

TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

2025 Annual Report

March 2026

2025 Annual Report

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.

All directors have attended the board meeting to review this report.

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 RMB 1.0 (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
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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: Yuan

	2025	2024	Year-on-year change (%)	2023
Operating revenue (RMB)	1,344,775,556.24	1,701,115,450.56	-20.95	1,495,632,805.41
Net profit attributable to shareholders of the listed company (RMB)	23,545,319.37	72,782,642.48	-67.65	87,937,274.85
Net profit attributable to shareholders of the listed company (excluding non-recurring items) (in yuan)	18,192,572.97	62,933,014.15	-71.09	64,205,388.70
Net cash flow from operating activities (RMB)	-14,987,121.90	136,383,412.09	-110.99	123,045,935.61
Basic earnings per share (RMB/share)	0.13	0.39	-66.67	0.47

	2025	2024	Year-on-year change (%)	2023
Diluted earnings per share (RMB/share)	0.13	0.39	-66.67	0.47
weighted average return on equity	2.15	6.71	-4.56	8.35
	By the end of 2025	End of 2024	Increase or decrease from the end of last year (%)	End of 2023
Total Assets (RMB)	2,454,688,092.64	2,635,048,828.74	-6.84	2,590,275,267.50
Net assets attributable to shareholders of the listed company (RMB)	1,089,608,939.40	1,102,399,642.68	-1.16	1,074,939,227.19

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 share capital (in shares) as of the close of the previous trading day	185,391,680
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Fully diluted EPS based on the latest total shares:

dividend paid on preferred stock	0
Interest on perpetual bonds paid (RMB)	0
Earnings per diluted share (RMB/share) calculated based on the latest share capital	0.13

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. Key Financial Indicators by Quarter

Unit: Yuan

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operating revenue	369,535,852.85	283,237,443.54	397,559,843.75	294,442,416.10
Net profit attributable to shareholders of the listed company	11,735,739.16	4,265,249.49	7,309,816.42	234,514.30
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	11,034,182.52	2,487,505.63	7,265,471.42	-2,594,586.60
Net cash flow from operating activities	-5,174,887.06	-25,071,981.41	-31,475,651.75	46,735,398.32

Do the aforementioned financial indicators or their aggregate values show significant discrepancies compared to the disclosed financial metrics in the company's quarterly and semi-annual reports?

Yes No

IX. Extraordinary gains and losses

Applicable Inapplicable

Unit: Yuan

Item	Amount for 2025	Amount for 2024	Amount for 2023	explain
Gain or loss on disposal of non-current assets (including write-down portion of impairment provision)		756,104.15	12,195,899.75	
Government grants recognized in current period profit and loss (excluding those that are closely related to the company's normal business operations, comply with national policies, are received according to established standards, and have a lasting impact on the company's financial results)	7,797,792.60	2,474,270.98	3,727,263.16	
Excluding effective hedging activities related to the company's normal operations, the fair value changes in financial assets and liabilities held by non-financial enterprises, as well as gains or losses from the disposal of such assets and liabilities.	-1,401,348.54	13,046,390.84	18,116,561.09	
Funds occupied charge for non financial enterprises included in current profit and loss				
Profit or loss on investment or management of assets entrusted to others				

Item	Amount for 2025	Amount for 2024	Amount for 2023	explain
Profit and loss from entrusted loan				
Loss of assets due to force majeure, such as natural disasters				
Reversal of impairment provision for receivables tested separately				
The investment cost of acquiring subsidiaries, associated enterprises, and joint ventures is lower than the fair value of the identifiable net assets of the investee at the time of acquisition.				
Net profit or loss of a subsidiary from the beginning of the period to the date of consolidation under the same control				
Non monetary assets exchange gain or loss				
Profit and loss on debt restructuring				
One-time expense incurred by an enterprise due to the discontinuation of related business activities, such as expenses for employee resettlement				
One-time effect on current profit and loss due to adjustments in tax, accounting, and other laws and regulations				
One-time recognition of share-based payment expenses due to cancellation or modification of equity incentive plans				
Gain or loss from fair value changes in employee compensation payable after the vesting date for cash-based share-Based payments				
Profit or loss from fair value changes of investment property measured at fair value				
Unfair gain from transaction				
Gain or loss from contingent matters unrelated to the company's normal business operations				
Trust income				
Non operating income and expenses other than those specified above	1,941,669.69	401,350.74	5,515,235.74	
Other items of profit and loss conforming to the definition of non-recurring profit and loss	0.00	0.00	128,459.45	
Net of income tax effect	1,264,519.35	2,829,059.30	6,566,012.29	
Minority interest impact after tax	1,720,848.00	3,999,429.08	9,385,520.75	
Amount to	5,352,746.40	9,849,628.33	23,731,886.15	

Details of other items meeting the definition of non-recurring gains and losses:

Applicable Inapplicable

The company has no other specific items of income or expenses that meet the definition of non-recurring gains or losses.

A Statement on Defining Non-recurring Profit and Loss Items Listed in the Interpretative Announcement No.1 of Information Disclosure for Companies Issuing Securities to the Public-Non-recurring Profit and Loss

Applicable Inapplicable

Section III. Management Discussion & Analysis

I. Main Business Activities of the Company During the Reporting Period

During the reporting period, the company's core business involved the development, production, and manufacturing of small household appliances in categories such as gourmet cooking, home helpers, and tea/coffee products. It also designed and manufactured molds for these products, marketed its manufactured goods both domestically and internationally, and provided after-sales services. The company's business model remained largely unchanged throughout the reporting period.

II. Industry Landscape of the Company During the Reporting Period

In 2025, the global economy will continue to grow at a low rate, with diverging growth rates among major economies. Under the intertwined impact of multiple factors such as tariff policy shocks, the Federal Reserve's slower-than-expected interest rate cuts, slowing global inflation, frequent geopolitical conflicts, deep restructuring of industrial chains, and sharp fluctuations in commodity prices, the uncertainty of the international trade environment has significantly increased. Against this backdrop, although China's small household appliance industry has demonstrated strong resilience, overall export pressures remain evident. Affected by high tariff barriers in the U.S. market, extended overseas inventory digestion cycles, and the high base effect from the same period last year, the cumulative exports of small household appliances in 2025 have shown a "double decline in both volume and value" situation.

In the international market, regional differentiation has further intensified. The North American market, weighed down by high tariffs and cautious consumer sentiment, saw weak overall demand, though household cleaning and health care products still stood out structurally. In Europe, driven by the EU Carbon Border Adjustment Mechanism, stricter energy efficiency

labeling, and green procurement standards, demand for low-carbon, smart, and high-efficiency products continued to rise, with green-certified products gaining easier access and premium pricing. The Asia-Pacific region performed relatively steadily, as regional green standards alignment accelerated under the RCEP framework. Mexico, ASEAN, and some Middle Eastern countries, due to "export competition" or local production shortages, boosted the phased growth of China's small appliance components and complete appliance exports. Notably, global consumers increasingly favor "smart + low-carbon" products—small appliances with IoT capabilities, AI-powered energy-saving algorithms, and carbon footprint disclosure labels can command favorable price premiums in high-end markets in Europe and America.

In the domestic market, despite the pressure of high base effects during the same period, the annual market size saw a slight year-on-year decline, yet structural opportunities remain significant. In 2025, the Chinese government officially included kitchen appliances like rice cookers and microwaves in the "trade-in" policy subsidy program, effectively stimulating demand for product upgrades and quality improvements. Consumer behavior has become highly stratified: Gen Z and the new middle class prefer smart products that integrate AI interaction, remote control, aesthetic design, and emotional value, while the silver-haired demographic emphasizes user-friendly features like simplified operations, voice prompts, and safety protections. This trend is driving the industry's shift from "hit-driven" models to "scenario-based insights," requiring companies to define products and extend services around the real-life scenarios of specific demographics.

In this complex landscape, technological innovation and channel transformation have become the key drivers for industries to navigate economic cycles. On one hand, technologies like IoT, edge computing, low-power communication, and large-scale AI models are being rapidly integrated into product development, enabling small appliances to evolve from standalone smart devices to fully interconnected home ecosystems. On the other hand, online channels continue to dominate consumer behavior, with live-streaming e-commerce, social influencer marketing, and repurchase systems becoming deeply intertwined. This convergence is compelling businesses to build integrated operational capabilities encompassing products, content, and services.

Meanwhile, climate-related risks and sustainability requirements are fundamentally reshaping industry competition dynamics. Physical and transition risks are increasingly becoming strategic priorities for foreign trade enterprises. Companies with forward-looking climate risk management capabilities, green manufacturing systems, and full lifecycle carbon footprint management can not only reduce compliance costs but also gain a competitive edge in international procurement processes for sustainable supply chain selection.

In the face of the aforementioned landscape, the company has consistently adhered to its

development strategy of "innovative design, specialized manufacturing, smart home appliances, and international branding." During the reporting period, while consolidating its traditional overseas market presence, it significantly increased resource allocation and channel development in the domestic market of China. Through in-depth collaborative R&D with core domestic and international clients, the company focused on high-potential scenarios such as kitchen health, smart cleaning, and emotionalized personal care, continuously launching innovative products that combine technological leadership, aesthetic design, and low-carbon attributes. The company also advanced green manufacturing upgrades and climate resilience initiatives, strengthening carbon footprint accounting, green certification acquisition, and low-carbon supply chain collaboration, laying a solid foundation for long-term sustainable growth and the elevation of its global brand.

III. Core Competitiveness Analysis

During the reporting period, the company maintained stable core competitiveness without significant adverse changes. Facing challenges such as the complex and volatile global trade environment in 2025, overall pressure on export markets, and structural differentiation in domestic consumption, the company leveraged its deep technical expertise, agile innovation mechanisms, and robust manufacturing systems to continuously consolidate and strengthen its differentiated competitive advantages.

1、 Solid technical foundation and continuous R&D innovation capabilities

Since its establishment, the company has consistently upheld a corporate culture of "R&D-driven development," with over four decades of expertise in small appliance design and manufacturing. It has built a comprehensive professional R&D and technical service system covering product definition, industrial design, structural engineering, intelligent control, and green material applications. During the reporting period, the company focused on three key R&D directions: "enhancing product functionality, upgrading smart appliances, and integrating IoT scenarios." It continued to advance the application of cutting-edge technologies such as AIoT, low-power communication, and edge computing in kitchen, cleaning, and personal care appliances, striving to create a product matrix characterized by "robust functionality, intelligent operation, energy efficiency, and high added value." Throughout the year, the company secured 48 patent authorizations, including 14 invention patents, 23 utility model patents, and 11 design patents. These achievements effectively strengthened the company's intellectual property layout in core technologies, user experience, and aesthetic design, further solidifying its technological moat of independent control.

2、 Globalization Collaborative Innovation and Customer Co-creation Mechanism

The company has established long-term strategic partnerships with globally renowned home appliance brands and retail clients. Through a collaborative model of "preliminary R&D + joint definition + rapid iteration," it accurately captures functional preferences, energy efficiency standards, and cultural aesthetic demands across different regional markets. Particularly in the context of stricter green compliance in European and American markets and accelerated smart technology adoption in emerging markets, the company leverages its deep understanding of international certification systems and rapid response capabilities to continuously deliver solutions that combine compliance, innovation, and cost-effectiveness. This enables a strategic shift from "contract manufacturing" to "value co-creation."

3、 The Double Circulation Market Strategy and the Product Value Upgrade Capability

The company steadfastly implements its dual-circulation development strategy of "global markets + domestic sales". While consolidating its overseas foundation, it actively capitalizes on the policy dividends of China's "trade-in" program and the consumption upgrade trend. Focusing on the authentic lifestyles of Gen Z, the new middle class, and senior citizens, the company drives product evolution from "functional satisfaction" to "emotional value + scenario experience". By reinforcing the tripartite product philosophy of "aesthetics, quality, and value", it has successfully developed multiple premium products combining elegant design, smart interaction, and health attributes. This approach effectively counters homogenized competition and unlocks new growth opportunities.

4、 Intelligent Manufacturing Upgrade and Resilient Supply Chain Ecology

During the reporting period, the company advanced the intelligent and green transformation of Cankun Industrial Park by deploying flexible production lines, smart low-carbon equipment, and a carbon management platform. These initiatives significantly boosted manufacturing efficiency, product consistency, and compliance with low-carbon standards. Simultaneously, the company deepened strategic partnerships with key suppliers to build a localized supply chain ecosystem covering critical components, mold development, and logistics delivery. This enhanced the supply chain's resilience and responsiveness in facing uncertainties like extreme weather and geopolitical conflicts, ensuring reliable delivery of overseas orders and rapid product launches for domestic sales.

In summary, the company has been building a hard-to-replicate core competitiveness through four pillars: long-term technological accumulation, global collaborative innovation, dual-circulation market strategy, and intelligent manufacturing resilience. Going forward, it will continue to drive innovation and green transformation, further solidifying its leadership in smart small appliances to deliver sustainable long-term value for shareholders.

IV. Analysis of Core Business

1. Overview

During the reporting period, the company's operating revenue stood at 1.345 billion yuan, down 20.95% year-on-year. Total profit amounted to 31 million yuan, a 72.24% decrease from the same period last year. Net profit attributable to shareholders of the listed company reached 23.5453 million yuan, down 67.65% year-on-year. Basic earnings per share (EPS) was 0.13 yuan, down 0.26 yuan year-on-year.

The changes in the aforementioned indicators are primarily attributed to multiple adverse factors in 2025, including the impact of international trade policies, intensified industry competition, and rising raw material prices. As a result, the net profit attributable to shareholders of the listed company during the reporting period declined significantly compared to the same period last year.

Amid complex global dynamics and intense industry competition, the company has completed capital increases in its Indonesian subsidiary, accelerated production expansion, and strengthened order-taking capacity. With a strategic vision of "innovation-driven design leadership, precision manufacturing excellence, smart home solutions, and global brand partnerships," it has established a comprehensive R&D-to-manufacturing value chain competitiveness framework. The company is deepening customized collaborations in mature markets like Europe and the U.S., accelerating market penetration in emerging regions including Russia, Southeast Asia, and the Middle East, while advancing internal production system upgrades to enhance efficiency and drive sustainable growth.

2. Revenue and Cost

(1) Composition of Operating Revenue

Unit: Yuan

Project	2025		2024		Year-on-year increase/decrease (%)
	Amount of money	As a percentage of operating revenue	Amount of money	As a percentage of operating revenue	
By industry					
Small household appliance manufacturing	1,297,894,653.32	96.51	1,648,161,362.22	96.89	-21.25
Other business	46,880,902.92	3.49	52,954,088.34	3.11	-11.47
Amount to	1,344,775,556.24	100.00	1,701,115,450.56	100.00	-20.95
By product					
Cooking	834,493,669.53	62.05	1,046,951,475.35	61.55	-20.29
Home Helper	369,884,920.65	27.51	450,085,933.70	26.46	-17.82

Project	2025		2024		Year-on-year increase/decrease (%)
	Amount of money	As a percentage of operating revenue	Amount of money	As a percentage of operating revenue	
Tea & Coffee Makers	86,053,300.56	6.40	136,456,159.10	8.02	-36.94
Other products	7,462,762.58	0.55	14,667,794.07	0.86	-49.12
Other business	46,880,902.92	3.49	52,954,088.34	3.11	-11.47
Amount to	1,344,775,556.24	100.00	1,701,115,450.56	100.00	-20.95
By region					
America	595,844,245.75	44.31	847,408,182.11	49.81	-29.69
Europe	391,841,744.63	29.14	483,962,735.10	28.45	-19.03
Asia	338,492,312.48	25.17	333,233,943.33	19.59	1.58
Africa	2,953,785.89	0.22	15,758,618.31	0.93	-81.26
Australia	15,643,467.49	1.16	20,751,971.71	1.22	-24.62
Amount to	1,344,775,556.24	100.00	1,701,115,450.56	100.00	-20.95

(2) Industries, products, regions, and sales models contributing over 10% to the company's revenue or operating profit

Applicable Inapplicable

Unit: Yuan

Project	Operating receipt	Cost in business	Gross profit rate %	Year-on-year change in operating revenue (%)	Operating cost increase/decrease (%) year-on-year	Gross margin increase/decrease compared to the same period last year (%)
By industry						
Small household appliance manufacturing	1,297,894,653.32	1,152,791,463.09	11.18	-21.25	-19.29	-2.16
Other business	46,880,902.92	11,856,078.57	74.71	-11.47	-15.05	1.07
Amount to	1,344,775,556.24	1,164,647,541.66	13.39	-20.95	-19.25	-1.82
By product						
Cooking	834,493,669.53	742,912,713.79	10.97	-20.29	-17.90	-2.60
Home Helper	369,884,920.65	330,792,146.03	10.57	-17.82	-16.71	-1.18
Tea and Coffee makers	86,053,300.56	75,142,750.98	12.68	-36.94	-36.67	-0.37
Other products	7,462,762.58	3,943,852.29	47.15	-49.12	-48.11	-1.03
Other business	46,880,902.92	11,856,078.57	74.71	-11.47	-15.05	1.07
Amount to	1,344,775,556.24	1,164,647,541.66	13.39	-20.95	-19.25	-1.82
By region						

Project	Operating receipt	Cost in business	Gross profit rate %	Year-on-year change in operating revenue (%)	Operating cost increase/decrease (%) year-on-year	Gross margin increase/decrease compared to the same period last year (%)
America	595,844,245.75	541,878,569.80	9.06	-29.69	-27.20	-3.10
Europe	391,841,744.63	341,404,334.99	12.87	-19.03	-17.66	-1.46
Asia	338,492,312.48	265,973,692.34	21.42	1.58	4.86	-2.46
Africa	2,953,785.89	2,792,390.70	5.46	-81.26	-78.50	-12.13
Australia	15,643,467.49	12,598,553.83	19.46	-24.62	-24.63	0.01
amount to	1,344,775,556.24	1,164,647,541.66	13.39	-20.95	-19.25	-1.82

When the company's core business data reporting standards were adjusted during the reporting period, the latest annual core business figures reflect the revised standards applied at the end of the reporting period.

Applicable Inapplicable

(3) Does the company's sales revenue from physical goods exceed its service revenue?

Yes No

Industry Classification	project	unit	2025	2024	Year-on-year increase/decrease (%)
Small household appliance manufacturing	quantity of sale	tower	11,408,122	15,441,544	-26.12
	output	tower	11,456,404	15,235,690	-24.81
	stock balance	tower	663,282	615,000	7.85

Analysis of the reasons for a year-on-year change exceeding 30% in relevant data

Applicable Inapplicable

(4) Performance of major sales and procurement contracts signed by the company during the reporting period

Applicable Inapplicable

(5) Composition of operating costs

Industry and product categories

Unit: Yuan

Industry Classification	project	2025		2024		Year-on-year increase or decrease (%)
		amount of money	percentage of operating cost (%)	amount of money	percentage of operating cost (%)	
Small household appliance	cost in business	1,152,791,463.09	98.98	1,428,347,528.54	99.03	-19.29

Industry Classification	project	2025		2024		Year-on-year increase or decrease (%)
		amount of money	percentage of operating cost (%)	amount of money	percentage of operating cost (%)	
manufacturing						
Other business	other	11,856,078.57	1.02	13,956,531.45	0.97	-15.05
amount to		1,164,647,541.66	100.00	1,442,304,059.99	100.00	-19.25

Unit: Yuan

product classification	project	2025		2024		Year-on-year increase or decrease (%)
		amount of money	percentage of operating cost (%)	amount of money	percentage of operating cost (%)	
Cooking	cost in business	742,912,713.79	63.79	904,917,723.90	62.74	-17.90
Home Helper	cost in business	330,792,146.03	28.40	397,179,916.97	27.54	-16.71
Mingcha Coffee	cost in business	75,142,750.98	6.45	118,649,027.25	8.22	-36.67
Other products	cost in business	3,943,852.29	0.34	7,600,860.42	0.53	-48.11
Other business	other	11,856,078.57	1.02	13,956,531.45	0.97	-15.05
amount to		1,164,647,541.66	100.00	1,442,304,059.99	100.00	-19.25

(6) Whether there were any changes in the scope of consolidation during the reporting period Yes No**(7) Significant changes or adjustments to the company's business, products, or services during the reporting period** Applicable Inapplicable**(8) Key Sales Clients and Major Suppliers**

Company's primary sales client profile

Total sales of the top five customers (RMB)	905,992,673.80
Total sales of the top five customers as a percentage of annual sales (%)	69.80
The proportion of related-party sales in the top five customers' annual total sales	0.00

Top 5 Customer Profiles

order number	customer name	Sales (RMB)	Percentage of annual sales (%)
1	1	276,599,218.24	21.31

order number	customer name	Sales (RMB)	Percentage of annual sales (%)
2	2	212,437,147.35	16.37
3	3	186,920,240.28	14.40
4	4	132,488,126.41	10.21
5	5	97,547,941.52	7.51
amount to		905,992,673.80	69.80

Other details about key customers

Applicable Inapplicable

Company's key suppliers

Total procurement amount of top five suppliers (RMB)	168,459,006.88
Total procurement amount of top five suppliers as a percentage of annual procurement total (%)	19.47
Percentage of related-party purchases in the top five suppliers' annual procurement volume (%)	2.83

Top 5 Supplier Information

order number	Supplier name	Purchase amount (RMB)	Percentage of annual procurement total (%)
1	1	65,147,251.90	7.53
2	2	32,431,355.96	3.75
3	3	27,355,094.35	3.16
4	4	24,452,903.82	2.83
5	5	19,072,400.85	2.20
amount to		168,459,006.88	19.47

Additional information about major suppliers

Applicable Inapplicable

During the reporting period, the company's trade business revenue accounted for over 10% of its total operating income.

