Others										
I. Balance at the end of previous year	185,391,680.00				296,808,965.79		8,130,895.08		68,925,849.64		481,265,907.40	1,040,523,297.91	449,285,424.88	1,489,808,722.79
Add: Changes in accounting policies														
Correction of prior period errors														
Business combination under common control														
Others														
II. Balance at the beginning of the year	185,391,680.00				296,808,965.79		8,130,895.08		68,925,849.64		481,265,907.40	1,040,523,297.91	449,285,424.88	1,489,808,722.79
III. Increase/ Decrease for current year (Decrease listed with "-")							2,096,158.43		6,575,638.72		25,744,132.13	34,415,929.28	10,159,188.08	44,575,117.36
1. Total of comprehensive income							2,096,158.43				87,937,274.85	90,033,433.28	29,564,411.58	119,597,844.86
2. Capital contribution and reduction														
(1) Ordinary shares contributed by shareholders														
(2) Capital contributed by holders of other equity instruments														
(3) Share-based payments recognised in owners' equity														
(4) Others														
3. Profit appropriations									6,575,638.72		-62,193,142.72	-55,617,504.00	-19,405,223.50	-75,022,727.50
(1) Transfer to surplus reserve									6,575,638.72		-6,575,638.72			
(2) Transfer to general Reserve														
(3) Distribution to shareholders											-55,617,504.00	-55,617,504.00	-19,405,223.50	-75,022,727.50
(4) Others														
4. Transfer within equity														
(1) Capital reserves converted to share capital														
(2) Surplus reserves converted to share capital														
(3) Loss made up by surplus reserves														
(4) Changes in the defined benefit plan transferred to retained earnings														
(5) Other comprehensive income transferred to retained earnings														
(6) Others														
5. Special reserves														
(1) Additions														
(2) Utilisation														
6. Others														
IV. Balance at end of current year	185,391,680.00				296,808,965.79		10,227,053.51		75,501,488.36		507,010,039.53	1,074,939,227.19	459,444,612.96	1,534,383,840.15

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Company's Statement of Changes in Shareholder's Equity
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	2024										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Subtotal
		Preference shares	Perpetual capital securities	Others							
I. Balance at the end of previous year	185,391,680.00				271,490,289.82				75,501,488.36	387,364,404.92	919,747,863.10
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	185,391,680.00				271,490,289.82				75,501,488.36	387,364,404.92	919,747,863.10
III. Increase/ Decrease for current year (Decrease listed with "-")									5,926,244.20	6,988,277.79	12,914,521.99
1. Total of comprehensive income										59,262,441.99	59,262,441.99
2. Capital contribution and reduction											
(1) Ordinary shares contributed by shareholders											
(2) Capital contributed by holders of other equity instruments											
(3) Share-based payments recognised in owners' equity											
(4) Others											
3. Profit appropriations									5,926,244.20	-52,274,164.20	-46,347,920.00
(1) Transfer to surplus reserve									5,926,244.20	-5,926,244.20	
(2) Distribution to shareholders										-46,347,920.00	-46,347,920.00
(3) Others											
4. Transfer within equity											
(1) Capital reserves converted to share capital											
(2) Surplus reserves converted to share capital											
(3) Loss made up by surplus reserves											
(4) Changes in the defined benefit plan transferred to retained earnings											
(5) Other comprehensive income transferred to retained earnings											
(6) Others											
5. Special reserves											
(1) Additions											
(2) Utilisation											
6. Others											
IV. Balance at end of current year	185,391,680.00				271,490,289.82				81,427,732.56	394,352,682.71	932,662,385.09

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Company's Statement of Changes in Shareholder's Equity (continued)
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	2023										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Subtotal
		Preference shares	Perpetual capital securities	Others							
I.Balance at the end of previous year	185,391,680.00				271,490,289.82				68,925,849.64	383,801,160.49	909,608,979.95
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II.Balance at the beginning of the year	185,391,680.00				271,490,289.82				68,925,849.64	383,801,160.49	909,608,979.95
III.Increase/ Decrease for current year (Decrease listed with "-")									6,575,638.72	3,563,244.43	10,138,883.15
1.Total of comprehensive income										65,756,387.15	65,756,387.15
2.Capital contribution and reduction											
(1)Ordinary shares contributed by shareholders											
(2)Capital contributed by holders of other equity instruments											
(3)Share-based payments recognised in owners' equity											
(4)Others											
3.Profit appropriations									6,575,638.72	-62,193,142.72	-55,617,504.00
(1)Transfer to surplus reserve									6,575,638.72	-6,575,638.72	
(2)Distribution to shareholders										-55,617,504.00	-55,617,504.00
(3)Others											
4.Transfer within equity											
(1)Capital reserves converted to share capital											
(2)Surplus reserves converted to share capital											
(3)Loss made up by surplus reserves											
(4)Changes in the defined benefit plan transferred to retained earnings											
(5)Other comprehensive income transferred to retained earnings											
(6)Others											
5.Special reserves											
(1)Additions											
(2)Utilisation											
6.Others											
IV.Balance at end of current year	185,391,680.00				271,490,289.82				75,501,488.36	387,364,404.92	919,747,863.10

Legal Representative: Cai Yuansong

Chief Financial Officer: Wu Jianhua

Finance Manager: Wu Jianhua

Tsann Kuen (China) Enterprise Co., Ltd.
Notes to the Financial Statements
For the Year Ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

I. The basic information of company

TsannKuen (China) Enterprise Co., Ltd. (hereafter “the Company or TKC”) was established in the People’s Republic of China (“the PRC”) in 1988 as a wholly owned foreign investment enterprise, the Company named in TsannKuen China (Xiamen) Ltd., firstly, invested by the Fordchee Development Limited, EUPA Industry Corporation Limited and Fillman Investments Limited. On 16 February 1993, with the approval of the Ministry of Foreign Trade and Economic Co-operation, the Company was reorganized into an incorporated company and was renamed as TsannKuen (China) Enterprise Co., Ltd. In June 1993, the Company issued 40,000,000 new shares pursuant to an international placing and public offer and these new shares (“B shares”) were then listed on the Shenzhen Stock Exchange on 30 June 1993. According to the “Intended Implementation of Share Reducing Proposal” of the 5th extraordinary board of director of 2012 and the 3rd extraordinary shareholders’ general meeting of 2012, obtained the consent from the Investment Promotion Bureau of Xiamen which is authorized by the Ministry of Commerce and the approval documents ” The Approval by Investment Promotion Bureau of Xiamen to Consent the Capital Reduction of TsannKuen (China) Enterprise Co., Ltd” (IPB audit [2012] NO. 698), as the base 1,112,350,077 shares of the total original share capital, for implementation of share reducing model that all registered shareholders who was recorded on 28 December 2012 with the proportion 6:1 to reduce the shares. After the implementation of share reducing model, total share capital was reduced from 1,112,350,077 shares to 185,391,680 shares of the company. Until 31 December 2024, the Company’s share capital is CNY 185,391,680.

Following The Ministry of Commerce of the People’s Republic of China approved (The No. [2005]3107 “Agreed in Principle to the Ministry of Commerce on TsannKuen (China) Enterprise Co., Ltd. Shares Traded Sponsor of the Approval”), On 6 December 2006, the Company received the [2006] No.266 file “The notice of TsannKuen (China) Enterprise Co., Ltd, concerning the Approval of non-listed Foreign Shares Traded” from China

Securities Regulatory Commission. The China Securities Regulatory Commission agreed 700,476,830 unlisted shares (account for 62.97% of the share capital) held by the Company's shareholders, EUPA Industry Corporation Limited, Fordchee Development Limited, and Fillman Investments Limited to transfer into B shares. On 29 November 2007, these B shares could be listed and exercised on Shenzhen Stock Exchange. Up to 31 December 2024, total B shares held by the three legal shareholders (EUPA Industry Corporation Limited, Fordchee Development Limited, and Fillman Investments Limited) are 82,830,966 shares after the implementation of share reducing model (Accounts for 44.68% of the share capital).

Legal representative: CAI, Yuansong

Place of registration: No.88 Xinglong Road, Huli Industrial District, Xiamen, Fujian Province

The parent company: STAR COMGISTIC CAPITAL CO., LTD.

The Company operates within the electrical machinery and equipment manufacturing industry.

The industry of the company: electrical machinery and equipment manufacturing.

The company is actually engaged in the main business activities are: Develop, produce and manufacture small home appliances of gourmet cooking, home helper, tea and coffee; design and manufacture molds related to the above products, sell the products at home and abroad, and provide after-sales service.

The financial statements approved by the resolution of the Board of Directors on 08 March 2025, in accordance with the Articles of Association, the financial statements will be submitted to the shareholders meeting for consideration.

II.The basis for the preparation of financial statements

1.Basis of preparation

The financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises - Basic Standards" and various specific accounting standards, guidelines for the application of accounting standards for business enterprises, interpretations of accounting standards for business enterprises and other related regulations (hereinafter collectively referred to as "Accounting Standards for Business Enterprises") issued by the Ministry of Finance, as well as the relevant provisions of the "General Provisions on Financial Reporting, No. 15 of the Rules

Governing the Preparation of Information Disclosures by Companies Issuing Public Securities" of the China Securities Regulatory Commission.

2.Going concern

These financial statements are prepared on a going concern basis.

The Company has assessed its ability to continually operate for the next twelve months from the end of the reporting period, and no matters that may result in doubt on its ability as a going concern were noted. Therefore, it is reasonable for the Company to prepare financial statements on the going concern basis.

III.Significant Accounting Policies and Accounting Estimates

1.Declaration for compliance with Accounting Standards for Business Enterprises

The Company prepares its financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises, truly and completely reflecting the consolidate and company's financial position as at 31 December 2024, and the consolidated and company's operating results, changes in shareholders' equity, cash flows and other related information for the year then ended.

2.Accounting period

The accounting year of the Company is from 1 January to 31 December in calendar year.

3.Operating cycle

The normal operating cycle of the Company is one year.

4.Functional Currency

The Company takes Renminbi Yuan ("CNY") as the functional currency.

The Company's overseas subsidiaries choose the currency of the primary economic environment in which the subsidiaries operate as the functional currency.

5.Accounting for business combination under same control and not under same control

Business combinations under common control: Assets and liabilities acquired by the consolidating party in a business combination (including goodwill resulting from the acquisition of the consolidated party by the ultimate controlling party) are measured at the carrying value of the consolidated party's assets and liabilities in the consolidated

financial statements of the ultimate controlling party at the date of the combination. The difference between the book value of the net assets acquired in the merger and the book value of the merger consideration paid (or the total nominal value of shares issued) is adjusted against the equity premium in capital surplus, and if the equity premium in capital surplus is not sufficient for elimination, retained earnings are adjusted.

Business combinations not under common control: The cost of the combination is the fair value of the assets paid, liabilities incurred or assumed and equity securities issued by the purchaser to obtain control of the acquiree at the date of acquisition. The difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets acquired in the combination is recognized as goodwill; the difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets acquired in the combination is recognized in profit or loss for the period. Each identifiable asset, liability and contingent liability of the acquiree acquired in a merger that meets the recognition criteria is measured at fair value at the date of acquisition.

Directly related costs incurred for a business combination are recognized in profit or loss as incurred; transaction costs for issuing equity securities or debt securities for a business combination are included in the initial recognition amount of the equity securities or debt securities.

6.Criteria for determining control and Method of preparation of consolidated financial statements

(1)Criteria for determining control

The scope of consolidation in the consolidated financial statements is determined on the basis of control, and the scope of consolidation includes the Company and all of its subsidiaries. Control means that the Company has power over the investee, enjoys variable returns through its participation in the investee's related activities, and has the ability to use its power over the investee to influence the amount of its returns.

(2)Consolidation procedures

The Company considers the entire enterprise group as one accounting entity and

prepares consolidated financial statements in accordance with uniform accounting policies to reflect the financial position, results of operations and cash flows of the enterprise group as a whole. The effects of internal transactions that occur between the Company and its subsidiaries and between subsidiaries are eliminated. If an internal transaction indicates an impairment loss on the related asset, the full amount of such loss is recognized. If the accounting policies and accounting periods adopted by a subsidiary are not consistent with those of the Company, the necessary adjustments are made in accordance with the Company's accounting policies and accounting periods when preparing the consolidated financial statements. The share of ownership equity, net profit or loss for the period and comprehensive income for the period attributable to minority shareholders of the subsidiaries are presented separately in the consolidated balance sheet under the item of ownership equity, in the consolidated income statement under the item of net profit and in the consolidated statement of total comprehensive income, respectively. The balance resulting from the subsidiary's minority share of current loss exceeding the minority's share of the subsidiary's opening ownership interest is eliminated to reduce shareholders' equity.

① Increase number of subsidiaries or operations

During the reporting period, if a subsidiary or business is added as a result of a business combination under the same control, the operating results and cash flows of the subsidiary or business from the beginning of the period in which the subsidiary or business is combined to the end of the reporting period are included in the consolidated financial statements, while the opening balance of the consolidated financial statements and the relevant items in the comparative statements are adjusted as if the consolidated reporting entity had existed since the point when the ultimate controlling party began to control it.

If control over an investee under the same control can be exercised due to additional investment, equity investments held prior to the acquisition of control over the investee are eliminated from the opening retained earnings or current profit or loss for the comparative statement period, respectively, for the relevant gains or losses, other comprehensive income and other changes in net assets recognized between the later of the date of acquisition of the original equity interest and the date when the consolidated party and the investee are under the

same control and the date of consolidation.

During the reporting period, the addition of subsidiaries or operations as a result of a business combination not under common control is included in the consolidated financial statements from the date of acquisition based on the fair value of each identifiable asset, liability and contingent liability determined at the date of acquisition.

If, for example, additional investments enable the exercise of control over an investee not under common control, the equity interest in the investee held prior to the date of acquisition is remeasured at the fair value of that equity interest at the date of acquisition, and the difference between the fair value and its carrying amount is recognized as investment income for the current period. The difference between the fair value and its

carrying amount is recognized as investment income for the period. The equity interest in the investee held prior to the date of acquisition is transferred to investment income for the period to which the equity interest is transferred under the equity method.

② Disposal of subsidiaries

1) General treatment

When control over an investee is lost due to disposal of part of the equity investment or other reasons, the remaining equity investment after disposal is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the sum of the share of the net assets of the original subsidiary calculated on a continuing basis from the date of acquisition or the date of consolidation in proportion to the original shareholding and goodwill, is recognized as investment income in the period in which control is lost. Other comprehensive income and other changes in owners' equity under the equity method of accounting related to the equity investment in the original subsidiary that can be reclassified to profit or loss in the future are transferred to investment income in the current period when control is lost.

2) Step-by-step disposal of subsidiaries

Disposal of equity investments in subsidiaries through multiple transactions in steps until the loss of control, the terms and conditions of the disposal of equity

investments in subsidiaries and the economic impact of each transaction is consistent with one or more of the following, usually indicating that the multiple transactions are a package deal:

- i. The transactions are entered into simultaneously or after taking into account their mutual effects;
- ii. These transactions as a whole to achieve a complete business result;
- iii. The occurrence of one transaction depends on the occurrence of at least one other transaction;
- iv. A transaction is not economical when viewed alone, but is economical when considered together with other transactions.

If each transaction is a package transaction, each transaction is accounted for as a disposal of a subsidiary and loss of control; the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment before the loss of control is recognized in the consolidated financial statements as other comprehensive income and is transferred to profit or loss in the period is lost when control is lost.

If each transaction is not a package transaction, the accounting treatment is based on partial disposal of the equity investment in the subsidiary without loss of control before the loss of control; upon the loss of control, the accounting treatment is based on the general treatment of disposal of subsidiaries.

③Purchase of minority interests in subsidiaries

The difference between the newly acquired long-term equity investment due to the purchase of minority interest and the share of net assets of the subsidiary calculated in proportion to the newly acquired shareholding on an ongoing basis from the date of acquisition or the date of consolidation is adjusted to the equity premium in capital surplus in the consolidated balance sheet; if the equity premium in capital surplus is not sufficient for elimination, it is adjusted to retained earnings.

(4) Partial disposal of equity investments in subsidiaries without loss of control

The difference between the disposal price and the share of net assets of the subsidiary calculated on a continuing basis from the date of acquisition or the date of consolidation corresponding to the disposal of the long-term equity investment is adjusted to the equity premium in capital surplus in the consolidated balance

sheet, and if the equity premium in capital surplus is not sufficient to offset it, retained earnings are adjusted.

7. Cash and cash equivalent

The cash listed on the cash flow statements of the Group refers to cash on hand and bank deposit. The cash equivalents refer to short-term (normally with original maturities of three months or less) and liquid investments which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

8. Translation of foreign currency

(1) Foreign currency transaction

At the initial recognition of foreign currency transactions, the entity uses the spot exchange rate on the date of the transaction or an approximate spot exchange rate determined using a systematic and rational method that is close to the spot rate at the date of the transaction (hereinafter referred to as the approximate spot rate) for conversion into the functional currency.

On the balance sheet date, for foreign currency monetary items, the spot exchange rate on the balance sheet date is used for conversion. The exchange differences arising from the difference between the spot exchange rate on the balance sheet date and the spot rate at the date of initial recognition or the previous balance sheet date are recognized in profit or loss. For non-monetary foreign currency items measured at historical cost, the spot exchange rate at the date of the transaction continues to be used; for non-monetary foreign currency items measured at fair value, the spot exchange rate on the date when the fair value is determined is used, and the difference between the amount in the functional currency after conversion and the original amount in the functional currency is recognized in profit or loss.

(2) Translation of foreign currency financial statements

Before translating the financial statements of a foreign operation, adjust the accounting periods and accounting policies of the foreign operation to align with those of the reporting entity. Then, prepare the financial statements in the relevant currency (other than the functional currency) based on the adjusted accounting policies and periods. The translation of the financial statements of the foreign operation should be performed as follows:

① Assets and Liabilities in the Statement of Financial Position:

Assets and liabilities are translated at the spot exchange rate on the balance sheet date.

For equity items, except for "retained earnings," other equity items are translated at the spot exchange rates prevailing at the dates of the transactions.

② Income and Expense Items in the Statement of Profit or Loss:

Income and expense items are translated at the spot exchange rates on the dates of the transactions or using an approximate exchange rate that is a reasonable approximation of the spot rate on the transaction date.

③ Foreign Currency Cash Flows and Cash Flows of Foreign Subsidiaries:

Foreign currency cash flows and cash flows of foreign subsidiaries are translated at the spot exchange rates on the dates of the cash flows or using an approximate exchange rate that is a reasonable approximation of the spot rate on the date of the cash flow.

The effect of exchange rate changes on cash and cash equivalents should be reported as a separate reconciling item in the statement of cash flows.

④ Translation Differences Arising from the Translation of Foreign Financial Statements:

In the preparation of consolidated financial statements, the resulting translation differences are presented separately in the consolidated statement of financial position under equity as "other comprehensive income."

When a foreign operation is disposed of and control is lost, the cumulative translation differences related to that foreign operation, which are presented in the equity section of the balance sheet, should be transferred to profit or loss in full or proportionally, depending on the extent of the disposal.

9. Financial instrument

The Company recognizes a financial asset, a financial liability or an equity instrument when it becomes a party to a financial instrument contract.