Applicable Inapplicable

3. Fees

Unit: Yuan

project	2025	2024	Year-on-year increase/decrease (%)	statement of material change
selling expenses	22,681,766.27	32,229,714.35	-29.62	
general expenses	76,651,233.17	71,475,902.71	7.24	
cost of financing	13,655,614.34	1,387,692.47	884.05	This is mainly due to the decrease of the exchange evaluation income in the current period.
research and development expenditure	61,494,511.72	64,932,266.81	-5.29	

4. R&D investment

Applicable Inapplicable

Main R&D project name	Project Purpose	project progress	Target to be achieved	Expected impact on the company's future development
Innovative R&D	Develop products for smart homes and low-carbon eco-friendly solutions, while expanding into fully automatic coffee machines, laundry care devices, and tea-making machines.	have in hand	Expand market share and boost revenue and profitability	Expand market share and boost revenue and profitability

Company R&D personnel

	2025	2024	Change percentage (%)
Number of R&D personnel (people)	374	386	-3.11
Proportion of R&D personnel (%)	10.74	10.65	0.09
Educational Background of R&D Personnel			
Master's degree or above	7	3	133.33
undergraduate course	109	100	9.00
Associate degree or lower	258	283	-8.83
Age distribution of R&D personnel			
Under 30 years old	119	133	-10.53
30–40 years old	113	117	-3.42
Over 40 years old	142	136	4.41

Company R&D investment

	2025	2024	Change percentage (%)
R&D investment (RMB)	61,494,511.72	64,932,266.81	-5.29
R&D investment as a percentage of operating revenue (%)	4.57	3.82	0.75
Amount of R&D investment capitalized (RMB)	0.00	0.00	0.00
capitalization ratio of R&D investment	0.00	0.00	0.00

Reasons and Influence of Major Changes in the Composition of R & D Personnel in the Company

Applicable Inapplicable

The reason for the significant change in the proportion of total R&D investment to operating revenue compared to the previous year

Applicable Inapplicable

Reasons and Rationality of the Significant Change of the Capitalization Rate of R&D Investment

Applicable Inapplicable

5. Cash Flow

Unit: Yuan

project	2025	2024	Year-on-year increase/decrease (%)
cash flow from operating activities	1,625,862,225.91	1,921,209,060.80	-15.37
cash outflow from operating activities	1,640,849,347.81	1,784,825,648.71	-8.07
net cash flow from operating activities	-14,987,121.90	136,383,412.09	-110.99
subtotal of cash inflow from investing activities	718,824,234.93	1,046,626,353.63	-31.32
cash outflow from investing activities	623,455,594.35	1,224,753,424.36	-49.10
net cash flow from investing activities	95,368,640.58	-178,127,070.73	153.54
cash inflow from financing activities	40,589,970.39	32,643,510.42	24.34
cash outflow from financing activities	102,835,743.41	111,030,342.32	-7.38
net cash flow from financing activities	-62,245,773.02	-78,386,831.90	20.59
net increase in cash and cash equivalents	18,957,048.50	-119,919,544.03	115.81

Analysis of the primary factors behind significant year-on-year changes in relevant data

Applicable Inapplicable

Net cash flow from operating activities: This primarily results from lower main business revenue and reduced cash receipts from sales of goods and services during the period.

Net cash flow from investing activities: Primarily attributable to reduced outflows from bank term deposits during the period, which were held for interest income purposes.

Analysis of Significant Differences Between Net Cash Flow from Operating Activities and Annual Net Profit During the Reporting Period

Applicable Inapplicable

V. Analysis of Non-Core Business

Applicable Inapplicable

Unit: Yuan

	amount of money	Percentage of total profit (%)	Explanation of formation cause	Is it sustainable?
miscellaneous incomes	7,797,792.60	25.41	mainly government subsidies related to production and operation;	deny
yield	29,022,384.02	94.58	The main sources are interest income from time deposits and returns from wealth management products.	deny
fair value change gain or loss	-942,083.33	-3.07	The primary reason is that the revenue of wealth management products, amounting to 940,000 yuan, was recorded as a reversal at the end of 2024 and reflected in this reporting period.	deny
credit impairment	-828,311.85	-2.70	The primary reason is that some customers' payments are overdue and not recovered, requiring	deny

	amount of money	Percentage of total profit (%)	Explanation of formation cause	Is it sustainable?
loss			an impairment provision for accounts receivable under accounting policies.	
loss on impairment of assets	-3,642,607.37	-11.87	The primary reason is the provision for inventory write-downs and fixed asset impairment losses in the current period.	deny
nonbusiness income	2,062,990.74	6.72	The main income sources for this period include compensation for intellectual property infringement from Zhuoli, refunds for golf club memberships, and compensation for canceled orders.	deny
non-business expenditure	121,321.05	0.40	The primary expense was the penalty imposed on its subsidiary, Indonesia's Canxing Netcom.	deny

VI. Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: Yuan

project	By the end of 2025		Early 2025		Increase or decrease in proportion (%)	statement of material change
	amount of money	Proportion of total assets (%)	amount of money	Proportion of total assets (%)		
monetary resources	460,847,776.00	18.77	444,377,943.52	16.86	1.91	
trading financial assets	0.00	0.00	50,942,083.33	1.93	-1.93	This is mainly due to the maturity of the financial products in this period.
accounts receivable	139,969,323.13	5.70	203,955,899.80	7.74	-2.04	
contractual assets						
stock	193,718,061.45	7.89	194,399,523.78	7.38	0.51	
non current assets due within one year	555,877,899.74	22.65	51,260,694.44	1.95	20.70	The increase was mainly due to the transfer of debt investments maturing within the current year.
other current assets	288,286,038.04	11.74	554,336,979.01	21.04	-9.30	This is mainly due to the decrease of time deposits maturing within one year in the current period.
equity investment	208,602,148.68	8.50	540,534,660.69	20.51	-12.01	This is mainly due to the decrease in time deposits maturing over one year in the current period.

project	By the end of 2025		Early 2025		Increase or decrease in proportion (%)	statement of material change
	amount of money	Proportion of total assets (%)	amount of money	Proportion of total assets (%)		
investment property	18,560,118.67	0.76	19,287,755.23	0.73	0.03	
long term equity investment	7,884,938.82	0.32	0.00	0.00	0.32	The primary reason is the investment payment to the associated enterprise in the current period.
fixed assets	162,861,863.08	6.63	146,795,190.83	5.57	1.06	
construction in process	14,770,911.87	0.60	3,462,300.89	0.13	0.47	The primary cause was the unaccepted new assembly plant at Sun's subsidiary Indonesia Canxing Netcom's industrial park, along with unaccepted new equipment including die-casting machines.
assets of right of use	340,387,210.22	13.87	353,943,869.92	13.43	0.44	
deferred tax assets	15,842,586.55	0.65	11,872,802.85	0.45	0.20	This is mainly due to the impact of the lease change in the current period.
long term deferred expense	3,395,913.29	0.14	5,571,380.26	0.21	-0.07	This is mainly due to the reduction in long-term deferred expenses during the period.
other non current assets	6,273,764.94	0.26	10,099,186.11	0.38	-0.12	This is mainly due to the initial prepayment for equipment and the completion of acceptance during the current period.
money borrowed for short time	0.00	0.00	0.00	0.00	0.00	
notes payable	2,224,816.88	0.09	19,418,627.35	0.74	-0.65	This is mainly due to the decrease in the issuance of bank acceptance bills during the period.
contract liabilities	23,617,663.18	0.96	16,296,739.65	0.62	0.34	
tax payable	7,067,320.13	0.29	18,310,394.76	0.69	-0.40	This is primarily attributable to the 2024 annual corporate income tax settlement and finalization

project	By the end of 2025		Early 2025		Increase or decrease in proportion (%)	statement of material change
	amount of money	Proportion of total assets (%)	amount of money	Proportion of total assets (%)		
						conducted during the current period.
accounts payable-others	28,579,322.67	1.16	40,877,557.33	1.55	-0.39	This is due to the decrease in other payables in the current period.
non current liabilities due within one year	476,624.15	0.02	922,678.70	0.04	-0.02	This is mainly due to the reduction of one-year lease liabilities recognized in the current period.
money borrowed for long term						
lease obligation	401,559,564.79	16.36	396,004,620.97	15.03	1.33	

a high proportion of overseas assets

Applicable Inapplicable

specific content of assets	forming reason	asset size	location	operation pattern	control measures for security of assets	risk return profile	Proportion of overseas assets to net assets (%)	Whether there is significant impairment risk
SCI	invest	256,956,101.10	Indonesia	Small household appliance manufacturing	periodic inventory	-9,721,855.11	23.58	non-existent
Other circumstances	not have							

2. Assets and Liabilities Measured at Fair Value

Applicable Inapplicable

Unit: Yuan

Project	Beginning balance	Current fair value change	cumulative fair value change attributable to equity	impairment provision for the period	Purchase amount for this period	Sales amount of the issue	Other changes	End of period amount
Financial assets								
1. Trading financial assets (excluding derivative)	50,942,083.33	-942,083.33				50,000,000.00		0.00

Project	Beginning balance	Current fair value change	cumulative fair value change attributable to equity	impairment provision for the period	Purchase amount for this period	Sales amount of the issue	Other changes	End of period amount
financial assets)								
2. Derivative financial assets								
3. Other debt investments								
4. Other Equity Instruments Investments	40,000.00							40,000.00
5. Other non-current financial assets								
Subtotal of financial assets	50,982,083.33	-942,083.33				50,000,000.00		40,000.00
Investment property								
Productive biological assets								
Other								
Total above	50,982,083.33	-942,083.33				50,000,000.00		40,000.00
Financial liabilities								

Did the company's core assets undergo significant changes in measurement attributes during the reporting period?

Yes No

3. Asset Rights Restrictions as of the Report Period End

Applicable Inapplicable

VII. Analysis of Investment Status

1. General Overview

Applicable Inapplicable

Unit: Yuan

investment during reporting period	investment in the same period of last year	amplitude of fluctuation (%)
9,800,000.00	0.00	100

2. Significant equity investments acquired during the reporting period

Applicable Inapplicable

3. Significant non-equity investments under progress during the reporting period

Applicable Inapplicable

4. Financial Asset Investment

(1) Securities Investment Status

Applicable Inapplicable

(2) Derivative Investments

Applicable Inapplicable

1) Derivative investments for hedging purposes during the reporting period

Applicable Inapplicable

Unit: 10,000 yuan

investment in derivatives	initial investment	opening balance	current fair value change	cumulative fair value change attributable to equity	purchase amount during the reporting period	sales amount during the reporting period	ending amount	percentage of closing investment amount to net assets at the end of the reporting period
forward exchange	2,131.19	0	0	0	2,131.19	2,131.19	0	0.00%
amount to	2,131.19	0	0	0	2,131.19	2,131.19	0	0.00%
Accounting policies and specific principles for hedge operations during the reporting period, along with a statement of whether there have been significant changes compared to the previous reporting period.	The accounting policy and accounting principles of the company's derivatives in the reporting period are not significantly different from those in the previous reporting period.							
statement of actual profit and loss during the reporting period	During the reporting period, the delivered portion of investment derivatives resulted in a loss of RMB 33,700, while the undelivered portion incurred no assessed loss.							
statement of hedging effect	The company uses hedging as a means to avoid and prevent the risk of exchange rate fluctuations, and carries out derivative trading business, which is conducive to avoiding the risk of exchange rate fluctuations and enhancing financial stability.							
source of investment capital for derivatives	funds in the hands of the localities							
Risk Analysis and Control Measures for Derivatives Holdings During the Reporting Period (including but not limited to market	1. Risk analysis of derivative positions: Exchange gains or losses arising from the difference between the contract exchange rate and the market exchange rate on the settlement date. 2. Control Measures: (1) Principles: All financial derivatives operations of the company shall be conducted for hedging purposes only, and no non-hedging trading activities shall be engaged in. The company shall not engage in complex derivative transactions beyond its actual operational							

risk, liquidity risk, credit risk, operational risk, and legal risk)	<p>needs, nor shall it use hedging as a pretext for derivative speculation. The total hedging contract volume of the company shall not exceed the sum of its existing net exposure positions and the net exposure positions arising from business activities within the next year.</p> <p>(2) Job Requirements: Participants in derivative investments must fully understand the associated risks and strictly adhere to the operational procedures and risk management protocols for such investments.</p> <p>(3) Operational Guidelines: Prior to initiating derivative investments, the company shall allocate qualified professionals for investment decision-making, operational execution, and risk management. Comparative analysis and price inquiries should be conducted across multiple markets and product types. The company must strictly regulate the types and scale of derivative investments, prioritizing exchange-traded derivatives.</p> <p>(4) Regular Evaluation: Derivatives investments shall undergo at least two monthly evaluations, with reports submitted to senior executives authorized by the Board of Directors. The annual total investment quota report for corporate financial derivatives must be filed with the Board of Directors annually. Actual trading activities of derivative instruments shall be reported to the most recent Board of Directors post-transaction. Each subsidiary may submit reports exclusively to its respective Board of Directors.</p> <p>(5) Stop-loss limit: The combined maximum loss for a single derivative and all investments shall not exceed 20% of the total investment amount.</p> <p>(6) Audit Mechanism: The company's audit department shall conduct monthly reviews of the procedures for handling derivative commodity transactions, prepare reports, and submit them to relevant departments.</p>
For derivative investments where market price or fair value of products fluctuated during the reporting period, the fair value analysis shall disclose the specific methodology employed, along with the assumptions and parameters used in the calculation.	<p>(1) During the reporting period, the delivered portion of the investment derivatives resulted in a loss of RMB 33,700, while the undelivered portion incurred no assessed loss.</p> <p>(2) The original contracting bank shall provide the bank's estimated exchange rate table for the current period of signed but unexpired forward foreign exchange settlement transactions on the last trading day of each month.</p> <p>(3) The fair value change gain or loss is recognized based on the difference between the estimated exchange rate in the estimation table and the purchase currency, calculated on the unexpired contract amount as of the closing date.</p>
Case details	not have
date of disclosure of board of directors' announcement on approval of derivative investment	11 March 2025
date of disclosure of shareholders' meeting announcement for derivative investment approval	17 May 2025

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

Applicable Inapplicable

VIII. Sale of Major Assets and Equity

1. Sale of Significant Assets

Applicable Inapplicable

2. Sale of Significant Equity

Applicable Inapplicable

IX. Analysis of Major Holding and Participating Companies

Applicable Inapplicable

Key subsidiaries and equity companies with over 10% impact on net profit

Unit: Yuan

corp orate name	company type	primary service	registered capital	total assets	net asset	operating receipt	operating profit	net margin
TKL	subsidiary	Small household appliance manufacturing	160 million dollars	2,190,651,630.22	1,334,617,308.28	1,199,152,943.42	20,719,808.72	25,804,692.63
TKS	Subsidiary company	Small household appliance manufacturing	40 million dollars	263,787,986.84	262,920,888.02	1,628,118.68	4,777,789.11	3,567,557.86
SCI	Subsidiary company	Small household appliance manufacturing	53 million dollars	256,956,101.10	203,722,315.86	212,799,909.87	-9,607,103.28	-9,721,855.11

Status of acquisitions and disposals of subsidiaries during the reporting period

Applicable Inapplicable

X. Corporate Controlled Structured Entities

Applicable Inapplicable

XI. Future Development Outlook of the Company

(1) Future Development Strategy

1. Deepening Strategic Client Relationships and Expanding New Clients

The company will integrate its three core systems—product marketing, sales, and R&D—to establish a more professional R&D and technical service system. Leveraging over 40 years of experience in small appliance design and manufacturing, it will continue to develop specialized product platforms, conduct in-depth research on consumption habits and cultural differences across global regions, and provide optimized solutions that meet or even lead market demands from a product marketing perspective. Through close collaboration with clients, the company will jointly create competitive advantages in product value and launch innovative products aligned with market

needs. In terms of client market management, the company will focus resources on strategic client partnerships, prioritizing client needs and allocating effective resources to key client relationships that support long-term development, fostering a mutually beneficial cooperation model. Simultaneously, it will actively explore new markets and customer order opportunities while nurturing potential emerging clients.

2. Expand the China market and the CanKun EUPA brand operation

In the China market, the company will enhance the application of technologies such as smart operations, scenario-based IoT, and 5G to meet consumers' demand for high-quality and convenient living, launching a series of convenient, intelligent, and personalized health home appliances. An independent R&D system will be established to serve the domestic market, with a focus on investing in brand strategy and the development of smart home appliances. Online and offline marketing channels will advance in tandem, with OBM (Own Brand Manufacturing) and ODM (Original Design Manufacturing) operating in parallel. The company will focus on the needs of new consumer groups, explore opportunities for new products, new channels, and new customers, strengthen external cooperation, achieve separation of production and sales, and build brand development strategies around consumer needs. The positioning of the Cankun EUPA brand is a professional, high-value, and premium-quality brand image.

3. Specialized Manufacturing Upgrade and Supply Chain Strategic Layout

By adopting the BU (Business Unit) specialized manufacturing model, the company focuses on intelligent manufacturing upgrades for core components, deepens research into product technologies and production processes, and wins customer recognition and satisfaction through professional manufacturing. The company plans to enhance production efficiency and yield rates through digital system upgrades and the application of new technologies, materials, processes, and equipment, thereby comprehensively improving the supply chain manufacturing and supporting capabilities of the industrial park. Additionally, it will advance the upgrade and construction of the Cankun Industrial Park, cultivating a highly efficient, IT-supported supply chain strategic ecosystem to lay a solid foundation for the company's future development.

4. With innovative design and specialized manufacturing of small household appliances as its core business, the CanKun Group expands its commercial development both domestically and internationally.

In the face of the fragmentation and restructuring of the global supply chain system, the company remains committed to its core business of innovative design and specialized manufacturing of small household appliances, vigorously developing commercial frameworks in Xiamen and Shanghai to provide a robust support platform for the China market. Leveraging the regional advantages of Xiamen and Shanghai in developing local industries, the company has formed the CanKun business development model. It implements a decentralized market strategy, further expanding the overseas manufacturing base of CanKun in Indonesia, accelerating the integration of its supply chain with its home market, actively addressing international trade barriers, and fully utilizing the strategic regional cooperation advantages of the "Belt and Road" initiative to seize opportunities in overseas markets. This approach aims to establish a comprehensive model where domestic and international manufacturing and business development are mutually reinforcing.

(2) Major Risk Factors for Future Development

1. International risk factors

The complex international environment, the impact of geopolitical conflicts, and the rise of trade protectionism have made issues such as tariffs, technical standards, and intellectual property protection more complicated. Problems like the slow global economic recovery, increased exchange rate fluctuations, and rising costs are difficult to resolve in the short term, leading to a decline in international market demand. In response, the company will continue to advance the development of its manufacturing base in Indonesia, leveraging the advantages of the "Belt and Road" policy to actively address these challenges.

2. Domestic Risk Factors

The manufacturing sector faces challenges including rising labor costs and an aging workforce. To address these issues, the company is committed to advancing specialized automated manufacturing systems, upgrading supply chain infrastructure, and optimizing production environments. Simultaneously, it strengthens talent acquisition, development, and retention strategies, enhances corporate culture, builds a robust talent framework, and elevates its core competitiveness.

3. Exchange Rate Factors

Given that the company's products are primarily export-oriented, exchange rate fluctuations significantly impact its operations. To mitigate risks, the company employs financial instruments, thoroughly evaluates exchange rate risks during order acceptance, and adopts multi-currency transactions for material procurement to reduce the effects of exchange rate volatility.

4. Energy and Environmental Protection: Low-Carbon Risk Factors

In line with global green development trends, the company will continue to adopt eco-friendly materials and technologies, increase automation investments, enhance environmental process technologies, and steer product development toward green and energy-efficient solutions to strengthen its sustainable development capabilities.

5. Market Risk and Opportunity Factors

As global supply chains evolve, the emergence of new market segments presents both opportunities and challenges. The company will actively participate in home appliance exhibitions and trade shows worldwide, invite strategic clients for factory visits, and establish in-depth business partnerships to jointly expand global product sales markets.

(3) Industry Development Trends and Market Prospects

In the era of wireless connectivity, information explosion, and smart technology, smart home devices have emerged as a key driver for the small appliance industry, propelling product evolution toward intelligent and multifunctional solutions. Globally, while Western markets remain dominant, emerging markets like Southeast Asia and the Middle East are demonstrating significant potential. Domestically, consumption upgrades are fueling rapid growth in the small appliance sector, with intensified brand competition and a clear trend toward specialization and branding. Powered by technological innovation, these products are advancing in intelligence, user-centric design, and eco-friendliness. Distribution channels are transitioning from physical to digital platforms, with social commerce emerging as a new growth engine. The omnichannel retail model is set to become mainstream, delivering seamless shopping experiences for consumers.

In summary, the small appliance industry is undergoing rapid transformation. Trends such as smart technology, health-focused designs, eco-friendly solutions, product diversification, and omnichannel retail will drive the sector's sustainable growth. The company will stay ahead of industry trends by continuously innovating, enhancing product quality and design standards to meet evolving consumer demands. Simultaneously, it will actively expand both domestic and international markets to strengthen brand influence and market competitiveness.

XII. Hosting research visits, communication sessions, and interviews during the reporting period

Reception hours	Reception location	Reception style	Recipient type	Reception targets	Main content of the discussion and materials provided	Basic Index of Research
13 January 2025	company	Phone call	individual	Mr.Chen	Inquiry regarding the impact of the Listing Company Supervision Guidelines No.10 – Market Value Management on the company, and the maintenance of the company's dividend policy. No materials provided.	not have
28 February 2025	company	Phone call	individual	Mr.Chen	Whether to implement a valuation enhancement plan depends on the company's operational status. No information provided.	not have
March 03,2025	company	Phone call	individual	Mr.Zhang	Do not create a valuation enhancement plan. No data provided	not have
04 March 2025	company	Phone call	individual	Mr.Xu	Whether to implement a valuation enhancement plan. The impact of U.S. tariffs. B-share transfer board situation. No materials provided.	not have
18 March 2025	company	Field research	individual	Mr.Yang, Mr.Gu, Mr.Wang	In response to the U.S. trade war, companies should enhance their market value enhancement plans and implement measures such as increasing dividend payouts.	http://www.cninfo.com.cn
08 April 2025	company	Phone call	individual	Mr.Ding	Inquire about the impact of U.S. tariffs. No information provided	not have
09 April 2025	company	Phone call	individual	Mr.Chen	Inquire about the impact of U.S. tariffs. No information provided	not have
15 April 2025	company	Phone call	individual	Mr.Chen	Proposals regarding tariff issues, relocating production to Indonesia, and increasing dividend ratios. No materials provided.	not have
17 April 2025	company	Phone call	individual	Mr.Cai	Proposal to increase the dividend ratio. No materials provided	not have
24 April 2025	company	Phone call	individual	Mr. Sun	Tariff impact and overseas production status. No data provided	not have
06 May 2025	company	Phone call	individual	Mr.Zhou	Market capitalization status. Understand the company's operations. No data provided.	not have
07 May 2025	company	Phone call	individual	Mr.Chen	Proposal to increase the dividend ratio. No materials	not have

					provided	
13 May 2025	company	Phone call	individual	Mr.Cai	The impact of tariffs on the company. No data provided.	not have
14 May 2025	company	Field research	individual	Mr.Yang, Mr.Wang	The impact of unilateral high tariffs by the US on the company's operations and countermeasures, as well as the progress in domestic market development	http://www.cninfo.com.cn
19 May 2025	company	Phone call	individual	Mr.Chen	Proposal to increase the dividend ratio. No materials provided	not have
27 May 2025	company	Phone call	individual	Mr.Cao	Consultation for conversion from B to A. No materials provided.	not have
4 June 2025	company	Phone call	individual	Mr.Chen	The determination of dividend distribution. No materials provided	not have
05 June 2025	company	Phone call	individual	Mr.Zhang	Inquire about the company's business operations. No materials provided	not have
10 June 2025	company	Phone call	individual	Mr.Zhang	Inquire about the company's business operations and the B-to-A conversion. No materials provided.	not have
01 July 2025	company	Phone call	individual	Mr.Cao	B to A consultation: Is the company considering a merger or acquisition? No information provided.	not have
21 July 2025	company	Phone call	individual	Mr.Li	Inquire about the company's business operations. No materials provided	not have
15 September 2025	company	Phone call	individual	Mr.Li	Company operations, domestic sales, and B-to-A conversion. No data provided.	not have
28 October 2025	company	Phone call	individual	Mr.Li	Company operations, B-to-A conversion. No data provided	not have
29 October 2025	company	Phone call	individual	Mr.Chen	The company's operating status indicates a desire to increase dividends. No materials were provided.	not have
17 November 2025	company	Phone call	individual	Mr.Chen	The company aims to increase dividends and improve its operational performance. No materials were provided.	not have
16 December 2025	company	Phone call	individual	Mr.Zhou	The shareholder inquires about the biannual dividend distribution and the conversion from B to A shares, asking whether the company can provide products as a gift. No materials were provided.	not have

Applicable Inapplicable

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

The Valuation Enhancement Plan includes the following key components:

To enhance the company's investment value, boost shareholder returns, and drive high-quality growth, the company has implemented the following concrete measures:

- (1) Focus on the main business, improve the quality of operation and company performance
- (2) Implement a stable cash dividend policy to effectively reward investors
- (3) Strengthening Investor Relations Management and Information Disclosure Quality

The Board of Directors confirms that the Valuation Enhancement Plan disclosed by the company on March 11, 2025, is consistent with its actual conditions and requires no adjustments. This plan will continue to be implemented in subsequent years.

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

Action Plan

Has the company released the announcement for its 'Dual Enhancement of Quality and Return' initiative?

Yes No

Section IV. Corporate Governance, Environment and Society

I. Basic situation of corporate governance

During the reporting period, the company strictly adhered to the requirements of the Company Law, Securities Law, Corporate Governance Guidelines for Listed Companies, Shenzhen Stock Exchange Listing Rules, Shenzhen Stock Exchange Self-Regulatory Guidance No.1 for Main Board Listed Companies, and other relevant laws and regulations. It continuously improved its corporate governance structure, strengthened internal control systems, enhanced information disclosure, standardized operations, and elevated governance standards. As of the reporting period's end, the company's governance practices fully complied with the regulatory requirements set forth in the normative documents issued by the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange for listed companies.

The governance of the company is as follows:

1. Shareholders and Shareholders' Meeting

The company convenes shareholders' meetings in accordance with its Articles of Association and the Rules of Procedure for Shareholders' Meetings, ensuring equal treatment for all shareholders, safeguarding the equal status of minority shareholders, and guaranteeing that all shareholders can fully exercise their rights.

2. The controlling shareholder and the company

The controlling shareholder strictly complies with the Company Law in exercising shareholder rights and fulfilling obligations. The controlling shareholder and the listed company have achieved operational, asset, institutional, and financial independence. The company's board of directors and internal departments operate independently, each bearing their own financial and operational responsibilities. There is no direct or indirect interference in corporate decision-making or business operations beyond the shareholders' meeting, and no harm has been done to the interests of the company or its shareholders.

3. Directors and the Board of Directors

The company strictly follows the director selection procedures stipulated in its Articles of Association to elect directors, with the board's composition and size complying with legal, regulatory, and corporate requirements. The board diligently implements the Board of Directors' Rules of Procedure to ensure efficient operations and sound decision-making. All directors faithfully, honestly, and diligently perform their duties, attending board and shareholder meetings with a responsible attitude and actively participating in relevant training programs.

4. Information Disclosure and Transparency

The company strictly complies with the "Measures for the Administration of Information Disclosure by Listed Companies", the "Stock Listing Rules of the Shenzhen Stock Exchange", and the "Self-Regulatory Guidance No.5 for Listed Companies — Information Disclosure Affairs Management" issued by the Shenzhen Stock Exchange, among other relevant regulations and normative documents. It fulfills its information disclosure obligations to ensure all shareholders have equal access to relevant company information.

5. On Performance Evaluation and Incentive Mechanisms

The company is progressively refining and establishing fair and transparent performance evaluation standards and incentive-restraint mechanisms for directors and senior executives. The appointment of senior executives is conducted openly and transparently, in full compliance with legal and regulatory requirements.

6. Stakeholders

The company actively fulfills its corporate social responsibilities by fully respecting and safeguarding the legitimate rights and interests of stakeholders. Through enhanced communication and collaboration with all parties, it achieves balanced interests among shareholders, employees, and society, collectively driving the company's sustainable and healthy development.

Is there a significant difference between the actual situation of corporate governance and the regulations issued by the law, administrative regulations and the China Securities Regulatory Commission on the governance of listed companies?

Yes No

II. The company's independence from its controlling shareholder and actual controller in terms of assets, personnel, finances, organizational structure, and operations

The company is independent and complete in business, personnel, assets, organization and finance compared with the controlling shareholders.

III. Competition in the Same Industry

Applicable Inapplicable

IV. Directors and Senior Management

1. Basic Information

surname and personal name	sex	age	post	Employment status	Term start date	End of term	Initial share count	Number of shares to be increased in this period	Number of shares to be reduced in this period	other increase or decrease (stock)	number of shares held at the end of the period	cause of change in share capital
Cai Yuansong	man	69	Chairman and General Manager	at present hold the office of	19 May 2021	18 May 2026	0	0	0	0	0	
Lin Ji Dian	man	57	director	at present hold the office of	24 April 2020	18 May 2026	0	0	0	0	0	
Ivan Wang	man	57	director	at present hold the office of	24 April 2020	18 May 2026	0	0	0	0	0	
Cai Bingbo	man	41	director	at present hold the office of	13 May 2022	18 May 2026	0	0	0	0	0	
Liu Luhua	man	56	independent director	at present hold the office of	24 April 2020	18 May 2026	0	0	0	0	0	
Wu Yibing	man	44	independent director	at present hold the office of	24 April 2020	18 May 2026	0	0	0	0	0	
Tang Jinmu	man	60	independent director	at present hold the office of	19 May 2023	18 May 2026	0	0	0	0	0	
Wu Jianhua	man	46	finance chief	at present hold the office of	29 March 2019		0	0	0	0	0	

Sun Meimei	woman	52	Secretary of the Board	at present hold the office of	23 April 2011		0	0	0	0	0	
amount to	--	--	--	--	--	--	0	0	0	0	0	--

Were there any directors or senior executives leaving their positions during the reporting period?

Yes No

Changes in Directors and Senior Management of the Company

Applicable Inapplicable

2. Appointment Status

Professional background, key career experiences, and current responsibilities of the company's current directors and senior executives

surname and personal name	post	Professional Background	Key professional experience and current responsibilities at the company		
Cai Yuansong	Chairman and General Manager	Graduated from the University of Minnesota, St. Paul, majoring in Business Administration.	1978.11.2-1987.12	Tsann Kuen (Taiwan) Enterprise Co., Ltd.	Manager of the Home Appliances Department/Research and Development Department, General Manager
			1988.1.1-1993.2.16	Tsann Kuen (Xiamen) Electric Appliance Co., Ltd.	general manager
			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
			2002.7.24-2008.7.25	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	chairman
			2011.6-now	Sekond Creative Design Co., Ltd. (Taiwan)	chairman
			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.	director
			2020.4.24-2021.10.25	Gold Mine Chain Enterprise Co., Ltd	chairman
			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			

surname and personal name	post	Professional Background	Key professional experience and current responsibilities at the company		
			2021.5.19-now	Tsann Kuen (China) Enterprise Co., Ltd.	director
			2021.7.5-now	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Chairman and General Manager
			2021.7.5-2022.7.27	Tsann Kuen (Zhangzhou) South Port Electronics Enterprise Co., Ltd.	Chairman and General Manager
			2021.07.19-2022.3.17	Shanghai Canxing Trading Co., Ltd.	chairman
			2021.8.04-now	PT.STAR COMGISTIC INDONESIA	chairman
Lin Ji Dian	director	Graduated from the Graduate School of Business Administration at Datong University	1996.06-1999.08	Changjia Construction Co., Ltd.	Special Assistant to the General Manager, Audit Specialist
			1999.08-2000.10	ADDA CORPORATION	Auditing Office Manager, Assistant to the Chairman
			2000.10-2002.10	Royal DSM	Auditing Office Manager, Special Assistant to the General Manager
			2002.10-2004.02	GO-IN Technology Co., Ltd.	General Manager's Special Assistant, Head of the Administration Department, and Spokesperson
			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 president
			2019.04-2019.12	Planning Department of HSIN TUNG YANG Co., LTD. (Taiwan)	Deputy General Manager of E-commerce, Business

surname and personal name	post	Professional Background	Key professional experience and current responsibilities at the company		
					Planning Department
			2019.12-2020.05	Canxing International Travel Service Co., Ltd (Taiwan)	chairman
			2019.12.07-now	Wing Yi International Investment Corporation (Taiwan)	chairman
			2019.12-2020.03.30	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	vice president
			2020.03.31-now	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	chairman
			2020.04.28-2022.12.31	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	executive chairman
			2020.03.31-now	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	chairman
			2020.01.08-2021.04.01	Tsannkuen Edge Intelligence Co., Ltd. (Taiwan)	controller
			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-president
			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	PROWORLDINTERNATIONAL LIMITED(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
			2020.04.24-now	Tsann Kuen (China) Enterprise Co., Ltd.	chairman
			2021.03.11-now	Dali Investment Co., Ltd. (Taiwan)	director
			2022.06.01-now	Tsann Kuen Japan Co., Ltd.	chairman
Ivan Wang	director	Graduated from Griffith University,	2001.12-2007.06	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Finance Department Specialist, Section Chief

surname and personal name	post	Professional Background	Key professional experience and current responsibilities at the company		
		Australia, with a degree in Finance and Financial Management.	2007.06-2020.10	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Deputy Director of the Finance Department and Acting Spokesperson
			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, Finance Department
			2018.06-now	AXA Insurance Agent Co., Ltd. (Taiwan)	director
			2018.12-now	Tsann Kuen Enterprise Co., Ltd. (Taiwan)	Finance Department Associate
			2019.09.25-now	Wu Wha Ma International Co., Ltd. (Taiwan)	controller
			2019.01.31-2023.6.25	Wing Yi International Investment Corporation (Taiwan)	controller
			2020.04.24-now	Gold mine chain enterprise Co., Ltd	controller
			2021.03.11-2023.6.25	Dali Investment Co., Ltd. (Taiwan)	director
			2020.04.24-now	Tsann Kuen (China) Enterprise Co., Ltd.	controller
			2022.11.18-2024.3.7	Tsann Kuen Japan Co., Ltd.	director
Cai Bingbo	director	Master of International Business and Management from the University of Bradford, UK	2013.04.22-2013.12.31	Thermaster Electronic (Xiamen) Ltd.	Project team members
			2014.01.02-2016.12.31	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Deputy Director of the European Region, Ministry of Commerce
			2017.01.01-2022.03.21	Tsannkuen Edge Intelligence Co., Ltd.	European Region Manager, Ministry of Commerce
			2020.04.30-now	Xiamen Tsannkuen Property Services Co., Ltd.	Chairman and General Manager
			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
2022.05.13-now	Tsann Kuen (China) Enterprise Co., Ltd.	director			
Wu Yibing	independent director	Ph.D. in Accounting, Fudan University	2010.08.26-2014.08.01	Accounting Department of School of Management, Xiamen University	assistant professor
			2014.08.01-now	Accounting Department of School of Management, Xiamen	adjunct professor

surname and personal name	post	Professional Background	Key professional experience and current responsibilities at the company		
				University	
			2019.12.30-2022.4.1	Shanghai Kinlita Chemical Co., Ltd.	independent director
			2019.07.18-now	Leedarson IoT Technology Inc.	independent director
			2022.01.13-now	G-bits Network Technology (Xiamen) Co., Ltd.	independent director
			2020.04.24-now	Tsann Kuen (China) Enterprise Co., Ltd.	independent director
Liu Luhua	independent director	Master of Laws in Civil and Commercial Law, Xiamen University	1991.09-1992.12	Xiamen Intermediate People' s Court	engrossment clerk
			1992.12-1993.06	Orient (Xiamen) Golf Co., Ltd.	Corporate Counsel Compliance Officer
			1993.06-now	Fujian Tianyi Law Firm	Partner, 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	Associate Professor (Part-time)
			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
Tang Jinmu	independent director	Doctor of Finance from Xiamen University, Senior Accountant	1988.7-1994.06	Xiamen Municipal Finance Bureau	Clerk
			1994.6-1998.6	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-present	Xiamen Asset Appraisal Association	Secretary-General
			2002.1-2024.3	Xiamen Association of Certified Public Accountants	Secretary-General
			2010.12.1-2014.12.8	Fujian Jinlin Forest Industry Co.	Independent Director
			2015.1.6-2019.12.26	Xingye Leather Technology Co.	Independent Director
			2017.11.13-2021.3.22	Xiamen Redphase Power Equipment Co.	Independent Director
			2016.2.3-2021.5.18	Xiamen Guangpu Electronics Co.	Independent Director
			2023.5-present	Tsann Kuen (China) Enterprise Co., Ltd.	Independent Director
2023.9.27-2025.1.22	Fujian Jinlin Forest Industry Co.	Independent Director			
Sun	secretary	Graduated	2005.07-2011.04	Tsann Kuen (China) Enterprise Co., Ltd.	Securities Representative

surname and personal name	post	Professional Background	Key professional experience and current responsibilities at the company		
Meimei	of the board	from China Information Management College with a major in Business Administration	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	finance chief	Graduated from the Department of Accounting at 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			

The situation where the controlling shareholder and the actual controller simultaneously serve as the chairman and general manager of the listed company

Applicable Inapplicable

Employment status in shareholder unit

Applicable Inapplicable

Personnel Name	Shareholder unit name	position held in a shareholder unit	Term start date	End of term	whether the shareholder unit receives remuneration allowance
Cai Yuansong	Tsann Kuen (Taiwan) Investment Co., Ltd	director	23 June 2018		No
Cai Yuansong	EUPA Industry Corporation Limited (HK)	director	14 August 2018		No
Cai Yuansong	Fillman Investments Limited (HK)	director	14 August 2018		No
Cai Yuansong	Fordchee Development Limited (HK)	director	14 August 2018		No
Cai Yuansong	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	director	25 February 2020		Yes
Lin Ji Dian	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	chairman	31 March 2020		Yes
Lin Ji Dian	Sino Global Development Ltd. (HK)	director	21 April 2020		No

Employment history in other organizations

Applicable Inapplicable

Personnel Name	Other organization names	Positions held in other organizations	Term start date	End of term	Whether remuneration allowances are received from other units
Cai Yuansong	Thermaster Electronic (Xiamen) Ltd.	director	September 02,1997		No
Cai Yuansong	Sekond Creative Design Co., Ltd. (Taiwan)	chairman	1 June 2011		No
Cai Yuansong	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	Chairman and General Manager	5 July 2021		Yes
Cai Yuansong	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	director	22 August 2018		Yes
Cai Yuansong	Tsann Kuen China (Shanghai) Enterprise Co., Ltd.	director	1 April 2020		No
Cai Yuansong	East Sino Development Limited (HK)	director	29 April 2020		No
Cai Yuansong	Orient Star Investments Limited	director	19 May 2021		No
Cai Yuansong	PT.STAR COMGISTIC INDONESIA	chairman	4 August 2021		No
Lin Ji Dian	Wing Yi International Investment Corporation (Taiwan)	chairman	7 December 2019		deny
Lin Ji Dian	Tsann Kuen Japan Co., Ltd.	chairman	1 June 2022		deny
Lin Ji Dian	Tsann Kuen China (Shanghai) Enterprise Co., Ltd.	director	1 April 2020		deny

Personnel Name	Other organization names	Positions held in other organizations	Term start date	End of term	Whether remuneration allowances are received from other units
Lin Ji Dian	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	vice-president	1 April 2020		deny
Lin Ji Dian	Wu Wha Ma International Co., Ltd. (Taiwan)	director	20 April 2020		deny
Lin Ji Dian	Gold mine chain enterprise Co., Ltd (Taiwan)	chairman	24 April 2020		deny
Lin Ji Dian	Dali Investment Co., Ltd. (Taiwan)	chairman	11 March 2021		deny
Lin Ji Dian	STAR COMGISTIC CAPITAL CO., LTD. (Taiwan)	chairman	31 March 2020		yes
Lin Ji Dian	Ka Wang Enterprises Limited (Hong Kong)	director	1 April 2020		deny
Lin Ji Dian	Lung Tai Development Limited (Hong Kong)	director	1 April 2020		deny
Lin Ji Dian	PROWORLDINTERNATIONALLIMITED(BVI)	director	1 April 2020		deny
Lin Ji Dian	PT. TSANNKUEN PROPERTY DEVELOPMENT INDONESIA	director	1 April 2020		deny
Ivan Wang	AXA Insurance Agents Limited (Taiwan)	director	1 June 2018		deny
Ivan Wang	Tsann Kuen (Taiwan) Enterprise Co., Ltd.	Finance Department Associate	1 December 2018		yes
Ivan Wang	Wu Wha Ma International Co., Ltd. (Taiwan)	controller	25 September 2019	31 July 2025	deny
Ivan Wang	Gold mine chain enterprise Co., Ltd (Taiwan)	controller	24 April 2020		deny
Cai Bingbo	Xiamen Tsannkuen Property Services Co., Ltd.	Chairman and General Manager	30 April 2020		deny
Cai Bingbo	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	director	12 May 2020		deny
Wu Yibing	Accounting Department, School of Management, Xiamen University	adjunct professor	1 August 2014		yes
Wu Yibing	Leedarson IoT Technology Inc.	independent director	18 July 2019		yes
Wu Yibing	G-bits Network Technology (Xiamen) Co., Ltd.	independent director	13 January 2022		yes
Liu Luhua	Fujian Tianyi Law Firm	Partner, Director	June 1, 1993		yes
Liu Luhua	Xiamen Arbitration Commission	arbitrator	01 March 2002		yes
Liu Luhua	Xiamen University Tan Kah Kee College	Associate Professor (Part-time)	1 May 2012		deny
Liu Luhua	Xiamen Chengtun Mining Co., Ltd.	independent director	31 July 2020		yes
Liu Luhua	Yuanxiang (Xiamen) International Airport Co.	independent director	18 May 2023		yes

Personnel Name	Other organization names	Positions held in other organizations	Term start date	End of term	Whether remuneration allowances are received from other units
Tang Jinmu	Xiamen Asset Appraisal Association	secretary-general	January 1, 2002		yes
Tang Jinmu	Fujian Jinsen Forestry Co., Ltd.	independent director	27 September 2023	22 January 2025	yes
Wu Jianhua	Xiamen Tsannkuen Property Services Co., Ltd.	supervisor	14 May 2019		deny
Wu Jianhua	Tsann Kuen (Zhangzhou) Enterprise Co., Ltd.	finance chief	14 November 2024		deny

Penalties by securities regulators against current and former directors and senior executives during the reporting period

Applicable Inapplicable

3. Director and Senior Executive Compensation

Decision-making procedure, determination basis and actual payment of directors and senior management personnel

Decision procedure: The remuneration of directors shall be reviewed and determined by the shareholders' meeting, and that of senior executives by the board of directors.

The basis for this determination is that the company's Board of Directors' Nomination, Compensation and Evaluation Committee is responsible for formulating evaluation criteria and conducting assessments for directors and senior executives, as well as developing and reviewing compensation policies and plans for them.

Compensation of Directors and Senior Management During the Reporting Period

Unit: 10,000 yuan

surname and personal name	sex	age	post	Employment status	Assessment criteria	execution	deferred payment arrangement	suspension of recovery	total pre-tax remuneration received from the company	whether to receive remuneration from the company's related parties
Cai Yuansong	man	69	Chairman and General Manager	at present hold the office of					229.83	yes
Lin Ji Dian	man	57	director	at present hold the office of					3.60	yes
Ivan Wang	man	57	director	at present hold the office of					3.60	yes
Cai Bingbo	man	41	director	at present hold the					3.60	deny

surname and personal name	sex	age	post	Employment status	Assessment criteria	execution	deferred payment arrangement	suspension of recovery	total pre-tax remuneration received from the company	whether to receive remuneration from the company's related parties
				office of						
Wu Yibing	man	44	independent director	at present hold the office of					15.00	deny
Liu Luhua	man	56	independent director	at present hold the office of					12.00	deny
Tang Jinmu	man	60	independent director	at present hold the office of					12.00	deny
Wu Jianhua	man	46	finance chief	at present hold the office of					45.57	deny
Sun Meimei	woman	52	Secretary of the Board	at present hold the office of					30.04	deny
amount to									355.24	

The assessment criteria for the actual remuneration received by all directors and senior executives at the end of the reporting period	not applicable
Performance evaluation of actual compensation received by all directors and senior executives at the end of the reporting period	not applicable
deferred compensation arrangements for all directors and officers at the end of the reporting period	not applicable
Status of salary withholding and recovery for all directors and senior executives during the reporting period	not applicable

Other circumstances

Applicable Inapplicable

V. Performance of Directors' Duties During the Reporting Period

1. Attendance of Directors at Board Meetings and Shareholders' Meetings

presence of directors at board meetings and shareholders' meetings							
Director's Name	Number of board meetings to attend during the reporting period	Number of board meetings attended in person	Number of board meetings attended via correspondence	number of board meetings attended by proxy	absent from board meetings	Has the individual failed to attend two consecutive board meetings in person	number of shareholders' meetings attended
Cai Yuansong	5	5	0	0	0	deny	1
Lin Ji	5	0	4	1	0	deny	1

Dian							
Ivan Wang	5	0	4	1	0	deny	0
Cai Bingbo	5	0	5	0	0	deny	1
Wu Yibing	5	4	1	0	0	deny	1
Tang Jinmu	5	5	0	0	0	deny	1
Liu Luhua	5	5	0	0	0	deny	1

Explanation for two consecutive absences from board meetings without personal attendance:
None

2. Situations where directors raise objections to company-related matters

whether the director raises objections to the company's relevant matters

Yes No

During the reporting period, the directors did not raise any objections to the company's related matters.