(3) Classification of financial instruments

Based on the Company's business model for managing financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified at initial recognition as financial assets carried at amortized cost, financial assets at fair value through other comprehensive income, and financial

assets at fair value through profit or loss.

The Company classifies financial assets at amortized cost that are not designated as financial assets at fair value through profit or loss if they both meet the following criteria:

- The business model is to collect the contractual cash flows;
- The contractual cash flows are only payments of principal and interest based on the outstanding principal amount.

The Company classifies financial assets as financial assets at fair value through other comprehensive income (debt instruments) that are not designated as at fair value through profit or loss if they also meet the following criteria:

- Operating model with the objective of both collecting the contractual cash flows and selling the financial asset;
- The contractual cash flows are only payments on the principal and interest based on the outstanding principal amount.

For investments in non-trading equity instruments, the Company may irrevocably designate them at initial recognition as financial assets at fair value through other comprehensive income (equity instruments). This designation is made on an individual investment basis and the related investment meets the definition of an equity instrument from the perspective of the issuer.

Except for the above-mentioned financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the Company classifies all remaining financial assets as financial assets at fair value through profit or loss. On initial recognition, the Company may irrevocably designate financial assets that would otherwise be classified as financial assets at amortized cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss if it can eliminate or significantly reduce the accounting mismatch.

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

A financial liability maybe designated as a financial liability at fair value through profit or loss at initial measurement if one of the following conditions is met:

- ① The designation eliminates or significantly reduces an accounting mismatch.
- ② The management and performance evaluation of a portfolio of financial

liabilities or a portfolio of financial assets and financial liabilities is performed on a fair value basis in accordance with the enterprise's risk management or investment strategy as set out in formal written documentation and reported to key management personnel on this basis within the enterprise.

③The financial liability contains embedded derivatives that are subject to separate splitting.

(4) Recognition basis and measurement method of financial instruments

①Financial assets measured at amortized cost

Financial assets measured at amortized cost, including notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, are initially measured at fair value, with related transaction costs included in the initial recognition amount; accounts receivable that do not contain significant financing components and those that the Company has decided not to consider financing components that do not exceed one year are initially measured at contractual transaction prices.

Interest calculated using the effective interest rate method during the holding period is recognized in profit or loss.

On recovery or disposal, the difference between the acquisition price and the carrying amount of the financial asset is recognized in profit or loss for the current period.

②Financial assets at fair value through other comprehensive income (debt instruments)

Financial assets (debt instruments) at fair value through other comprehensive income include receivables financing and other debt investments, which are initially measured at fair value, with related transaction costs recognized in the initial recognition amount. The financial assets are subsequently measured at fair value, and changes in fair value are recognized in other comprehensive income, except for interest, impairment loss or gain and exchange gain or loss calculated using the effective interest rate method.

Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss for the current period.

③ Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets (equity instruments) at fair value through other comprehensive income, including investments in other equity instruments, are initially measured at fair value, with related transaction costs recognized in the initial recognition amount. The financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income. Dividends received are recognized in current profit or loss.

Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in retained earnings.

④ Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, derivative financial assets and other non-current financial assets, which are initially measured at fair value, with related transaction costs recognized in profit or loss. The financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss for the period.

⑤ Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and derivative financial liabilities, which are initially measured at fair value, with related transaction costs recognized in profit or loss. The financial liabilities are subsequently measured at fair value, with changes in fair value recognized in profit or loss for the period.

Upon derecognition, the difference between the carrying amount and the consideration paid is recognized in profit or loss for the current period.

⑥ Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, which are initially measured at fair value, with related transaction costs included in the initial recognition amount.

Interest calculated using the effective interest rate method during the holding period is recognized in profit or loss.

Upon derecognition, the difference between the consideration paid and the carrying

amount of the financial liability is recognized in profit or loss for the current period.

(5) Basis of recognition and measurement of financial asset derecognition and financial asset transfers

The Company derecognizes a financial asset when one of the following conditions is met:

- The contractual rights to receive cash flows from the financial asset are terminated;
- The financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferring party;
- A financial asset has been transferred and control over the financial asset is not retained, although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

When the Company modifies or renegotiates a contract with a counterparty and the modification constitutes a material change, the original financial asset is derecognized and a new financial asset is recognized in accordance with the modified terms.

A financial asset is not derecognized if substantially all the risks and rewards of ownership of the financial asset are retained when a transfer of the financial asset occurs.

In determining whether a transfer of financial assets meets the above conditions for derecognition of financial assets, the principle of substance over form is applied.

The Company distinguishes between transfers of financial assets as a whole and partial transfers of financial assets. If the transfer of a financial asset as a whole meets the derecognition condition, the difference between the following two amounts is recognized in profit or loss for the current period:

- ① The carrying amount of the financial asset transferred;
- ② The sum of the consideration received for the transfer and the cumulative amount of changes in fair value previously recognized directly in owners' equity (in the case where the transferred financial asset is a financial asset (debt instrument) measured at fair value through other comprehensive income).

If a partial transfer of a financial asset satisfies the derecognition condition, the carrying amount of the financial asset transferred as a whole is apportioned

between the derecognized portion and the unrecognized portion according to their respective relative fair values, and the difference between the following two amounts is recognized in profit or loss:

- ① The carrying amount of the derecognized portion;
- ② The sum of the consideration for the derecognized portion and the amount corresponding to the derecognized portion of the cumulative amount of changes in fair value previously recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value through other comprehensive income).

If the transfer of a financial asset does not meet the derecognition condition, the financial asset continues to be recognized and the consideration received is recognized as a financial liability.

(6) Derecognition of financial liabilities

A financial liability or a portion thereof is derecognized when the present obligation of the financial liability is discharged in whole or in part. If the Company enters into an agreement with a creditor to replace an existing financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are materially different from those of the existing financial liability, the existing financial liability is derecognized and a new financial liability is recognized at the same time.

If all or part of the contractual terms of an existing financial liability are substantially modified, the existing financial liability or part of it is derecognized, and the modified financial liability is recognized as a new financial liability at the same time.

When a financial liability is derecognized in whole or in part, the difference between the carrying amount of the derecognized financial liability and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the period.

If the Company repurchases a portion of a financial liability, the carrying amount of the financial liability as a whole is allocated on the repurchase date based on the relative fair values of the portion that continues to be recognized and the portion

that is derecognized. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the period.

(7) Methods to determine the fair value of financial assets and financial liabilities

The fair value of financial instruments for which there is an active market is determined by quoted prices in an active market. The fair value of financial instruments for which no active market exists is determined using valuation techniques. In valuation, the Company uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the asset or liability considered by market participants in transactions for the relevant asset or liability, and gives preference to the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are not available or not practicable to obtain.

(8) Methods of testing and accounting for impairment of financial instrument

The Company estimates the expected credit losses on financial assets measured at amortized cost, financial assets at fair value through other comprehensive income (debt instruments) and financial guarantee contracts, etc.

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default.

For receivables and contract assets resulting from transactions governed by ASBE No. 14, Revenue, the Company always measures its allowance for losses at an amount equal to the expected credit losses over the entire duration, regardless of whether or not there is a significant financing component.

For lease receivables resulting from transactions regulated by ASBE No. 21, "Leases," the Company has elected to always measure its allowance for losses at an amount equal to the expected credit losses over the entire duration.

For other financial instruments, the Company assesses at each balance sheet date

the change in credit risk of the related financial instruments since initial recognition.

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition to determine the relative change in the risk of default over the expected life of the financial instrument. The Company generally considers that the credit risk of a financial instrument has increased significantly if it is more than 30 days past due, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument is low at the balance sheet date, the Company considers that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument has increased significantly since initial recognition, the Company measures the allowance for losses at an amount equal to the expected credit losses over the entire life of the financial instrument; if the credit risk of a financial instrument has not increased significantly since initial recognition, the Company measures the allowance for losses at an amount equal to the expected credit losses of the financial instrument in the next 12 months. The resulting increase or reversal amount of the loss allowance is recognized as an impairment loss or gain in profit or loss. For financial assets (debt instruments) that are measured at fair value through other comprehensive income, the allowance for losses is recognized in other comprehensive income and the impairment loss or gain is recognized in profit or loss for the current period and does not reduce the carrying amount of the financial asset as stated in the balance sheet.

The Company classifies the remaining financial instruments into several groups based on their credit risk characteristics and determines the expected credit losses on a collective basis. The categories of groups for which the Company recognizes expected credit losses, including notes receivable, accounts receivable, financing receivables, other receivables, contract assets, and long-term receivables, and the basis for determining these groups are as follows:

①Receivables

For the notes receivable, accounts receivable, other receivables, accounts

receivable financing, and long-term receivables which are demonstrated to be impaired by any objective evidence, or applicable for individual assessment, the Company shall individually assess for impairment and recognize the loss allowance for expected credit losses. If the Company determines that no objective evidence of impairment exists for notes receivable, accounts receivable, other receivables, accounts receivable financing, and long-term receivables, or the expected credit loss of a single financial asset cannot be assessed at reasonable cost, such notes receivable, accounts receivable, other receivables, accounts receivable financing, and long-term receivables shall be divided into several groups based on similar credit risk characteristics and calculate collectively on the expected credit loss. The determination basis of groups is as following:

1)Notes Receivables

For notes receivable classified as portfolios, the Company calculates expected credit losses based on default exposure and expected credit loss rates throughout the life of the Company, considering historical credit loss experience, combined with current conditions and the forecast of the future economic conditions.

Item	Basis for determining the groups
Bank acceptance bill	The acceptor is a bank with less credit risk.
Commercial acceptance bill	According to the credit risk of the acceptor, it should be the same as the portfolios of accounts receivable.

2)Accounts Receivables

For receivables that do not contain significant financing components, our company measures the loss provision based on the expected credit loss amount over the entire duration of the receivable.

For receivables that contain significant financing components and lease receivables, our company always measures the loss provision based on the expected credit loss amount over the duration of the receivable.

Except for accounts receivable that are assessed individually for credit risk, they are categorized into different groups based on their credit risk characteristics.:

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Item	Basis for determining the groups
Aging of Accounts Receivables	This group uses the accounts receivables aging as the credit risk characteristics.
Related parties	Related party relationships (Unless there is evidence that a credit loss may occur).

3) Other Receivables

The Company assesses whether the credit risk of other receivables has significantly increased since initial recognition, and utilizes the amount equivalent to the expected credit loss in the next 12 months or the whole duration to measure the impairment loss accordingly. Besides the other receivables that have individually assessed credit risk, the rest of the other receivables are classified into different groups based on their credit risk characteristics:

Item	Basis for determining the groups
Deposit guarantee	This group of receivables includes deposit receivables, advances on behalf of others and quality guarantee deposits to be collected in daily activities.
Export tax refund	This group is the declared export tax refund funds that have not been received.
Open credits	This group uses the age of accounts receivable as the credit risk characteristics.
Related parties	Related party relationships (Unless there is evidence that a credit loss may occur)

The Company's aging calculation method based on the combination of aging recognition credit risk characteristics:

The aging of accounts receivables for the portfolio of credit risk features recognized by aging is calculated as follows:

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Aging	Accrual ratio (%)
Not overdue	0.50
1-30 days overdue	4.50
31-60 days overdue	20.00
61-90 days overdue	45.00
More than 90 days overdue	100.00

The aging of other receivables for the portfolio of credit risk features recognized by aging is calculated as follows:

Aging	Accrual ratio (%)
1-90 days	0.00
90-180 days	10.00
180-270 days	30.00
270-360 days	50.00
More than one year	100.00

②Debt investment and other debt investment

For debt investment and other debt investment, the Company shall calculate the expected credit loss through the default exposure and the 12-month or lifetime expected credit loss rate based on the nature of the investment, counterparty and the type of risk exposure.

1)Low credit risk

If the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

2)Significant increase in credit risk

The Company shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition, using the change in the risk of a

default occurring over the expected life of the financial instrument, through the comparison of the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

To make that assessment, the Company shall consider reasonable and supportable information, that is available without undue cost or effort, and that is indicative of significant increases in credit risk since initial recognition, including forward-looking information. The information considered by the Company are as following:

Significant changes in internal price indicators of credit risk as a result of a change in credit risk since inception

Existing or forecast adverse change in the business, financial or economic conditions of the borrower that results in a significant change in the borrower's ability to meet its debt obligations;

An actual or expected significant change in the operating results of the borrower;
An actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower;

Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise influence the probability of a default occurring;

Significant change that are expected to reduce the borrower's economic incentive to make scheduled contractual payments;

Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the instrument;

Significant changes in the expected performance and behavior of the borrower;

Contractual payments are more than 30 days past due.

Depending on the nature of the financial instruments, the Company shall assess whether the credit risk has increased significantly since initial recognition on an individual financial instrument or a group of financial instruments. When assessed based on a group of financial instruments, the Company can group financial

instruments on the basis of shared credit risk characteristics, for example, past due information and credit risk rating.

Generally, the Company shall determine the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Company can only rebut this presumption if the Company has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due.

If the company no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the carrying amount of that financial asset shall be directly reduced.

10. Inventory

(9)Category and cost of inventory

Inventories are classified as: raw materials, work-in-progress, in-house semi-finished goods, finished goods, low-value consumables, and goods in transit, etc.

Inventories are initially measured at cost, which includes purchase costs, processing costs, and other expenditures incurred to bring the inventories to their present location and condition.

(10)Valuation method of issued inventory

The cost of inventories used or sold is determined on the weighted average basis.

(11)inventory system

Adoption of perpetual inventory system.

(12)Amortization method of low-value consumables and packaging

- ① Low-value consumables are amortized using the one-time reversal method;
- ②The one-time reversal method is used for packaging.

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

Inventories are stated at the lower of cost and net realizable value. The excess of cost over net realizable value of the inventories is recognised as provision for impairment of inventory, and recognised in current profit or loss.

Net realizable value of the inventory should be determined on the basis of reliable evidence obtained, and factors such as purpose of holding the inventory and impact of post balance sheet event shall be considered.

①In normal operation process, finished goods, products and materials for direct sale, their net realizable values are determined at estimated selling prices less estimated selling expenses and relevant taxes and surcharges; for inventories held to execute sales contract or service contract, their net realizable values are calculated based on contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices. Net realizable value of materials held for sale shall be measured based on market price.

②For materials in stock need to be processed, in the ordinary course of production and business, net realisable value is determined at the estimated selling price less the estimated costs of completion, the estimated selling expenses and relevant taxes. If the net realisable value of the finished products produced by such materials is higher than the cost, the materials shall be measured at cost; if a decline in the price of materials indicates that the cost of the finished products exceeds its net realisable value, the materials are measured at net realisable value and differences shall be recognised at the provision for impairment.

③The company generally makes provision for inventory impairment based on an individual basis. For inventories with large quantity and low unit price, the provisions for inventory impairment are determined on a category basis. Provision for impairment in the value of inventories is made for inventories held in stock for more than 180 days based on the estimated realisable value of inventories sold by material category group.

④If any factor rendering write-downs of the inventories has been eliminated at the reporting date, the amounts written down are recovered and reversed to the extent of the inventory impairment, which has been provided for. The reversal shall be included in profit or loss.

11.Contract assets

(14) Methods and criteria for recognition of contract assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligations and payments from customers. The right to receive consideration for goods transferred or services provided by the Company to the customer (and which is dependent on factors other than the passage of time) is presented as a contract asset. Contract assets and contract liabilities under the same contract are shown on a net basis. The Company's unconditional (depending only on the passage of time) right to receive consideration from customers is shown separately as receivables.

(15) Method of determining expected credit losses on contract assets and accounting treatment

The methods of determining expected credit losses on contract assets and the accounting treatment are described in detail in Note "III.9. (6) Methods of testing and accounting treatment for impairment of Financial instrument" in this Note.

12. Long-term equity investments

(16) Criteria for determining joint control and significant influence

Joint control refers to the control shared by an arrangement in accordance with the relevant agreement, and the relevant activities of the arrangement can only be decided with the unanimous consent of the participants sharing the control. If the Company exercises joint control over an investee together with other joint venture parties and has rights to the investee's net assets, the investee is a joint venture of the Company.

Significant influence means having the power to participate in the financial and operating decisions of the investee, but not being able to control or exercise joint control with other parties over the formulation of those policies. Where the Company is able to exercise significant influence over an investee, the investee is an associate of the Company.

(17) Determination of initial investment

① Long-term equity investments resulting from business combinations

For long-term equity investments in subsidiaries formed by business combinations under common control, the initial investment of long-term equity investments is

determined at the date of consolidation based on the acquisition of the share of the ownership interest of the consolidated party in the book value of the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of the long-term equity investment and the carrying value of the consideration paid is adjusted against the equity premium in capital surplus; if the equity premium in capital surplus is not sufficient for elimination, retained earnings are adjusted. If the Company is able to exercise control over an investee under the same control due to additional investment, the difference between the initial investment cost of the long-term equity investment recognized in accordance with the above principle and the sum of the book value of the long-term equity investment before reaching the consolidation plus the book value of the consideration paid for further acquisition of shares at the date of consolidation is adjusted against equity premium, and if the equity premium is not sufficient for elimination, it is reduced against retained earnings.

For long-term equity investments in subsidiaries formed through business combinations not under common control, the initial investment cost of the long-term equity investment is based on the cost of the combination determined at the date of acquisition. If it is possible to exercise control over the investee under non-same control due to additional investment, the sum of the book value of the equity investment originally held plus the cost of the additional investment is used as the initial investment cost.

② Long-term equity investments acquired through other means instead of business combination

Long-term equity investments acquired by cash payment are recorded at initial investment cost based on the actual purchase price paid.

Long-term equity investments acquired by issuing equity securities are recorded at the initial investment cost based on the fair value of the equity securities issued.

(18) Subsequent measurement and profit or loss recognition methods

① Long-term equity investments accounted for under the cost method

The Company accounts for its long-term equity investments in subsidiaries using the cost method unless the investments meet the conditions of being held for sale. Except for the declared but unpaid cash dividends or profits included in the actual

price or consideration paid for the investment, the Company recognizes investment income for the current period based on the Company's entitlement to the declared cash dividends or profits of the investee.

② Long-term equity investments accounted for under the equity method

Long-term equity investments in associates and joint ventures are accounted for using the equity method. The difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment is not adjusted to the initial investment cost of the long-term equity investment; the difference between the initial investment cost and the share of the fair value of the identifiable net assets of the

investee at the time of investment is recognized in profit or loss for the current period and the cost of the long-term equity investment is also adjusted.

The Company recognizes investment income and other comprehensive income according to the share of net profit or loss and other comprehensive income realized by the investee, respectively, and adjusts the carrying value of the long-term equity investment at the same time; the portion to which the Company is entitled according to the profit or cash dividends declared by the investee is calculated, and the carrying value of the long-term equity investment is reduced accordingly; for the investee's ownership interest other than net profit or loss, other comprehensive income and profit distribution For changes in the equity of the investee other than net profit or loss, other comprehensive income and profit distribution ("changes in other owners'equity"), the carrying amount of the long-term equity investment is adjusted and recognized in owners' equity.