3. Additional Notes on the Performance of Duties by Directors

whether the directors' proposals to the company are adopted

Yes No

statement of directors on the adoption or non-adoption of relevant proposals

During the reporting period, the company's directors adhered to the principle of safeguarding the paramount interests of the company and its shareholders. In compliance with relevant regulations, they diligently fulfilled their duties by attending board meetings and shareholder meetings, carefully deliberating on all proposals, and offering constructive suggestions on corporate management. Their contributions significantly enhanced the board's decision-making efficiency, elevated management standards, and standardized operational practices.

VI. Status of Special Committees under the Board of Directors during the Reporting Period

Committee Name	Member Status	Meeting count	Meeting date	content of meeting	Important opinions and suggestions proposed	other performance of duties	Details of the objection
Strategic Committee	CAI Yuansong, LIN Jidian, LIU Luhua, WU Yibing, TANG Jinmu	2	25 April 2025	Proposal on the Capital Increase by the Controlling Subsidiary Zhangzhou Cankun to Its Wholly-Owned Grandson Company	not have	not have	
Strategic Committee	CAI Yuansong, LIN Jidian, LIU Luhua, WU Yibing,	2	05 December 2025	Company Development Strategy and 2026 Business Focus	not have	not have	

Committee Name	Member Status	Meeting count	Meeting date	content of meeting	Important opinions and suggestions proposed	other performance of duties	Details of the objection
	TANG Jinmu						
Nomination, Remuneration and Assessment Committee	Liu Luhua, Cai Yuansong, Wu Yibing	1	08 March 2025	Annual Performance Report of Nomination, Compensation and Assessment Committee in 2024	not have	not have	
audit committee	Wu Yibing, Liu Luhua, Tang Jinmu	5	08 March 2025	1. 2024 Annual Internal Control Self-evaluation Report 2. 2024 Annual Report Full Text and Report Summary 3. 2024 Annual Financial Settlement Plan 4. 2024 Annual Profit Distribution Proposal 5. 2025 Annual Routine Related Party Transactions Proposal 6. Report of the Board Audit Committee on the Performance Evaluation and Supervision of the Accounting Firm in 2024 7. Proposal for Reappointment of the Accounting Firm 8. Feasibility Analysis Report on Financial Derivatives Trading by Zhangzhou Cankun, the Controlled Subsidiary 9. Proposal on Financial Derivatives Trading by Zhangzhou Cankun, the Controlled Subsidiary 10. Proposal on the Financial Management Authorization Limit for the Controlled Subsidiary Zhangzhou Cankun 11. Proposal on the financial management quota delegated by Shanghai Cankun, the holding subsidiary	not have	not have	
audit committee	Wu Yibing, Liu Luhua, Tang Jinmu	5	25 April 2025	1. First Quarter Report for 2025	not have	not have	
audit committee	Wu Yibing, Liu Luhua, Tang Jinmu	5	07 August 2025	1. Full text and summary of the 2025 semi-annual report	not have	not have	
audit committee	Wu Yibing, Liu Luhua, Tang Jinmu	5	28 October 2025	1. Q3 2025 Report	not have	not have	
audit	Wu Yibing,	5	05	1. 2026 Annual Audit Plan	not have	not have	

Committee Name	Member Status	Meeting count	Meeting date	content of meeting	Important opinions and suggestions proposed	other performance of duties	Details of the objection
committee	Liu Luhua, Tang Jinmu		December 2025				

VII. Work of the Audit Committee

The audit committee identified potential risks in the company's operations during its supervisory activities during the reporting period.

Yes No

The Board of Auditors has no objection to the audit matters during the reporting period.

VIII. Company Employee Status

1. Number of employees, professional composition, and educational level

Number of employees in the parent company at the end of the reporting period	168
Number of employees in key subsidiaries at the end of the reporting period	3,313
Total number of employees at the end of the reporting period	3,481
Total number of employees receiving salary in the current period (people)	3,608
Number of retired employees whose costs are borne by the parent company and its major subsidiaries	0
professional composition	
Category of professional structure	Number of professionals (people)
operating personnel	2,278
salesman	82
artisan	432
financial staff	43
clerical staff	646
amount to	3,481
educational status	
Education level category	Number (people)
doctor	1
Master	13
scholar	268
junior college	305
Below college level	2,894
amount to	3,481

2. Compensation Policy

In compliance with the Labor Law, the company's Internal Personnel Management Rules, and relevant laws and regulations, and in alignment with its strategic planning, the company has established a position-based compensation system that aligns with market human resource allocation, employment needs, and job responsibilities. The company has also formulated the Compensation Management Measures and the Performance Evaluation Management Measures. Employee compensation levels are determined based on the company's operational status and profitability, internal fairness, as well as the value of the position, work performance, and individual capabilities.

3. Training Plan

1. New Employee Training (Employees, New Cadres, Managers)
2. Training of Middle-Level Cadres
3. Training of Senior Cadres
4. Job Advancement Training for All Departments

4. Labor Outsourcing Status

Applicable Inapplicable

Total man-hours (hour)	1,311,979.50
Total remuneration paid (RMB Yuan)	11,106,084.80

IX. Profit Distribution and Conversion of Capital Reserve into Share Capital

Policy formulation, implementation, or adjustment of profit distribution, particularly cash dividends, during the reporting period

Applicable Inapplicable

In 2025, the company's first board meeting approved the 2024 annual profit distribution plan. The 2024 Annual General Meeting, held on May 16, 2025, further approved the distribution proposal: based on the total share capital of 185,391,680 shares at the end of 2024, a cash dividend of RMB 1.8 per 10 shares (tax inclusive) would be distributed to all shareholders. This policy aligns with the company's "Shareholder Return Plan for the Next Three Years (2024-2026)". The distribution was fully implemented on June 13, 2025. No rights issues or new share issuances occurred during the reporting period.

special note on cash dividend policy	
Whether it complies with the provisions of the company's articles of association or the requirements of the shareholders' meeting resolution:	yes
Are the dividend standards and ratios clear and explicit?	yes
Whether the relevant decision-making procedures and mechanisms are complete:	yes
Whether the independent directors have fulfilled their duties and played their due roles:	yes

If the company does not distribute cash dividends, it must disclose the specific reasons and outline the measures to be taken to enhance investor returns.	not applicable
Whether the minority shareholders have the opportunity to express their opinions and demands, and whether their legitimate rights and interests are fully protected:	yes
Whether the conditions and procedures for adjusting or changing the cash dividend policy are compliant and transparent.	not applicable

The company reported profits during the reporting period, and while the parent company's distributable profits to shareholders were positive, it did not propose a cash dividend distribution plan.

Applicable Inapplicable

Profit Distribution and Capital Reserve Conversion into Share Capital During the Reporting Period

Applicable Inapplicable

Number of bonus shares per 10 shares	-
Dividend per 10 shares (RMB) (tax included)	1.00
Number of shares to be issued for every 10 shares held	-
capital base of allotment plan	185,391,680.00
Cash dividend amount (RMB) (tax included)	18,539,168.00
Cash dividends (in yuan) from other methods (e.g., share repurchase)	-
Total cash dividends (including other methods) (RMB)	18,539,168.00
Distributable profit (RMB)	409,158,233.05
cash dividend total (including other methods) as a percentage of total profit distribution	100%
cash dividend	
For companies in the mature growth phase with no major capital expenditure plans, cash dividends must constitute at least 80% of the total profit distribution.	
Detailed explanation of profit distribution or capital reserve conversion plan	
For the fiscal year 2025, the company plans to distribute a cash dividend of RMB 1.0 per 10 shares (tax inclusive) to all shareholders. The total profit allocated for distribution is estimated at RMB 18,539,168.00, with the remaining undistributed profit of RMB 390,619,065.05 carried forward to the next fiscal year. No capital reserve conversion into share capital will be implemented this year.	

X. Implementation Status of the Company's Equity Incentive Plan, Employee Stock Ownership Plan, and Other Employee Incentive Measures

Applicable Inapplicable

The company reported no equity incentive plans, employee stock ownership plans, or other employee incentive measures during the reporting period, nor any implementation of such measures.

XI. Development and Implementation of Internal Control Systems During the Reporting Period

1. Development and Implementation of Internal Control

1. The company has established a relatively complete, sound, and systematic internal control system.

2. The relevant systems cover all key aspects of the company's management, with clearly defined responsibilities and standardized procedures.

3. The internal control system is consistently and effectively implemented and monitored, which plays a positive role in ensuring the company's stable operations.

2. Details of material internal control deficiencies identified during the reporting period

Yes No

XII. Management and Control of Subsidiaries During the Reporting Period

None

XIII. Internal Control Evaluation Report or Internal Control Audit Report

1. internal control evaluation report

full disclosure date of internal control evaluation report	10 March 2026	
index of disclosure of full text of internal control evaluation report	www.cninfo.com.cn	
the ratio of total assets of units included in the evaluation scope to the total assets of the company's consolidated financial statements	100.00%	
The proportion of operating revenue of the evaluated entity in the consolidated financial statements of the company	100.00%	
standard of defect determination		
class	financial reports	non financial report
Qualitative criteria	Major defect: A combination of one or more control deficiencies in an enterprise that results in a significant deviation from the control objectives. Material deficiency: a combination of one or more deficiencies in a company's controls that are less severe and have less economic consequences than a material deficiency, but may still cause the	Major Defect: Safety-Multiple employee deaths, company reputation-Negative news spread nationwide, government or regulatory authorities conduct investigations, public concern arises, resulting in significant customer attrition, or may require press release for clarification Major Defect: Safety-Causing disability or death of an employee

	company to deviate from its control objectives. Common Defects: Internal Control Defects in Financial Reporting That Do Not Constitute Material or Significant Defects	or citizen; Corporate Reputation-Negative news spreading nationwide, complaints filed with media, or resulting in customer contract termination General defect: has occurred or is about to cause health harm to employees or citizens. Company reputation-negative news spreads in a certain area, causing considerable damage to the company's reputation.
quantitative criteria	Critical violations:>5% of total consolidated profit in the most recent period>1% of total consolidated assets in the most recent period>2% of total consolidated revenue in the most recent period. These actions constitute serious breaches of laws, regulations, rules, and government policies, resulting in industry exit restrictions, revocation of business licenses, or compulsory closure. Critical deficiencies:> 3%~5% of the most recent consolidated financial statement's total profit> 0.5%~1% of the most recent consolidated financial statement's total assets> 1%~2% of the most recent consolidated financial statement's operating revenue General Defect: <3% of the most recent consolidated financial statement's total profit, <0.5% of the most recent consolidated financial statement's total assets, <1% of the most recent consolidated financial statement's operating revenue, in violation of laws, regulations, rules, or government policies, resulting in fines or penalties.	Major defect: RMB 5 million (inclusive) or more Critical flaw: Between RMB 1 million (inclusive) and RMB 5 million (inclusive) General defect: less than RMB 1 million
Number of material deficiencies in financial reports		0
Number of material deficiencies in non-financial reporting		0
Number of material deficiencies in financial statements		0
Number of material non-financial reporting deficiencies		0

2. Internal Control Audit Report

Applicable Inapplicable

auditing opinion paragraph	
On December 31,2025, Xiamen Cancun Company maintained effective internal controls over financial reporting in all material aspects, in compliance with the 'Basic Standards for Enterprise Internal Control' and relevant regulations.	
disclosure of internal control audit report	publish
full disclosure date of internal control audit report	10 March 2026
index of disclosure of full text of internal control audit report	http://www.cninfo.com.cn
Internal control audit report opinion type	unqualified standard opinion
whether there is material defect in the non financial report	deny

Does the Accounting Firm Issue Internal Control Audit Report with Non-standard Opinion

Yes No

Is the Internal Control Audit Report Issued by the Accounting Firm Consistent with the Self-Evaluation Report Opinion of the Board of Directors?

Yes No

XIV. Rectification of Self-Inspection Issues in the Special Governance Action for Listed Companies

None

XV. Disclosure of Environmental Information

Listed Companies and Their Major Subsidiaries Included in the List of Enterprises Disclosing Environmental Information According to Law

Yes No

XVI. Social Responsibility Status

None

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

None

Section V: Significant Events

I. Implementation Status of Commitments

1. The company's actual controller, shareholders, related parties, acquirers, and the company itself shall ensure that all commitments made to relevant parties during the reporting period are fulfilled, including any commitments remaining unfulfilled as of the reporting period's end.

Applicable Inapplicable

Commitment Reason	Commitment Party	Commitment type	Commitment content	Commitment time	time limit for acceptance	Implementation status
other commitments to minority shareholders	FILLMAN INVESTMENTS LIMITED	stock share increase commitment	With confidence in the company's future sustainable growth, the shareholder will increase holdings if the share price falls below HKD2.40 per share after the share reduction plan and resumption of trading. The plan allows for a maximum 2% increase (3.7078 million shares) of the company's total issued shares within twelve months from the initial purchase date. If the 2% share increase is completed within this period and the price reaches the target level, the shareholder will apply to the China Securities Regulatory Commission (CSRC) for approval to continue the share purchase without a tender offer.	28 December 2012	long term effective	The company's shares resumed trading on December 31, 2012. Since then, Qiaomin Investment Limited has not increased its holdings, as the closing price remained below HKD2.40, failing to meet the threshold for share purchase.
Commitment to fulfill on time	yes					
If the commitment is not fulfilled by the deadline, the specific reasons	not have					

for the failure and the next steps should be clearly explained.	
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2. The company's assets or projects are subject to profit forecasts, and the reporting period remains within the forecast period. The company must provide an explanation of how the assets or projects met the original profit forecast and the reasons for this outcome.

Applicable Inapplicable

3. The company's performance commitment

Applicable Inapplicable

II. Non-operational Use of Funds by Controlling Shareholders and Related Parties

Applicable Inapplicable

III. Violations in External Guarantees

Applicable Inapplicable

IV. Board of Directors' Statement on the Recent Non-Standard Audit Report

Applicable Inapplicable

V. Explanation by the Board of Directors and Independent Directors (if any) on the Non-Standard Audit Report of the Accounting Firm for the Reporting Period

Applicable Inapplicable

VI. Explanation of Changes in Accounting Policies, Accounting Estimates, or Significant Correction of Accounting Errors Compared to the Previous Year's Financial Report

Applicable Inapplicable

VII. Explanation of Changes in the Scope of Consolidated Financial Statements Compared to the Previous Year's Report

Applicable Inapplicable

VIII. Appointment and Dismissal of Accounting Firms

Current accounting firm

name of domestic accounting firm	Lixin Accounting Firm (Special General Partnership)
Remuneration of Domestic Accounting Firms (Ten Thousand Yuan)	100
continuous years of audit services of domestic accounting firms	2
name of CPA of domestic accounting firm	Hu Jingdong, Li Puqi
continuous years of audit services by certified public accountants of domestic accounting firms	2

Change of accounting firm in the current period

Yes No

Engaging of Internal Control Audit Firms, Financial Advisors, or Sponsors

Applicable Inapplicable

IX. Delisting Risk Following Annual Report Disclosure

Applicable Inapplicable

X. Matters Related to Bankruptcy Reorganization

Applicable Inapplicable

XI. Major Litigation and Arbitration Matters

Applicable Inapplicable

XII. Penalties and Rectification Status

Applicable Inapplicable

XIII. Integrity Status of the Company, Its Controlling Shareholders, and Actual Controllers

Applicable Inapplicable

XIV. Major Related Party Transactions

1. Related Party Transactions Related to Daily Operations

Applicable Inapplicable

Unit: 10,000 yuan

related party	incidence relation	Related Party Transactions	related transaction content	principle of related party transaction pricing	related party transaction price	amount of related transactions	Proportion of transaction amount (%)	approved transaction limit	Exceeds the approved limit	settlement method of related party transaction	available market price of comparable transaction	Disclosure date	Disclosure Index
Thermaster Electronic (Xiamen) Ltd.	controlled company	Buy	Procurement of raw materials, parts, and components	Based on market prices, both parties adhere to the principles of fairness and reasonableness.	not have	2,445.29	2.83	3,500.00	deny	settlement according to the contract signed by both parties	not have	11-Mar-25	www.cninfo.com.cn
STAR COMGISTIC CAPITAL CO., LTD.	ultimate holding company	Selling goods	Sales of parts and finished products			321.71	0.24	600	deny				
amount to						2,767.00		4,100.00					
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 in Asset or Equity Acquisition or Sale

Applicable Inapplicable

3. Related Party Transactions in Joint External Investments

Applicable Inapplicable

4. Related creditor-debtor transactions

Applicable Inapplicable

whether there are non-operating related creditor-debtor transactions

Yes No

5. Transactions with affiliated financial companies

Applicable Inapplicable

6. Transactions between the company's holding financial entity and related parties

Applicable Inapplicable

7. Other Significant Related Party Transactions

Applicable Inapplicable

XV. Major Contracts and Their Performance

1. Custody, Contracting, and Leasing Matters

(1) Custody Status

Applicable Inapplicable

(2) Contracting Status

Applicable Inapplicable

(3) Rental Status

Applicable Inapplicable

2. Material Guarantee

Applicable Inapplicable

Unit: 10,000 yuan

Guarantee recipient name	disclosure date of credit facility announcement	guarantee amount	Actual occurrence date	actual amount of security	type of guarantee	thing pledged	counter security	period of guarantee	fulfilled	guarantee to a related party	
PT.STAR COMGISTIC INDONESIA	2025-4-26	3,750.00	2025 fiscal year	0.00	pledge	50% credit + 50% capital	not have	annum	deny	deny	
PT.STAR COMGISTIC INDONESIA	2025-10-29	2,250.00	2025 fiscal year	361.00	pledge	100% credit	not have	annum	deny	deny	
Total approved guarantee amount for subsidiaries during the reporting period (C1)			6,000.00	Total actual amount of guarantees provided to subsidiaries during the reporting period (C2)						1,400.00	
Total approved guarantee limits for subsidiaries at the end of the reporting period (C3)			6,000.00	Total actual guarantee balance of subsidiaries at the end of the reporting period (C4)						361.00	
Total amount of company guarantees (i.e. the sum of the first three items)											
Total approved credit line during the reporting period (C1)			6,000.00	Total actual amount of guarantees during the reporting period (C2)						1,400.00	
Total approved guarantee amount at the end of the reporting period (C3)			6,000.00	Total actual guarantee balance at end of period (C4)						361.00	
Total actual collateral (i.e. C4) as a percentage of the company's net assets											0.33%
among :											
Balance of guarantees provided to shareholders, actual controllers, and their affiliates (D)											0.00

The balance of debt guarantees provided directly or indirectly to guaranteed entities with a debt-to-asset ratio exceeding 70% (E)	0.00
Amount of the guarantee exceeding 50% of the net assets (F)	0.00
The total amount of the three guarantees (D+E+F)	0.00
Statement of unexpired guarantees where guarantee liabilities have been incurred or joint and several liabilities may be assumed during the reporting period	not have
statement of providing guarantee to the outside in violation of prescribed procedure	not have

The Specific Situation of the Guarantee of the Compound Method
not have

3. Management of Cash Assets Entrusted to Others

(1) Entrusted Financial Management

Applicable Inapplicable

(2) Entrusted Loan Status Applicable Inapplicable**4. Other Major Contracts** Applicable Inapplicable**XVI. Use of Raised Funds** Applicable Inapplicable**XVII. Explanation of Other Significant Matters** Applicable Inapplicable**XVIII. Major Matters of the Company's Subsidiaries** Applicable Inapplicable**Section VI Shareholding Changes and Shareholder Status****I. Shareholding Changes****1. Shareholding Changes**

Unit: shares

	Before this change		Change (+, -)					After this change	
	quantity	scale	new issue	bonu s share	conver sion of provid ent fund	other	subtotal	quantity	scale
1. Unlisted and non-tradable shares	0	0.00%	0	0.00	0.00	0.00	0.00	0	0.00%
1. Founder's shares									
of which: state-owned shares									
share of a domestic legal person									
shareholding by foreign legal									

person									
other									
2. Acquisition of Corporate Shares									
3. Internal Employee Stock									
4. Preferred shares or other									
II. Shares Already Listed and Circulating	185,391,680	100.00%	0	0	0	0	0	185,391,680	100.00%
1. Renminbi Common Stock									
2. Foreign-owned shares listed in China	185,391,680	100.00%	0	0	0	0	0	185,391,680	100.00%
3. Foreign shares listed overseas									
4. Others									
III. Total Number of Shares	185,391,680	100.00%	0	0	0	0	0	185,391,680	100.00%

reasons for share change

Applicable Inapplicable

approval of share change

Applicable Inapplicable

transfer of share change

Applicable Inapplicable

Effect of Share Changes on Financial Indicators Including Basic Earnings Per Share, Diluted Earnings Per Share, and Net Assets Per Share Belonging to Common Shareholders in the Recent Year and Period

Applicable Inapplicable

other information deemed necessary by the company or required by securities regulatory authorities

Applicable Inapplicable

2. Changes in Restricted Shares

Applicable Inapplicable

II. Securities Issuance and Listing Status

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

Applicable Inapplicable

2. Explanation of changes in the total number of company shares and shareholder structure, as well as the structure of company assets and liabilities

Applicable Inapplicable

3. Current Status of Internal Employee Shares

Applicable Inapplicable

III. Shareholders and Actual Controllers

1. Shareholders and Holdings of the Company

Unit: shares

Number of common stockholders at the end of the reporting period	12,958	Total number of common shareholders as of the end of the month preceding the annual report disclosure date	12,866	Number of preferred stockholders with restored voting rights at the end of the reporting period	0	Total number of preferred shareholders with restored voting rights as of the end of the month preceding the annual report disclosure date	0	
Shareholding status of shareholders holding more than 5% or the top 10 shareholders (excluding shares lent through securities lending)								
Shareholder name	nature of shareholders	shareholding ratio	number of shares held at end of period	Increase or decrease during the reporting period	number of unlisted shares held	number of shares in circulation	pledge, mark or freeze	
							share status	quantity
FORDCHEE DEVELOPMENT LIMITED	foreign legal person	29.10%	53,940,530.00	invariant	0	53,940,530.00	not applicable	0
EUPA INDUSTRY CORPORATION LIMITED	foreign legal person	13.09%	24,268,840.00	invariant	0	24,268,840.00	not applicable	0
FILLMAN INVESTMENTS LIMITED	foreign legal person	2.49%	4,621,596.00	invariant	0	4,621,596.00	not applicable	0
Cao Yifan	natural person within the territory	1.13%	2,094,000.00	Tan Tien	0	2,094,000.00	not applicable	0
Yong quan Chen	Domestic Natural Person	1.09%	2,028,476.00	99,000	0	2,028,476.00	not applicable	0
Chen Lijuan	Overseas Natural Person	0.94%	1,733,768.00	100,000	0	1,733,768.00	not applicable	0
Chen Yongqing	Overseas Natural Person	0.89%	1,658,078.00	invariant	0	1,658,078.00	not applicable	0
China Merchants Securities (Hong Kong) Limited	Foreign-funded Legal Person	0.72%	1,338,538.00	347,905	0	1,338,538.00	not applicable	0
Ding Xiaolun	Domestic Natural Person	0.63%	1,170,100.00	100	0	1,170,100.00	not applicable	0
Yang Wenliang	Domestic Natural Person	0.61%	1,131,471.00	-434,859	0	1,131,471.00	not applicable	0
Strategic investors or general legal persons become top 10 shareholders due to new share allotment		not have						

Explanation of the above-mentioned shareholder relationships or concerted actions	The first, second, and third largest shareholders are the company's legal controlling shareholders. The company is unaware whether there are any related-party relationships among the other circulating shareholders, nor whether they constitute acting-in-concert parties as defined under the "Measures for the Disclosure of Information on Changes in Shareholding by Shareholders of Listed Companies".		
Explanation of the above shareholders' proxy voting rights and voting rights waiver	not have		
Special Note on the Existence of a Dedicated Account for Share Repurchase among the Top 10 Shareholders	not have		
Top 10 circulating shareholders' holdings (excluding shares lent through securities lending and executives' restricted shares)			
Shareholder name	number of shares outstanding at the end of the reporting period	stock class	
		stock class	quantity
FORDCHEE DEVELOPMENT LIMITED	53,940,530.00	listed foreign shares	53,940,530.00
EUPA INDUSTRY CORPORATION LIMITED	24,268,840.00	listed foreign shares	24,268,840.00
FILLMAN INVESTMENTS LIMITED	4,621,596.00	listed foreign shares	4,621,596.00
Cao Yifan	2,094,000.00	listed foreign shares	2,094,000.00
Yong quan Chen	2,028,476.00	listed foreign shares	2,028,476.00
Chen Lijuan	1,733,768.00	listed foreign shares	1,733,768.00
Chen Yongqing	1,658,078.00	listed foreign shares	1,658,078.00
China Merchants Securities (Hong Kong) Limited	1,338,538.00	listed foreign shares	1,338,538.00
Ding Xiaolun	1,170,100.00	listed foreign shares	1,170,100.00
Yang Wenliang	1,131,471.00	listed foreign shares	1,131,471.00
Explanation of related party relationships or concerted actions among the top 10 shareholders holding unrestricted tradable shares, and between these top 10 shareholders and the top 10 shareholders in general.	The first, second, and third largest shareholders are the company's legal controlling shareholders. The company is unaware whether there are any related-party relationships among the other circulating shareholders, nor whether they constitute acting-in-concert parties as defined under the "Measures for the Disclosure of Information on Changes in Shareholding by Shareholders of Listed Companies".		
Explanation of the Top 10 Common Stockholders' Participation in Margin Trading and Short Selling	not have		

Shareholding status of shareholders holding over 5% equity, top 10 shareholders, and top 10 unrestricted tradable shareholders participating in securities lending business

Applicable Inapplicable

The top 10 shareholders and the top 10 unrestricted tradable shareholders have changed from the previous period due to margin lending and repayment activities.

Applicable Inapplicable

Did the company's top 10 common shareholders and top 10 unrestricted common shareholders execute any agreed repurchase transactions during the reporting period?

Yes No

The company's top 10 common shareholders and top 10 unrestricted common shareholders did not conduct any agreed repurchase transactions during the reporting period.

2. Details of the Company's Major Shareholders

Nature of controlling shareholder: foreign holding

Type of controlling shareholder: legal entity

name of controlling shareholder	Legal Representative/Unit Head	date of establishment	Organization code	principal business
Fochi Development Co., Ltd.	Cai Yuansong	January 3, 1990	269100	invest
Uber Industrial Co., Ltd.	Cai Shuhui	21 July 1989	258847	invest
Overseas Chinese Investment Co., Ltd.	Cai Shuhui	21 July 1992	369423	invest
Equity holdings of controlling shareholders in other domestic and overseas listed companies during the reporting period	not have			

Controlled Shareholder Changes During the Reporting Period

Applicable Inapplicable

3. The actual controller of the company and its acting-in-concert parties

Nature of actual control: foreign natural person

Type of actual controller: Individual

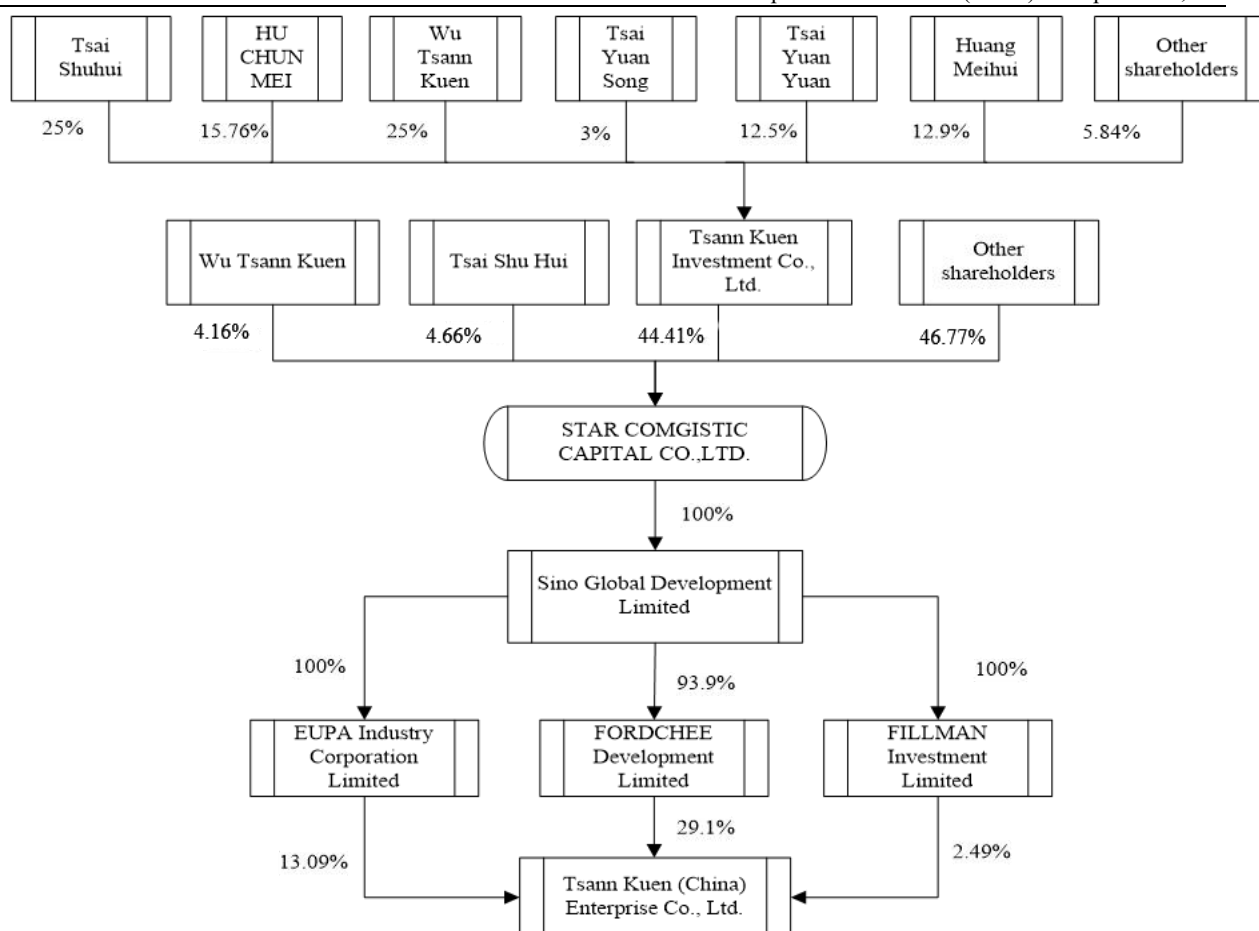
Name of the actual controller	relationship with the actual controller	nationality	whether to obtain residency in other countries or regions
Wu Cankun	self	Taiwan, China	deny
Main occupations and positions	Group Founder		
Listed Companies in China and Abroad That Have Been Controlled in the Past 10 Years	The actual controllers of (Taiwan) Cankun Industrial Co., Ltd., (Taiwan) Canxing Netcom Co., Ltd., and (Taiwan) Canxing International Travel Service Co., Ltd.		

Change of actual controller during reporting period

Applicable Inapplicable

The actual controller of the company remained unchanged during the reporting period.

Diagram of the ownership and control relationship between the company and the actual controller



actual controller exercising control over the company through trust or other asset management mechanisms

Applicable Inapplicable

4. The cumulative number of shares pledged by the company's controlling shareholder or largest shareholder and their acting-in-concert parties accounts for 80% of their total holdings.

Applicable Inapplicable

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

Applicable Inapplicable

6. Shareholding Restriction Reduction Status of Controlling Shareholders, Actual Controllers, Restructuring Parties and Other Commitment Entities

Applicable Inapplicable

IV. Implementation of Share Repurchase During the Reporting Period

progress of share repurchase

Applicable Inapplicable

Progress of the implementation of the reduction and repurchase of shares by means of centralized bidding

Applicable Inapplicable

V. Information on Preferred Shares

Applicable Inapplicable

The company has no preferred stock during the reporting period.

Section VII Bonds

Applicable Inapplicable

No preference shares in this reporting period.

Section VIII Financial Report

I.audit report

Audit opinion type	unqualified standard opinion
date of audit report	7 March 2026
Auditing Organization Name	Lixin Accounting Firm (Special General Partnership)
Audit report document number	Xin Kuai Shi Bao Zi [2026] No. ZA10214
Certified Public Accountant's Name	Hu Jingdong, Li Puqi

II.financial statement (attached)

1. Balance Sheet
2. Income Statement
3. Statement of Cash Flows
4. Statement of Changes in Owner's Equity
5. Notes to Financial Statements

Chairman: Cai Yuansong
The Board of Directors of Tsann Kuen (China) Enterprise Co., Ltd.
7 March 2026

**TSANN KUEN (CHINA) ENTERPRISE CO.,
LTD.**

**AUDITOR'S REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**ENGLISH TRANSLATION OF AUDITOR'S
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

**IF THERE IS ANY CONFLICT BETWEEN THE
CHINESE VERSION AND ITS ENGLISH
TRANSLATION, THE CHINESE VERSION
WILL PREVAIL**

Tsann Kuen (China) Enterprise Co., Ltd.
Auditor's Report and Financial Statements

(From 1 January 2025 to 31 December 2025)

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Auditor's Report

(English Translation for Reference Only)

Xin Kuai Shi Bao Zi [2026] No. ZA10214

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

Opinion

We have audited the accompanying financial statements of Tsann Kuen (China) Enterprise Co., (“TKC”), which comprise the consolidated and company's balance sheets as at 31 December 2025, 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 owners' 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 2025 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 China Independence Standard for Certified Public Accountants No. 1 – Independence for Audit and Review Engagements and China Code of Ethics for Certified Public Accountants (“ the CICPA Code ”) and have fulfilled our other ethical responsibilities in accordance with the CICPA Code. The independence requirements for audits of public interest entities have been applied in our audit. 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	
Refer to Note V (34) to the financial statements, TKC's operating income for the year ended 31 December 2025 amounted to CNY 1,344,775,556.24, representing an decrease of 20.95% compared to the previous period.	Audit response
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,	Regarding revenue recognition of TKC, audit procedures we performed primarily included: (1) Understanding and evaluating the design and operating effectiveness of key internal controls related to revenue recognition by management. (2) Reviewing sales contracts, on sample basis,

Key Audit Matters	How these matters were addressed in the audit
<p>revenue recognition is determined as a key audit matter.</p>	<p>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>(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.</p> <p>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>(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>(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>(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 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>(8) We assessed and monitored the client's business operations and their collaboration with TKC by combining methods such as email interviews and public channel inquiries.</p>

Key Audit Matters	How these matters were addressed in the audit
<p data-bbox="225 170 526 206">2. Inventory provision</p> <p data-bbox="225 206 783 353">Refer to Note V (6) to the financial statements, as at 31 December 2024, TKC's inventory balance was CNY 215,823,595.28, with an inventory provision of CNY 22,105,533.83.</p> <p data-bbox="225 398 783 1115">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 data-bbox="804 206 991 241">Audit response</p> <p data-bbox="804 286 1337 389">Regarding inventory provisions for TKC, the audit procedures we performed primarily included:</p> <ol data-bbox="804 434 1362 1912" style="list-style-type: none"> <li data-bbox="804 434 1362 582">(1) Understanding and evaluating the design and operating effectiveness of internal controls related to inventory provisions made by management. <li data-bbox="804 627 1362 810">(2) Understand the inventory impairment provision policy, compare it with those of peer companies in the same industry, and evaluate whether it complies with the Accounting Standards for Enterprises. <li data-bbox="804 855 1362 963">(3) Reviewing costing data and performing analysis on material, labor, and overhead costs for major products by year and by month. <p data-bbox="804 1008 1347 1227">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> <ol data-bbox="804 1272 1362 2069" style="list-style-type: none"> <li data-bbox="804 1272 1362 1420">(4) 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. <li data-bbox="804 1464 1362 1684">(5) 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. <li data-bbox="804 1729 1362 1912">(6) For products where public market sales prices are not available, comparing the estimated selling prices with actual selling prices from recent transactions or post-period sales, on sample basis. <li data-bbox="804 1957 1362 2069">(7) Comparing the costs incurred to complete similar raw materials and work-in-progress during the year, on sample basis, to evaluate

Key Audit Matters	How these matters were addressed in the audit the reasonableness of TKC's estimates of costs to complete production.
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Other Information

Management of TKC (“ Management ”) is responsible for the other information. The other information comprises all of the information included in the 2025 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:
(Engagement Partner)**

Certified Public Accountant of China:

Shanghai, China

March 7, 2026

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

Item	Notes	31/12/2025	31/12/2024
Current Assets:			
Cash and Cash equivalents	V.1	460,847,776.00	444,377,943.52
Settlements Provision			
Loans to banks and other financial institutions			
Financial assets held for trading	V.2		50,942,083.33
Derivative Financial instrument			
Notes receivable			
Accounts receivable	V.3	139,969,323.13	203,955,899.80
Financing receivable			
Prepayments	V.4	4,955,253.01	4,318,758.91
Insurance premium receivable			
Due from reinsurers			
Provision of reinsurance contract reserve receivable			
Other receivables	V.5	21,608,192.98	27,902,480.51
Financial assets purchased under agreements to resell			
Inventories	V.6	193,718,061.45	194,399,523.78
including: Data Resources			
Contractual asset			
Held for sale assets			
Current portion of non-current assets	V.7	555,877,899.74	51,260,694.44
Other current assets	V.8	288,286,038.04	554,336,979.01
Total Current Assets		1,665,262,544.35	1,531,494,363.30
Non-Current Assets:			
Loans and advances			
Debt investment	V.9	208,602,148.68	540,534,660.69
Other debt investment			
Long-term receivables			
Long-term equity investment	V.10	7,884,938.82	
Other equity instrument investment	V.11	40,000.00	40,000.00
Other non-current financial instrument			
Investments properties	V.12	18,560,118.67	19,287,755.23
Fixed assets	V.13	162,861,863.08	146,795,190.83
Construction in process	V.14	14,770,911.87	3,462,300.89
Productive biological assets			
Oil and gas assets			
Right-of-use assets	V.15	340,387,210.22	353,943,869.92
Intangible assets	V.16	10,806,092.17	11,947,318.66
including: Data Resources			
Development expenditures			
including: Data Resources			
Goodwill			
Long-term prepaid expenses	V.17	3,395,913.29	5,571,380.26
Deferred tax assets	V.18	15,842,586.55	11,872,802.85
Other non-current assets	V.19	6,273,764.94	10,099,186.11

Item	Notes	31/12/2025	31/12/2024
Total Non-current Assets		789,425,548.29	1,103,554,465.44
Total Assets		2,454,688,092.64	2,635,048,828.74

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	31/12/2025	31/12/2024
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.21	2,224,816.88	19,418,627.35
Accounts payable	V.22	383,868,393.34	517,321,517.29
Received in advance	V.23	2,382,045.58	2,924,333.25
Contractual liability	V.24	23,617,663.18	16,296,739.65
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.25	58,319,624.45	53,957,022.40
Taxes payable	V.26	7,067,320.13	18,310,394.76
Other payables	V.27	28,579,322.67	40,877,557.33
Fees and commission payable			
Payable reinsurance			
Liabilities classified as held for sale			
Current portion of non-current liabilities	V.28	476,624.15	922,678.70
Other current liabilities			
Total Current Liabilities		506,535,810.38	670,028,870.73
Non- current Liabilities:			
Insurance reserves			
Long-term borrowings			
Bonds payable			
including: Preference share			
Perpetual debt			
Lease liabilities	V.29	401,559,564.79	396,004,620.97
Long-term payables			
Long- term employee payables			
Provisions			
Deferred income			
Deferred Tax liabilities			
Other non- current liabilities			
Total Non -current Liabilities		401,559,564.79	396,004,620.97
Total Liabilities		908,095,375.17	1,066,033,491.70
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.31	296,808,965.79	296,808,965.79
Less: Treasury stock			
Other comprehensive income	V.32	8,287,226.27	11,252,746.52
Special reserves			
Surplus reserves	V.33	86,780,627.31	81,427,732.56
General reserve			
Retained earnings	V.34	512,340,440.03	527,518,517.81
Equity attributable to owners of the parent			
Non-controlling interests		456,983,778.07	466,615,694.36
Total Equity		1,546,592,717.47	1,569,015,337.04
Total Liabilities and Equity		2,454,688,092.64	2,635,048,828.74

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	31/12/2025	31/12/2024
Current Assets:			
Cash and Cash equivalents		21,849,532.74	9,893,016.08
Financial assets held for trading			
Derivative Financial instrument			
Notes receivable			
Accounts receivable	XV.1	4,371.17	201,780.44
Financing receivable			
Prepayments			21,287.13
Other receivables	XV.2	5,020,385.44	6,555,310.24
Inventories		862,258.78	2,264,166.58
including: Data Resources			
Contractual asset			
Held for sale assets			
Current portion of non-current assets			
Other current assets			
Total Current Assets		27,736,548.13	18,935,560.47
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		18,488,476.01	19,301,965.49
Fixed assets		729,555.26	294,240.38
Construction in process		80,198.02	97,676.45
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		736,503.51	1,016,860.33
Deferred tax assets		696,346.82	824,852.10
Other non-current assets			
Total Non-current Assets		944,185,781.18	944,990,296.31
Total Assets		971,922,329.31	963,925,856.78

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	31/12/2025	31/12/2024
Current Liabilities:			
Short- term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		556,027.25	1,815,877.06
Received in advance		2,170,012.42	2,403,680.33
Contractual liability		73,127.34	153,646.35
Employee Benefits Payable		7,323,253.61	8,589,134.60
Taxes payable		5,312,866.63	5,127,289.98
Other payables		3,666,211.88	13,173,843.37
Liabilities classified as held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total Current Liabilities		19,101,499.13	31,263,471.69
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		19,101,499.13	31,263,471.69
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		86,780,627.31	81,427,732.56
Retained earnings		409,158,233.05	394,352,682.71
Total Equity		952,820,830.18	932,662,385.09
Total Liabilities and Equity		971,922,329.31	963,925,856.78

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	2025	2024
I. Total revenue		1,344,775,556.24	1,701,115,450.56
Including: Operating revenue	V.35	1,344,775,556.24	1,701,115,450.56
Interest income			
Net earned premiums			
Net fee and commission revenue			
II. Total cost of sales		1,347,440,334.84	1,621,904,892.41
Including: Cost of sales	V.35	1,164,647,541.66	1,442,304,059.99
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.36	8,309,667.68	9,575,256.08
Selling and distribution expenses	V.37	22,681,766.27	32,229,714.35
General and Administrative Expenses	V.38	76,651,233.17	71,475,902.71
Research and Development Expenses	V.39	61,494,511.72	64,932,266.81
Financial expenses	V.40	13,655,614.34	1,387,692.47
Including: Interest expenses	V.40	21,174,939.96	21,700,670.25
Interest income	V.40	6,644,317.40	9,148,448.06
add: other income	V.41	7,797,792.60	2,474,270.98
investment income (Loss listed with "-")	V.42	29,022,384.02	37,678,574.75
Including: income from investments in associates and joint ventures		-1,713,478.49	
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.43	-942,083.33	-2,066,950.01
Credit impairment losses(Loss listed with "-")	V.44	-828,311.85	1,247,974.06
Assets impairment losses(Loss listed with "-")	V.45	-3,642,607.37	-9,171,148.75
Gain on asset disposal(Loss listed with "-")	V.46		756,104.15
III. Operating profit (Loss listed with "-")		28,742,395.47	110,129,383.33
Add: Non-operating income	V.47	2,062,990.74	488,343.55
Less: Non-operating expenses	V.48	121,321.05	86,992.81
IV. Total profit (Loss listed with "-")		30,684,065.16	110,530,734.07
Less: Income tax expenses	V.49	2,335,334.43	14,439,043.79
V. Net profit (Net loss listed with "-")		28,348,730.73	96,091,690.28
1.Classification by continuity			
(1)Net profit from continuing operation		28,348,730.73	96,091,690.28
(2)Net profit from discontinuing operation			
2.Classification by ownership			
(1)Net profit attributable to equity holders(shareholders) of the Company		23,545,319.37	72,782,642.48
(2)Net profit attributable to non-controlling interests		4,803,411.36	23,309,047.80
VI. Other comprehensive income net off tax		-3,954,027.00	1,367,590.68
Other comprehensive income, net of tax, attributable to owners of the parent		-2,965,520.25	1,025,693.01
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		-2,965,520.25	1,025,693.01
(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		-2,965,520.25	1,025,693.01
(7)Others			
Total comprehensive income attributable to non-controlling interests		-988,506.75	341,897.67
VII. Total comprehensive income		24,394,703.73	97,459,280.96
Total comprehensive income attributable to parent Company		20,579,799.12	73,808,335.49
Total comprehensive income attributable to minority interest		3,814,904.61	23,650,945.47
VIII. Earnings per share			
1.Basic earnings per share (yuan / share)		0.13	0.39
2.Diluted earnings per share (yuan / share)		0.13	0.39