In recognizing the share of the investee's net profit or loss, other comprehensive income and other changes in owners'equity, the fair value of the investee's identifiable net assets at the time of acquisition is used as the basis for recognition, and the net profit and other comprehensive income of the investee are adjusted in accordance with the Company's accounting policies and accounting periods.

Unrealized gains or losses on internal transactions between the company and associate and joint ventures that are attributable to the Company on the basis of their proportionate share are offset and investment income is recognized on this basis, except when the assets invested or sold constitute a business. Unrealized losses on internal transactions with investees are recognized in full if there are

impairment losses on assets.

The net loss incurred by the company in a joint venture or an associate, except for the obligation to assume additional losses, is limited to a write-down to zero of the carrying amount of the long-term equity investment and other long-term interests that substantially constitute the net investment in the joint venture or associate. If the joint venture or associate subsequently realizes net profit, the Company resumes recognition of revenue sharing after the revenue sharing amount makes up for the unrecognized loss sharing amount.

③ Disposal of long-term equity investments

The difference between the carrying amount and the actual acquisition price of a long-term equity investment is recognized in profit or loss for the current period.

If a long-term equity investment accounted for under the equity method is partially disposed of and the remaining equity interest is still accounted for under the equity method, the other comprehensive income recognized under the former equity method is carried forward in proportion to the corresponding percentage using the same basis as the direct disposal of the related assets or liabilities by the investee, and other changes in owners' equity are carried forward in proportion to the current profit or loss.

If the common control or significant influence over the investee is lost due to the disposal of equity investments, etc., other comprehensive income recognized as a result of the adoption of the equity method of accounting for the original equity investment is accounted for on the same basis as the direct disposal of the related assets or liabilities of the investee upon the termination of the adoption of the equity method of accounting, and all changes in other owners' equity are transferred to current profit or loss upon the termination of the adoption of the equity method of accounting.

If control over the investee is lost due to disposal of part of the equity investment, the remaining equity interest that can exercise joint control or significant influence over the investee is accounted for under the equity method in the preparation of individual financial statements, and the remaining equity interest is adjusted as if it had been accounted for under the equity method from the time of acquisition, and other comprehensive income recognized prior to the acquisition of control over the investee is accounted for on the same basis as if the investee had directly disposed

of the related assets or liabilities. If the remaining equity interest cannot exercise joint control or significant influence over the investee, it is recognized as a financial asset, and the difference between its fair value and its carrying amount at the date of loss of control is recognized in profit or loss for the current period, and for other comprehensive income and other owner's equity recognized prior to the acquisition of control of the investee, the remaining equity interest is recognized in profit or loss for the current period. All other comprehensive income and other changes in owners' equity recognized prior to the acquisition of control of the investee are carried forward.

If the disposal of an equity investment in a subsidiary through multiple transactions until the loss of control is a package transaction, each transaction is accounted for as a disposal of an equity investment in a subsidiary and the loss of control; the difference between the disposal price and the carrying value of the long-term equity investment corresponding to the equity interest disposed of before the loss of control is recognized as other comprehensive income in the individual financial statements, and then recognized as other comprehensive income when control is lost. The difference between the disposal price and the carrying amount of the long-term equity investment before the loss of control is recognized as other comprehensive income in the individual financial statements, and then transferred to profit or loss in the period in which control is lost. If it is not a package transaction, each transaction is accounted for separately.

13. The measurement model of investment property

Investment property refers to real estate held to earn rentals or for capital appreciation, or both. It includes land use rights that have been leased out, land use rights held and intended to be transferred after appreciation, and buildings that have been leased out (including buildings constructed or developed by the company for leasing purposes, as well as buildings under construction or development intended for future leasing).

Subsequent expenditures related to investment property shall be included in the cost of the investment property if it is probable that the associated economic benefits will flow to the entity and the cost can be measured reliably; otherwise, they are recognized in profit or loss for the period when incurred.

The company measures existing investment property using the cost model. For investment property - leased buildings measured at cost, the same depreciation policy applied to the

company's fixed assets is used. The amortization policy for leased land use rights follows the same approach as for intangible assets.

14. Fixed Assets

(19) Recognition and initial measurement of fixed assets

Fixed assets are tangible assets held for the production of goods, provision of services, rental or management, and with a useful life of more than one fiscal year .

A fixed asset is recognized when both of the following conditions are met:

- ① It is probable that the economic benefits associated with the fixed asset will flow to the enterprise;
- ② The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (taking into account the effect of expected disposal costs).

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when it is probable that the economic benefits associated with them will flow to the enterprise and their cost can be measured reliably; for the replaced part, the carrying amount is derecognized; all other subsequent expenditures are charged to current profit or loss when incurred.

(20) Depreciation Method

Depreciation of fixed assets is provided using the average annual method, and the depreciation rate is determined based on the category of fixed assets, estimated useful life and estimated net residual value rate. For fixed assets with provision for impairment, the depreciation amount is determined in future periods based on the carrying amount after deducting the provision for impairment and based on the remaining useful life. If each component of fixed assets has different useful lives or provides economic benefits to the enterprise in different ways, different depreciation rates or depreciation methods are selected and depreciated separately.

The depreciation methods, useful lives, residual value rate and annual depreciation rates of various types of fixed assets are as follows:

Category	Depreciation method	Residual rates (%)	Estimated useful life (year)	Annual depreciation rates (%)
Buildings and constructions	Straight-line	7.00-10.00	12-20	4.50-7.50

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Category	Depreciation method	Residual rates (%)	Estimated useful life (year)	Annual depreciation rates (%)
	method			
Machinery equipment	Straight-line method	0.00	4-15	6.67-25.00
Electrical equipment, Model, and other	Straight-line method	0.00	5-6	16.67-20.00
Vehicles	Straight-line method	0.00	6-11	9.09-16.67
Improvement expenditure of leased fixed assets	Straight-line method	0.00	Amortisation shall be made according to the shorter of benefit period and lease period	

(21) Disposal of fixed assets

Fixed assets are derecognized when they are disposed of, or when no economic benefits are expected to arise from their use or disposal. The disposal proceeds from the sale, transfer, scrapping or destruction of fixed assets, net of their book value and related taxes and fees, are recognized in profit or loss for the current period.

15. Construction in progress

Construction in progress is measured at its actual incurred costs. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalization, and other necessary expenditures incurred to bring the construction in progress to its intended usable state. When the construction in progress reaches its intended usable state, it is transferred to property, plant, and equipment (fixed assets) and depreciation begins from the following month.

For fixed assets that have reached their intended usable state but have not yet completed final settlement procedures, they are provisionally transferred to fixed assets at estimated values based on project budgets, cost estimates, or actual incurred costs from the date they reach their intended usable state. Depreciation is calculated according to the company's fixed asset depreciation policy. Once the final settlement procedures are completed, the

originally estimated provisional values are adjusted to reflect the actual costs, but previously recognized depreciation amounts are not adjusted.

16. Borrowing Costs

(22) Recognition Principles for Capitalization of Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized and included in the cost of those assets. Other borrowing costs are recognized as an expense when they are incurred and included in profit or loss for the period.

A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale, such as property, plant, and equipment, investment property, and inventories.

(23) Period of Capitalization of Borrowing Costs

The capitalization period refers to the duration from the start of capitalizing borrowing costs until the cessation of capitalization, excluding periods when capitalization is suspended.

Borrowing costs begin to be capitalized when all the following conditions are met:

- ① Expenditure on the asset has been incurred, which includes payments made in cash, non-cash consideration, or liabilities bearing interest for the acquisition or production of a qualifying asset.
- ② Borrowing costs have been incurred.
- ③ Activities necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset is ready for its intended use or sale.

(24) Suspension of Capitalization Period

If there is an abnormal interruption during the construction or production of a qualifying asset and the interruption lasts continuously for more than three months, the capitalization of borrowing costs should be suspended. However, if the interruption is a necessary part of the process for preparing the asset for its intended use or sale, borrowing costs continue to be capitalized. During the suspension period, borrowing costs are recognized as an expense until the construction or production activities resume.

(25) Calculation Methods for Capitalization Rate and Amount of Borrowing Costs

For specific borrowings taken out to acquire or construct a qualifying asset, the amount of borrowing costs to be capitalized is determined by subtracting the interest income earned from depositing unused funds in a bank or from temporary investments from the actual borrowing costs incurred during the period.

For general borrowings used to acquire or construct a qualifying asset, the amount of borrowing costs to be capitalized is calculated by multiplying the weighted average of the expenditures exceeding the amount of specific borrowings by the capitalization rate of the general borrowings. The capitalization rate is based on the weighted average effective interest rate of the general borrowings.

During the capitalization period, exchange differences arising from foreign currency denominated specific borrowings and their interest are capitalized and included in the cost of qualifying assets. Exchange differences arising from other foreign currency borrowings and their interest are recognized as expenses in profit or loss.

17. Intangible assets

(26) Valuation method of intangible assets

- ① The company initially measures intangible assets at cost when they are acquired;

The cost of an externally acquired intangible asset includes the purchase price, related taxes and other expenses directly attributable to bringing the asset to its intended use.

- ② Subsequent measurement

The useful life of an intangible asset is analyzed and determined at the time of acquisition. For intangible assets with finite useful lives, they are amortized over the period in which they bring economic benefits to the enterprise; if the period in which the intangible assets bring economic benefits to the enterprise cannot be foreseen, they are considered to be intangible assets with indefinite useful lives and are not amortized.

(27) The useful life and amortisation of intangible assets

Category	Estimated useful life	Basis
Land use right	20-50years	Legal right of use
Software	3-5years	The service life is determined by reference to the period that can bring economic benefits to the Company

(28)Criteria for Judging Indefinite-Lived Intangible Assets and Procedures for Reviewing Their Useful Lives Indefinite-Lived Intangible Assets

For intangible assets with an indefinite useful life, no amortization is recognized. These assets are not amortized because their useful lives cannot be reliably estimated.

At the end of each annual period, the useful life of indefinite-lived intangible assets should be reviewed. If evidence indicates that the useful life of an intangible asset is actually finite, its useful life should be estimated, and the asset should be amortized systematically and rationally over its estimated useful life.

(29)Scope of Research and Development(R&D) expenditure Classification

The Company classifies all costs directly related to the conduct of research and development activities as research and development expenses, including research and development employee compensation, depreciation and amortisation expenses, testing expenses, maintenance expenses, patent fees and other expenses.

(30)Specific criteria for classifying research and development phases

Expenditures on in-house research and development projects are categorized into research stage expenditures and development stage expenditures.

Research stage: the stage of original and planned investigation and research activities for the purpose of acquiring and understanding new scientific or technological knowledge.

Development phase: the stage of applying research results or other knowledge to a plan or design to produce new or substantially improved materials, devices, products and other activities before commercial production or use.

(31)The specific conditions for capitalization of development stage expenditures

Expenditures in the research stage are recognized in profit or loss when they are incurred. Expenditures in the development phase are recognized as intangible assets if the following conditions are met. Expenditures in the development phase that do not meet the following conditions are recognized in the current period's profit or loss:

- ① It is technically feasible to complete the intangible asset so that it can be used or sold;
- ② There is an intention to complete the intangible asset for use or sale;
- ③ The manner in which the intangible asset will generate economic benefits, including the ability to demonstrate the existence of a market for the products produced by applying the intangible asset or the existence of a market for the intangible asset itself, and the usefulness of the intangible asset if it will be used internally;
- ④ The availability of sufficient technical, financial and other resources to support the completion of the development of the intangible asset and the ability to use or sell the intangible asset;
- ⑤ Expenditures attributable to the development phase of the intangible asset can be measured reliably.

If it is not possible to distinguish between research-phase expenditures and development-phase expenditures, all research and development expenditures incurred are recognized in the current period's profit or loss.

18. Impairment of long term assets

Long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, oil and gas assets and other long-term assets are tested for impairment if there is an indication of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment is made for the difference and an impairment loss is recorded.

The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of estimated future cash flows of the asset. The provision for asset impairment is calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined using the asset group to which the asset belongs. An asset group

is the smallest combination of assets that can generate cash inflows independently.

For goodwill resulting from business combinations, intangible assets with indefinite useful lives, and intangible assets that have not yet reached a serviceable status, impairment tests are performed once a year at the end of each year, regardless of whether there is an indication of impairment.

The Company conducts goodwill impairment tests and apportions the carrying value of goodwill formed as a result of a business combination to the relevant asset group from the date of purchase in accordance with a reasonable method; if it is difficult to apportion to the relevant asset group, it is apportioned to the relevant asset group combination. A relevant asset group or a combination of asset groups is an asset group or a combination of asset groups that can benefit from the synergistic effect of a business combination. When impairment test of the relevant asset group or combination of asset groups that contain goodwill, if there is an indication of impairment of the asset group or combination of asset groups related to goodwill, the asset group or combination of asset groups that do not contain goodwill is first tested for impairment, the recoverable amount is calculated and compared with the relevant carrying amount, and a corresponding impairment loss is recognized. If the recoverable amount is less than the carrying amount, the impairment loss is first reduced by the carrying amount of goodwill apportioned to the asset group or group of assets, and then reduced by the carrying amount of each asset group or group of assets other than goodwill in proportion to its proportionate share of the carrying amount of the other assets. The carrying value of each asset is then reduced by the carrying value of each asset other than goodwill.

Once the above impairment loss is recognized, it will not be reversed in subsequent accounting periods.

19. Long-term Deferred Expenses

Long-term deferred expenses are various expenses already incurred, which shall be amortized over current and subsequent periods with the amortization period exceeding one year.

Long-term deferred expenses are amortized on a straight-line basis during the benefit period.

20. Contract liability

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Contract asset and

contract liability originate from same contact shall be listed at net amount.

21. Employee compensation

(32) Accounting for short-term compensation

The Company recognizes actual short-term compensation incurred by employees as a liability in the accounting period in which the employees provide services to the Company, and recognizes it in the current profit or loss or the cost of related assets.

The social insurance premiums and housing fund paid by the Company for its employees, as well as the labor union funds and employee education funds withdrawn in accordance with regulations, are used to determine the corresponding amount of employee compensation in accordance with the prescribed accrual basis and accrual ratio during the accounting period in which the employees provide services to the Company.

Employee benefit expenses incurred by the Company are charged to current profit or loss or the cost of related assets based on the actual amount incurred when incurred, of which non-monetary benefits are measured at fair value.

(33) Accounting for post-employment benefits

① Defined contribution plan

The Company contributes to basic pension and unemployment insurance for employees in accordance with the relevant local government regulations. During the accounting period in which the employees provide services to the Company, the amount payable is calculated based on the contribution base and ratio set by the local regulations, recognized as a liability, and charged to current profit or loss or cost of related assets. In addition, the Company participates in an enterprise annuity plan/supplemental pension fund approved by the relevant state authorities. The Company contributes a certain percentage of the employees' total salaries to the annuity plans/local social insurance agencies, and the corresponding expenses are recognized in the current profit or loss or cost of related assets.

② Defined benefit plans

The Company attributes the benefit obligations arising from the defined benefit plans to the period in which the employees render services in accordance with the

formula determined by the expected accumulated benefit unit method, and recognizes them in current profit or loss or cost of related assets.

The deficit or surplus resulting from the present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognized as a net defined benefit plan liability or net asset. If a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus or asset limit of the defined benefit plan.

All defined benefit plan obligations, including those expected to be paid within twelve months after the end of the annual reporting period in which employees render services, are discounted based on market yields on treasury bonds or high-quality corporate bonds in active markets that match the maturity and currency of the defined benefit plan obligations as of the balance sheet date.

The service cost incurred by the defined benefit plan and the net interest on the net liabilities or net assets of the defined benefit plan are recognized in profit or loss or the cost of the related assets; changes resulting from the remeasurement of the net liabilities or net assets of the defined benefit plan are recognized in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods, and the entire portion previously recognized in other comprehensive income is carried forward to unrecognized earnings to the extent of equity upon termination of the original defined benefit plan. The portion of other comprehensive income within equity is transferred to unappropriated earnings upon termination of the defined benefit plan.

Upon settlement of a defined benefit plan, gain or loss on settlement is recognized as the difference between the present value of the defined benefit plan obligation and the settlement price determined at the settlement date.

(34) Accounting for termination benefits

If the Company provides termination benefits to employees, it recognizes employee compensation liabilities arising from termination benefits and recognizes them in profit or loss at the earlier of: when the Company cannot unilaterally withdraw termination benefits provided as a result of a termination plan or a proposed reduction in force; and when the Company recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

22. Accrued liabilities

The Company recognizes an obligation related to a contingent event as an accrued liabilities when the following conditions are simultaneously met:

- ① The obligation is a present obligation assumed by the Company;
- ② It is probable that the performance of the obligation will result in an outflow of economic benefits to the Company;
- ③ The amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation.

In determining the best estimate, the risks associated with the contingency, uncertainty and the time value of money are considered. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

Where a continuous range of expenditures required exists and it is equally probable that various outcomes will occur within that range, the best estimate is determined at the mid-point of the range; in other cases, the best estimate is treated separately as follows:

- Where the contingency relates to a single item, the best estimate is determined in accordance with the most probable occurrence amount.
- If the contingency involves multiple items, it is determined on the basis of various possible outcomes and related probabilities.

If all or part of the expenditure required to settle the estimated liability is expected to be reimbursed by a third party, the amount of reimbursement is recognized separately as an asset when it is substantially certain that it will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the estimated liability.

The Company reviews the carrying amount of the estimated liability at the balance sheet date, and if there is conclusive evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted in accordance with the current best estimate.

23. Revenue

(35) Accounting policies used for revenue recognition and measurement

The Company recognizes revenue when it has fulfilled its performance obligations under a contract, i.e., when the customer obtains control of the relevant goods or services. The acquisition of control of the relevant goods or services is defined as

the ability to dominate the use of the goods or services and derive substantially all of the economic benefits therefrom.

If a contract contains two or more performance obligations, the Company apportions the transaction price to each individual performance obligation on the contract commencement date in proportion to the relative share of the individual selling price of the goods or services promised by each individual performance obligation. The Company measures revenue based on the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled as a result of the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company determines the transaction price in accordance with the terms of the contract, taking into account its past customary practices, and considers the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to the customer in determining the transaction price. The Company determines the transaction price that includes variable consideration by an amount that does not exceed the amount for which it is highly probable that there will be no material reversal of the cumulative recognized revenue at the time the relevant uncertainty is removed. If there is a significant financing component in the contract, the Company determines the transaction price based on the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is obtained, and amortizes the difference between this transaction price and the contract consideration using the effective interest rate method over the term of the contract.

Performance obligations are fulfilled within a certain period of time if one of the following conditions is met, otherwise, performance obligations are fulfilled at a certain point in time:

- The customer obtains and consumes the economic benefits resulting from the Company's performance at the sametime as the Company's performance.
- The customer is able to control the goods under construction in the course of the

Company's performance.

- The goods produced in the course of the Company's performance have irreplaceable use and the Company is entitled to receive payment for the portion of the performance that has been completed to date in the aggregate throughout the term of the contract.

For performance obligations performed within a certain period of time, the Company recognizes revenue in accordance with the progress of performance during that period,

except when the progress of performance cannot be reasonably determined. The Company uses the output method or input method to determine the progress of performance, taking into account the nature of the goods or services. When the progress of performance cannot be reasonably determined, the Company recognizes revenue in the amount of costs already incurred until the progress of performance can be reasonably determined, if the costs already incurred are expected to be reimbursed.

For performance obligations performed at a point in time, the Company recognizes revenue at the point in time when the customer obtains control of the related goods or services. In determining whether the customer has acquired control of the goods or services, the Company considers the following indications:

- The Company has a present right to receive payment for the goods or services, i.e., the customer has a present obligation to pay for the goods or services.
- The Company has transferred legal title to the goods to the customer, i.e., the customer has legal title to the goods.
- The Company has transferred physical possession of the goods to the customer, i.e. the customer has taken physical possession of the goods.
- The Company has transferred the principal risks and rewards of ownership of the goods to the customer, i.e., the customer has acquired the principal risks and rewards of ownership of the goods.

- The customer has accepted the goods or services, etc.

The Company determines whether its status is that of a principally liable person or an agent at the time of engaging in a transaction based on whether it has control over the goods or services prior to transferring them to the customer. If the

Company is able to control the goods or services prior to transferring them to the customer, the Company is the principal and recognizes revenue based on the total consideration received or receivable; otherwise, the Company is the agent and recognizes revenue based on the amount of commissions or fees it expects to be entitled to receive.

(36) Disclosure of specific revenue recognition and measurement methods by business type

① Sale of goods

The sales contract between the Company and the customer includes the performance obligation of transferring the goods, which belongs to the performance obligation at a certain point in time.

Recognition of domestic sales product revenue must meet the following conditions: the Company has delivered the products to the customer according to the contract and the customer has accepted the products; the payment has been recovered or the receipt of payment has been obtained, and the relevant economic benefits are likely to flow in; the main risks and rewards of the ownership of the goods have been transferred, and the legal ownership of the goods has been transferred.

Recognition of exporting revenue must meet the following conditions: The Company recognizes revenue for exporting goods based on the sales contracts or sales orders, regardless of the sales model adopted. For sales model of FOB, the revenue is recognised after the products are shipped and the customs declaration and export formalities are handled; For sales model of FCA, the revenue is recognised when products are delivered to the carrier designated by the buyer

Treatment of sales return: according to the general rules of international trade, the adoption of FOB and CIF settlement indicates that the buyer has accepted the purchased goods at the place of shipment, and the relevant risks have been undertaken by the buyer after the acceptance and shipment. Therefore, the Company does not make provision for the above matters separately, but directly records them into the profits and losses in the current period.

Processing of product claims: the estimated claim expense rate is calculated based on the actual claim amount in the past two years (excluding special claims) as a percentage of the annual sales revenue, and accrued at period end based on the

current sales revenue and the estimated claim expense rate to recognize the claim expenses for products sold in the current period.

②Service contract

The performance obligation of the service contract between the Company and the customer. Since the customer obtains and consumes the economic benefits brought by the Company's performance at the same time as the Company fulfills the contract, the Company recognises it as a performance obligation performed within a certain period of time, and amortized equally during the service provision period.

③Construction contract

For the performance obligation of the construction contract between the Company and the customer, since the customer can control the goods under construction in the process of the Company's performance, the Company takes it as the performance obligation to perform in a certain period of time, and recognizes the income according to the performance progress, except that the performance progress cannot be reasonably determined. The Company determines the progress of the performance of providing services in accordance with the output method. The progress of the performance shall be determined according to the proportion of the completed contract workload to the expected total contract workload. On the balance sheet date, the Company re-estimates the progress of completed performance or completed services to reflect the changes in performance.

24. Government grants

(37) Types

Government grants, which are monetary or non-monetary assets acquired by the Company from the government without compensation, are classified as asset-related government grants and revenue-related government grants.

Government grants related to assets are obtained by the Company for the acquisition and construction or otherwise forming long-term assets. Revenue-related government grants refer to government grants other than asset-related government grants.

The specific criteria for the Company to classify government grants as asset-related are: government grants obtained by the Company and used for the acquisition and construction or otherwise forming long-term assets.

The Company's specific criteria for classifying government grants as revenue-related are: government grants other than those related to assets.

(38) Recognition point

Government grants are recognized when the Company is able to meet the conditions attached to them and when they can be received.

(39) Accounting treatment

Government grants related to assets are reduced to the carrying amount of the relevant assets or recognized as deferred income. If recognized as deferred income, it is recognized in profit or loss in accordance with a reasonable and systematic method in installments over the useful life of the relevant assets (if it is related to the Company's daily activities, it is recognized in other income; if it is not related to the Company's daily activities, it is recognized in non-operating income);

Government grants related to revenue, which are used to compensate the Company for relevant costs and expenses or losses in subsequent periods, are recognized as deferred revenue and charged to current profit or loss (to other income if they are related to the Company's ordinary activities; to non-operating income if they are not related to the Company's ordinary activities) or offset against relevant costs and expenses or losses in the period in which the relevant costs and expenses or losses are recognized; to compensate the Company for If it is used to compensate the Company for the related costs or losses incurred, it is directly recognized in profit or loss (other income if it is related to the Company's daily activities; non-operating income if it is not related to the Company's daily activities) or reduced by the related costs or losses.

The company receives preferential loan subsidies under two distinct scenarios, each requiring specific accounting treatment:

① If the fiscal authority provides the subsidy funds to the lending bank, which then offers loans to the company at a preferential interest rate, we record the loan at the actual amount received. The borrowing costs are calculated based on the principal amount of the loan and the preferential interest rate.

② If the fiscal authority directly pays the subsidy funds to the company, we offset the corresponding subsidy against the related borrowing costs.

25. Deferred income tax assets and deferred income tax liabilities

Income taxes consist of current income taxes and deferred income taxes. The Company recognizes current income tax and deferred income tax in profit or loss, except for income tax arising from business combinations and transactions or events directly recognized in owners' equity (including other comprehensive income).

Deferred income tax assets and deferred income tax liabilities are recognized based on the difference between the tax basis of assets and liabilities and their carrying amounts (temporary differences).

Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized. For deductible losses and tax credits that can be carried forward to future years, deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible losses and tax credits can be utilized.

Deferred income tax liabilities are recognized for taxable temporary differences, except under special circumstances.

The special circumstances under which deferred tax assets or deferred tax liabilities are not recognized include

- Initial recognition of goodwill;
- Transactions or events that are neither business combinations nor, at the time of their occurrence, affect accounting profit and taxable income (or deductible losses), and for which the initial recognition of assets and liabilities does not result in taxable temporary differences and deductible temporary differences of an equivalent amount.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, unless the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with investments in

subsidiaries, associates and joint ventures when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities

are measured at the tax rates applicable to the periods when the related assets are expected to be recovered or the related liabilities settled, in accordance with the tax laws.

At the balance sheet date, the Company reviews the carrying amount of deferred tax assets. The carrying amount of deferred tax assets is written down if it is more likely than not that sufficient taxable income will not be available in future periods to offset the benefit of the deferred tax assets. To the extent that it is probable that sufficient taxable income will be available, the written down amount is reversed.

When there is a legal right to settle on a net basis and the intention is to settle on a net basis or to acquire assets and settle liabilities simultaneously, current income tax assets and current income tax liabilities are stated at the net amount after offsetting.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented on a net basis after offsetting when both of the following conditions are met:

- The taxable entity has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or to different taxable entities, but in each future period in which it is significant that the deferred income tax assets and liabilities reverse, the taxable entities involved intend to settle the current income tax assets and liabilities on a net basis or to acquire the assets and The reversal of deferred income tax assets and liabilities is a significant transaction.

26. Lease

A lease is a contract in which the lessor cedes the right to use an asset to the lessee for a certain period of time for consideration. At the inception date of the contract, the Company assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

If a contract contains several separate leases, the Company splits the contract and accounts for each separate lease separately. If a contract contains both lease and non-lease components, the lessee and the lessor split the lease and non-lease components.

(40) The Company as lessee

① Right-of-use assets

At the commencement date of the lease term, the Company recognizes right-of-use assets for leases other than short-term leases and leases of low-value assets.

Right-of-use assets are initially measured at cost. This cost includes:

- the initial measurement amount of the lease liability;
- the amount of lease payments made on or before the commencement date of the lease term, net of amounts related to lease incentives taken if lease incentives exist;
- the initial direct costs incurred by the Company;
- costs that the Company expects to incur to disassemble and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the condition agreed upon under the terms of the lease, excluding costs that are part of the costs incurred to produce the inventory.

The Company subsequently depreciates right-of-use assets using the straight-line method. If it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the Company depreciates the leased asset over its remaining useful life; otherwise, the leased asset is depreciated over the shorter of the lease term or the remaining useful life of the leased asset.

The Company determines whether a right-of-use asset is impaired and accounts for the identified impairment loss in accordance with the principles described in Note III.9, "Impairment of Long-lived Assets".

② Lease liabilities

The Company recognizes a lease liability for leases other than short-term leases and leases of low-value assets at the commencement date of the lease term. Lease liabilities are initially measured at the present value of the outstanding lease payments. Lease payments consist of

- fixed payments (including material fixed payments), net of amounts related to lease incentives, if lease incentives exist;
- variable lease payments that are dependent on an index or rate;
- payments expected to be payable based on the residual value of the guarantee provided by the company;
- the exercise price of the purchase option, provided that the company reasonably determines that it will exercise the option;
- the amount to be paid upon exercise of the option to terminate the lease, provided

that the lease term reflects that the Company will exercise the option to terminate the lease.

The Company uses the interest rate embedded in the lease as the discount rate, but if the interest rate embedded in the lease cannot be reasonably determined, the Company's incremental borrowing rate is used as the discount rate.

The Company calculates the interest expense on the lease liability for each period of the lease term based on a fixed periodic interest rate, which is included in the current profit or loss or the cost of the related asset. Variable lease payments that are not included in the measurement of the lease liability are charged to current profit or loss or the cost of the related assets when they are actually incurred.

After the commencement date of the lease term, the Company remeasures the lease liability and adjusts the corresponding right-of-use asset 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 difference is recognized in profit or loss for the current period:

- When there is a change in the valuation of the purchase option, lease renewal option or termination option, or when the actual exercise of the aforementioned options is not consistent with the original valuation, the Company remeasures the lease liability at the present value calculated by the changed lease payments and the revised discount rate;

- When there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value, or a change in the index or rate used to determine the lease payment amount, the Company remeasures the lease liability at the present value calculated from the changed lease payment amount and the original discount rate. However, if the change in the lease payment amount results from a change in the floating interest rate, the present value is calculated using the revised discount rate.

③ Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and to recognize the related lease payments in current profit or loss or the cost of the related assets on a straight-line basis over each period of the lease term. Short-term leases, which are leases with a lease term of not more than 12 months at the commencement date of the lease term and do not include a purchase option. Low-value asset leases,

which are released with a lower value when the single leased asset is a brand-new asset. If the company subleases or expects to sublease the leased assets, the original lease is not a low-value asset lease.

④ Change of lease

If a lease is changed and the following conditions are met at the same time, the company will account for the lease change as a separate lease:

- the lease modification expands the scope of the lease by adding the right to use one or more leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of that contract.

If a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the company reapportioned the consideration of the modified contract, redetermined the lease term, and remeasured the lease liability based on the present value of the modified lease payments and the revised discount rate. If a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the carrying value of the right-of-use asset accordingly and recognizes the gain or loss related to partial termination or complete termination of the lease in profit or loss for the current period. If other lease changes result in the remeasurement of the lease liability, the Company adjusts the carrying value of the right-of-use asset accordingly.

(41) The Company as lessor

At the commencement date of the lease, the Company classifies leases into finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of the leased asset, regardless of whether ownership is ultimately transferred. Operating leases refer to leases other than finance leases. When the company acts as a sublease lessor, it classifies the sublease based on the right-to-use assets arising from the original lease.

① Accounting for operating leases

Lease receipts under operating leases are recognized as rental income on a straight-line basis over each period of the lease term. The Company capitalizes the

initial direct costs incurred in connection with operating leases and apportion them to current profit or loss over the lease term on the same basis as rental income is recognized. Variable lease payments that are not included in the lease receipts are recognized in current profit or loss when they are actually incurred. If a change in an operating lease occurs, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease payments received in advance or receivable in connection with the lease before the change is regarded as the amount of payments received under the new lease.

② Accounting for finance leases

On the commencement date of the lease, the Company recognizes finance lease receivables for finance leases and derecognizes finance lease assets. When the Company makes initial measurement of the finance lease receivable, the net lease investment is used as the recorded value of the finance lease receivable. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease.

The Company calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Derecognition and impairment of finance lease receivables are accounted for in accordance with Note III.9 "Financial Instruments" of this note. Variable lease payments that are not included in the net lease investment measurement are recognized in profit or loss when they are actually incurred.

If a change in a finance lease occurs and the following conditions are met, the Company accounts for the change as a separate lease:

- the change expands the scope of the lease by adding the right to use one or more leased assets;
- the increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of that contract.

If a change in a finance lease is not accounted for as a separate lease, the Company treats the changed lease separately in the following circumstances:

- If the change becomes effective on the lease commencement date and the lease would be classified as an operating lease, the Company accounts for it as a new

lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the carrying amount of the leased asset;

- If the change becomes effective on the lease commencement date and the lease is classified as a finance lease, the Company accounts for the lease in accordance with the policy on modification or renegotiation of contracts as described in Note III.9 Financial Instruments.

27. Methodology for determining materiality criteria and basis for selection

Items	Materiality Criteria
Significant debt investments	Amount \geq CNY 50,000,000.00
Significant non-wholly owned subsidiaries	The Company identifies subsidiaries whose total revenue exceeds 50% of the total group profits as significant non-wholly owned subsidiaries

28. Changes in significant accounting policies and accounting estimates

(42) Changes in significant accounting policies

① Implementation of "Interpretation No. 17 of the Accounting Standards for Enterprises"

On October 25, 2023, the Ministry of Finance announced "Interpretation No. 17 of the Accounting Standards for Enterprises" (Caihui [2023] No. 21, hereinafter referred to as "Interpretation No. 17"). This interpretation came into effect on January 1, 2024.

1) Classification of Current Liabilities and Non-Current Liabilities

If a company does not have the substantive right to defer settlement of liabilities beyond one year after the balance sheet date, such liabilities should be classified as current liabilities.

For liabilities arising from loan arrangements, the right to defer settlement beyond one year may depend on whether the company has complied with covenant conditions specified in the loan agreement. When assessing the existence of substantive rights to defer debt settlement, only covenant conditions that should be

followed by or before the balance sheet date should be considered, not those applicable after the balance sheet date.

The settlement of liabilities for classification purposes refers to the company's discharge of liabilities by transferring cash, other economic resources (such as goods or services), or its own equity instruments to the counterparty. If the terms of the liability allow settlement through delivery of the company's own equity instruments at the option of the counterparty, and if the company classifies this option as an equity instrument according to "Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments," then these terms do not affect the classification of the liability as current or non-current.

The implementation of this interpretation requires companies to adjust comparative period information upon initial application. The adoption of this interpretation did not have a material impact on the financial statements of the company during the reporting period.

2) Disclosure Requirements for Supplier Financing Arrangements

Companies must disclose aggregated information about supplier financing arrangements in the notes to help users of financial statements assess the impact of these arrangements on the company's liabilities, cash flows, and liquidity risk exposure. Liquidity risk disclosures should also consider the effects of supplier financing arrangements.

Supplier financing arrangements involve one or more financing providers who fund payments to suppliers on behalf of the company, with the company repaying the financing provider according to the terms and conditions of the arrangement. These arrangements extend the payment period for the company or accelerate the receipt period for suppliers compared to the original payment due dates.

This disclosure requirement applies only to supplier financing arrangements. Upon initial application, companies are not required to disclose comparative period information or certain opening balances. The adoption of this interpretation did not have a material impact on the company's financial position and operating results.

3) Accounting Treatment for Sale and Leaseback Transactions

Lessees should not recognize gains or losses related to the use-of-right asset

obtained in sale and leaseback transactions when measuring the lease liability or revised lease payments. Upon initial application, companies should retrospectively adjust sale and leaseback transactions conducted after the initial application of "Accounting Standard for Business Enterprises No. 21 - Leases."

This interpretation came into effect on January 1, 2024, and allows early adoption. the company adopted this interpretation from January 1, 2024, and it did not have a material impact on our financial position and operating results.

②Implementation of "Provisional Regulations on Accounting Treatment Related to Enterprise Data Resources"

On August 1, 2023, the Ministry of Finance issued "Provisional Regulations on Accounting Treatment Related to Enterprise Data Resources" (Caihui [2023] No. 11), which apply to data resources recognized as intangible assets or inventory according to accounting standards, as well as data resources that are legally owned or controlled by enterprises and expected to bring economic benefits but do not meet the criteria for asset recognition.

The regulations specify detailed requirements for disclosing data resources. They came into effect on January 1, 2024, and companies should adopt the prospective application method. Previously expensed data resource-related expenditures will not be adjusted. The adoption of these regulations did not have a material impact on the company's financial position and operating results.

(3) Implementation of "Interpretation No. 18 of the Accounting Standards for Enterprises" Regarding Warranty-Type Quality Assurance Not Considered as Separate Performance Obligations

Announcement and Effective Date:

On December 6, 2024, the Ministry of Finance issued "Interpretation No. 18 of the Accounting Standards for Enterprises" (Caihui [2024] No. 24, hereinafter referred to as "Interpretation No. 18"). This interpretation came into effect from the date of issuance and allows early adoption from the year of issuance.

Interpretation No. 18 specifies:

For warranty-type quality assurance obligations not considered as separate performance obligations, the provision for estimated liabilities should be accounted

for according to "Accounting Standard for Business Enterprises No. 13 - Contingencies." Debit entries should be made to accounts such as "Cost of Goods Sold" or "Other Operating Costs," while credit entries should be made to the "Provision for Liabilities" account. Corresponding amounts should be presented in the income statement under "Operating Costs" and in the balance sheet under items such as "Other Current Liabilities," "Current Portion of Long-Term Liabilities," and "Provision for Liabilities."

Upon initial application, if the previous practice was to record warranty-type quality assurance expenses under "Selling Expenses," companies should make retrospective adjustments as per changes in accounting policies. The adoption of this interpretation did not have a material impact on the company's financial position and operating results

(43) Changes in significant accounting estimates

There were no changes in the Company's significant accounting estimates during the reporting period.

IV. Taxation

1. The main applicable tax and rate to the Group as follows

Tax	Tax base	Tax rate
Value-added tax (VAT)	The output tax is calculated on the basis of the income from the sale of goods and taxable services calculated in accordance with the provisions of the tax law, and after deducting the input tax allowed to be deducted in the current period, the difference is the value-added tax payable	0%、1%、5%、6%、9%、11%、13%
City construction tax	Payable turnover tax, tax exemption	7%、5%
Educational surcharge	Payable turnover tax, tax exemption	3%
Local education surcharge	Payable turnover tax, tax exemption	2%
Enterprise income tax	Taxable profits	25%、22%、20%、15%

EIT rate for different taxpayer	
Tax principles	EIT rate
TsannKuen (Zhangzhou) Enterprise Co., Ltd. (hereafter, TKL)	15%
TsannKuen China (Shanghai) Enterprise Co., Ltd. (hereafter, TKS)	25%
Xiamen TsannKuen Property Service Co., Ltd. (hereafter, TKW)	20%
Pt.Star Comgistic Indonesia	22%

2. Tax preference

(1) According to the principle of “The Second Batch of High-tech Enterprise Filing List of Fujian Province's Accreditation Organisations for 2023 Accreditation Reporting”, TKL was identified as Fujian Province High-tech Enterprise, and the certification was valid for 3 years (Certification No. GR202335003031), in accordance with the Enterprise Income Tax Law of the People's Republic of China, the Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China and other relevant provisions, the income tax rate of Tsann Kuen (Zhangzhou) Enterprise Co., Ltd. enjoys a 10% reduction for three years from 2023, which the income tax rate is 15%.