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	2025	2024
I. Including: Operating revenue	XV.4	65,033,846.93	62,577,021.03
Less: Including: Cost of sales	XV.4	40,233,757.88	38,198,806.71
Taxes and surcharges		3,622,720.97	3,493,800.18
Selling and distribution expenses		1,156,996.31	4,969,111.32
General and Administrative Expenses		3,249,234.00	3,756,259.59
Research and Development Expenses			
Financial expenses		-181,169.83	669,696.35
Including: Interest expenses			
Interest income		96,993.71	238,136.71
add: other income		146,330.80	253,036.51
investment income (Loss listed with "-")	XV.5	40,989,673.41	50,748,305.69
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 "-")		10,865.60	-90,756.57
Assets impairment losses(Loss listed with "-")		-493,604.13	-465,206.38
Gain on asset disposal(Loss listed with "-")			
II. Operating profit (Loss listed with "-")		57,605,573.28	61,934,726.13
Add: Non-operating income		87,670.00	145,283.80
Less: Non-operating expenses			
III. Total profit (Loss listed with "-")		57,693,243.28	62,080,009.93
Less: Income tax expenses		4,164,295.79	2,817,567.94
IV. Net profit (Net loss listed with "-")		53,528,947.49	59,262,441.99
(1)Net profit from continuing operation		53,528,947.49	59,262,441.99
(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		53,528,947.49	59,262,441.99

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	2025	2024
I.Cash flow from operating activities			
Cash receipts from the sale of goods and the rendering of services		1,387,747,083.34	1,684,727,339.30
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		115,274,285.06	130,736,109.49
Cash received relating to other operating activities	V.51	122,840,857.51	105,745,612.01
Sub-total of cash inflows from operating activities		1,625,862,225.91	1,921,209,060.80
Cash payments for goods and services acquired		1,173,380,815.04	1,282,912,066.78
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		315,057,361.50	333,654,754.29
Tax and duties payments		29,575,058.55	72,142,459.95
Cash paid relating to other operating activities	V.51	122,836,112.72	96,116,367.69
Sub-total of cash outflows from operating activities		1,640,849,347.81	1,784,825,648.71
Net cash flows from operating activities		-14,987,121.90	136,383,412.09
II.Cash flows from investing activities			
Cash receipts from return of investments		51,074,481.69	467,496,463.16
Cash receipts from investments income		16,361,358.78	29,616,139.06
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		16,039,064.48	3,436,879.76
Net cash receipts from disposal of subsidiaries and other businesses			
Cash received relating to other investing activities	V.51	635,349,329.98	546,076,871.65
Sub-total of cash inflows from investing activities		718,824,234.93	1,046,626,353.63
Cash payments for acquired fixed assets, intangible assets and other long-term assets		83,287,810.76	43,665,792.26
Cash payments for investment		214,439,000.00	481,500,000.00
Net increase of pledged loan			
Net cash payments for acquisition of subsidiaries and other businesses			
Other cash payments in investing activities	V.51	325,728,783.59	699,587,632.10
Sub-total of cash outflows from investing activities		623,455,594.35	1,224,753,424.36
Net cash flows from investment activities		95,368,640.58	-178,127,070.73
III.Cash flows from financing activities			
Cash received from capital injection			
Including: Cash received by subsidiaries from investment absorpotion of minority interest			
Cash receipts from borrowings		35,841,800.00	21,282,600.00
Other cash receipts in financing activities	V.51	4,748,170.39	11,360,910.42
Sub-total of cash inflows from financing activities		40,589,970.39	32,643,510.42
Cash paid for settlement of borrowings		35,730,000.00	21,309,000.00
Cash paid for dividends, profits appropriation or payments of interest		51,550,436.52	68,274,838.64
Including: Dividens and profits paid to minority interest		13,446,820.90	16,479,864.07
Other cash payments in financing activities	V.51	15,555,306.89	21,446,503.68
Sub-total of cash outflows from financing activities		102,835,743.41	111,030,342.32
Net cash flows from financing activities		-62,245,773.02	-78,386,831.90
IV.Effect of changes in foreign exchange rate on cash and cash equivalents		821,302.84	210,946.51
V.Net increases in cash and cash equivalents		18,957,048.50	-119,919,544.03
Add: the beginning balance of cash and cash equivalent		441,890,727.50	561,810,271.53
VI.The ending balance of cash and cash equivalent		460,847,776.00	441,890,727.50

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	2025	2024
I.Cash flow from operating activities			
Cash receipts from the sale of goods and the rendering of services		1,914,120.68	3,439,524.96
Refunds of taxes			
Cash received relating to other operating activities		69,655,986.18	64,957,580.15
Sub-total of cash inflows from operating activities		71,570,106.86	68,397,105.11
Cash payments for goods and services acquired		1,973,804.82	1,759,781.26
Cash payments to and on behalf of employees		3,286,950.69	2,951,729.61
Tax and duties payments		10,946,438.15	8,283,951.05
Cash paid relating to other operating activities		50,143,940.24	57,599,761.90
Sub-total of cash outflows from operating activities		66,351,133.90	70,595,223.82
Net cash flows from operating activities		5,218,972.96	-2,198,118.71
II.Cash flows from investing activities			
Cash receipts from return of investments			
Cash receipts from investments income		40,989,673.41	50,748,305.69
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets			
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		40,989,673.41	50,748,305.69
Cash payments for acquired fixed assets, intangible assets and other long-term assets		1,004,782.17	297,569.26
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		1,004,782.17	297,569.26
Net cash flows from investment activities		39,984,891.24	50,450,736.43
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		33,370,502.40	46,347,920.00
Other cash payments in financing activities			
Sub-total of cash outflows from financing activities		33,370,502.40	46,347,920.00
Net cash flows from financing activities		-33,370,502.40	-46,347,920.00
IV.Effect of changes in foreign exchange rate on cash and cash equivalents		123,154.86	-1,238.75
V.Net increases in cash and cash equivalents		11,956,516.66	1,903,458.97
Add: the beginning balance of cash and cash equivalent		9,893,016.08	7,989,557.11
VI.The ending balance of cash and cash equivalent		21,849,532.74	9,893,016.08

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	2025														
	Other equity instruments Preference shares Perpetual capital securities Others													Non-controlling interests	Total shareholders' equity
	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		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	
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		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	
III. Increase/ Decrease for current year (Decrease listed with "-")							-2,965,520.25		5,352,894.75		-15,178,077.78	-12,790,703.28	-9,631,916.29	-22,422,619.57	
1. Total of comprehensive income							-2,965,520.25				23,545,319.37	20,579,799.12	3,814,904.61	24,394,703.73	
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									5,352,894.75		-38,723,397.15	-33,370,502.40	-13,446,820.90	-46,817,323.30	
(1) Transfer to surplus reserve									5,352,894.75		-5,352,894.75				
(2) Transfer to general Reserve															
(3) Distribution to shareholders											-33,370,502.40	-33,370,502.40	-13,446,820.90	-46,817,323.30	
(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		8,287,226.27		86,780,627.31		512,340,440.03	1,089,608,939.40	456,983,778.07	1,546,592,717.47	

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	2024														
	Other equity instruments Preference shares Perpetual capital securities Others													Non-controlling interests	Total shareholders' equity
	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.
Company's Statement of Changes in Shareholder' s Equity
(All amounts in RMB Yuan unless otherwise stated)
(English Translation for Reference Only)

Item	2025										
	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				81,427,732.56	394,352,682.71	932,662,385.09
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				81,427,732.56	394,352,682.71	932,662,385.09
III. Increase/ Decrease for current year (Decrease listed with "-")									5,352,894.75	14,805,550.34	20,158,445.09
1. Total of comprehensive income										53,528,947.49	53,528,947.49
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									5,352,894.75	-38,723,397.15	-33,370,502.40
(1) Transfer to surplus reserve									5,352,894.75	-5,352,894.75	
(2) Distribution to shareholders										-33,370,502.40	-33,370,502.40
(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				86,780,627.31	409,158,233.05	952,820,830.18

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	2024										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Subtotal
		Preferenc e shares	Perpetu al capital securitie s	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.
Notes to the Financial Statements
For the Year Ended 31 December 2025
(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 2025, 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 2025, 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 07 March 2026, 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 2025, 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.

②Income 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.

③Foreign 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 may be 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.

② Financial 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:

- ①The carrying amount of the derecognized portion;
- ②The 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 sametime.

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 sametime.

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.:

Item	Basis for determining the groups
Aging of Accounts	This group uses the accounts receivables

Item	Basis for determining the groups
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:

Aging	Accrual ratio (%)
Not overdue	0.50

Aging	Accrual ratio (%)
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.

① In 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.

② For 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.

③ The 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.

④ If 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 method	7.00-10.00	12-20	4.50-7.50
Machinery equipment	Straight-line method	0.00	4-15	6.67-25.00
Electrical equipment, Model,	Straight-	0.00	5-6	16.67-20.00

Category	Depreciation method	Residual rates (%)	Estimated useful life (year)	Annual depreciation rates (%)
and other	line method			
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

①The 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.

②Subsequent 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

Category	Estimated useful life	Basis
		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 contract 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 with 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 liability 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.

② Service 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:

①If 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.

②If 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 leases 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.

④Change of lease

If a lease is changed and the following conditions are met at the sametime, 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.

①Accounting 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 apportions 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

Accounting Treatment for Standard Warehouse Receipt Transactions under the Financial Instruments Standards Implementation Q&A

On July 8, 2025, the Ministry of Finance issued the Implementation Q&A regarding the accounting treatment for standard warehouse receipt transactions. It explicitly states that, in accordance with the Accounting Standards for Financial Instruments (Recognition and Measurement), enterprises engaging in frequent contracts to buy and sell standard warehouse receipts on futures exchanges for the purpose of generating profits from price differentials, without taking physical delivery of the underlying commodities, typically indicate a business practice of acquiring contract assets and subsequently reselling them within a short period to profit from short-term market fluctuations. Such contracts shall be treated as financial instruments, and their accounting treatment shall follow the requirements of the financial instruments standards.

When enterprises acquire standard warehouse receipts under such contracts and sell them within a short period, sales revenue shall not be recognized. Instead, the difference between the consideration received and the carrying amount of the sold standard warehouse receipts shall be recognized in investment income. Standard

warehouse receipts held at the reporting period and not yet sold shall be classified as other current assets.

Pursuant to the requirements of the Notice on Strictly Implementing Enterprise Accounting Standards and Effectively Preparing Enterprise Annual Reports for 2025 (Caihui [2025] No. 33), adjustments to accounting policies due to the implementation of the above provisions shall require restatement of comparable period information in the financial statements. The adoption of this regulation has not had a material impact on the Company's financial position or 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 provisions of the Announcement on Further Supporting the Development of Small and Micro Enterprises and Self-Employed Individuals with Tax and Fee Policies (Announcement No. 12 of 2023 by the Ministry of Finance and the State Administration of Taxation):"3. The policy allowing small and micro-profit enterprises to calculate taxable income at 25% of the statutory rate and pay enterprise income tax at a 20% tax rate has been extended until December 31, 2027.Xiamen Cankun Property Services Co., Ltd., a subsidiary of the Company, is entitled to the above tax preferential policies."

V. Notes to Consolidated Financial Statements

1. Cash at bank and on hand

Items	Closing balance	Opening balance
Monetary Funds	814,719.21	887,987.84
Digital Currency		
Cash in bank	460,016,679.73	440,872,233.11
Other cash and cash equivalents	16,377.06	2,617,722.57
Deposits with Financial Companies		
Total	460,847,776.00	444,377,943.52
Including: The total amount deposited overseas	42,799,561.10	37,357,738.79
Restricted Funds Held Overseas		

CNY 16,377.06 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
Including: Equity instrument investment		
Structured Deposit Investment		50,942,083.33
Total		50,942,083.33

3. Account receivable

(1) Category of accounts receivable listed by age

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Aging	Closing Balance	Opening balance
Within 1 year	142,623,608.17	205,640,866.11
Including: Within 90 days	126,361,373.98	190,204,917.49
91 days to 180 days	16,260,251.66	15,422,144.41
181 days to 270 days		13,804.21
271 days to 365 days	1,982.53	
1 year to 2 years	748.23	40.24
2 years to 3 years		20,000.00
3 years to 4 years		9,677.56
4 years to 5 years	9,677.56	110,740.52
Over 5 years	15,740.52	5,000.00
Subtotal	142,649,774.48	205,786,324.43
Less: provision for bad debt	2,680,451.35	1,830,424.63
Total	139,969,323.13	203,955,899.80

(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	142,649,774.48	100.00	2,680,451.35	1.88	139,969,323.13	205,786,324.43	100.00	1,830,424.63	0.89	203,955,899.80

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Items	Closing Balance					Opening Balance				
	Booking balance		Provision		Booking value	Booking balance		Provision		Booking value
	Amount	%	Amount	%		Amount	%	Amount	%	
characters of credit risk portfolio										
Including:										
-Portfolio by age	139,200,837.18	97.58	2,680,451.35	1.93	136,520,385.83	204,835,409.81	99.54	1,830,424.63	0.89	203,004,985.18
-Portfolio by related parties	3,448,937.30	2.42			3,448,937.30	950,914.62	0.46			950,914.62
Total	142,649,774.48	100.00	2,680,451.35		139,969,323.13	205,786,324.43	100.00	1,830,424.63		203,955,899.80

Provision for Bad Debts Based on Aging Portfolio:

Aging	Closing Balance		
	Accounts receivable	Provision for bad debts	Proportion (%)
Not overdue	120,294,774.42	601,159.83	0.50
Overdue 1 - 30 days	11,130,636.17	500,878.63	4.50
Overdue 31 - 60 days	7,744,043.75	1,548,808.75	20.00
Overdue 61 - 90 days	3,234.00	1,455.30	45.00
Overdue more than 90 days	28,148.84	28,148.84	100.00
Total	139,200,837.18	2,680,451.35	

(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	1,830,424.63	2,680,451.35				4,510,875.98
Including:Portfolio by age	1,830,424.63	2,680,451.35				4,510,875.98
Portfolio by related parties						
Total	1,830,424.63	2,680,451.35				4,510,875.98

(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 99,647,986.06, representing 69.85% 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 2,350,723.71.

4. Advances to Suppliers

(1)Advances to suppliers by aging

Items	Closing Balance		Opening Balance	
	Amoun	Percentage (%)	Amoun	Percentage (%)
Within 1 year	4,955,253.01	100.00	4,318,758.91	100.00
Total	4,955,253.01	100.00	4,318,758.91	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 1,903,219.05, accounting for 38.41% of the total amount of the prepayment at the end of the year.

5.Other receivables

Items	Closing Balance	Opening Balance
Interest receivable		
Dividend receivable		
Other receivable	21,608,192.98	27,902,480.51
Total	21,608,192.98	27,902,480.51

(1)Other receivables

①Disclosure by aging

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Aging	Closing Balance	Closing Balance
Within 1 year (including 1year)	20,499,731.51	26,709,851.91
Including: Within 90 days	20,311,115.49	26,401,440.21
91 days to 180 days	93,830.21	290,303.70
181 days to 270 days	21,629.94	18,108.00
271 days to 365 days	73,155.87	
1year to 2 years	180,171.75	625,214.28
2 years to 3 years	376,622.68	35,500.00
3 years to 4 years	5,000.00	
Over 5 years	1,026,725.63	1,048,404.94
Subtotal	22,088,251.57	28,418,971.13
Less: provision for bad debt	480,058.59	516,490.62
Total	21,608,192.98	27,902,480.51

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	1.48	326,422.64	100.00		326,422.64	1.15	326,422.64	100.00	
Including :										
Other current balances	326,422.64	1.48	326,422.64	100.00		326,422.64	1.15	326,422.64	100.00	
Provision for bad debts by portfolio	21,761,828.93	98.52	153,635.95	0.71	21,608,192.98	28,092,548.49	98.85	190,067.98	0.68	27,902,480.51

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Items	Closing Balance					Opening Balance				
	Book balance		Provision		Carrying amount	Booking balance		Provision		Carrying amount
	Amount	%	Amount	%		Amount	%	Amount	%	
Including										
:										
Export tax refund	12,000,000.00	54.33			12,000,000.00	18,000,000.00	63.34			18,000,000.00
Other current balances	8,634,103.30	39.09	153,635.95	1.78	8,480,467.35	8,887,143.55	31.27	190,067.98	2.14	8,697,075.57
Deposit	1,127,725.63	5.11			1,127,725.63	1,205,404.94	4.24			1,205,404.94
Total	22,088,251.57	100.00	480,058.59		21,608,192.98	28,418,971.13	100.00	516,490.62		27,902,480.51

Provision for bad debts is made on an individual basis:

Items	Closing Balance			Reason for accrual	Opening Balance	
	Booking balance	Bad debts	Accrual rate(%)		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	8,634,103.30	153,635.95	1.78
Total	8,634,103.30	153,635.95	

③Bad debt provision of other receivable

Provision for bad	1st stage	2nd stage	3rd stage	Total
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	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, 2024	190,067.98		326,422.64	516,490.62
On January 1, 2024 Other receivable carrying amount on the book				
transfer to 2nd stage				
transfer to 3rd stage				
reverse to 2nd stage				
reverse to 1st stage				
Accrued	141,983.73			141,983.73
Reversed	178,415.76			178,415.76
Recollected				
Written off				
Others				
Closing Balance	153,635.95		326,422.64	480,058.59

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	190,067.98	141,983.73	178,415.76			153,635.95
Total	190,067.98	141,983.73	178,415.76			153,635.95

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Items	Opening balance	Change during the year			Closing Balance
		Accrued	Collected/reversed	Written-off others	
	98	73			95

⑤The categories of other receivable by nature

Items	Closing Balance	Opening balance
Export tax refund	12,000,000.00	18,000,000.00
Other current balances	8,960,525.95	9,213,566.19
Deposit	1,127,725.63	1,205,404.94
Total	22,088,251.58	28,418,971.13

⑥Other receivables from the top 5 debtors

Company name	Category	closing balance	Ageing	Rate of other receivables	Bad debts
Zhangzhou Taiwan investment zone State Administration of Taxation	Export tax refund	12,000,000.00	1-90 days	54.33	
State Grid Fujian Longhai Power Supply Co., Ltd	Other current balances	2,824,073.65	1-90 days	12.79	
China Export & Credit Insurance Corporation Fujian Branch	Security deposit	648,450.00	over 5years	2.94	
Sunshine	Other	437,550.00	1-90	1.98	

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Company name	Category	closing balance	Ageing	Rate of other receivables	Bad debts
Property Insurance Co., Ltd., Xiamen Branch	current balances		days		
PT. PLN (PERSERO)	Security deposit	378,275.63	over 5years	1.71	
Total		16,288,349.28		73.75	

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	74,015,782.16	14,946,461.02	59,069,321.14	74,560,733.28	13,095,705.30	61,465,027.98
Materials in transit	7,796,782.08	-	7,796,782.08	3,073,604.45	-	3,073,604.45
Self-manufactured semi-finished goods	16,516,601.91	1,876,938.57	14,639,663.34	27,333,598.54	3,193,768.90	24,139,829.64
Work in process	31,803,251.23	-	31,803,251.23	29,574,402.53	-	29,574,402.53

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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
Finished goods	69,675,139.12	5,282,134.24	64,393,004.88	78,687,157.30	6,285,683.77	72,401,473.53
Low-value consumables	16,016,038.78	-	16,016,038.78	3,745,185.65	-	3,745,185.65
Total	215,823,595.28	22,105,533.83	193,718,061.45	216,974,681.75	22,575,157.97	194,399,523.78

(2) Provision for impairment

Items	Opening Balance	Increase		Decrease		Closing Balance
		Accrual	other	Reverse/Written -off	other	
Raw materials	13,095,705.30	3,143,935.72	-109,391.73	1,183,788.27	-	14,946,461.02
Self-manufactured semi-finished goods	3,193,768.90	714,281.93	-11,928.35	2,019,183.91	-	1,876,938.57
Finished goods	6,285,683.77	3,378,000.10	-9,556.14	4,371,993.49	-	5,282,134.24
Total	22,575,157.97	7,236,217.75	-130,876.22	7,574,965.67	-	22,105,533.83

7. Current portion of non-current assets

Items	Closing balance	Opening balance
Debt investments due within one year	555,877,899.74	51,260,694.44
Total	555,877,899.74	51,260,694.44

8. Other current assets

Items	Closing balance	Opening balance
Financial investment	279,745,858.28	544,439,535.72
Reclassification of VAT debit balances, etc.	8,540,179.76	9,897,443.29
Total	288,286,038.04	554,336,979.01

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	736,100,000.00		736,100,000.00	581,500,000.00		581,500,000.00
Interest Accrual for Large certificate of deposit	28,380,048.42		28,380,048.42	10,295,355.13		10,295,355.13
Subtotal	764,480,048.42		764,480,048.42	591,795,355.13		591,795,355.13
Less: Debt investments due within one year	555,877,899.74		555,877,899.74	51,260,694.44		51,260,694.44

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Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Total	208,602,148.68		208,602,148.68	540,534,660.69		540,534,660.69

(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	
Xiamen Bank Large Certificates of Deposit						50,000,000.00	3.30%	3.30%	2026/12/26	
Xiamen International Bank Time						50,000,000.00	2.85%	2.85%	2026/4/9	

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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
Deposit Certificate										
Chiyu Bank Time Deposit Certificate						50,000,000.00	2.85%	2.85%	2026/5/11	
Xiamen International Bank Time Deposit Certificate						50,000,000.00	2.75%	2.75%	2026/5/23	
Quanzhou Bank Time Deposit Certificate						30,000,000.00	2.85%	2.85%	2026/6/25	
Quanzhou Bank Time Deposit						50,000,000.00	2.85%	2.85%	2026/7/4	

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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						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	
Quanzhou Bank Time Deposit Certificate	30,000,000.00	2.50%	2.50%	2027/1/16						

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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
Xiamen Bank Large Certificates of Deposit	50,000,000.00	2.40%	2.40%	2027/1/17						
Quanzhou Bank Time Deposit Certificate	50,000,000.00	2.15%	2.15%	2028/9/5						
Quanzhou Bank Time Deposit Certificate	74,600,000.00	2.50%	2.50%	2027/1/16						
Total	204,600,000.00					531,500,000.00				

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10. Long-term equity investment

Invested entity	Opening balance(Carrying amount)	Opening balance of depreciation reserves	Changes in the current period								Closing balance(Carrying amount)	Closing balance of depreciation reserves
			Follow-on investment	Reduce investment	Investment gains or losses recognized under equity method	Adjustment of other comprehensive income	Changes in other rights and interests	Declaration of issuing cash dividends or profits	Accrual of impairment provision	Other		
Associate Company												
Shanghai Upa Smart Chain Home Appliances Co., Ltd.			9,800,000.00		-1,713,478.49						-201,582.69	7,884,938.82

11. 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

12. Investment property

(1) Investment property measured as cost method

Items	Building and plants	Land use rights	Total
1. Initial Cost			
(1) Opening Balance	80,814,358.80	29,260,577.51	110,074,936.31
(2) Increase	39,000.00		39,000.00
—Purchase	39,000.00		39,000.00
—Transferred from fixed assets			
(3) Decrease			
—Disposal			
(4) Closing Balance	80,853,358.80	29,260,577.51	110,113,936.31
2. Accumulated Depreciation			
(1) Opening Balance	72,758,196.24	18,028,984.84	90,787,181.08
(2) Opening Balance	144,524.76	622,111.80	766,636.56
—Accrued	144,524.76	622,111.80	766,636.56
—Transfer from fixed assets			
(3) Decrease			
—Disposal			
(4) Closing Balance	72,902,721.00	18,651,096.64	91,553,817.64

Items	Building and plants	Land use rights	Total
3. Impairment Reserve			
(1) Opening Balance			
(2) Increase			
—Accrued			
(3) Decrease			
—Decrease			
(4) Closing Balance			
4. Book Value			
(1) Closing book value	7,950,637.80	10,609,480.87	18,560,118.67
(2) Opening book value	8,056,162.56	11,231,592.67	19,287,755.23

(2)Investment properties without certificate of title

Item	Carrying amount	Reason
Lvyuan three country villa	742,403.57	
Total	742,403.57	

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.