(2) According to “the Announcement on Further Implementation of Preferential Policies on Income Tax for Small and Micro Enterprises” (Announcement No. 13 of 2022 by the Ministry of Finance and the State Administration of Taxation), during the period from 1 January 2022 to 31 December 2024, the portion of the annual taxable income of small and micro enterprises over CNY1 million but not exceeding CNY3 million will be deducted from the taxable income by 25%, and the enterprise income tax will be payable at a tax rate of 20%. According to the Announcement on Preferential Policies on Income Tax for Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement No. 6 of 2023 of the Ministry of Finance and the State Administration of Taxation), during the period from 1 January 2023 to 31 December 2024, the portion of the annual taxable income of a small and micro-enterprise that is not more than 1 million yuan will be deducted from the taxable income by 25% and will be subject to an enterprise income tax at a tax rate of 20%. TKW, a subsidiary of the Company, is entitled to the above tax incentives.

V. Notes to Consolidated Financial Statements

1. Cash at bank and on hand

Items	Closing balance	Opening balance
Monetary Funds	887,987.84	810,688.40
Digital Currency		
Cash in bank	440,872,233.11	560,871,966.69
Other cash and cash equivalents	2,617,722.57	5,479,921.68
Deposits with Financial Companies		
Total	444,377,943.52	567,162,576.77
Including: The total amount deposited overseas	37,357,738.79	33,298,617.03
Restricted Funds Held Overseas		

Among the other monetary funds, CNY 2,487,216.02 represents the margin deposited by the Tsann Kuen (Zhangzhou) Enterprise Co., Ltd. for the opening of the letter of credit, CNY 130,506.55 is the balance of the company's Alipay account. In addition, there are no funds other than the deposit for letter of credit in the monetary funds at the end of the period that have restrictions on use and potential recovery risks due to mortgages, pledges or freezes.

2. Financial assets held for trading

Items	Closing balance	Opening balance
Financial asset measured at fair value through P&L	50,942,083.33	470,009,033.34
Including: Equity instrument investment		432,800.00
Structured Deposit Investment	50,942,083.33	469,576,233.34
Total	50,942,083.33	470,009,033.34

3. Account receivable

(1) Category of accounts receivable listed by age

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Aging	Closing Balance	Opening balance
Within 1 year	205,640,866.11	199,933,855.42
Including: Within 90 days	190,204,917.49	184,755,154.07
91 days to 180 days	15,422,144.41	15,178,641.95
181 days to 270 days	13,804.21	4.80
271 days to 365 days		54.60
1 year to 2 years	40.24	20,000.00
2 years to 3 years	20,000.00	9,677.56
Over 3 years	125,418.08	115,740.52
Subtotal	205,786,324.43	200,079,273.50
Less: provision for bad debt	1,830,424.63	3,123,053.38
Total	203,955,899.80	196,956,220.12

(2) Category of accounts receivable

Items	Closing Balance					Opening Balance				
	Booking balance		Provision		Booking value	Booking balance		Provision		Booking value
	Amount	%	Amount	%		Amount	%	Amount	%	
Accounts receivable with individual bad debt provision										
Accounts receivable with bad debt provision based on the characters of credit risk portfolio	205,786,324.43	100.00	1,830,424.63	0.89	203,955,899.80	200,079,273.50	100.00	3,123,053.38	1.56	196,956,220.12
Including:										
-Portfolio by age	204,835,409.81	99.54	1,830,424.63	0.89	203,004,985.18	199,353,223.66	99.64	3,123,053.38	1.57	196,230,170.28
-Portfolio by related parties	950,914.62	0.46			950,914.62	726,049.84	0.36			726,049.84

Tsann Kuen (China) Enterprise Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2024

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Items	Closing Balance					Opening Balance				
	Booking balance		Provision		Booking value	Booking balance		Provision		Booking value
	Amount	%	Amount	%		Amount	%	Amount	%	
Total	205,786,324.43	100.00	1,830,424.63		203,955,899.80	200,079,273.50	100.00	3,123,053.38		196,956,220.12

Provision for Bad Debts Based on Aging Portfolio:

Aging	Closing Balance		
	Accounts receivable	Provision for bad debts	Proportion (%)
Not overdue	191,437,682.38	957,008.77	0.50
Overdue 1 - 30 days	11,960,968.06	538,243.56	4.50
Overdue 31 - 60 days	1,376,983.84	275,396.77	20.00
Overdue 61 - 90 days			
Overdue more than 90 days	59,775.53	59,775.53	100.00
Total	204,835,409.81	1,830,424.63	

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

Category	Opening balance	Change during the year				Closing Balance
		Accrued	Collect/carry over	Written-off	others	
Accounts receivable with individual bad debt provision						
Accounts receivable with bad debt provision based on the characters of credit risk portfolio	3,123,053.38	-1,292,628.75				1,830,424.63
Including: Portfolio by age	3,123,053.38	-1,292,628.75				1,830,424.63

Tsann Kuen (China) Enterprise Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2024
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Category	Opening balance	Change during the year				Closing Balance
		Accrued	Collect/carry over	Written-off	others	
Portfolio by related parties						
Total	3,123,053.38	-1,292,628.75				1,830,424.63

(4)Accounts receivable written off in current period

There Were No Actual Write-Offs of Accounts Receivable in the Current Period.

(5)Top five of closing balances of customers

The aggregated amount of the top five accounts receivable and contract assets based on the balance owed by each debtor at the end of the period is CNY 153,511,219.33, representing 74.60% of the total combined balances of accounts receivable and contract assets. The corresponding aggregate bad debt provision at the end of the period for these amounts is CNY 1,022,143.76.

4. Advances to Suppliers

(1)Advances to suppliers by aging

Items	Closing Balance		Opening Balance	
	Amoun	Percentage (%)	Amoun	Percentage (%)
Within1 year	4,318,758.91	100.00	4,551,467.78	100.00
Total	4,318,758.91	100.00	4,551,467.78	100.00

(2)Top five of closing balances of suppliers

The total amount of the top five suppliers with the largest prepaid amounts at the end of the year is CNY 1,822,305.83, accounting for 42.19% of the total amount of the prepayment at the end of the year.

5.Other receivables

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Items	Closing Balance	Opening Balance
Interest receivable		
Dividend receivable		
Other receivable	27,902,480.51	23,318,410.66
Total	27,902,480.51	23,318,410.66

(1)Other receivables

①Disclosure by aging

Aging	Closing Balance	Closing Balance
Within 1 year (including 1year)	26,709,851.91	22,529,217.76
Including: Within 90 days	26,401,440.21	22,335,217.72
91 days to 180 days	290,303.70	102,300.00
181 days to 270 days	18,108.00	10,000.00
271 days to 365 days		81,700.04
1year to 2 years	625,214.28	141,700.00
2 years to 3 years	35,500.00	
Over 5 years	1,048,404.94	1,111,395.56
Subtotal	28,418,971.13	23,782,313.32
Less: provision for bad debt	516,490.62	463,902.66
Total	27,902,480.51	23,318,410.66

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②Categories of other receivable

Items	Closing Balance					Opening Balance				
	Book balance		Provision		Carrying amount	Booking balance		Provision		Carrying amount
	Amount	%	Amount	%		Amount	%	Amount	%	
Provision for bad debts is made on an individual basis	326,422.64	1.15	326,422.64	100.00		326,422.64	1.37	326,422.64	100.00	
Including:										
Other current balances	326,422.64	1.15	326,422.64	100.00		326,422.64	1.37	326,422.64	100.00	
Provision for bad debts by portfolio	28,092,548.49	98.85	190,067.98	0.68	27,902,480.51	23,455,890.68	98.63	137,480.02	0.59	23,318,410.66
Including:										
Export tax refund	18,000,000.00	63.34			18,000,000.00	15,000,000.00	63.07			15,000,000.00
Other current balances	8,887,143.55	31.27	190,067.98	2.14	8,697,075.57	7,178,497.67	30.18	137,480.02	1.92	7,041,017.65
Deposit	1,205,404.94	4.24			1,205,404.94	1,277,393.01	5.37			1,277,393.01

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Items	Closing Balance					Opening Balance				
	Book balance		Provision		Carrying amount	Booking balance		Provision		Carrying amount
	Amount	%	Amount	%		Amount	%	Amount	%	
Total	28,418,971.13	100.00	516,490.62		27,902,480.51	23,782,313.32	100.00	463,902.66		23,318,410.66

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Provision for bad debts is made on an individual basis:

Items	Closing Balance				Opening Balance	
	Booking balance	Bad debts	Accrual rate(%)	Reason for accrual	Booking balance	bad debts
Guangdong Songqing Intelligent Technology Co., Ltd	326,422.64	326,422.64	100.00	The financial situation of the trading partner has deteriorated and the amount is expected to be unrecoverable	326,422.64	326,422.64
Total	326,422.64	326,422.64			326,422.64	326,422.64

Provision for Bad Debts Based on Portfolio:

Items	Closing Balance		
	Other receivables	Bad debts	Accrual rate(%)
Other current balances	8,887,143.55	190,067.98	2.14
Total	8,887,143.55	190,067.98	

③Bad debt provision of other receivable

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Provision for bad debt	1st stage	2nd stage	3rd stage	Total
	Expected credit loss within following 12 months	Expected credit loss within life time (unimpaired)	Expected credit loss within life time (impaired)	
Balance on January 1, 2023	137,480.02		326,422.64	463,902.66
On January 1, 2023 Other receivable carrying amount on the book				
transfer to 2nd stage				
transfer to 3rd stage				
reverse to 2nd stage				
reverse to 1st stage				
Accrued	63,216.20			63,216.20
Reversed	10,628.24			10,628.24
Recollected				
Written off				
Others				
Closing Balance	190,067.98		326,422.64	516,490.62

④ Provision for bad debts charged off, reversed or recovered during the period

Items	Opening balance	Change during the year				Closing Balance
		Accrued	Collected/reversed	Written-off	others	
Other current balances	463,902.66	63,216.20	10,628.24			516,490.62
Total	463,902.66	63,216.20	10,628.24			516,490.62

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⑤ The categories of other receivable by nature

Items	Closing Balance	Opening balance
Export tax refund	18,000,000.00	15,000,000.00
Other current balances	9,213,566.19	7,504,920.31
Deposit	1,205,404.94	1,277,393.01
Total	28,418,971.13	23,782,313.32

⑥ Other receivables from the top 5 debtors

Company name	Category	closing balance	Againg	Rate of other receivables	Bad debts
Zhangzhou Taiwan investment zone State Administration of Taxation	Export tax refund	18,000,000.00	1-90 days	63.34	
State Grid Fujian Longhai Power Supply Co., Ltd	Other current balances	3,796,739.05	1-90 days	13.36	
China Export & Credit Insurance Corporation Fujian Branch	Security deposit	648,450.00	over 5years	2.28	
Sunshine Property Insurance Co., Ltd., Xiamen Branch	Other current balances	551,985.00	1-90 days	1.94	
PT. PLN (PERSERO)	Security deposit	399,954.94	over 5years	1.41	
Total		23,397,128.99		82.33	

6. Inventories

(1) Inventories by category

Items	Closing Balance			Closing Balance		
	Book value	Provision for decline in value of inventories / provision for impairment of contract performance costs	Net book value	Book value	Provision for decline in value of inventories / provision for impairment of contract performance costs	Net book value
Raw materials	74,560,733.28	13,095,705.30	61,465,027.98	81,685,745.08	10,419,316.94	71,266,428.14
Materials in transit	3,073,604.45		3,073,604.45	355,613.55		355,613.55
Self-manufactured semi-finished goods	27,333,598.54	3,193,768.90	24,139,829.64	31,940,139.03	3,414,119.26	28,526,019.77
Work in process	29,574,402.53		29,574,402.53	22,218,317.04		22,218,317.04
Finished goods	78,687,157.30	6,285,683.77	72,401,473.53	75,637,116.35	6,103,155.87	69,533,960.48
Low-value consumables	3,745,185.65		3,745,185.65	508,994.84		508,994.84
Total	216,974,681.75	22,575,157.97	194,399,523.78	212,345,925.89	19,936,592.07	192,409,333.82

(2)Provision for impairment

Items	Opening Balance	Increase		Decrease		Closing Balance
		Accrual	other	Reverse/Written -off	other	
Raw materials	10,419,316.94	4,634,812.90	61,016.18	2,019,440.72		13,095,705.30
Self-manufactured semi-finished goods	3,414,119.26	770,125.55	7,316.59	997,792.50		3,193,768.90
Finished goods	6,103,155.87	2,144,942.44	7,151.21	1,969,565.75		6,285,683.77
Total	19,936,592.07	7,549,880.89	75,483.98	4,986,798.97		22,575,157.97

7. Current portion of non-current assets

Items	Closing balance	Opening balance
Debt investments due within one year	51,260,694.44	
Total	51,260,694.44	

8. Other current assets

Items	Closing balance	Opening balance
Financial investment	544,439,535.72	443,538,927.34
Reclassification of VAT debit balances, etc.	9,897,443.29	16,539,595.69
Total	554,336,979.01	460,078,523.03

9. Debt investment

(1) Situation of debt investment

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Large certificate of deposit	531,500,000.00		531,500,000.00	100,000,000.00		100,000,000.00
Interest Accrual for Large certificate of deposit	9,034,660.69		9,034,660.69	76,779.20		76,779.20
Subtotal	540,534,660.69		540,534,660.69	100,076,779.20		100,076,779.20
Less: Debt investments due within						

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Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
one year						
Total	540,534,660.69		540,534,660.69	100,076,779.20		100,076,779.20

(2) Significant debt investments at the end of the period

Items	Closing balance					Opening balance				
	Face Value	Coupon Rate	Actual Rate	Maturity Date	Principal Due	Face Value	Coupon Rate	Actual Rate	Maturity Date	Principal Due
Quanzhou Bank Time Deposit Certificate	51,500,000.00	2.75%	2.75%	2026/9/12						
Xiamen Bank Large Certificates of Deposit	50,000,000.00	3.30%	3.30%	2026/12/21		50,000,000.00	3.30%	3.30%	2026/12/21	
Xiamen Bank Large Certificates of Deposit	50,000,000.00	3.30%	3.30%	2026/12/26		50,000,000.00	3.30%	3.30%	2026/12/26	
Xiamen International Bank Time Deposit Certificate	50,000,000.00	2.85%	2.85%	2026/4/9						
Chiyu Bank Time Deposit Certificate	50,000,000.00	2.85%	2.85%	2026/5/11						
Xiamen International Bank Time Deposit	50,000,000.00	2.75%	2.75%	2026/5/23						

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Items	Closing balance					Opening balance				
	Face Value	Coupon Rate	Actual Rate	Maturity Date	Principal Due	Face Value	Coupon Rate	Actual Rate	Maturity Date	Principal Due
Certificate										
Quanzhou Bank Time Deposit Certificate	30,000,000.00	2.85%	2.85%	2026/6/25						
Quanzhou Bank Time Deposit Certificate	50,000,000.00	2.85%	2.85%	2026/7/4						
Quanzhou Bank Time Deposit Certificate	50,000,000.00	2.75%	2.75%	2026/9/9						
Quanzhou Bank Time Deposit Certificate	50,000,000.00	2.75%	2.75%	2026/9/11						
Quanzhou Bank Time Deposit Certificate	50,000,000.00	2.75%	2.75%	2026/9/12						
Total	531,500,000.00					100,000,000.00				

10. Other equity instrument investment

Items	Closing balance	Opening balance
Non-trading investments in equity instruments	40,000.00	40,000.00
Total	40,000.00	40,000.00

11. Investment property

(1) Investment property measured as cost method

Items	Building and plants	Land use rights	Total
1 . Initial Cost			
(1) Opening Balance	65,737,686.21	29,260,577.51	94,998,263.72
(2) Increase	15,076,672.59		15,076,672.59
—Purchase			
—Transferred from fixed assets	15,076,672.59		15,076,672.59
(3) Decrease			
—Disposal			
(4) Closing Balance	80,814,358.80	29,260,577.51	110,074,936.31
2 . Accumulated Depreciation			
(1) Opening Balance	59,127,081.50	17,406,873.04	76,533,954.54
(2) Opening Balance	13,631,114.74	622,111.80	14,253,226.54
—Accrued	545,021.94	622,111.80	1,167,133.74
—Transfer from fixed assets	13,086,092.80		13,086,092.80
(3) Decrease			
—Disposal			

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Items	Building and plants	Land use rights	Total
(4) Closing Balance	72,758,196.24	18,028,984.84	90,787,181.08
3 . Impairment Reserve			
(1) Opening Balance			
(2) Increase			
—Accrued			
(3) Decrease			
—Decrease			
(4) Closing Balance			
4 . Book Value			
(1) Closing book value	8,056,162.56	11,231,592.67	19,287,755.23
(2) Opening book value	6,610,604.71	11,853,704.47	18,464,309.18

(2)Investment properties without certificate of title

Item	Carrying amount	Reason
Lvyuan three country villa	710,583.91	
Total	710,583.91	

Note: Lvyuan three country villa is the houses with limited property rights purchased by the TsannKuen China (Shanghai) Enterprise Co., Ltd. which is the subsidiary of the Company from Shanghai Lvsheng Real State Development Co., Ltd. in 1999. In January 2006, Shanghai Lvsheng Real State Development Co., Ltd. and Shanghai Jiading district, Huangdu town Lvyuan community residents' committees issued the certificate jointly to prove the right of this property belongs to TsannKuen China (Shanghai) Enterprise Co., Ltd.

12.Fixed assets

(1)Fixed assets and fixed assets liquidation

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Items	Closing balance	Opening balance
Fixed assets	146,795,190.83	157,096,267.26
Disposal of fixed assets		
Total	146,795,190.83	157,096,267.26

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(2) Fixed assets detail

Items	Houses and buildings	Machinery	Electronic devices, modules and others	Vehicles	Improvement expense of leased fixed assets	Total
1 . Initial Cost						
(1) Opening Balance	104,189,980.43	149,571,258.60	831,419,404.81	16,139,483.39	19,220,188.62	1,120,540,315.85
(2) Increase	697,515.37	5,276,570.23	23,043,227.73	355,685.68	1,542,210.65	30,915,209.66
—Purchase		85,234.55	2,773,301.11	302,007.31	217,967.08	3,378,510.05
—Transferred from construction- in-progress		4,638,495.56	19,706,751.31	38,938.06	1,187,904.92	25,572,089.85
—Impact of changes in exchange rates	697,515.37	552,840.12	563,175.31	14,740.31	136,338.65	1,964,609.76
(3) Decrease	15,076,672.59	204,475.28	4,962,460.01	50,272.07		20,293,879.95
—Disposal		204,475.28	4,962,460.01	3,900.42		5,170,835.71
—Transfer out to investment property	15,076,672.59					15,076,672.59
—Impact of changes in exchange rates				46,371.65		46,371.65

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Items	Houses and buildings	Machinery	Electronic devices, modules and others	Vehicles	Improvement expense of leased fixed assets	Total
(4) Closing Balance	89,810,823.21	154,643,353.55	849,500,172.53	16,444,897.00	20,762,399.27	1,131,161,645.56
2. Accumulated Depreciation						
(1) Opening Balance	65,970,803.74	80,192,617.35	759,183,935.50	15,045,334.46	18,663,965.50	939,056,656.55
(2) Increase	3,288,638.52	9,314,757.93	20,864,318.52	429,402.23	298,697.57	34,195,814.77
—Accrued	2,977,195.12	8,899,524.39	20,400,603.22	418,603.09	182,585.42	32,878,511.24
—Impact of changes in exchange rates	311,443.40	415,233.54	463,715.30	10,799.14	116,112.15	1,317,303.53
(3) Decrease	13,086,092.80	176,111.95	2,414,755.75	50,272.07		15,727,232.57
—Disposal		176,111.95	2,414,755.75	3,900.42		2,594,768.12
—Transfer out to investment property	13,086,092.80					13,086,092.80
—Impact of changes in exchange rates				46,371.65		46,371.65
(4) Closing Balance	56,173,349.46	89,331,263.33	777,633,498.27	15,424,464.62	18,962,663.07	957,525,238.75
3 . Impairment Reserve						

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Items	Houses and buildings	Machinery	Electronic devices, modules and others	Vehicles	Improvement expense of leased fixed assets	Total
(1) Opening Balance		5,423,016.98	18,944,903.63	8,414.63	11,056.80	24,387,392.04
(2) Increase		1,548,718.36	905,730.39	85.29	164.92	2,454,698.96
—Accrued		1,487,204.12	871,702.97			2,358,907.09
—Impact of changes in exchange rates		61,514.24	34,027.42	85.29	164.92	95,791.87
(3) Decrease			875.02			875.02
—Disposal			875.02			875.02
—Impact of changes in exchange rates						
(4) Closing Balance		6,971,735.34	19,849,759.00	8,499.92	11,221.72	26,841,215.98
4 . Book value						
(1) Closing book value	33,637,473.75	58,340,354.88	52,016,915.26	1,011,932.46	1,788,514.48	146,795,190.83
(2) Opening book value	38,219,176.69	63,955,624.27	53,290,565.68	1,085,734.30	545,166.32	157,096,267.26

(3) Temporary idle fixed assets

Item	Initial cost	Accumulated depreciation	Provision for impairment	Carrying amount	Note
Electronic device	1,561,850.44	1,186,544.00	375,306.44		
Improvement expense of leased fixed assets	2,500,959.58	2,500,959.58			
Machinery equipment	4,701,533.63	2,956,286.75	1,745,246.88		
Total	8,764,343.65	6,643,790.33	2,120,553.32		

(4) Fixed assets as pending certificate of ownership

Item	Carrying amount on 31 December 2024	Reason
Telecommunications project expenses	69,845.08	正在办理
Houses and buildings renovation expenses	129,197.08	

13. Construction-in-progress

(1) Construction in progress and construction materials

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Construction in progress	3,462,300.89		3,462,300.89	1,773,322.12		1,773,322.12
Engineering materials						
Total	3,462,300.89		3,462,300.89	1,773,322.12		1,773,322.12

(2)Construction in progress details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Sporadic project	2,107,628.32		2,107,628.32	868,012.39		868,012.39
Equipment to be inspected	1,354,672.57		1,354,672.57	905,309.73		905,309.73
Total	3,462,300.89		3,462,300.89	1,773,322.12		1,773,322.12

14.Right-of-use assets

Items	Houses and buildings	Total
1 . Initial Cost		
(1) Opening Balance	408,735,436.56	408,735,436.56
(2) Increase		
—New Leases		
(3) Decrease		
—Transferred to Fixed Assets		
—Disposal		
(4) Closing Balance	408,735,436.56	408,735,436.56
2.Accumulated Depreciation		
(1) Opening Balance	40,171,444.88	40,171,444.88
(2) Increase	14,620,121.76	14,620,121.76
—Accrued	14,620,121.76	14,620,121.76

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Items	Houses and buildings	Total
(3) Accrued		
—Transferred to Fixed Assets		
—Disposal		
(4) Closing Balance	54,791,566.64	54,791,566.64
3 . Impairment Reserve		
(1) Opening Balance		
(2) Increase		
—Accrued		
(3) Decrease		
—Transferred to Fixed Assets		
—Disposal		
(4) Closing Balance		
4 . Book value		
(1) Closing book value	353,943,869.92	353,943,869.92
(2) Opening book value	368,563,991.68	368,563,991.68

15.Intangible assets

Items	Land use rights	Software	Total
1 . Initial cost			
(1) Opening balance	19,305,529.49	53,815,491.39	73,121,020.88
(2) Increase	382,848.27	32,070.81	414,919.08
—Purchase	158,880.28	32,070.81	190,951.09
—Impact of changes in exchange rates	223,967.99		223,967.99
(3) Decrease	264,775.08		264,775.08
—Disposal			
—Impact of changes in exchange rates	264,775.08		264,775.08
(4) Closing balance	19,423,602.68	53,847,562.20	73,271,164.88
2 . Amortization			
(1) Opening balance	6,914,270.32	52,723,758.75	59,638,029.07
(2) Increase	725,290.45	1,010,888.88	1,736,179.33
—Accrual	640,894.13	1,010,888.88	1,651,783.01
—Impact of changes in exchange rates	84,396.32		84,396.32

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Items	Land use rights	Software	Total
(3) Decrease	50,362.18		50,362.18
—Disposal			
—Impact of changes in exchange rates	50,362.18		50,362.18
(4) Closing balance	7,589,198.59	53,734,647.63	61,323,846.22
3 . Provision for impairment			
(1) Opening balance			
(2) Increase			
—Accrual			
(3) Decrease			
—Disposal			
(4) Closing balance			
4 . Book value			
(1) Closing Book value	11,834,404.09	112,914.57	11,947,318.66
(2) Opening Book value	12,391,259.17	1,091,732.64	13,482,991.81

16. Long-term prepaid expenses

Items	Closing balance	Increase	Amortization	Other Decrease	Opening balance
Building improvement expenses	7,724,325.68	645,120.31	2,952,920.99		5,416,525.00
Telecommunications project expenses	46,477.38	123,853.20	15,475.32		154,855.26
Total	7,770,803.06	768,973.51	2,968,396.31		5,571,380.26

17. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offsetting

Items	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairment	36,745,296.24	5,756,204.14	34,434,912.22	5,425,006.11
Provision for credit impairment	2,087,383.34	325,513.21	2,471,988.41	374,128.32
Unrealized intragroup profit	445,561.88	111,390.47	334,417.48	83,604.37
Accrued expenses	8,188,555.64	1,301,408.77	8,611,855.82	1,368,648.92
Lease liabilities	396,776,679.42	59,538,736.82	393,053,473.02	58,958,020.95
Total	444,243,476.52	67,033,253.41	438,906,646.95	66,209,408.67

(2) Deferred tax liabilities before offsetting

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Items	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax liabilities	Deductible temporary differences	Deferred tax liabilities
Financial assets held for trading	942,083.33	141,312.50	2,258,216.67	338,732.50
Depreciation of fixed assets accelerates	12,850,383.83	1,927,557.57	14,675,125.02	2,201,268.75
Right-of-use Assets	353,943,869.92	53,091,580.49	368,563,991.68	55,284,598.75
合计	367,736,337.08	55,160,450.56	385,497,333.37	57,824,600.00

(3)Deferred tax assets or liabilities on a net basis after elimination

Items	Closing balance		Opening balance	
	Offset Amount Between Deferred Tax Assets and Liabilities	Balance after offsetting	Offset Amount Between Deferred Tax Assets and Liabilities	Balance after offsetting
Deferred tax assets	55,160,450.56	11,872,802.85	57,824,600.00	8,384,808.67
Deferred tax liabilities	55,160,450.56		57,824,600.00	

(4)Unrecognized deferred tax assets

Items	Closing balance	Opening balance
Provision for asset impairment	12,501,998.30	9,889,071.89
Provision for credit impairment	259,531.91	1,114,967.63
Accrued expenses	16,484,156.08	10,070,400.14

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Items	Closing balance	Opening balance
Payroll liability	2,119,054.60	2,025,286.49
Undistributed deficit	24,592,204.05	26,512,385.33
Total	55,956,944.94	49,612,111.48

(5)Deductible losses not recognised as deferred tax assets will expire in the following periods

Year	Closing balance	Opening balance	Memo
2024		14,343,181.96	
2025			
2026			
2027	6,631,108.51	6,631,108.51	
2028	5,538,094.86	5,538,094.86	
2029-2034	12,423,000.68		
Total	24,592,204.05	26,512,385.33	

18.Other non-current assets

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Prepaid mold fee and equipment fee	10,099,186.11		10,099,186.11	136,429.00		136,429.00

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Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Total	10,099,186.11		10,099,186.11	136,429.00		136,429.00

19.Assets with restricted ownership or use

Items	Closing balance			Opening balance		
	Book Balance	Book Value	Restricted assets	Book Balance	Book Value	Restricted assets
Monetary funds	2,487,216.02	2,487,216.02	Letter of credit margin	5,352,305.24	5,352,305.24	Letter of credit margin
Total	2,487,216.02	2,487,216.02		5,352,305.24	5,352,305.24	

20. Notes payable

Classification	Closing balance	Opening balance
Bank acceptance notes	19,418,627.35	9,137,361.03
Total	19,418,627.35	9,137,361.03

21. Accounts Payable

Items	Closing balance	Opening balance
Within 1 year	513,873,164.01	486,454,528.92
Over 1 year	3,448,353.28	5,420,389.52
Total	517,321,517.29	491,874,918.44

22. Received in advance

Items	Closing balance	Opening balance
Within 1 year	2,803,884.45	2,506,352.46
Over 1 year	120,448.80	117,915.81
Total	2,924,333.25	2,624,268.27

23. Contractual liability

Items	Closing balance	Opening balance
Advance from merchandise	15,988,527.98	16,485,904.83
Advance for Management Fees	308,211.67	
Total	16,296,739.65	16,485,904.83

24. Employee Benefits Payable

(1) Details of employee benefits payable

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Items	Opening balance	Increase during the reporting period	Decrease during the reporting period	Impact of changes in exchange rate	Closing balance
Short-term benefits	49,099,386.69	318,398,415.25	313,588,428.29	41,340.50	53,950,714.15
Post-employment benefits – Defined contribution plan	9,244.28	19,949,118.91	19,952,049.00	-5.94	6,308.25
Termination benefits		363,828.11	363,828.11		
Total	49,108,630.97	338,711,362.27	333,904,305.40	41,334.56	53,957,022.40

(2)Details of short-term employee benefits

Items	Opening balance	Increase during the reporting period	Decrease during the reporting period	Impact of changes in exchange rate	Closing balance
(1) Wages or salaries, bonuses, allowances and subsidies	33,333,928.49	273,939,264.24	272,316,313.67	41,338.75	34,998,217.81
(2) Staff welfare		20,905,665.01	20,905,665.01		
(3) Social security contributions	6,048.44	13,444,215.00	13,445,602.42	1.75	4,662.77
Include: Medical insurance	5,665.64	9,670,135.77	9,672,282.95	-5.61	3,512.85
Work	382.80	3,079,169.03	3,078,409.27	7.36	1,149.92

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Items	Opening balance	Increase during the reporting period	Decrease during the reporting period	Impact of changes in exchange rate	Closing balance
injury insurance					
Maternity insurance		694,910.20	694,910.20		
(4) Housing funds	13,276,454.68	8,550,691.43	5,844,403.61		15,982,742.50
(5) Labor union and employee education costs		1,076,443.58	1,076,443.58		
(6) Short-term paid leave	2,482,955.08	482,135.99			2,965,091.07
Total	49,099,386.69	318,398,415.25	313,588,428.29	41,340.50	53,950,714.15

(3)Details of defined contribution plans

Items	Opening balance	Increase during the reporting period	Decrease during the reporting period	Impact of changes in exchange rate	Closing balance
Basic pension insurance	8,969.78	19,421,167.72	19,424,009.02	-5.94	6,122.54
Unemployment insurance	274.50	527,951.19	528,039.98		185.71
Total	9,244.28	19,949,118.91	19,952,049.00	-5.94	6,308.25

25. Taxes payable

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Items	Closing balance	Opening balance
Value-added tax	952,185.68	894,039.02
Enterprise income tax	13,505,915.29	54,382,240.91
Individual income tax	809,831.82	561,566.16
City maintenance and construction tax	601,276.22	422,008.28
Education surcharge	360,765.73	211,004.14
local education surcharge	240,510.49	211,004.14
Real estate tax	1,456,280.69	1,334,850.52
Land use tax	175,232.78	175,232.86
Stamp duty	202,995.02	206,900.89
Other	5,401.04	5,394.66
Total	18,310,394.76	58,404,241.58

26. Other payables

Items	Closing balance	Opening balance
Interest payable		
Dividend payable		
Other payables	40,877,557.33	35,202,629.21
Total	40,877,557.33	35,202,629.21

(1) Other accounts payable

① Other payables categorized by payments nature

Items	Closing balance	Opening balance
Bid security deposits	8,735,043.85	11,267,553.12
Current payments and others	7,474,779.27	5,252,820.13
Accrued expenses	24,667,734.21	18,682,255.96
Total	40,877,557.33	35,202,629.21

②Material Other Payables with Aging Over One Year or Overdue

Items	Closing balance	Reason for Unrepaid or Unsettled
Bid security deposits	7,711,864.81	To be returned upon contract termination

27.Current portion of non-current liabilities

Items	Closing balance	Opening balance
Lease liabilities due within one year	922,678.70	883,368.79
Total	922,678.70	883,368.79

28.Lease liabilities

Items	Closing balance	Opening balance
Lease payments	698,687,752.67	711,067,541.70
Less: unrecognized financing charges	301,760,453.00	318,014,068.68
Less: Lease liabilities due within one year	922,678.70	883,368.79
Total	396,004,620.97	392,170,104.23

29.Share Capital

Items	Opening Balance	Change for current period					Closing balance
		New shares issued	Share donation	Capitalization of capital reserve	Others	Subtotal	
Number of total shares	185,391,680.00						185,391,680.00

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30.Capital reserve

Items	Opening Balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	210,045,659.80			210,045,659.80
Other capital reserves	86,763,305.99			86,763,305.99
Total	296,808,965.79			296,808,965.79

31. Other Comprehensive Income

Items	Opening Balance	Current year						Closing balance
		Amount for the year before tax	Less: previously recognized in other comprehensive income transferred into profit or loss	Less: previously recognized in other comprehensive income transferred into retained earnings	Less: Income tax expense	After tax attributable to the company	After tax attributable to minority shareholders	
1. Other comprehensive income that will not be reclassified to profit or loss	41,036.56							41,036.56
Including: Remeasurement gains or losses of a defined benefit plan	41,036.56							41,036.56
Other comprehensive income using the equity method that will not be reclassified to profit or								

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Items	Opening Balance	Current year					After tax attributable to minority shareholders	Closing balance
		Amount for the year before tax	Less: previously recognized in other comprehensive income transferred into profit or loss	Less: previously recognized in other comprehensive income transferred into retained earnings	Less: Income tax expense	After tax attributable to the company		
loss								
Changes in fair value of other equity instrument investments								
Changes in fair value of enterprise's own credit risk								
2.Other comprehensive income to be reclassified to profit or loss	10,186,016.95	1,367,590.68			1,025,693.01	341,897.67	11,211,709.96	
Including: Under equity method, proportionate share of other comprehensive								

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Items	Opening Balance	Current year						Closing balance
		Amount for the year before tax	Less: previously recognized in other comprehensive income transferred into profit or loss	Less: previously recognized in other comprehensive income transferred into retained earnings	Less: Income tax expense	After tax attributable to the company	After tax attributable to minority shareholders	
income invested company								
FV change of other debt investment								
Financial instrument reclassified into other comprehensive income								
Credit impairment provision of other debt investment								
Cash flow hedges effective portion								

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Items	Opening Balance	Current year					After tax attributable to minority shareholders	Closing balance
		Amount for the year before tax	Less: previously recognized in other comprehensive income transferred into profit or loss	Less: previously recognized in other comprehensive income transferred into retained earnings	Less: Income tax expense	After tax attributable to the company		
Foreign currency translation difference	10,186,016.95	1,367,590.68			1,025,693.01	341,897.67	11,211,709.96	
Total	10,227,053.51	1,367,590.68			1,025,693.01	341,897.67	11,252,746.52	

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32.Surplus reserves

Items	Opening Balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	75,501,488.36	5,926,244.20		81,427,732.56
Total	75,501,488.36	5,926,244.20		81,427,732.56

33.Retained earnings

Items	Current year	Prior year
Closing balance of prior year	507,010,039.53	481,265,907.40
Adjustments for the opening balance (increase)/(decrease))		
Balance at the beginning of the reporting period after adjustments	507,010,039.53	481,265,907.40
Add: net profit attributable to owners of the company for the reporting period	72,782,642.48	87,937,274.85
Less: Provision for statutory surplus reserves	5,926,244.20	6,575,638.72
Provision for any surplus reservesC		
Provision of general risk		
Dividends payable for common shares	46,347,920.00	55,617,504.00
Share dividends		
Closing balance of current year	527,518,517.81	507,010,039.53

34.Operating income and costs of sales

(1)Operating income and cost

Items	Current year		Prior year	
	Revenue	Costs of sales	Revenue	Costs of sales
Principal operating activities	1,648,161,362.22	1,428,347,528.54	1,416,916,663.23	1,200,616,079.86

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Items	Current year		Prior year	
	Revenue	Costs of sales	Revenue	Costs of sales
Others	52,954,088.34	13,956,531.45	78,716,142.18	21,724,636.16
Total	1,701,115,450.56	1,442,304,059.99	1,495,632,805.41	1,222,340,716.02

(2) Revenue from principal activities (by industry or business)

Industry (business)	Current year		Prior year	
	Revenue	Costs of sales	Revenue	Costs of sales
Household appliances industry	1,648,161,362.22	1,428,347,528.54	1,416,916,663.23	1,200,616,079.86
Total	1,648,161,362.22	1,428,347,528.54	1,416,916,663.23	1,200,616,079.86

(3) Revenue from principal activities (by product)

Product	Current year		Prior year	
	Revenue	Costs of sales	Revenue	Costs of sales
Catering and Cooking	1,046,951,475.35	904,917,723.90	876,649,556.62	740,036,637.13
Home helper	450,085,933.70	397,179,916.97	423,317,994.57	367,608,077.02
Tea/Coffee makers	136,456,159.10	118,649,027.25	107,759,750.66	87,621,207.90
Other	14,667,794.07	7,600,860.42	9,189,361.38	5,350,157.81
Total	1,648,161,362.22	1,428,347,528.54	1,416,916,663.23	1,200,616,079.86