13.Fixed assets

(1)Fixed assets and fixed assets liquidation

Items	Closing balance	Opening balance
Fixed assets	162,861,863.08	146,795,190.83
Disposal of fixed assets		

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Items	Closing balance	Opening balance
Total	162,861,863.08	146,795,190.83

(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	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) Increase	3,762,005.54	21,079,322.79	23,735,476.41	1,352,877.09	805,430.92	50,735,112.75
—Purchase	288,755.29	11,889,687.37	20,851,515.12	1,084,735.52	805,430.92	34,920,124.22
—Transferred from construction- in-progress	3,473,250.25	9,189,635.42	2,883,961.29	268,141.57		15,814,988.53
—Impact of changes in exchange rates						
(3) Decrease	1,134,427.87	7,071,340.63	1,897,975.50	115,394.07	234,017.67	10,453,155.74
—Disposal		5,994,708.96	794,598.00	2,861.50		6,792,168.46
—Transfer out						

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Items	Houses and buildings	Machinery	Electronic devices, modules and others	Vehicles	Improvement expense of leased fixed assets	Total
to investment property						
—Impact of changes in exchange rates	1,134,427.87	1,076,631.67	1,103,377.50	112,532.57	234,017.67	3,660,987.28
(4) Closing Balance	92,438,400.88	168,651,335.71	871,337,673.44	17,682,380.02	21,333,812.52	1,171,443,602.57
2. Accumulated Depreciation						
(1) Opening 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
(2) Increase	3,195,990.73	10,069,529.47	19,014,925.94	350,726.54	301,314.07	32,932,486.75
—Accrued	3,195,990.73	10,069,529.47	19,014,925.94	350,726.54	301,314.07	32,932,486.75
—Impact of changes in exchange rates						
(3) Decrease	534,339.53	5,157,408.59	1,345,398.52	97,583.03	182,860.70	7,317,590.37
—Disposal		4,581,616.61	575,728.28	2,344.66		5,159,689.55

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Items	Houses and buildings	Machinery	Electronic devices, modules and others	Vehicles	Improvement expense of leased fixed assets	Total
—Transfer out to investment property						
—Impact of changes in exchange rates	534,339.53	575,791.98	769,670.24	95,238.37	182,860.70	2,157,900.82
(4) Closing Balance	58,835,000.66	94,243,384.21	795,303,025.69	15,677,608.13	19,081,116.44	983,140,135.13
3. Impairment Reserve						
(1) Opening Balance		6,971,735.34	19,849,759.00	8,499.92	11,221.72	26,841,215.98
(2) Increase		130,586.68	47,471.57			178,058.25
—Accrued		130,586.68	47,471.57			178,058.25
—Impact of changes in exchange rates						
(3) Decrease		1,479,092.95	97,682.04	645.70	249.18	1,577,669.87

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Items	Houses and buildings	Machinery	Electronic devices, modules and others	Vehicles	Improvement expense of leased fixed assets	Total
—Disposal		1,413,092.35	46,646.04	516.84		1,460,255.23
—Impact of changes in exchange rates		66,000.60	51,036.00	128.86	249.18	117,414.64
(4) Closing Balance		5,623,229.07	19,799,548.53	7,854.22	10,972.54	25,441,604.36
4. Book value						
(1) Closing book value	33,603,400.22	68,784,722.43	56,235,099.22	1,996,917.67	2,241,723.54	162,861,863.08
(2) Opening 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

(3) Temporary idle fixed assets

Item	Initial cost	Accumulated depreciation	Provision for impairment	Carrying amount	Note
Electronic device	1,795,904.21	1,725,799.51	70,104.70		
Improvement expense of leased fixed assets	44,883.99	44,406.67	477.32		
Machinery equipment	6,390,364.61	6,390,364.61			
Machinery equipment	7,881,387.12	5,346,129.04	1,854,341.69	680,916.39	
Total	16,112,539.93	13,506,699.83	1,924,923.71	680,916.39	

(4) Fixed assets as pending certificate of ownership

Item	Carrying amount on 31 December 2024	Reason
Telecommunications project expenses	53,052.16	In Process
Houses and buildings renovation expenses	297,722.28	In Process

14. Construction-in-progress

(1) Construction in progress and construction materials

Items	Closing balance	Opening balance
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	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Construction in progress	14,770,911.87		14,770,911.87	3,462,300.89		3,462,300.89
Engineering materials						
Total	14,770,911.87		14,770,911.87	3,462,300.89		3,462,300.89

(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	4,818,922.51		4,818,922.51	2,107,628.32		2,107,628.32
Equipment to be inspected	9,951,989.36		9,951,989.36	1,354,672.57		1,354,672.57
Total	14,770,911.87		14,770,911.87	3,462,300.89		3,462,300.89

15.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	1,374,156.36	1,374,156.36
—New Leases	1,374,156.36	1,374,156.36
(3) Decrease		
—Transferred to Fixed Assets		
—Disposal		
(4) Closing Balance	410,109,592.92	410,109,592.92
2.Accumulated Depreciation		
(1) Opening Balance	54,791,566.64	54,791,566.64
(2) Increase	14,930,816.06	14,930,816.06
—Accrued	14,930,816.06	14,930,816.06
(3) Accrued		
—Transferred to Fixed Assets		
—Disposal		
(4) Closing Balance	69,722,382.70	69,722,382.70
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	340,387,210.22	340,387,210.22
(2) Opening book value	353,943,869.92	353,943,869.92

16. Intangible assets

Items	Land use rights	Software	Total
1. Initial cost			
(1) Opening balance	19,423,602.68	53,847,562.20	73,271,164.88
(2) Increase	61,495.51	27,477.88	88,973.39
—Purchase		27,477.88	27,477.88
—Impact of changes in exchange rates	61,495.51		61,495.51
(3) Decrease	707,100.09		707,100.09
—Disposal			
—Impact of changes in exchange rates	707,100.09		707,100.09
(4) Closing balance	18,777,998.10	53,875,040.08	72,653,038.18
2. Amortization			
(1) Opening balance	7,589,198.59	53,734,647.63	61,323,846.22
(2) Increase	645,020.94	122,073.85	767,094.79
—Accrual	645,020.94	122,073.85	767,094.79
—Impact of changes in exchange rates			
(3) Decrease	243,995.00		243,995.00
—Disposal			

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Items	Land use rights	Software	Total
—Impact of changes in exchange rates	243,995.00		243,995.00
(4) Closing balance	7,990,224.53	53,856,721.48	61,846,946.01
3. Provision for impairment			
(1) Opening balance			
(2) Increase			
—Accrual			
(3) Decrease			
—Disposal			
(4) Closing balance			
4. Book value			
(1) Closing Book value	10,787,773.57	18,318.60	10,806,092.17
(2) Opening Book value	11,834,404.09	112,914.57	11,947,318.66

17. Long-term prepaid expenses

Items	Closing balance	Increase	Amortization	Other Decrease	Opening balance
Building improvement expenses	5,487,181.12	300,229.17	2,438,208.26		3,349,202.03
Telecommunications project expenses	84,199.14		37,487.88		46,711.26
Total	5,571,380.26	300,229.17	2,475,696.14		3,395,913.29

18. 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
Deductible losses	7,227,889.86	1,084,183.48		
Provision for asset impairment	2,314,728.83	358,528.48	36,745,296.24	5,756,204.14
Provision for credit impairment	36,428,524.38	5,683,315.53	2,087,383.34	325,513.21
Unrealized intragroup	274,674.72	68,668.68	445,561.88	111,390.47

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Items	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
profit				
Accrued expenses	6,777,249.76	1,064,770.17	8,188,555.64	1,301,408.77
Lease liabilities	402,036,188.94	60,305,428.34	396,776,679.42	59,538,736.82
Total	455,059,256.49	68,564,894.68	444,243,476.52	67,033,253.41

(2)Deferred tax liabilities before offsetting

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
Depreciation of fixed assets accelerates	11,094,844.01	1,664,226.60	12,850,383.83	1,927,557.57
Right-of-use Assets	340,387,210.22	51,058,081.53	353,943,869.92	53,091,580.49
合计	351,482,054.23	52,722,308.13	367,736,337.08	55,160,450.56

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

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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	52,722,308.13	15,842,586.55	55,160,450.56	11,872,802.85
Deferred tax liabilities	52,722,308.13		55,160,450.56	

(4)Unrecognized deferred tax assets

Items	Closing balance	Opening balance
Provision for asset impairment	10,949,534.40	12,501,998.30
Provision for credit impairment	845,781.10	259,531.91
Accrued expenses	7,502,466.81	16,484,156.08
Payroll liability	4,674,110.43	2,119,054.60
Undistributed deficit	33,440,943.64	24,592,204.05
Total	57,412,836.38	55,956,944.94

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

Year	Closing balance	Opening balance	Memo
2026			
2027	6,631,108.51	6,631,108.51	
2028	5,538,094.86	5,538,094.86	
2029	12,423,000.68	12,423,000.68	
2030-2035	8,848,739.59		

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Year	Closing balance	Opening balance	Memo
Total	33,440,943.64	24,592,204.05	

19. 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	6,273,764.94		6,273,764.94	10,099,186.11		10,099,186.11
Total	6,273,764.94		6,273,764.94	10,099,186.11		10,099,186.11

20.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
Total				2,487,216.02	2,487,216.02	

21. Notes payable

Classification	Closing balance	Opening balance
Bank acceptance notes	2,224,816.88	19,418,627.35
Total	2,224,816.88	19,418,627.35

22. Accounts Payable

Items	Closing balance	Opening balance
Within 1 year	380,458,300.99	513,873,164.01
Over 1 year	3,410,092.35	3,448,353.28
Total	383,868,393.34	517,321,517.29

23. Received in advance

Items	Closing balance	Opening balance
Within 1 year	2,250,671.08	2,803,884.45
Over 1 year	131,374.50	120,448.80
Total	2,382,045.58	2,924,333.25

24. Contractual liability

Items	Closing balance	Opening balance
Advance from merchandise	23,384,580.98	15,988,527.98
Advance for Management Fees	233,082.20	308,211.67
Total	23,617,663.18	16,296,739.65

25. 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	53,950,714.15	292,297,404.43	289,887,426.86	-104,169.99	56,256,521.73
Post-employment benefits – Defined contribution plan	6,308.25	24,133,339.41	24,134,544.74	-10.20	5,092.72
Termination benefits		2,470,772.55	412,762.55		2,058,010.00
Total	53,957,022.40	318,901,516.39	314,434,734.15	-104,180.19	58,319,624.45

(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	34,998,217.81	253,982,472.24	254,028,807.88	-104,149.64	34,847,732.53

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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
(2) Staff welfare		16,177,008.48	16,177,008.48		
(3) Social security contributions	4,662.77	12,665,588.72	12,667,190.31	-20.35	3,040.83
Include: Medical insurance	3,512.85	9,455,899.28	9,456,556.74	-9.64	2,845.75
Work injury insurance	1,149.92	2,485,699.56	2,486,643.69	-10.71	195.08
Maternity insurance		723,989.88	723,989.88		
(4) Housing funds	15,982,742.50	8,883,565.18	6,158,797.16		18,707,510.52
(5) Labor union and employee education costs		855,623.03	855,623.03		
(6) Short-term paid leave	2,965,091.07	-266,853.22			2,698,237.85
Total	53,950,714.15	292,297,404.43	289,887,426.86	-104,169.99	56,256,521.73

(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	6,122.54	23,376,350.81	23,377,519.61	-10.20	4,943.54
Unemployment	185.71	756,988.60	757,025.13		149.18

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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
Life insurance					
Total	6,308.25	24,133,339.41	24,134,544.74	-10.20	5,092.72

26. Taxes payable

Items	Closing balance	Opening balance
Value-added tax	467,002.43	952,185.68
Enterprise income tax	3,642,909.01	13,505,915.29
Individual income tax	562,112.35	809,831.82
City maintenance and construction tax	315,000.00	601,276.22
Education surcharge	189,000.00	360,765.73
Local education surcharge	126,000.00	240,510.49
Real estate tax	1,428,496.70	1,456,280.69
Land use tax	175,232.82	175,232.78
Stamp duty	157,324.77	202,995.02
Other	4,242.05	5,401.04
Total	7,067,320.13	18,310,394.76

27. Other payables

Items	Closing balance	Opening balance
Interest payable		
Dividend payable		
Other payables	28,579,322.67	40,877,557.33

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Items	Closing balance	Opening balance
Total	28,579,322.67	40,877,557.33

(1)Other accounts payable

①Other payables categorized by payments nature

Items	Closing balance	Opening balance
Bid security deposits	7,983,586.79	8,735,043.85
Current payments and others	5,351,553.34	7,474,779.27
Accrued expenses	15,244,182.54	24,667,734.21
Total	28,579,322.67	40,877,557.33

②Material Other Payables with Aging Over One Year or Overdue

Items	Closing balance	Reason for Unrepaid or Unsettled
Bid security deposits	7,371,222.79	To be returned upon contract termination

28.Current portion of non-current liabilities

Items	Closing balance	Opening balance
Lease liabilities due within one year	476,624.15	922,678.70
Total	476,624.15	922,678.70

29.Lease liabilities

Items	Closing balance	Opening balance
Lease payments	687,431,273.71	698,687,752.67
Less: unrecognized financing charges	285,395,084.77	301,760,453.00
Less: Lease liabilities due within	476,624.15	922,678.70

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Items	Closing balance	Opening balance
one year		
Total	401,559,564.79	396,004,620.97

30.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

31.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

32. Other Comprehensive Income

Items	Opening Balance	Current year					After tax attributable to the parent company	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				
1. Other comprehensive income that will not be reclassified to profit or loss	41,036.56							41,036.56	
Including: Remeasurement gains or	41,036.56							41,036.56	

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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 parent company	After tax attributable to minority shareholders	
losses of a defined benefit plan								
Other comprehensive income using the equity method that will not be reclassified to profit or loss								

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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 parent company	After tax attributable to minority shareholders	
Changes in fair value of other equity instrument investments								
Changes in fair value of enterprise's own credit risk								
2.Other comprehensive	11,211,709.96	- 3,954,027.0			- 2,965,520.2	- 988,506.7		8,246,189.71

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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 parent company	After tax attributable to minority shareholders	
income to be reclassified to profit or loss		0			5	5		
Including: Under equity method, proportionate share of other comprehensive income invested								

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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 parent company	After tax attributable to minority shareholders	
company								
FV change of other debt investment								
Financial instrument reclassified into other comprehensive income								
Credit								

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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 parent company	After tax attributable to minority shareholders	
impairment provision of other debt investment								
Cash flow hedges effective portion								
Foreign currency translation	11,211,709.96	- 3,954,027.00			- 2,965,520.25	- 988,506.75		8,246,189.71

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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 parent company	After tax attributable to minority shareholders	
difference								
Total	11,252,746.52	- 3,954,027.00			- 2,965,520.25	- 988,506.75		8,287,226.27

33.Surplus reserves

Items	Opening Balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	81,427,732.56	5,352,894.75		86,780,627.31
Total	81,427,732.56	5,352,894.75		86,780,627.31

34.Retained earnings

Items	Current year	Prior year
Closing balance of prior year	527,518,517.81	507,010,039.53
Adjustments for the opening balance (increase /(decrease))		
Balance at the beginning of the reporting period after adjustments	527,518,517.81	507,010,039.53
Add: net profit attributable to owners of the parent company for the reporting period	23,545,319.37	72,782,642.48
Less: Provision for statutory surplus reserves	5,352,894.75	5,926,244.20
Provision for any surplus reservesC		
Provision of general risk		
Dividends payable for common shares	33,370,502.40	46,347,920.00
Share dividends		
Closing balance of current year	512,340,440.03	527,518,517.81

35.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	1,297,894,653.32	1,152,791,463.09	1,648,161,362.22	1,428,347,528.54

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Items	Current year		Prior year	
	Revenue	Costs of sales	Revenue	Costs of sales
g activitie s				
Others	46,880,902.92	11,856,078.57	52,954,088.34	13,956,531.45
Total	1,344,775,556. 24	1,164,647,541. 66	1,701,115,450. 56	1,442,304,059. 99

(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	1,297,894,653. 32	1,152,791,463. 09	1,648,161,362. 22	1,428,347,528. 54
Total	1,297,894,653. 32	1,152,791,463. 09	1,648,161,362. 22	1,428,347,528. 54

(3) Revenue from principal activities (by product)

Product	Current year		Prior year	
	Revenue	Costs of sales	Revenue	Costs of sales
Catering and Cooking	834,493,669.5 3	742,912,713.7 9	1,046,951,475. 35	904,917,723.9 0
Home helper	369,884,920.6 5	330,792,146.0 3	450,085,933.7 0	397,179,916.9 7
Tea/Coffee makers	86,053,300.56	75,142,750.98	136,456,159.1 0	118,649,027.2 5
Other	7,462,762.58	3,943,852.29	14,667,794.07	7,600,860.42
Total	1,297,894,653. 32	1,152,791,463. 09	1,648,161,362. 22	1,428,347,528. 54

(4) Revenue from principal activities (by region)

Region	Current year	Prior year
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	Revenue	Costs of sales	Revenue	Costs of sales
Australia	15,643,467.49	12,598,553.83	20,751,971.71	16,716,180.90
Africa	2,953,785.89	2,792,390.70	15,758,618.31	12,986,861.43
America	595,844,245.75	541,878,569.80	847,408,182.11	744,335,500.91
Europe	391,841,744.63	341,404,334.99	483,962,735.10	414,623,825.78
Asia	291,611,409.56	254,117,613.77	280,279,854.99	239,685,159.52
Total	1,297,894,653.32	1,152,791,463.09	1,648,161,362.22	1,428,347,528.54

36. Taxes and Surcharges

Items	Current year	Prior year
City construction tax	2,131,395.21	2,673,626.01
Education surcharge	1,224,129.01	1,560,402.93
Local Education surcharge	817,043.13	1,040,268.65
Property tax	2,988,346.37	2,953,530.94
Property tax	398,846.80	398,846.80
Stamp duty	687,684.95	905,265.36
Others	62,222.21	43,315.39
Total	8,309,667.68	9,575,256.08

37. Selling and Distribution Expenses

Items	Current year	Prior year
Employee benefit	14,069,531.81	16,454,435.95
Advertisements charges and sales promotion	2,503,856.95	2,875,696.67
Sales commission and after	42,945.64	6,028,629.94

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Items	Current year	Prior year
sales service fees		
Travel expenses	620,068.05	1,110,026.40
Administrative expenses	152,129.82	128,595.30
Leasing	21,842.16	22,718.34
Claims experiment expenses	960,771.13	1,401,804.99
Travel expense	4,310,620.71	4,207,806.76
Total	22,681,766.27	32,229,714.35

38. Administrative expenses

Items	Current year	Prior year
Employee benefit	47,908,724.21	42,423,111.23
Depreciation and amortization of assets	7,979,119.02	10,137,390.28
Employee benefit	3,391,599.30	2,975,629.69
Consultant fees	2,440,849.27	2,122,571.44
Maintenance expenses	3,801,226.60	3,745,323.37
Insurance expenses	1,947,554.90	2,402,559.65
Administrative expenses	1,707,776.06	1,676,235.64
Rental expenses	184,983.65	306,785.03
Other expense	7,289,400.16	5,686,296.38
Total	76,651,233.17	71,475,902.71

39. Research and Development Expenses

Items	Current year	Prior year
Employee remunerations	44,742,516.32	47,317,568.07
Depreciation and amortization of assets	2,742,821.79	3,827,800.32
Test expenses	6,274,061.42	6,578,389.27
Maintenance expenses	2,094,668.66	1,837,472.13
Certification expenses	1,810,373.01	1,539,557.35

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Items	Current year	Prior year
Patent expenses	903,881.82	705,579.71
Travel expenses	575,609.06	551,259.50
Consultant fees	342,498.96	256,246.64
Rental expenses	38,287.43	40,310.01
Others	1,969,793.25	2,278,083.81
Total	61,494,511.72	64,932,266.81

40.Financial expenses

Items	Current year	Prior year
Interest expenses	21,174,939.96	21,700,670.25
Including: interest expense on lease liabilities	16,441,826.74	16,253,615.68
Less: Interest income	6,644,317.40	9,148,448.06
Foreign exchange losses	-1,583,059.60	-11,924,910.07
Add: Others expenditure	708,051.38	760,380.35
Total	13,655,614.34	1,387,692.47

41.Other income

Items	Current year	Prior year
Government grant	7,683,398.57	2,373,328.56
Withholding of personal income tax handling fee	114,394.03	100,942.42
Total	7,797,792.60	2,474,270.98

42.Investment income

Items	Current year	Prior year
Income from long-term equity investments accounted for using the equity method	-1,713,478.49	