(4) Revenue from principal activities (by region)

Region	Current year		Prior year	
	Revenue	Costs of sales	Revenue	Costs of sales
Australia	20,751,971.71	16,716,180.90	19,077,723.72	15,491,942.72
Africa	15,758,618.31	12,986,861.43	20,888,061.42	16,172,452.85
America	847,408,182.11	744,335,500.91	644,953,338.13	551,073,582.25
Europe	483,962,735.10	414,623,825.78	433,422,726.13	362,539,500.90

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Region	Current year		Prior year	
	Revenue	Costs of sales	Revenue	Costs of sales
Asia	280,279,854.99	239,685,159.52	298,574,813.83	255,338,601.14
Total	1,648,161,362.22	1,428,347,528.54	1,416,916,663.23	1,200,616,079.86

35. Taxes and Surcharges

Items	Current year	Prior year
City construction tax	2,673,626.01	2,225,762.25
Total	1,560,402.93	1,297,218.63
Local Education surcharge	1,040,268.65	865,893.02
Property tax	2,953,530.94	2,685,209.67
Property tax	398,846.80	392,026.92
Stamp duty	905,265.36	903,975.01
Others	43,315.39	12,674.06
Total	9,575,256.08	8,382,759.56

36. Selling and Distribution Expenses

Items	Current year	Prior year
Employee benefit	16,454,435.95	15,245,952.54
Advertisements charges and sales promotion	2,875,696.67	3,334,290.34
Sales commission and after sales service fees	6,028,629.94	3,182,961.16
Total	1,110,026.40	707,164.48
Administrative expenses	128,595.30	124,214.30
Leasing	22,718.34	23,145.36

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Items	Current year	Prior year
Claims experiment expenses	1,401,804.99	1,202,860.43
Travel expense	4,207,806.76	3,906,950.26
Total	32,229,714.35	27,727,538.87

37. Administrative expenses

Items	Current year	Prior year
Employee benefit	42,423,111.23	39,253,705.13
Depreciation and amortization	10,137,390.28	12,083,209.71
Employee benefit	2,975,629.69	4,371,053.55
Total	2,122,571.44	2,906,196.95
Maintenance expenses	3,745,323.37	2,362,890.23
Insurance expenses	2,402,559.65	1,902,441.69
Administrative expenses	1,676,235.64	1,417,789.04
Rental expenses	306,785.03	306,928.42
Other expense	5,686,296.38	6,958,953.98
Total	71,475,902.71	71,563,168.70

38. Research and Development Expenses

Items	Current year	Prior year
Employee remunerations	47,317,568.07	42,032,420.62
Depreciation and amortization	3,827,800.32	7,105,995.06
Test expenses	6,578,389.27	5,092,211.99
Total	1,837,472.13	1,824,488.02
Certification expenses	1,539,557.35	1,445,855.18
Patent expenses	705,579.71	440,114.68

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Items	Current year	Prior year
Travel expenses	551,259.50	438,539.83
Consultant fees	256,246.64	268,309.50
Rental expenses	40,310.01	41,113.84
Others	2,278,083.81	2,513,252.06
Total	64,932,266.81	61,202,300.78

39.Financial expenses

Items	Current year	Prior year
Interest expenses	21,700,670.25	26,125,546.52
Including: interest expense on lease liabilities	16,253,615.68	20,342,871.33
Less: Interest income	9,148,448.06	5,259,411.72
Total	-11,924,910.07	-1,658,341.14
Add: Others expenditure	760,380.35	821,181.54
Total	1,387,692.47	20,028,975.20

40.Other income

Items	Current year	Prior year
Government grant	2,373,328.56	3,727,263.16
Withholding of personal income tax handling fee	100,942.42	
Total	2,474,270.98	3,727,263.16

41.Investment income

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Items	Current year	Prior year
Investment income from the disposal of long-term equity		128,459.45
Investment income earned during the holding period of a trading financial asset	14,792,090.85	20,640,166.64
Investment income from the disposal of trading financial assets	321,250.00	-1,038,850.00
Other current assets' investment and wealth management	22,565,233.90	14,513,094.28
Total	37,678,574.75	34,242,870.37

42.Gains from changes in fair value

Sources of gains on changes in fair value	Current year	Prior year
Tradable financial asset	-2,066,950.01	-1,484,755.55
Including: Changes in fair value of derivatives	-432,800.00	-706,100.00
Financial products	-1,634,150.01	-778,655.55
Total	-2,066,950.01	-1,484,755.55

43.Credit impairment losses

Items	Current year	Prior year
Bad debt of accounts receivables	-1,300,562.02	1,899,211.17
Bad debt of other receivables	52,587.96	110,882.50
Total	-1,247,974.06	2,010,093.67

44.Assets impairment losses

Items	Current year	Prior year
Inventory impairment loss & Impairment loss on contract performance costs	6,812,241.66	6,172,686.49

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Items	Current year	Prior year
Fixed asset impairment loss	2,358,907.09	828,977.57
Total	9,171,148.75	7,001,664.06

45.Gains from disposal of assets

Items	Current year	Prior year	Amount included in non-recurring profit or loss in the current period
Income from the disposal of fixed assets	756,104.15	2,628,054.68	756,104.15
Income from the disposal related to the right-of-use assets		9,609,202.66	
Total	756,104.15	12,237,257.34	756,104.15

46.Non-operating income

Items	Current year	Prior year	Amount included in non-recurring profit or loss in the current period
Other	488,343.55	6,015,235.74	488,343.55
Total	488,343.55	6,015,235.74	488,343.55

47.Non-operating expenses

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Items	Current year	Prior year	Amount included in non-recurring profit or loss in the current period
Donations	61,242.81	500,000.00	61,242.81
Total		41,357.59	
Penalty and late payment	25,750.00		25,750.00
Total	86,992.81	541,357.59	86,992.81

48. Income tax expenses

(1) Income tax expenses

Items	Current year	Prior year
Current income tax expenses	17,927,037.97	31,708,533.44
Deferred income tax expenses	-3,487,994.18	-18,939,398.37
Total	14,439,043.79	12,769,135.07

(2) Reconciliation of income tax expenses to the accounting profit

Items	Current year
Total profit	110,530,734.07
Income tax expense at the statutory [or applicable] tax rate	27,632,683.52
Effect of different tax rates applied to subsidiaries	-26,815,350.59
Effect of adjustments to income taxes of prior periods	-146,309.92
Impact of non-taxable income	
Effect of non-deductible costs, expenses and losses	-502,961.00
Effect of non-deductible costs, expenses and losses	
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the period	20,761,033.99

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Items	Current year
R&D expenses plus deduction	-6,490,052.22
Income tax expense	14,439,043.79

49. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net income attributable to ordinary shareholders of the company by the weighted average number of ordinary shares of the Company in issue:

Item	Current year	Prior year
Consolidated net income attributable to ordinary shareholders of the company	72,782,642.48	87,937,274.85
Weighted average number of common shares of the Company issued and outstanding	185,391,680.00	185,391,680.00
Basic earnings per share	0.39	0.47
Include: Basic earnings per share from continuing operations	0.39	0.47
Basic earnings per share from discontinued operations		

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing the consolidated net income attributable to ordinary shareholders of the company (diluted) by the weighted average number of ordinary shares of the Company in issue (diluted):

Item	Current year	Prior year
Consolidated net income attributable to ordinary shareholders of the company (diluted)	72,782,642.48	87,937,274.85

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Item	Current year	Prior year
Weighted average number of common shares of the Company issued and outstanding (diluted)	185,391,680.00	185,391,680.00
Diluted earnings per share	0.39	0.47
Include: Diluted earnings per share from continuing operations	0.39	0.47
Diluted earnings per share from discontinued operations		

50. Notes to the Statement of Cash Flow

(1) Cash relating to operating activities

① Cash received relating to other operating activities

Item	Current year	Prior year
Government grants	2,373,328.56	3,727,263.16
Interest income	9,148,448.06	5,259,411.72
Rent income	35,225,301.36	56,631,989.37
Funds in current account and others	58,998,534.03	56,934,936.96
Total	105,745,612.01	122,553,601.21

② Other cash payments relating to operating activities

Item	Current year	Prior year
Penalties and donations	86,992.81	500,000.00
Bank charges	760,380.35	821,182.07
Sales expenses, general and administrative expenses, and research and development expenses paid by cash	34,510,721.88	41,164,217.42

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Item	Current year	Prior year
Current accounts and others	60,758,272.65	57,815,182.38
Total	96,116,367.69	100,300,581.87

(2)Cash relating to investing activities

①Cash received relating to other investing activities

Item	Current year	Prior year
A term deposit deposited with a financial institution to earn interest income at maturity	546,076,871.65	497,935,690.70
Total	546,076,871.65	497,935,690.70

②Cash paid relating to other investing activities

Item	Current year	Prior year
A term deposit deposited with a financial institution for earning interest income	699,587,632.10	518,774,200.00
Total	699,587,632.10	518,774,200.00

(3)Cash relating to financing activities

①Cash receipts relating to other financing activities

Item	Current year	Prior year
Letter of credit margin	11,360,910.42	8,193,634.09
Total	11,360,910.42	8,193,634.09

②Cash payments relating to other financing activities

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Item	Current year	Prior year
Lease payments of right-of-use assets	12,950,682.48	20,505,225.48
Letter of credit deposit	8,495,821.20	12,189,762.85
Total	21,446,503.68	32,694,988.33

51. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

additional materials	Current year	Prior year
1. Adjust net profit to cash flow from operating		
Net profit	96,091,690.28	116,802,966.95
Add: Impairment loss of credit	-1,247,974.06	2,010,093.67
Provision for impairment losses of assets	9,171,148.75	7,001,664.06
Depreciation of fixed assets, Investments properties	34,045,644.98	35,942,807.22
Depreciation of right-of-use assets	14,620,121.76	16,461,393.00
Amortisation of intangible assets	1,651,783.01	5,025,941.38
Amortisation of Long-term prepaid expenses	2,968,396.31	3,400,625.82
Gain on disposal of fixed assets, intangible assets, and other long-term assets (Gain expressed with "-")	-756,104.15	-12,237,257.34
Loss on scrapping of fixed assets (Gain expressed with "-")		41,357.59
Loss on changes in fair value (Gain expressed with "-")	2,066,950.01	1,484,755.55
Financial expense (Income expressed with "-")	9,775,760.26	26,779,027.17
Investment loss (Income expressed with "-")	-37,678,574.75	-34,242,870.37
Decreases in deferred tax assets (Increase expressed with "-")	-3,487,994.18	5,293,448.05

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additional materials	Current year	Prior year
Increases in deferred tax liabilities (Decrease expressed with “-”)		-24,232,846.42
Decrease in inventories (Increase expressed with “-”)	-4,097,528.45	-18,556,079.89
Decrease in operating receivables (Increase expressed with “-”)	105,722.03	-115,854,307.61
Increases in operating payables (Decrease expressed with “-”)	13,154,370.29	107,925,216.78
Others		
Net cash flows from operating activities	136,383,412.09	123,045,935.61
2.Net increases in cash and cash equivalents		
Cash at the end of the reporting period	441,890,727.50	561,810,271.53
Less: Cash at the beginning of the reporting period	561,810,271.53	575,511,653.82
Add: Cash equivalents at the end of the reporting period		
Less: Cash equivalents at the beginning of the reporting period		
Net increase in cash and cash equivalents	-119,919,544.03	-13,701,382.29

(2)Composition of cash and cash equivalents

Item	Current year	Prior year
1.Cash	441,760,220.95	561,682,655.09
Including: Cash on hand	887,987.84	810,688.40
Digital Currency		
Bank deposits	440,872,233.11	560,871,966.69
Other monetary funds		
Deposits with the central bank		

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Item	Current year	Prior year
Deposits with other banks		
Placements with banks		
2.Cash equivalents		
Including: Investments in debt securities due within three months		
3.Closing balance of cash and cash equivalents	441,760,220.95	561,682,655.09
Including: Restricted cash and cash equivalents of the Company and subsidiaries within the Group		

Monetary Funds Not Belonging to Cash and Cash Equivalents:

Item	Closing balance	Opening balance	Reasons
Letter of credit margin	2,487,216.02	5,352,305.24	Not withdrawable at any time
Total	2,487,216.02	5,352,305.24	

52.Foreign currency monetary items

(1)Foreign currency monetary items

Items	Closing balance	Converted exchange rate	Closing balance converted CNY
Money funds			112,054,855.83
Include: USD	14,195,219.52	7.188400	102,040,916.00
Euro	45,116.30	7.525700	339,531.74
HKD	287,915.92	0.926040	266,621.65
JPY	186,414,983.42	0.046233	8,618,523.93
HUF	81,016.00	0.018299	1,482.51
IDR	1,574,625,559.20	0.000446	702,283.00

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Items	Closing balance	Converted exchange rate	Closing balance converted CNY
GBP	9,419.60	9.076500	85,497.00
Accounts receivables			203,496,159.10
Include: USD	27,844,166.89	7.188400	200,155,009.27
IDR	451,593,125.00	0.000446	201,410.53
JPY	67,911,217.00	0.046233	3,139,739.30
Accounts payables			46,143,775.01
Include: USD	6,164,686.74	7.188400	44,314,234.16
Euro	102,274.80	7.525700	769,689.46
JPY	2,237,282.30	0.046233	103,436.27
IDR	2,141,322,954.15	0.000446	955,030.04
HKD	1,495.70	0.926040	1,385.08
Other receivables			609,593.63
Include: USD	11,249.15	7.188400	80,863.39
IDR	1,185,493,804.00	0.000446	528,730.24
HKD			
Other payables			1,274,139.73
Include: USD	51,876.87	7.188400	372,911.69
HKD	73,561.20	0.926040	68,120.61
IDR	1,867,953,881.13	0.000446	833,107.43

(2)Description of foreign operations: for significant foreign operations, major domicile and functional currency and its basis of selection shall be disclosed, and reasons for foreign operations changing their functional currencies shall also be disclosed.

Name of the overseas operating entity: Pt.Star Comgistic Indonesia

Main business area: Indonesia

Accounting standard currency: US dollars

53.Lease

(1)The Company as the lessee

Items	Current year	Prior year
Interest Expense on Lease Liabilities	16,253,615.68	20,342,871.33
Short-term Lease Expenses Recognized in Related Asset Costs or Simplified as Current Period Gains and Losses	441,580.19	441,127.08
Income from Subleasing Right-of-Use Assets	13,758,179.15	40,645,338.90
Total Cash Outflows Related to Leases	12,950,682.48	21,482,390.75

The future potential cash outflows not included in the lease liability measurement mainly arise from leases committed to by the lessee but not yet commenced.

The expected future cash outflows for leases committed to but not yet commenced are as follows:

Remaining Lease Term	Unamortized Lease Payment Amount
Within 1 Year	12,950,682.48
1 to 2 Years	12,469,722.48
2 to 3 Years	11,988,762.48
Over 3 Years	696,140,828.86

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Remaining Lease Term	Unamortized Lease Payment Amount
Total	733,549,996.30

(2)The company shall be the lessor

Operation lease

	Current year	Prior year
Operating Lease Income	18,876,240.86	15,698,650.47

VI.R&D expenditures (Research and Development)

Items	Current year			Prior year		
	Research and Development Expenses	Development expenditures	Total	Research and Development Expenses	Development expenditures	Total
Employee remunerations	47,317,568.07		47,317,568.07	42,032,420.62		42,032,420.62
Total	3,827,800.32		3,827,800.32	7,105,995.06		7,105,995.06
Test expenses	6,578,389.27		6,578,389.27	5,092,211.99		5,092,211.99
Maintenance expenses	1,837,472.13		1,837,472.13	1,824,488.02		1,824,488.02
Certification expenses	1,539,557.35		1,539,557.35	1,445,855.18		1,445,855.18
Patent expenses	705,579.71		705,579.71	440,114.68		440,114.68
Travel expenses	551,259.50		551,259.50	438,539.83		438,539.83
Consultant	256,246.64		256,246.64	268,309.50		268,309.50

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Items	Current year			Prior year		
	Research and Development Expenses	Development expenditures	Total	Research and Development Expenses	Development expenditures	Total
fees						
Rental expenses	40,310.01		40,310.01	41,113.84		41,113.84
Others	2,278,083.81		2,278,083.81	2,513,252.06		2,513,252.06
Total	64,932,266.81		64,932,266.81	61,202,300.78		61,202,300.78

VII.Changes in the scope of consolidation

The company did not experience any changes in the scope of consolidation during the current period.

VIII. Interest in other entity

1. Equity of subsidiaries

(1) Organization structure of group company

Name of Subsidiary	Registered capital	Principal place of business	Place of Registration	Business Nature	Shareholding (%)		Acquisition method
					Direct	Indirect	
Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	160 million US dollars	Zhangzhou	Zhangzhou	Manufactures home electronic appliance	75.00		Acquired through establishment
Tsann Kuen China (Shanghai) Enterprise Co., Ltd.	40 million US dollars	Shanghai	Shanghai	Manufactures home electronic appliance		46.875	Acquired through business combination under common control
Xiamen Tsannkuen Property Services Co., Ltd.	1.5 million CNY	Xiamen	Xiamen	Property services	100.00		Acquired through establishment
East Sino Development Limited	318.85 million HKD	Hong Kong	Hong Kong	Investment, Trading		75.00	Acquired through business combination under common control
Pt.StarComgistic Indonesia	41 million US dollars	Indonesia	Indonesia	Manufactures home electronic appliance		75.00	Acquired through business combination under common control

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Name of Subsidiary	Registered capital	Principal place of business	Place of Registration	Business Nature	Shareholding (%)		Acquisition method
					Direct	Indirect	
Pt.Star Comgistic Property Development Indonesia	5.01 million US dollars	Indonesia	Indonesia	Real estate development		75.00	Acquired through establishment
Orient Star Investments Limited	185,000 US dollars	Hong Kong	Hong Kong	Investment, Trading		75.00	Acquired through business

(2) Significant non-wholly owned subsidiaries

Name of subsidiary	Shareholding ratio of non-controlling interests	Profit or loss attributable to non-controlling interests during the reporting period	Dividends declared to distribute to non-controlling interests during the reporting period	Non-controlling interests at the end of the reporting period
Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	25.00%	14,940,912.12	16,479,864.07	340,649,974.82

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(3) Main financial information of significant non-wholly owned subsidiaries

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	1,228,298,524.91	1,154,739,765.97	2,383,038,290.88	624,433,770.65	396,004,620.97	1,020,438,391.62	1,509,634,463.61	820,943,048.06	2,330,577,511.67	569,651,700.35	392,170,104.23	961,821,804.58

Name of subsidiary	Current year				Prior year			
	Revenue	Net profit/(loss)	Total comprehensive income	Net cash flows from operating activities	Revenue	Net profit/(loss)	Total comprehensive income	Net cash flows from operating activities
Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	1,596,844,436.87	59,763,648.46		170,908,401.59	1,352,725,459.57	73,243,840.32		151,454,516.12

IX. Government Grants

1. Item in P&L statement

(1) Government grants recognized in profit or loss

Revenue-related government grants

Item in P&L statement	2024	2023
Other earnings	2,373,328.56	3,727,263.16
Total	2,373,328.56	3,727,263.16

2. Refund of Government Grants

No refunds of government grants occurred during the current period.