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Items	Current year	Prior year
Investment income earned during the holding period of a trading financial asset	1,487,355.87	14,792,090.85
Investment income from the disposal of trading financial assets	-33,700.00	321,250.00
Other current assets' investment and wealth management	29,282,206.64	22,565,233.90
Total	29,022,384.02	37,678,574.75

43.Gains from changes in fair value

Sources of gains on changes in fair value	Current year	Prior year
Tradable financial asset	-942,083.33	-2,066,950.01
Including: Changes in fair value of derivatives		-432,800.00
Financial products	-942,083.33	-1,634,150.01
Total	-942,083.33	-2,066,950.01

44.Credit impairment losses

Items	Current year	Prior year
Bad debt of accounts receivables	864,743.88	-1,300,562.02
Bad debt of other receivables	-36,432.03	52,587.96
Total	828,311.85	-1,247,974.06

45.Assets impairment losses

Items	Current year	Prior year
Inventory impairment loss & Impairment loss on contract performance costs	3,464,673.48	6,812,241.66
Fixed asset impairment loss	177,933.89	2,358,907.09

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Items	Current year	Prior year
Total	3,642,607.37	9,171,148.75

46.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	
Total		756,104.15	

47.Non-operating income

Items	Current year	Prior year	Amount included in non-recurring profit or loss in the current period
Other	2,062,990.74	488,343.55	2,062,990.74
Total	2,062,990.74	488,343.55	2,062,990.74

48.Non-operating expenses

Items	Current year	Prior year	Amount included in non-recurring profit or loss in the current period
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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	
Loss from damage or scrapping of non-current assets	4,472.80		4,472.80
Penalty and late payment others	116,848.25	25,750.00	116,848.25
Total	121,321.05	86,992.81	121,321.05

49. Income tax expenses

(1) Income tax expenses

Items	Current year	Prior year
Current income tax expenses	6,305,118.13	17,927,037.97
Deferred income tax expenses	-3,969,783.70	-3,487,994.18
Total	2,335,334.43	14,439,043.79

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

Items	Current year
Total profit	30,684,065.16
Income tax expense at the statutory [or applicable] tax rate	7,671,016.29
Effect of different tax rates applied to subsidiaries	-1,444,080.93
Effect of adjustments to income taxes of prior periods	928,579.71
Impact of non-taxable income	287,259.18
Effect of non-deductible costs, expenses and losses	981,015.41

Items	Current year
Effect of non-deductible costs, expenses and losses	-2,561,168.09
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the period	3,023,683.03
R&D expenses plus deduction	-6,550,970.17
Income tax expense	2,335,334.43

50.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 parent	23,545,319.37	72,782,642.48
Weighted average number of common shares of the Company issued and outstanding	185,391,680.00	185,391,680.00
Basic earnings per share	0.13	0.39
Include: Basic earnings per share from continuing operations	0.13	0.39
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):

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Item	Current year	Prior year
Consolidated net income attributable to ordinary shareholders of the parent (diluted)	23,545,319.37	72,782,642.48
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	0.13	0.39
Include: Diluted earnings per share from continuing operations	0.13	0.39
Diluted earnings per share from discontinued operations		

51. 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	7,683,398.57	2,373,328.56
Interest income	6,644,317.43	9,148,448.06
Rent income	40,130,936.58	35,225,301.36
Funds in current account and others	68,382,204.93	58,998,534.03
Total	122,840,857.51	105,745,612.01

② Other cash payments relating to operating activities

Item	Current year	Prior year
Penalties and donations	116,848.25	86,992.81
Bank charges	708,051.41	760,380.35
Sales expenses, general and administrative expenses, and	53,328,190.19	34,510,721.88

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Item	Current year	Prior year
research and development expenses paid by cash		
Current accounts and others	68,683,022.87	60,758,272.65
Total	122,836,112.72	96,116,367.69

(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	635,349,329.98	546,076,871.65
Total	635,349,329.98	546,076,871.65

②Cash paid relating to other investing activities

Item	Current year	Prior year
A term deposit deposited with a financial institution for earning interest income	325,728,783.59	699,587,632.10
Total	325,728,783.59	699,587,632.10

(3)Cash relating to financing activities

①Cash receipts relating to other financing activities

Item	Current year	Prior year
Letter of credit margin	4,748,170.39	11,360,910.42

Item	Current year	Prior year
Total	4,748,170.39	11,360,910.42

②Cash payments relating to other financing activities

Item	Current year	Prior year
Lease payments of right-of-use assets	13,294,352.52	12,950,682.48
Letter of credit deposit	2,260,954.37	8,495,821.20
Total	15,555,306.89	21,446,503.68

52.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	28,348,730.73	96,091,690.28
Add: Impairment loss of credit	828,311.85	-1,247,974.06
Provision for impairment losses of assets	3,642,607.37	9,171,148.75
Depreciation of fixed assets, Investments properties	33,635,783.30	34,045,644.99
Depreciation of right-of-use assets	14,930,816.06	14,620,121.76
Amortisation of intangible assets	755,060.01	1,651,783.01
Amortisation of Long-term prepaid expenses	2,475,696.14	2,968,396.31
Gain on disposal of fixed assets, intangible assets, and other long-term assets (Gain expressed with “-”)		-756,104.15
Loss on scrapping of fixed assets (Gain expressed with “-”)	4,472.80	

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additional materials	Current year	Prior year
Loss on changes in fair value (Gain expressed with “-”)	942,083.33	2,066,950.01
Financial expense (Income expressed with “-”)	19,591,880.37	9,775,760.26
Investment loss (Income expressed with “-”)	-29,022,384.02	-37,678,574.75
Decreases in deferred tax assets (Increase expressed with “-”)	-3,969,783.70	-3,487,994.18
Increases in deferred tax liabilities (Decrease expressed with “-”)		
Decrease in inventories (Increase expressed with “-”)	153,722.73	-4,097,528.45
Decrease in operating receivables (Increase expressed with “-”)	60,928,810.20	105,722.03
Increases in operating payables (Decrease expressed with “-”)	-	13,154,370.28
Others		
Net cash flows from operating activities	-14,987,121.90	136,383,412.09
2.Net increases in cash and cash equivalents		
Cash at the end of the reporting period	460,847,776.00	441,890,727.50
Less: Cash at the beginning of the reporting period	441,890,727.50	561,810,271.53
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	18,957,048.50	-
		119,919,544.03

(2)Composition of cash and cash equivalents

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Item	Current year	Prior year
1.Cash	460,847,776.00	441,890,727.50
Including: Cash on hand	814,719.21	887,987.84
Digital Currency		
Bank deposits	460,016,679.73	440,872,233.11
Other monetary funds	16,377.06	130,506.55
Deposits with the central bank		
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	460,847,776.00	441,890,727.50
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	Not withdrawable at any time
Total		2,487,216.02	

53.Foreign currency monetary items

(1)Foreign currency monetary items

Items	Closing balance	Converted exchange rate	Closing balance converted CNY
Money funds			130,186,633.20

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Items	Closing balance	Converted exchange rate	Closing balance converted CNY
Include: USD	17,351,446.60	7.03	121,959,847.86
Euro	26,368.20	8.24	217,155.31
HKD	208,447.78	0.90	188,274.20
JPY	144,238,105.42	0.04	6,461,434.41
HUF	81,016.00	0.02	1,728.80
IDR	3,075,782,176.71		1,291,828.51
GBP	7,034.12	9.43	66,364.11
Accounts receivables			137,352,795.82
Include: USD	19,116,456.38	7.03	134,365,528.63
IDR	639,959,400.00		269,887.53
JPY	60,659,858.00	0.04	2,717,379.66
Accounts payables			43,825,342.58
Include: USD	5,794,801.72	7.03	40,730,502.33
Euro	66,306.00	8.24	546,063.06
JPY	1,666,084.47	0.04	74,635.59
IDR	5,887,596,790.50		2,472,790.65
HKD	1,495.70	0.90	1,350.95
Other receivables			1,036,138.74
Include: USD	8,089.73	7.03	56,861.09
IDR	2,331,613,442.00		979,277.65
HKD			
Other payables			2,897,152.27
Include: USD	316,548.47	7.03	2,224,955.89
HKD	73,851.42	0.90	66,704.08
IDR	1,358,227,347.52		570,455.49

Items	Closing balance	Converted exchange rate	Closing balance converted CNY
JPY	782,124.00	0.04	35,036.81

(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

54.Lease

(1)The Company as the lessee

Items	Current year	Prior year
Interest Expense on Lease Liabilities	16,441,826.74	16,253,615.68
Short-term Lease Expenses Recognized in Related Asset Costs or Simplified as Current Period Gains and Losses	270,908.41	441,127.08
Income from Subleasing Right-of-Use Assets	14,263,468.92	13,758,179.15
Total Cash Outflows Related to Leases	12,707,093.83	12,950,682.48

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:

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Remaining Lease Term	Unamortized Lease Payment Amount
Within 1 Year	12,460,484.07
1 to 2 Years	11,979,524.07
2 to 3 Years	25,554,549.71
Over 3 Years	637,436,715.87
Total	687,431,273.72

(2)The company shall be the lessor
Operation lease

	Current year	Prior year
Operating Lease Income	17,151.696.10	18,876,240.86

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	44,742,516.32		44,742,516.32	47,317,568.07		47,317,568.07
Depreciation and amortization of assets	2,742,821.79		2,742,821.79	3,827,800.32		3,827,800.32
Test expenses	6,274,061.42		6,274,061.42	6,578,389.27		6,578,389.27
Maintenance expenses	2,094,668.66		2,094,668.66	1,837,472.13		1,837,472.13
Certification expenses	1,810,373.01		1,810,373.01	1,539,557.35		1,539,557.35
Patent expenses	903,881.82		903,881.82	705,579.71		705,579.71
Travel expenses	575,609.06		575,609.06	551,259.50		551,259.50
Consultant fees	342,498.96		342,498.96	256,246.64		256,246.64
Rental expenses	38,287.43		38,287.43	40,310.01		40,310.01
Others	1,969,793.25		1,969,793.25	2,278,083.81		2,278,083.81
Total	61,494,511.72		61,494,511.72	64,932,266.81		64,932,266.81

VII.Changes in the scope of consolidation

The company did not experience any changes in the scope of consolidation during the current period.

In October 2025, the Company established an indirect subsidiary, Xiamen Yipengxin Trading Co., Ltd., with a registered capital of RMB 2,000,000. As of December 31, 2025, no capital contribution had been made to the subsidiary, and it had not commenced

operations. Therefore, it was not included in the consolidation scope.

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	412.39 million HKD	Hong Kong	Hong Kong	Investment, Trading		75.00	Acquired through business combination under

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Name of Subsidiary	Registered capital	Principal place of business	Place of Registration	Business Nature	Shareholding (%)		Acquisition method
					Direct	Indirect	
Pt.StarComgistic Indonesia	53 million US dollars	Indonesia	Indonesia	Manufactures home electronic appliance		75.00	common control Acquired through business combination under common control
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%	6,451,173.16	13,446,820.90	333,654,327.07
Pt. Star Comgistic Indonesia	25.00%	- 2,430,463.78		50,930,578.97

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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.	1,317,356,645.48	873,294,984.74	2,190,651,630.22	454,474,757.15	401,559,564.79	856,034,321.94	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
Pt.StarComgistic Indonesia	150,489,209.26	106,466,891.84	256,956,101.10	53,233,785.24		53,233,785.24	102,474,804.83	72,771,781.63	175,246,586.46	43,364,035.38		43,364,035.38

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)	1,199,152,943.42	25,804,692.63	25,804,692.63	9,790,353.55	1,596,844,436.87	59,763,648.46	59,763,648.46	170,908,401.59

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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
Enterprise Co., Ltd.								
Pt.StarComgistic Indonesia	212,799,909.87	9,721,855.11	9,721,855.11	35,877,985.13	116,123,437.72	14,284,130.44	14,284,130.44	16,832,872.96

(4) Aggregated Financial Information of Non-material Joint Ventures and Associate Companies

	Closing balance/Current year	Opening balance/Prior year
Associate Company:		
Total Carrying Amount of Investments	9,800,000.00	
Total Amounts Adjusted Based on Equity Interest		
—Net Profit	-1,285,108.87	
—Other Comprehensive Income		
—Total Comprehensive Income	-1,285,108.87	

IX. Government Grants

1. Government grants recognized in profit or loss

Item in P&L statement	Current year	Prior year
asset-related government grants		
revenue-related government grants	7,683,398.57	2,373,328.56
Total	7,683,398.57	2,373,328.56

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:

Items	Closing balance	Opening balance
Cash and cash equivalent	130,186,633.20	112,054,855.83
Accounts receivable	137,352,795.82	203,496,159.10
Other receivables	1,036,138.74	609,593.63
Accounts payable	43,825,342.58	46,143,775.01
Other payables	2,897,152.27	1,274,139.73
Total	315,298,062.61	363,578,523.30

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	
◆ Other equity instrument investment		40,000.00		40,000.00
Total assets measured at fair value on an ongoing basis		40,000.00		40,000.00

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	Taiwan(China)	Manufactures and sales electrical	NTD 3,000,000,000.00	42.90	44.68

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Parent company	Registered address	Business nature	Registered capital	Shareholding percentage (%)	Voting power percentage (%)
CO., LTD.		equipment			

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. Joint Ventures and Associates

Name of related party	Related party relationship
Shanghai Upa Smart Chain Home Appliances Co., Ltd.	Associates of the Company's Subsidiaries

4. 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

5. 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	24,452,903.82	31,150,562.96
Thermaster Electronic (XIAMEN) Limited	Accept labor service	1,200.00	
STAR COMGISTIC CAPITAL CO., LTD.	Quality claim payment	278.98	939.26
Tsann Kuen (Japan) Electric Co., Ltd.	Accept labor service	1,419,763.92	1,385,755.32

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	3,217,115.49	3,417,248.26
Shanghai Upa Smart Chain Home Appliances Co., Ltd.	Sales of goods	7,200,207.60	

Note: Shanghai Upa Smart Chain Home Appliances Co., Ltd. is an associate company in which the Company's subsidiary, Tsann Kuen (Zhangzhou) Enterprise Co., Ltd., holds an equity interest.

(2) Management remuneration

Unit: Ten thousand yuan

Items	Current year	Prior year
Management remuneration	355.24	422.85

6. Unsettled receivables and payables from related parties

(1) Receivables

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Items	Related party	Closing balance		Opening balance	
		Book balance	Provision	Book balance	Provision
Accounts receivable	Shanghai Upa Smart Chain Home Appliances Co., Ltd.	2,837,533.62			
	STAR COMGISTIC CAPITAL CO., LTD.	611,403.68		950,914.62	

Note: Shanghai Upa Smart Chain Home Appliances Co., Ltd. is an associate company in which the Company's subsidiary, Tsann Kuen (Zhangzhou) Enterprise Co., Ltd., holds an equity interest.

(2) Payables

Items	Related party	Closing Balance	Opening balance
Accounts payable	Thermaster Electronic (Xiamen) Ltd.	5,975,170.05	6,936,867.52

XIII. Commitments and contingencies

1. Significant Commitments

As of December 31, 2025, the company has issued but not yet fulfilled irrevocable letters of credit amounting to CNY 59,795,039.28 and USD 5,275,505.28.

As of December 31, 2025, the outstanding balance of guarantees provided by Tsann Kuen (Zhangzhou) Enterprise Co., Ltd. as a joint liability guarantor for its subsidiary PT. Star Comgistic Indonesia amounted to USD 721,008.00.

Apart from the above, there are no other significant commitments that the company is required to disclose.

2. Contingencies

As of 31st December 2025, 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 7 March 2026, the first Board Meeting of 2026 held by the Company reviewed and approved the profit distribution plan for 2025. Based on the total share capital of 185,391,680 shares as at the end of 2025, cash dividend of CNY1.00 per 10 shares will be distributed to all shareholders of the Company (tax included). The profit for distribution of the Company is CNY 18,539,168.00 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
Within1 year	4,480.88	117,163.04
Including: Within 90 days	4,480.88	102,845.83
91 days to 180 days		513.00
181 days to 270 days		13,804.21
271 days to 365 days		
1 year to 2 years	107.83	40.24
2 years to 3 years		20,000.00
3 years to 4 years		9,677.56
4 years to 5 years	9,677.56	110,740.52
Over 5 years	15,740.52	5,000.00
Subtotal	30,006.79	262,621.36
Less: provision for bad debt	25,635.62	60,840.92
Total	4,371.17	201,780.44

(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	30,006.79	100.00	25,635.62	85.43	4,371.17	262,621.36	100.00	60,840.92	23.17	201,780.44
Including:										
-Portfolio by	27,963.91	100.00	25,635.62	23.17	2,328.29	262,621.36	98.24	60,840.92	2.11	201,780.44

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Items	Closing Balance					Opening Balance				
	Booking balance		Provision		Booking value	Booking balance		Provision		Booking value
	Amount	%	Amount	%		Amount	%	Amount	%	
age										
-Portfolio by related parties	2,042.88				2,042.88		1.76			
Total	30,006.79	100.00	25,635.62		4,371.17	262,621.36	100.00	60,840.92		201,780.44

Provision for Bad Debts Based on Aging Portfolio:

Aging	Closing Balance		
	Accounts receivable	Provision for bad debts	Proportion (%)
Not overdue			
Overdue 1 - 30 days	2,438.00	109.71	4.50
Overdue 31 - 60 days			
Overdue 61 - 90 days			
Overdue more than 90 days	25,525.91	25,525.91	100.00
Total	27,963.91	25,635.62	

(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	Write-off	others	
Accounts receivable with individual bad debt provision						
Accounts receivable with bad debt provision based on the characters of credit risk	60,840.92	35,205.30	-			25,635.62

Category	Opening balance	Change during the year				Closing Balance
		Accrued	Collect/carry over	Write-off	others	
portfolio						
Including:Portfolio by age	60,840.92	-35,205.30				25,635.62
Portfolio by related parties						
Total	60,840.92	-35,205.30				25,635.62

(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 30,006.79, representing 100% 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 25,635.62.

2.Other receivables

Items	Closing Balance	Opening Balance
Interest receivable		
Dividend receivable		
Other receivable	5,020,385.44	6,555,310.24
Total	5,020,385.44	6,555,310.24

(1)Other receivables

①Disclosure by aging

Aging	Closing Balance	Closing Balance
Within 1 year	4,933,605.68	6,472,526.44

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Aging	Closing Balance	Closing Balance
Including: 1 - 90 days	4,888,067.24	6,435,216.14
91 - 180 days	21,372.44	37,310.30
181 - 270 days		
271 - 365 days	24,166.00	
1-2 years	174,335.66	115,500.00
2-3 years		30,500.00
4-5 years		
Subtotal	5,107,941.34	6,618,526.44
Less: provision for bad debt	87,555.90	63,216.20
Total	5,020,385.44	6,555,310.24

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	5,107,941.34	100.00	87,555.90	1.71	5,020,385.44	6,618,526.44	100.00	63,216.20	0.96	6,555,310.24
Including:										
1.Export tax refund										
2.Other current balances	3,391,221.61	66.39	87,555.90	2.58	3,303,665.71	3,036,610.37	45.88	63,216.20	2.08	2,973,394.17
3.Deposit	101,000.00	1.98			101,000.00	87,000.00	1.31			87,000.00

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Items	Closing Balance					Opening Balance				
	Book balance		Provision		Booking value	Booking balance		Provision		Booking value
	Amount	%	Amount	%		Amount	%	Amount	%	
4. Due from related parties	1,615,719.73	31.63			1,615,719.73	3,494,916.07	52.81			3,494,916.07
Total	5,107,941.34	100.00	87,555.90		5,020,385.44	6,618,526.44	100.00	63,216.20		6,555,310.24

Provision for Bad Debts Based on Portfolio:

Items	Closing Balance		
	Other receivables	Bad debts	Accrual rate(%)
Other current balances	3,391,221.61	87,555.90	2.58
Total	3,391,221.61	87,555.90	

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, 2024	63,216.20			63,216.20
On January 1, 2041 Other receivable carrying amount on the book				
transfer to 2nd stage				
transfer to 3rd stage				
reverse to 2nd stage				
reverse to 1st stage				
Accrued	141,983.73			141,983.73
Reversed	117,644.03			117,644.03
Recollected				

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	1st stage	2nd stage	3rd stage	
Provision for bad debt	Expected credit loss within following 12 months	Expected credit loss within life time (unimpaired)	Expected credit loss within life time (impaired)	Total
Written off				
Others				
Closing Balance	87,555.90			87,555.90

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		87,555.90				87,555.90
Total		87,555.90				87,555.90

⑤ The categories of other receivable by nature

Items	Closing Balance	Opening balance
Other current balances	3,391,221.61	3,036,610.37
Deposit	101,000.00	87,000.00
Total	3,492,221.61	3,123,610.37

⑥ The top significant other receivable categorized by debtors

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Company name	Category	closing balance	Ageing	Rate of other receivables (%)	Bad debts
TsannKuen (Zhangzhou) Enterprise Co., Ltd.(TKL)	Related party	1,615,719.73	Within 90 days	31.63	
XIAO GUANG LIU	Accounts Receivable	109,806.20	Within 2 years	2.15	
JD Self-operated Flagship Store	Accounts Receivable	100,000.00	Within 180 days	1.96	
State Grid Fujian Electric Power Co., Ltd. Xiamen Power Supply Company	Accounts Receivable	89,164.87	Within 90 days	1.75	
Xiamen Lurenjia Sports Culture Co., Ltd.	Accounts Receivable	75,488.30	Within 90 days	1.48	
Total		1,990,179.10		38.97	

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	1,878,640.77	1,433,292.81	2,160,490.71	1,371,709.94
Others	63,155,206.16	38,800,465.07	60,416,530.32	36,827,096.77
Total	65,033,846.93	40,233,757.88	62,577,021.03	38,198,806.71

5.Investment Income

Items	Current year	Prior year
Investment income from long-term equity investments under cost method	40,989,673.41	50,748,305.69
Total	40,989,673.41	50,748,305.69

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		
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	7,797,792.60	
In addition to the effective hedging business	-1,401,348.54	

Tsann Kuen (China) Enterprise Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2025
(English Translation for Reference Only)

Items	Amounts	Instruction
related to 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	1,941,669.69	
Subtotal	8,338,113.75	
Income tax effect	1,264,519.35	
Minority interests impact amount (after tax)	1,720,848.00	
Total	5,352,746.40	

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 parent company	2.15	0.13	0.13
Net profit after deducting non-recurring gains and losses attributable to shareholders of parent company	1.66	0.10	0.10

Tsann Kuen (China) Enterprise Co., Ltd.

7 March, 2026