X. Risk Related to Financial Instruments

1. Types of risks arising from financial instruments

The company faces various financial risks during its operations, including credit risk, liquidity risk, and market risk (including foreign exchange risk, interest rate risk, and other price risks). The following describes these financial risks and the risk management policies adopted by the company to mitigate them:

The Board of Directors is responsible for planning and establishing the company's risk management framework, formulating risk management policies and related guidelines, and overseeing the implementation of risk management measures. The company has established risk management policies to identify and analyze the risks it faces. These policies provide clear regulations for specific risks, covering aspects such as market risk, credit risk, and liquidity risk management. The company regularly assesses changes in the market environment and its business activities to determine whether updates to its risk management policies and systems are necessary. Risk management is conducted by the Risk Management Committee according to policies approved by the Board of Directors. The Risk Management Committee collaborates closely with other business departments to identify, evaluate, and mitigate relevant risks. The company's internal audit department conducts regular reviews of risk management controls and procedures and reports

the results to the Audit Committee.

The company diversifies financial instrument risks through appropriate investment and business portfolio strategies and reduces concentration risks associated with single industries, specific regions, or particular counterparties by implementing corresponding risk management policies.

(1)Credit Risk

Credit risk refers to the risk of financial loss arising from a counterparty's failure to fulfill its contractual obligations.

The main sources of credit risk for the company include cash and bank balances, notes receivable, accounts receivable, receivables financing, contract assets, other receivables, debt investments, other debt investments, and financial guarantee contracts, as well as debt instruments measured at fair value through profit or loss and derivative financial assets that are not subject to impairment assessment. As of the balance sheet date, the carrying amount of the company's financial assets represents its maximum exposure to credit risk.

The company's cash and bank balances are primarily held with state-owned banks and other large and medium-sized listed banks with high credit ratings. The company believes there is no significant credit risk, and it is unlikely that major losses will arise from bank defaults.

For notes receivable, accounts receivable, receivables financing, contract assets, and other receivables, the company has established policies to control credit risk exposure. The company assesses the creditworthiness of customers based on their financial condition, the possibility of obtaining guarantees from third parties, credit history, and other factors such as current market conditions, and sets appropriate credit terms accordingly. The company monitors customer credit records regularly. For customers with poor credit records, the company may take actions such as written reminders, shortening credit periods, or canceling credit periods to ensure that its overall credit risk remains within a manageable range.

(2)Liquidity Risk

Liquidity risk refers to the risk of a shortage of funds when a company needs to settle obligations denominated in cash or other financial assets.

The company's policy is to maintain sufficient cash to repay maturing debts. Liquidity risk is centrally controlled by the finance department. The finance

department monitors cash balances, readily marketable securities, and rolling forecasts of cash flows for the next 12 months to ensure that the company has adequate funds to meet its debt obligations under all reasonable scenarios. Additionally, the company continuously monitors compliance with loan agreements and secures commitments from major financial institutions to provide sufficient standby funding to meet both short-term and long-term capital requirements.

(3)Market Risk

Market risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, including foreign exchange risk, interest rate risk, and other price risks.

①Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates.

Fixed-rate and floating-rate interest-bearing financial instruments expose the company to fair value interest rate risk and cash flow interest rate risk, respectively. The company determines the proportion of fixed-rate versus floating-rate instruments based on market conditions and maintains an appropriate mix of fixed and floating rate instruments through regular reviews and monitoring. When necessary, the company uses interest rate swaps to hedge interest rate risks.

②Foreign Exchange Risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

The company continuously monitors foreign currency transactions and the scale of foreign currency assets and liabilities to minimize its exposure to foreign exchange risks. Additionally, the company may enter into forward foreign exchange contracts or currency swap contracts to hedge against foreign exchange risks. During the current and previous periods, the company did not enter into any forward foreign exchange contracts or currency swap contracts.

The company's exposure to foreign exchange risk mainly arises from financial assets and liabilities denominated in US dollars. The amounts of foreign currency financial assets and liabilities converted into CNY are listed below:

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Items	Closing balance	Opening balance
Cash and cash equivalent	112,054,855.83	126,432,534.81
Accounts receivable	203,496,159.10	202,329,483.53
Other receivables	609,593.63	534,297.53
Accounts payable	46,143,775.01	66,103,441.28
Other payables	1,274,139.73	1,158,796.87
Total	363,578,523.30	396,558,554.02

XI. Fair value disclosures

The inputs used in fair value measurements are divided into three levels:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.

Level 2 inputs are inputs other than Level 1 inputs that are directly or indirectly observable for the related asset or liability.

Level 3 inputs are unobservable inputs for the relevant asset or liability.

The level to which the fair value measurement results belong is determined by the lowest level to which the inputs that are significant to the fair value measurement as a whole belong.

1. Closing fair value of assets and liabilities measured at fair value

Items	F V at the year end			Total
	1st Level FV Measurement	2nd Level FV Measurement	3rd Level FV Measurement	
I. Continuously measured at FV				
◆ Held-for-trading financial assets		50,942,083.33		50,942,083.33
1. Financial assets at fair value through profit or loss		50,942,083.33		50,942,083.33
(1) Debt instruments		50,942,083.33		50,942,083.33
◆ Other equity instrument		40,000.00		40,000.00

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Items	F V at the year end			
	1st Level FV Measurement	2nd Level FV Measurement	3rd Level FV Measurement	Total
investment				
Total assets measured at fair value on an ongoing basis		50,982,083.33		50,982,083.33

2.Determination for the Quoted Prices of Fair Value Measurement in Level 2 on a Recurring or Nonrecurring Basis

The fair value measurement of derivative financial assets is based on the valuation provided by the bank for the outstanding forward foreign exchange on the balance sheet date; The fair value of debt instrument investment is measured on the basis of the principal of the structural deposit that is not due on the balance sheet date and the interest rate agreed with the bank.

XII.Related Parties Relationship and Transactions

1.Status of the Wafangdian Bearing Company Limited's parent company

Parent company	Registered address	Business nature	Registered capital	Shareholding percentage (%)	Voting power percentage (%)
STAR COMGISTIC CAPITAL CO., LTD.	Taiwan (China)	Manufactures and sales electrical equipment	NTD 3,000,000,000.00	42.90	44.68

Note: The ultimate controlling party of the Company is STAR COMGISTIC CAPITAL CO., LTD.

2.Status of the Company's subsidiaries

For details of the Company's subsidiaries, please refer to "VIII. Interests in other entities" in this note.

3. Other related parties

Name of related party	Related party relationship
Thermaster Electronic (Xiamen) Ltd.	The company is directly controlled by the key management and closed family members
Tsann Kuen Enterprise Co., Ltd.	Same actual controller
Tsann Kuen (Japan) Electric Co., Ltd.	Same actual controller

4. Related Party Transactions

(1) Purchases or sales of goods, rendering or receiving of services

Purchases of goods, receiving of services:

Related parties	Nature of the transaction(s)	Current year	Prior year
Thermaster Electronic (XIAMEN) Limited	Purchase of goods	31,150,562.96	27,803,373.75
STAR COMGISTIC CAPITAL CO., LTD.	Quality claim payment	939.26	4,293.24
Tsann Kuen (Japan) Electric Co., Ltd.	Accept labor service	1,385,755.32	1,462,091.65

Sales of goods/provide labour services

Related parties	Nature of the transaction(s)	Current year	Prior year
STAR COMGISTIC CAPITAL CO., LTD.	Sales of goods	3,417,248.26	2,899,791.41
Thermaster Electronic (XIAMEN) Limited	Sales of goods		1,231.55

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Related parties	Nature of the transaction(s)	Current year	Prior year
司			

(2)Transfers of assets and debt restructuring

Related parties	Nature of the transaction(s)	Current year	Prior year
Thermaster Electronic (Xiamen) Ltd.	Purchase of fixed assets		200,884.95

(3)Management remuneration

Unit: Ten thousand yuan

Items	Current year	Prior year
Management remuneration	422.85	415.34

5.Unsettled receivables and payables from related parties

(1)Receivables

Items	Related party	Closing balance		Opening balance	
		Book balance	Provision	Book balance	Provision
Accounts receivable	STAR COMGISTIC CAPITAL CO., LTD.	950,914.62		726,049.84	

(2)Payables

Items	Related party	Closing Balance	Opening balance
Accounts payable	Thermaster Electronic	6,936,867.52	7,328,112.41

Items	Related party	Closing Balance	Opening balance
	(Xiamen) Ltd.		

XIII. Commitments and contingencies

1. Significant Commitments

As of December 31, 2024, the company has issued but not yet fulfilled irrevocable letters of credit amounting to CNY 86,041,604.67 and USD 5,531,969.63.

Apart from the above, there are no other significant commitments that the company is required to disclose.

2. Contingencies

As of 31st December 2024, The Company has no significant contingencies need to be disclosed.

XIV. Events after the Balance Sheet Date

1. Significant Non-Adjusting Events

The company has no significant non-adjusting events.

2. Profit Distribution

On 8 March 2025, the first Board Meeting of 2025 held by the Company reviewed and approved the profit distribution plan for 2024. Based on the total share capital of 185,391,680 shares as at the end of 2024, cash dividend of CNY1.80 per 10 shares will be distributed to all shareholders of the Company (tax included). The profit for distribution of the Company is CNY 33,370,502.40 The proposal still needs to be approved by the shareholders' general meeting of the Company.

XV. Notes to the Main Items of Company's Financial Statements

1. Accounts receivable

(1) Accounts receivable with the bad debt provisions under accounting aging analysis method

Aging	Closing Balance	Opening balance
Within 1 year	117,163.04	1,460,836.35
Including: Within 90 days	102,845.83	1,460,719.66
91 days to 180 days	513.00	57.29

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Aging	Closing Balance	Opening balance
181 days to 270 days	13,804.21	4.80
271 days to 365 days		54.60
1 year to 2 years	40.24	20,000.00
2 years to 3 years	20,000.00	9,677.56
Over 3 years	125,418.08	115,740.52
Subtotal	262,621.36	1,606,254.43
Less: provision for bad debt	60,840.92	33,300.55
Total	201,780.44	1,572,953.88

(2)Category of accounts receivable

Items	Closing Balance					Opening Balance				
	Booking balance		Provision		Booking value	Booking balance		Provision		Booking value
	Amount	%	Amount	%		Amount	%	Amount	%	
Accounts receivable with individual bad debt provision										
Accounts receivable with bad debt provision based on the characters of credit risk portfolio	262,621.36	100.00	60,840.92	23.17	201,780.44	1,606,254.43	100.00	33,300.55	2.07	1,572,953.88
Including:										
-Portfolio by age	262,621.36	100.00	60,840.92	23.17	201,780.44	1,577,938.02	98.24	33,300.55	2.11	1,544,637.47
-Portfolio by related parties						28,316.41	1.76			28,316.41

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Items	Closing Balance					Opening Balance				
	Booking balance		Provision		Booking value	Booking balance		Provision		Booking value
	Amount	%	Amount	%		Amount	%	Amount	%	
Total	262,621.36	100.00	60,840.92		201,780.44	1,606,254.43	100.00	33,300.55		1,572,953.88

Provision for Bad Debts Based on Aging Portfolio:

Aging	Closing Balance		
	Accounts receivable	Provision for bad debts	Proportion (%)
Not overdue	201,566.83	1,007.83	0.50
Overdue 1 - 30 days	1,279.00	57.56	4.50
Overdue 31 - 60 days			
Overdue 61 - 90 days			
Overdue more than 90 days	59,775.53	59,775.53	100.00
Total	262,621.36	60,840.92	

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

Category	Opening balance	Change during the year				Closing Balance
		Accrued	Collect/carry over	Written-off	others	
Accounts receivable with individual bad debt provision						
Accounts receivable with bad debt provision based on the characters of credit	33,300.55	27,540.37				60,840.92

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Category	Opening balance	Change during the year				Closing Balance
		Accrued	Collect/carry over	Written-off	others	
risk portfolio						
Including:Portfolio by age	33,300.55	27,540.37				60,840.92
Portfolio by related parties						
Total	33,300.55	27,540.37				60,840.92

(4)Top five of closing balances of customers

The aggregated amount of the top five accounts receivable and contract assets based on the balance owed by each debtor at the end of the period is CNY 254,912.12, representing 97.06% of the total combined balances of accounts receivable and contract assets. The corresponding aggregate bad debt provision at the end of the period for these amounts is CNY 55,738.93.

2.Other receivables

Items	Closing Balance	Opening Balance
Interest receivable		
Dividend receivable		
Other receivable	6,555,310.24	3,673,370.28
Total	6,555,310.24	3,673,370.28

(1)Other receivables

①Disclosure by aging

Aging	Closing Balance	Closing Balance
Within 1 year	6,472,526.44	3,593,370.28

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Aging	Closing Balance	Closing Balance
Including: 1 – 90 days	6,435,216.14	3,592,370.28
91 – 180 days	37,310.30	500.00
181 – 270 days		
271 – 365 days		500.00
1-2 years	115,500.00	30,000.00
2-3 years	30,500.00	
4-5 years		50,000.00
Subtotal	6,618,526.44	3,673,370.28
Less: provision for bad debt	63,216.20	
Total	6,555,310.24	3,673,370.28

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②Categories of other receivable

Items	Closing Balance					Opening Balance				
	Book balance		Provision		Booking value	Booking balance		Provision		Booking value
	Amount	%	Amount	%		Amount	%	Amount	%	
Provision for bad debts is made on an individual basis										
Provision for bad debts by portfolio	6,618,526.44	100.00	63,216.20	0.96	6,555,310.24	3,673,370.28	100.00			3,673,370.28
Including:										
1.Export tax refund										
2.Other current balances	3,036,610.37	45.88	63,216.20	2.08	2,973,394.17	2,110,359.23	57.45			2,110,359.23
3.Deposit	87,000.00	1.31			87,000.00	136,000.00	3.70			136,000.00
4.Due from related parties	3,494,916.07	52.81			3,494,916.07	1,427,011.05	38.85			1,427,011.05

Tsann Kuen (China) Enterprise Co., Ltd.

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Items	Closing Balance					Opening Balance				
	Book balance		Provision		Booking value	Booking balance		Provision		Booking value
	Amount	%	Amount	%		Amount	%	Amount	%	
Total	6,618,526.44	100.00	63,216.20		6,555,310.24	3,673,370.28	100.00			3,673,370.28

Tsann Kuen (China) Enterprise Co., Ltd.

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Provision for Bad Debts Based on Portfolio:

Items	Closing Balance		
	Other receivables	Bad debts	Accrual rate(%)
Other current balances	3,036,610.37	63,216.20	2.08
Total	3,036,610.37	63,216.20	

③Bad debt provision of other receivable

Provision for bad debt	1st stage	2nd stage	3rd stage	Total
	Expected credit loss within following 12 months	Expected credit loss within life time (unimpaired)	Expected credit loss within life time (impaired)	
Balance on January 1, 2023				
On January 1, 2023 Other receivable carrying amount on the book				
transfer to 2nd stage				
transfer to 3rd stage				
reverse to 2nd stage				
reverse to 1st stage				
Accrued	63,216.20			63,216.20
Reversed				
Recollected				
Written off				
Others				
Closing Balance	63,216.20			63,216.20

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④ Provision for bad debts charged off, reversed or recovered during the period

Items	Opening balance	Change during the year				Closing Balance
		Accrued	Collected/reversed	Written-off	others	
Other current balances		63,216.20				63,216.20
Total		63,216.20				63,216.20

⑤ The categories of other receivable by nature

Items	Closing Balance	Opening balance
Other current balances	3,036,610.37	2,110,359.23
Deposit	87,000.00	136,000.00
Due from related parties	3,494,916.07	1,427,011.05
Total	6,618,526.44	3,673,370.28

⑥ The top significant other receivable categorized by debtors

Company name	Category	closing balance	Ageing	Rate of other receivables (%)	Bad debts
TsannKuen (Zhangzhou) Enterprise Co., Ltd.(TKL)	Related party	3,494,916.07	Within 90 days	52.81	
Xiamen Jingxin Yongzhuo Trading Co., Ltd.	Accounts Receivable	170,467.98	Within 90 days	2.58	
State Grid Fujian Electric Power Co., Ltd. Xiamen Power Supply Company	Accounts Receivable	97,459.84	Within 90 days	1.47	

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Company name	Category	closing balance	Ageing	Rate of other receivables (%)	Bad debts
Chongqing JD Haigou E-commerce Co., Ltd.	Accounts Receivable	80,000.00	Within 90 days	1.21	
Tmall supply and marketing platform	Deposit	50,000.00	Over 1 years	0.76	
Total		3,892,843.89		58.83	

3.Long-term Equity Investments

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Subsidiaries	923,414,701.56		923,414,701.56	923,414,701.56		923,414,701.56
Total	923,414,701.56		923,414,701.56	923,414,701.56		923,414,701.56

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Investments in subsidiaries

Investee Company	Balance at the End of Last Year	Impairment Reserve Balance at the End of Last Year	Increase in Current Period	Decrease in Current Period	Balance at the End of Current Period	Impairment Provision for Current Period	Impairment Reserve Balance at the End of Current Period
TsannKuen (Zhangzhou) Enterprise Co., Ltd. (TKL)	921,914,701.56				921,914,701.56		
Xiamen Tsannkuen Property Services Co., Ltd. (TKW)	1,500,000.00				1,500,000.00		
Total	923,414,701.56				923,414,701.56		

4.Revenue and Cost of Sales

Items	Current year		Prior year	
	Revenue	Costs of sales	Revenue	Costs of sales
Principal operating activities	2,160,490.71	1,371,709.94	5,453,342.54	3,965,398.07
Others	60,416,530.32	36,827,096.77	54,211,098.37	32,942,805.50
Total	62,577,021.03	38,198,806.71	59,664,440.91	36,908,203.57

5.Investment Income

Items	Current year	Prior year
Investment income from long-term equity investments under cost method	50,748,305.69	58,215,670.49
Total	50,748,305.69	58,215,670.49

XVI.Supplementary Information

1.Non-operating profit or loss in current year

Items	Amounts	Instruction
Gains and losses on disposal of non-current assets, including the offsetting portion of the provision for asset impairment already made	756,104.15	
Government grants recognized in profit or loss for the current period,except for government grants that are closely related to the Company's normal business operations, in compliance with national policies and in accordance with defined criteria, and that have a sustainable impact on the Company's profit or loss	2,474,270.98	
In addition to the effective hedging business related to	13,046,390.84	

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Items	Amounts	Instruction
the normal operation of the company, the fair value change gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities		
Other profit or loss items that meet the definition of non-recurring profit or loss	401,350.74	
Subtotal	16,678,116.71	
Income tax effect	2,829,059.30	
Minority interests impact amount (after tax)	3,999,429.08	
Total	9,849,628.33	

2.Return on equity and earnings per share

Profit of report period	Weighted average return on net assets (%)	Earnings per share (EPS)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of the company	6.71	0.39	0.39
Net profit after deducting non-recurring gains and losses attributable to shareholders of the company	5.80	0.34	0.34

Tsann Kuen (China) Enterprise Co., Ltd.

8 March, 2025